

1st September, 2020

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

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

Scrip Code: 532706

Symbol: 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 2019-20 along with the Notice convening the 21st Annual General Meeting of the Company scheduled to be held on Wednesday, 23rd September, 2020 at 11.00 A.M. (IST) through Video Conferencing / Other Audio Video Means (VC / OAVM).

The Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening the 21st Annual General Meeting is also made available on the website of the Company at www.inoxmovies.com under 'Investor Relations' section.

We request you to kindly take the same on record.

Yours faithfully,
For INOX Leisure Limited



Parthasarathy Iyengar
Company Secretary

Encl.: a/a



FULFILLING PROMISES SURPASSING *milestones*

ANNUAL REPORT
2019-20



INOX
LIVE *the* MOVIE



OFFICIAL SPONSOR OF THE INDIAN OLYMPIC TEAM

INSIGNIA

IMAX

MX4D

SCREENX

Vudu

LASER

CLUB

Onyx Dinet

BIGPIX

INOXMOVIES.COM

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A Phenomenal GROWTH STORY!

YoY Growth

12% ▲
REVENUE

7% ▲
EBITDA

6% ▲
PAT

6% ▲
FOOTFALLS

13% ▲
NET BOX OFFICE
COLLECTION

14% ▲
NET F&B
REVENUE

8% ▲
SPH

10% ▲
NEW
SCREENS

(EXCLUDES IND AS 116 IMPACT)



INOX
LEISURE LIMITED

Our **zeal** and **enthusiasm** to inculcate the best and design a differentiated portfolio keeps us a step ahead of our peers, inspiring us to accomplish **milestones** and build on our **promises**, effortlessly

PROMISES *Delivered*



MOST PROFITABLE

CINEMA CHAIN ON

- PER SCREEN BASIS
- PER PATRON BASIS
- PER RUPEE
INVESTED BASIS

INDIA'S FIRST

**3 TIER CINEMA
REWARDS PROGRAMME
LAUNCHED**

IN FY 2019-20

ONLY

NATIONAL CHAIN
TO BE

**'NET DEBT
FREE'**

600

**SCREENS
MILESTONE
CROSSED**

IN FY 2019-20



BREAKING

Records

CREATING

History!

660 LAKHS
FOOTFALL
(WITH MANAGEMENT
PROPERTIES 693 LAKHS)

₹200
AVERAGE TICKET
PRICE (ATP)

₹80
SPEND PER HEAD
(SPH)

₹1915 CR.
TOTAL REVENUE

₹347 CR.
EBITDA

₹141 CR.
PAT

All figures for FY 2019-20

(EXCLUDES IND AS 116 IMPACT)



Awards

AND ACCOLADES



GROUP *highlights*

10,000+
EMPLOYEES ACROSS THE GLOBE

200+
BUSINESS UNITS ACROSS INDIA



INSIGNIA

INOX
Group

Listed Companies



Other Companies



Our businesses



Industrial
Gases



Entertainment



Refrigerant



Chemicals



Cryogenic
Engineering



Wind Energy
Components

INOX
megaplex

INOX
megaplex

INOX megaplex

India's
first SCREEN X

India's
first MX4D

India's
first LASERPLEX

THE
LARGEST
MULTIPLEX
IN MUMBAI CITY

5 F&B CONCEPTS
12 CUISINES
250
MENU CHOICES

ENTERTAIN
CELEBRATE
EAT
REJOICE!

THE INCREDIBLE ELEVEN SCREENS

World's
First
CINEMA WITH

**MAXIMUM
FORMATS
MAXIMUM
EXPERIENCES**

Leveraging over 18 years of industry experience, INOX Leisure Limited today is one of the largest multiplex chains in India – redefining cinema viewing with many first-of-its-kind and revolutionary offerings.



LUXURY

With an endeavour to pamper our customers with immaculate experiences, we continue to curate grand and immersive offerings that set new standards of luxury.

SERVICE

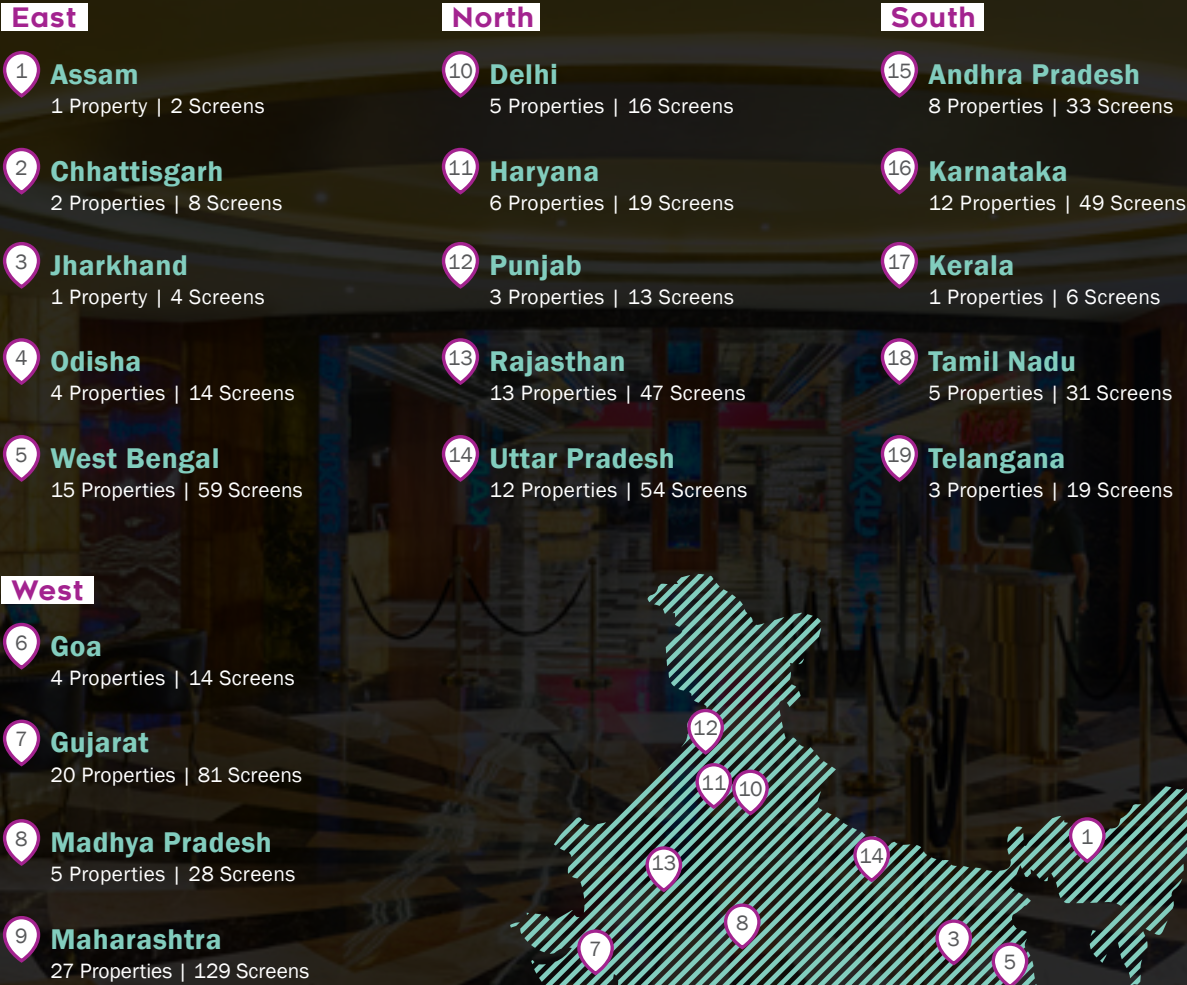
We are committed to provide our customers with an unparalleled cinema journey which is underlined by the warmth of our top-notch service.

TECHNOLOGY

Right from projection, sound and advanced cinema formats, to reservations, check-ins and food ordering, we strive to amplify the experience of moviegoers with the finest cutting-edge technologies.

STRENGTHENING OUR PRESENCE, PAN-INDIA

Our Presence

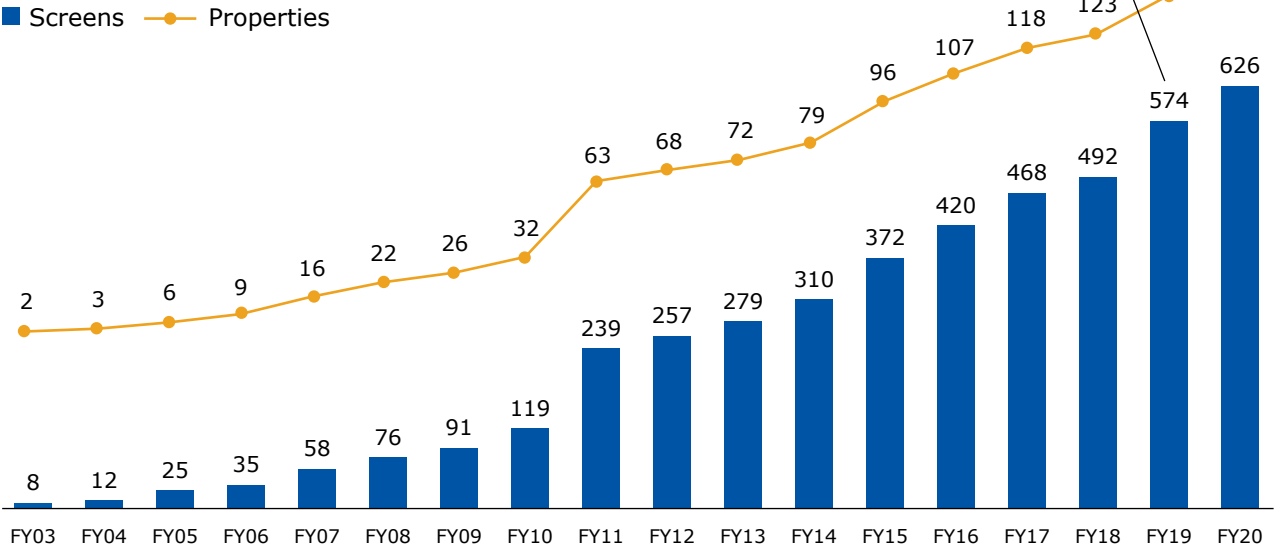


ONE OF INDIA'S
LARGEST
MULTIPLEX
CHAINS

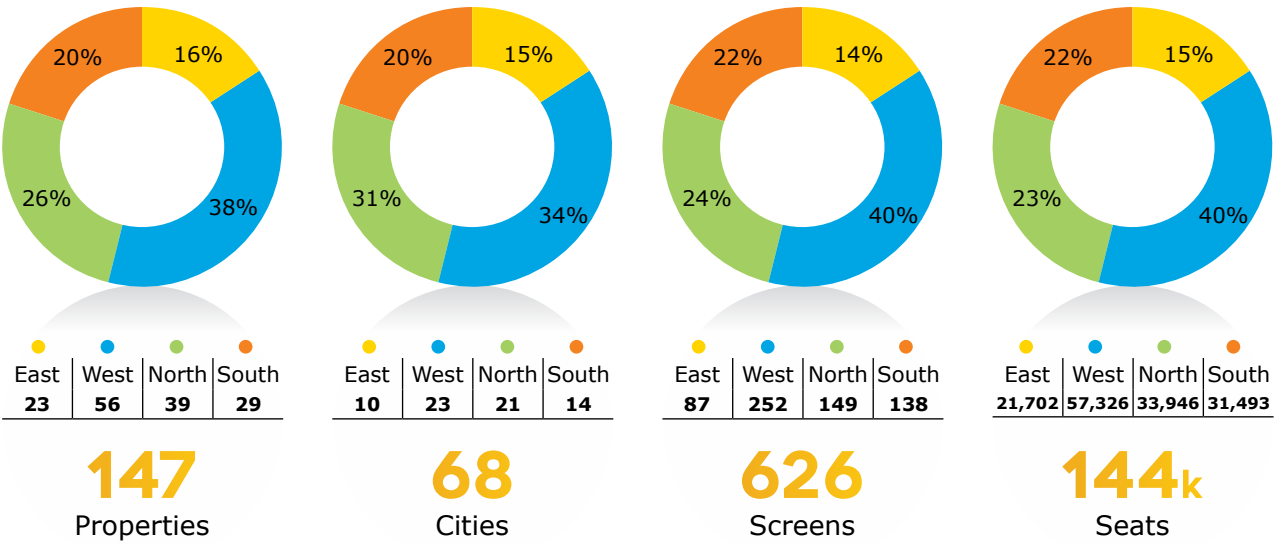
Includes 8 management properties with 29 screens and 7355 seats

as on 31st March, 2020

Consistent growth in number of screens and properties



Geographic mix



22%

14%

40%

24%

East

West

North

South

87

252

149

138

626

Screens

22%

15%

40%

23%

East

West

North

South

21,702

57,326

33,946

31,493

144k

Seats

SUSTAINED MOMENTUM

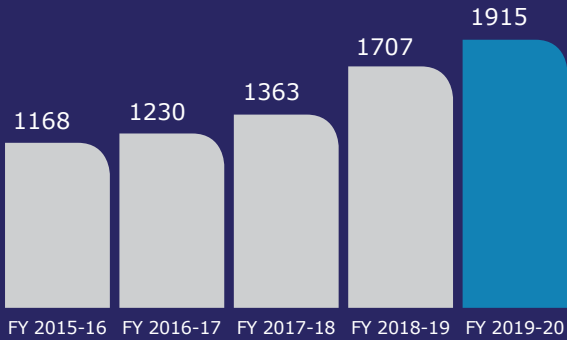
(EXCLUDES IND AS 116 IMPACT)

Total Revenue
(₹ in Cr.)

13%
5-year CAGR growth

↑

12%
FY 19-20 Y-o-Y Growth

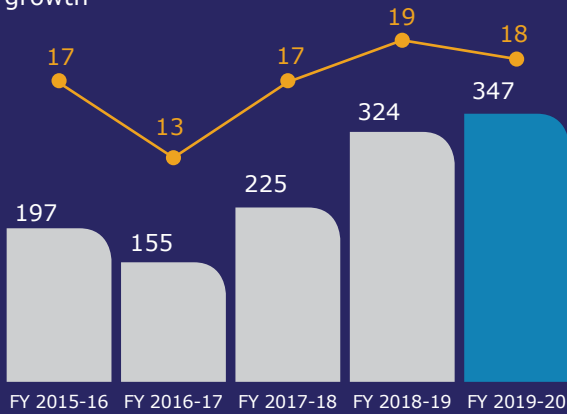


■ **EBITDA** (₹ in Cr.)
—● **EBITDA Margin** (in %)

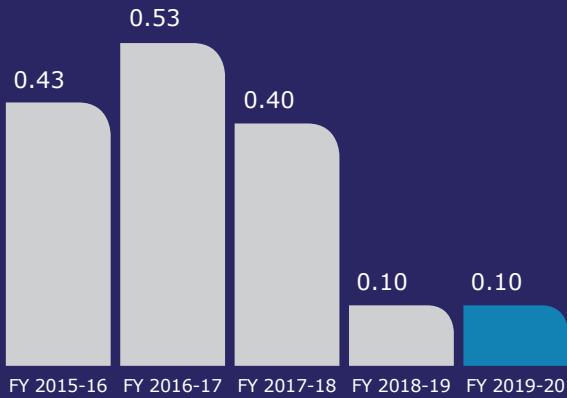
15%
5-year CAGR growth

↑

7%
FY 19-20 Y-o-Y Growth



Net Debt to Equity Ratio
(in Multiples)



13.7%
ROE

20.6%
ROCE

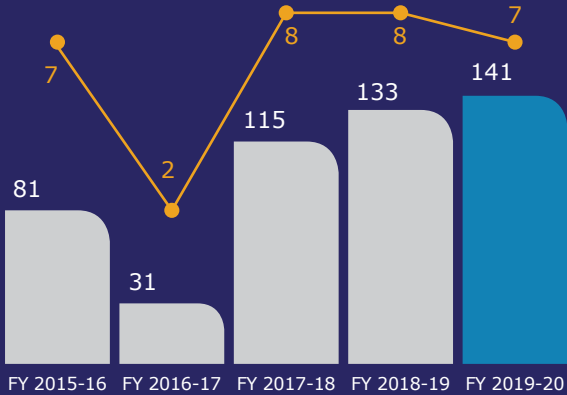
0.10x
Net Debt to Equity

■ **PAT** (₹ in Cr.)
—● **PAT Margin** (in %)

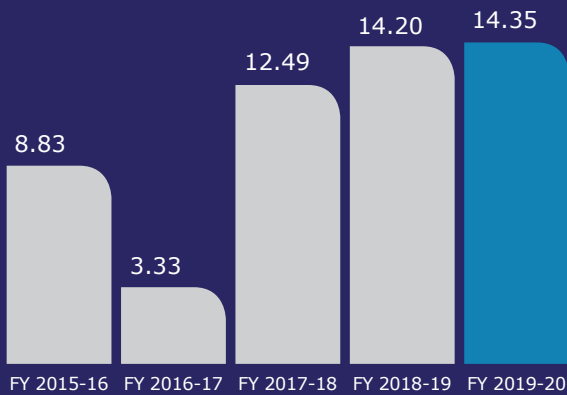
15%
5-year CAGR growth

↑

6%
FY 19-20 Y-o-Y Growth



Basic EPS
(in ₹)



Revenue Mix
(₹ in Cr.)

	FY 2019-20	FY 2018-19
● Net Box office collection	1105	975
● Net Food and Beverage	497	436
● Advertising	179	177
● Others	134	119

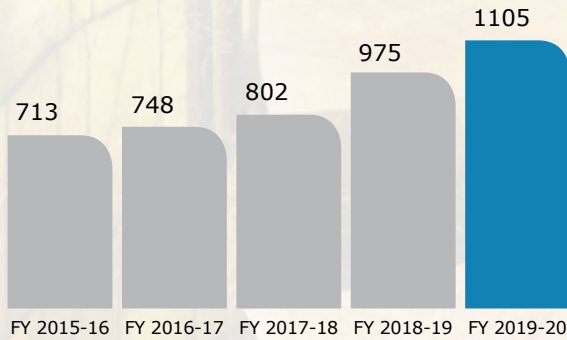
₹14.35
Basic EPS

STRONGER & SMARTER WITH UNABATED GROWTH

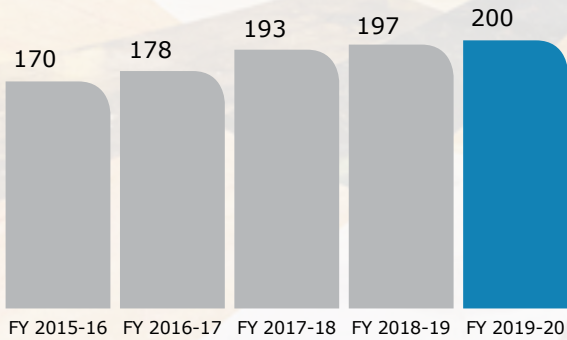


Box office

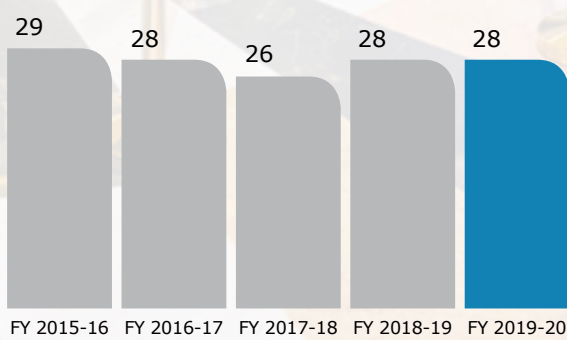
Net Box Office Collection
(₹ in Cr.)



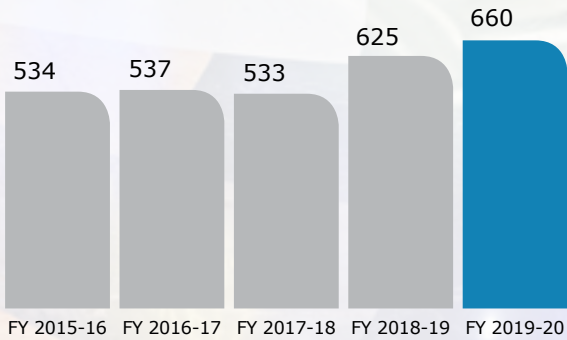
Average Ticket Price
(in ₹)



Average Occupancy Rate
(in %)



Footfall
(in Lakhs)

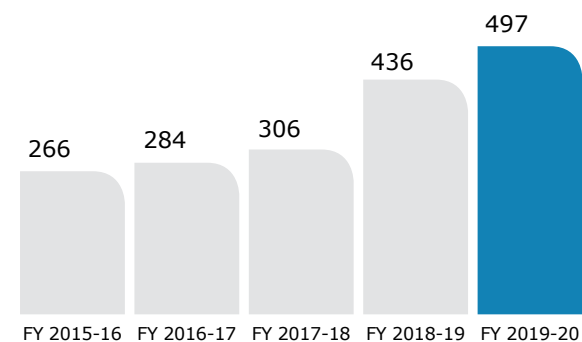




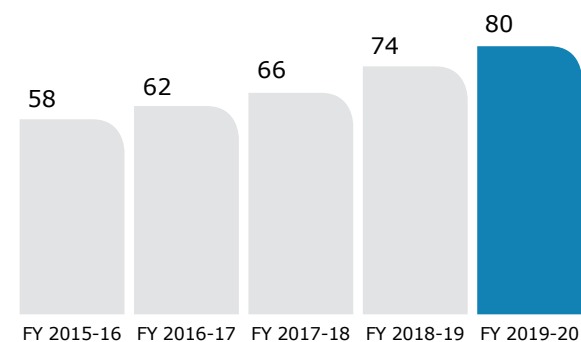
LIVE KITCHEN
CURATED BY CHEF VICKY RATNANI

Food and Beverages

Net F&B Revenue
(₹ in Cr.)

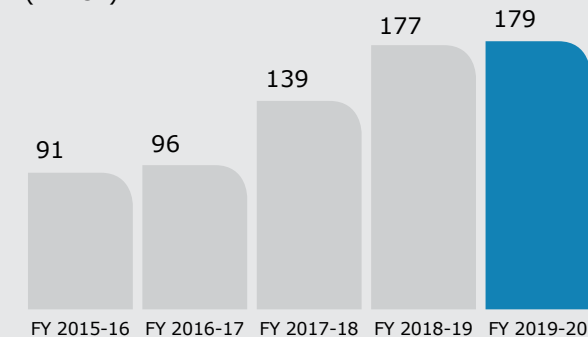


Spends per head
(in ₹)

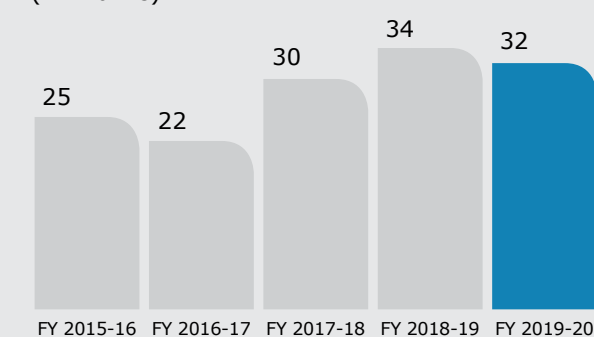


Advertising performance

Advertising Revenue
(₹ in Cr.)



Advertising Revenue per screen
(₹ in Lakhs)



Brand partners

BFSI & Automobile



FMCG



Consumer Durables



Ecommerce & Telecom



Fashion & Lifestyle



Others



THE *spectacular* FORMATS



Having emerged as an epitome of incredible and immersive cinema experiences, INOX's relentless focus on innovative formats and first-of-its-kind technology makes it deliver outstanding services that exceed expectations. From rendering state-of-the-art theatres to rolling out the most of modern technologies, INOX leaves no stone unturned to deliver the finest offerings.



INSIGNIA

Our signature offering, Insignia was designed for the genuine film connoisseurs. It aims to add a new dimension to cinema viewing in India. Offering India's first 7-star cinemas, it is an epitome of luxury curated to delight viewers with unmatched experiences. Fitted with plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems, it offers a never-before experience for the Indian audience. Adding to its luxury quotient, we also provide gourmet food at your seat and a butler – ready to serve anytime.

THE MOST
IMMERSIVE
MOVIE EXPERIENCE
IN THE WORLD!

IMAX[®]

IMAX leverages its proprietary software and advanced technology to deliver extraordinary experiences on a giant-screen. Its immersive audio-visual effects, ambient interiors and excellent architecture and equipment provide a truly engaging experience.

INOX
LIVE *the* MOVIE

INDIA'S FIRST MX4D®

WITH NEVER SEEN
BEFORE FEATURES

MX4D® is MediaMation Inc.'s newest evolution in the 4D cinema experience, provides a totally immersive environment, where the viewers can "feel" the action on the screen from the built-in motion and effects in the seats and theatre walls and enhance the movie experience. It allows the audience to "feel" the movie's motion, with its in seat features, along with the theatre's atmospheric interventions, leaving the audience enthralled and spell bound with the flawlessly synchronized timing of each effect.

INDIA'S FIRST
270 DEGREE
PANORAMIC
MOVIE WATCHING EXPERIENCE

SCREEN X

The overpowering impact of ScreenX is unlike any other formats. Providing 270 degree panoramic movie viewing experience with multi-projection system on 3 walls of the theatre, it is truly a differentiating experience.

Serving Happiness!

Kiddles is dedicated exclusively for our little audiences. To provide an awesome movie experience to our young viewers, we created the perfect space for kids to enjoy and have fun.

Kiddles

INDIA'S FIRST LASERPLEX



The LASER screens at INOX provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens.



 **Onyx**
Cinema LED Technology

THE FUTURE OF CINEMA VIEWING!

SAMSUNG

INOX

Onyx *Diner*

MUMBAI'S FIRST LED SCREEN EXPERIENCE

INSIGNIA

CLUB

A luxurious format for the smart and discerning customers with ample leg space and striking interiors.

BIGPIX

Our home-grown premium large format, BIGPIX, provides movie-lovers a larger than life stadium-like auditorium to watch their favourite blockbusters.

INDIA'S FIRST TIER BASED CINEMA LOYALTY PROGRAMME!

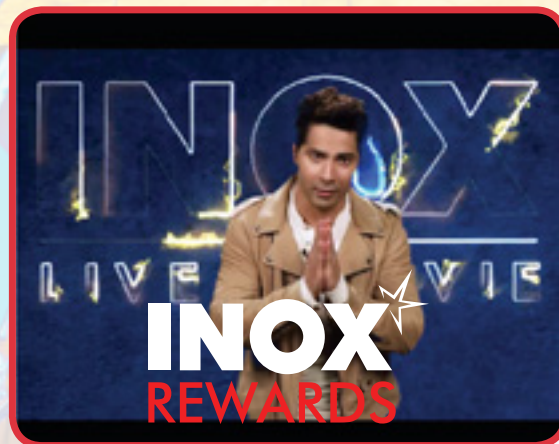
INOX REWARDS



AJAY DEVGAN WITH INOX
REWARDS BLACK TIER CARD



DEEPIKA PADUKONE BECOMES AN
INOX REWARDS BLACK TIER MEMBER



VARUN DHAWAN SHOOTS AN
INOX REWARDS VIDEO



BADMINTON STAR P.V. SINDHU APPLAUDS
EFFORTS TO PROMOTE INOX REWARDS

5 MILLION *happy* MEMBERS!



COMMITTED TO A GREENER WORLD

To run a successful business, it is also imperative to be a responsible entity. At INOX Leisure, we understand and recognize our duties towards the society, people and the environment in which we operate.

SUSTAINABLE DEVELOPMENT GOALS



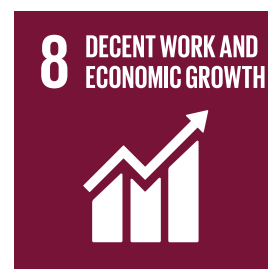
Committed to enhancing gender diversity across all levels



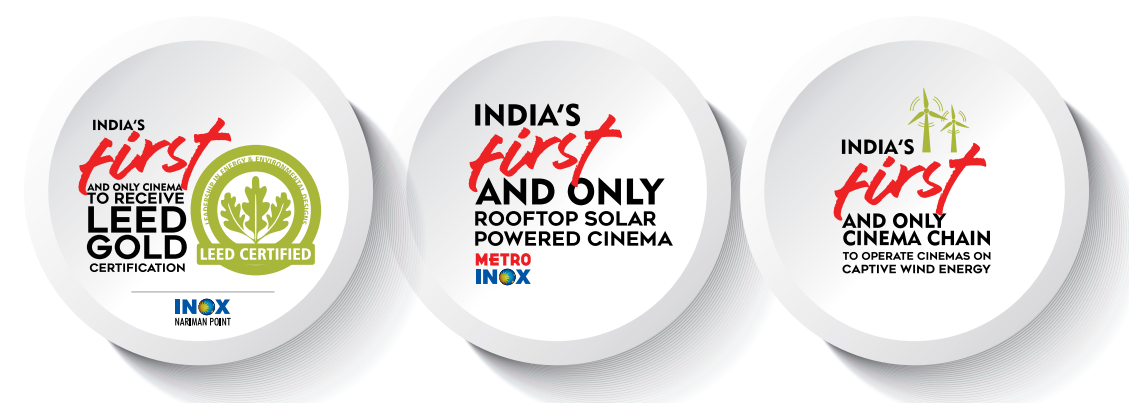
Committed to innovate constantly and scale up infrastructure and leading the sectoral growth



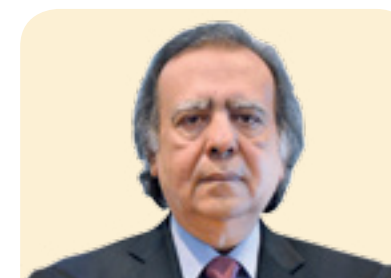
Committed to deploy renewable and clean energy at more and more multiplexes



Committed to offer high quality entry level jobs and opportunities to upskill the workforce



BOARD OF DIRECTORS



Pavan Jain, Chairman

Pavan Jain, Chairman of the INOX Group, is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 45 years of experience.

As the Managing Director of INOX Air Products Limited, Pavan Jain has steered the company's growth from a single plant business to one of the leading players in the domestic industrial gases business. In addition, Pavan Jain has been instrumental in diversifying the INOX Group into various industries such as Refrigerant Gases, Chemicals, Cryogenic Engineering and Entertainment.



Vivek Jain, Director

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 (earlier known as INOX Fluorochemicals Limited) and has grown the Company to be the country's largest manufacturer and exporter of refrigerant gases.



Deepak Asher, Director

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 and Management Accountant.

He has been associated, in different capacities, with the INOX Group of Companies, a USD 3Bn. 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 many of the Group Companies, and advises the Group on corporate finance, growth, diversification and other strategic initiatives.

Deepak Asher pioneered the Clean Development Mechanism (CDM) Project Development of Gujarat Fluorochemicals Limited (GFL). 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, Deepak 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, he also spearheaded several acquisitions in the multiplex space.

Deepak 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.

Deepak 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. He has held this post continuously since the past 18 years.

BOARD OF DIRECTORS

Deepak Asher has been awarded the "Newsmaker of the Year Award" and the "Lifetime Achievement Award" for his contribution to the Indian cinema exhibition industry.

Deepak Asher 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.



Siddharth Jain, Director

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. The Group has a track record of building successful businesses over the past 9 decades, distinguished by integrity, delivery and best practices accompanied by sustained growth.

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.



Haigreave Khaitan, Director

Haigreave 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.

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

He serves as an Independent Non-Executive Director on the Board of Directors of several Indian public listed companies including JSW, Mahindra & Mahindra, Tech Mahindra, Borosil, Torrent, and CEAT.



Amit Jatia, Director

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.

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 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.

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 year.

Amit Jatia holds a B.Sc in Business Administration (Finance) from the University of Southern California. 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.



Girija Balakrishnan, Director

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,

BOARD OF DIRECTORS

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.



Vishesh Chandiok, Director

Vishesh Chandiok is the India CEO of Grant Thornton LLP, a

firm he co-founded in 2001 which has since grown to over 5,000 personnel with over 15 office locations in India. He became the youngest member to have been elected to the Global Board of Governors of GT from 1st January 2016, the ultimate decision making authority within the organisation.

He has a deep interest in typical issues between business, ownership and governance and is amongst India's foremost commentators of the subject of Family Business & Governance.

Vishesh Chandiok worked with the Late Naresh Chandra, one of the fathers of India's corporate governance, on defining a Country Action Plan for Accounting & Auditing for India on behalf of the World Bank; most of the recommendations made in the report have been adopted over the last decade including most recently with the Companies Act 2013.

He is also the North Region Chair of Economic Affairs & Tax at CII, and his firm actively works with the Government on all its programs and priorities - Smart cities, Make in India, Skill India, Digital India, and in Transforming India (working with NITI). Vishesh Chandiok also has the privilege to serve on the Board of IIM Amritsar and the US India Business Council's India Advisory Board and YPO Capital New Delhi.

LEADERSHIP TEAM



Alok Tandon,
Chief Executive Officer

Alok Tandon is the Chief Executive Officer (CEO) of INOX Leisure Limited, one of the largest multiplex chains in India. As a member of the start-up team of INOX, he has spearheaded the organization for two decades from scratch to a footprint of more than 626 screens across India. He has been responsible for making INOX Leisure achieve an aggressive positioning in the market share with a continued business growth.

In 2016, he was rated among the Business Today-PwC list of India's top 100 CEOs 2016. In 2018, he received the award for CEO Of The Year at the Economic Times Retail Excellence Awards. In June 2019, Business World put him in the coveted list of 20 Most Valuable CEOs in India. As a torch-bearer of the multiplex industry in the retail domain, Alok was recognized as one of India's Retail Icons by the prominent retail magazine, IMAGES Retail in August 2019. India Retail Forum, one of the most celebrated forums of the Retail industry, recognized Alok as 'The Most Admired Retail Personality Of The Year' for FY19.



Rajeev Patni,
Chief Operation Officer

In his professional journey of more than 30 glorious years, Rajeev Patni has driven operational efficiencies & customer focus to newer levels, in each of his stint in the Hospitality and Entertainment sectors. Having spent over 16 years at INOX, he has established a unique forte of blending the warmth and ease of hospitality services with the exhilaration of the cinema exhibition business. While handling his roles in Cinema Operations domain, Rajeev Patni has played a crucial role in Company's robust growth story. A Hotel Management Graduate, Rajeev Patni believes in leading by example.



Kailash B. Gupta,
Chief Financial Officer

Kailash B. Gupta is a seasoned professional with over 23 years of experience in Business Strategy, Commercials, Investor Relations, Fund Raising, Financial Planning & Analysis, Accounting, MIS, IFRS, Budgeting, Controlling, Treasury & Taxation functions & negotiations. Prior to joining INOX, Kailash 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.

LEADERSHIP TEAM



Jitender Verma,
Chief Information Officer

Jitender Verma has over 25 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, with the latest being 'Best Technology Adopter of the Year 2019' four years in a row (2016 – 2019) at Big Cine Expo Awards, 'Payment Project Implementation 2018' at Images Retail Tech Awards, '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. 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. Contactless Payments, Queue Buster, Serve-On-Seat, Paperless

Check-in, Assisted and Non-Assisted Kiosks, ScreenX – 270° Cinema Viewing Experience, MX4D Motion Technology, Onyx Cinema LED Screen, 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.



Rajender Singh Jyala,
Chief Programming Officer

Rajender Singh Jyala has more than 25 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 is responsible for handling programming of films and box office revenue growth. He has worked with companies like UTV Software Communications Ltd. and Reliance MediaWorks before joining INOX.



Shirish Handa,
Chief Business Development Officer

Shirish Handa is a Management post-graduate with more than 24 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. Shirish is currently leading rapid expansion for INOX Leisure Limited across India. He is also responsible for property design as well as evaluation of new cinema concepts for the ever-evolving consumer.



Saurabh Varma,
Chief Marketing Officer

Saurabh Varma is the Chief Marketing Officer of India's leading cinema chain, INOX Leisure Limited. In his career spanning 21 years, Saurabh has handled multiple exciting roles in the cinema and entertainment organizations and has marketed more than 500 films in almost all Indian languages. On the creative front, Saurabh has written & directed 3 films including Mickey Virus in 2013 and Marathi film Vicky Velingkar in 2019, besides short films, TV shows, music videos and ad films. Saurabh's in-depth knowledge & expertise of all the aspects of cinema marketing fetched him the prestigious Philip Kotler Award for his experiential marketing initiatives at INOX.



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.



Muralikrishna Yammanuru,
Chief People Officer

Muralikrishna Yammanuru has more than 28 years of experience in Hospitality, Entertainment, Aviation and 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.

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

Ms. Girija Balakrishnan

Independent Director

Mr. Vishesh Chandiok

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

Flat no. 3, First Floor

Shree Vishnu Complex

S.No. 120A/120B, Plot no. 545/6

Sinhgad Road, Pune 411030

Maharashtra, India.

Tel no. +91 9850898715

Landline no. +91 20 24250715

Registrar & Transfer Agent

KFin Technologies Private Limited

Selenium Building, Tower-B,

Plot No- 31 & 32, Financial

District, Nanakramguda,

Serilingampally, Hyderabad,

Rangareddi,

Telangana, India, 500032

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. Vishesh Chandiok, 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. Siddharth Jain, Chairman

Mr. Pavan 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 Twenty-first ANNUAL GENERAL MEETING of the Company will be held on Wednesday, 23rd September, 2020 at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) 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, 2020, 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, 2020 and the report of the Auditors thereon.

2. Reappointment of Mr. Siddharth Jain as a Director of the Company.

To appoint a Director in place of Mr. Siddharth Jain (DIN: 00030202), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and approve the appointment of Mr. Vishesh Chander Chandiok (DIN: 00016112) as Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any,

of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable rules made thereunder, read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended, Mr. Vishesh Chander Chandiok (DIN: 00016112) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective 14th February, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 13th February, 2025 and the term shall not be subject to retirement by rotation.”

4. To consider and approve shifting of Registered Office from the “State of Gujarat” to the “State of Maharashtra”.

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 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 30 of the Companies (Incorporation) Rules, 2014 (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government (power delegated to Regional Director) and/or any other authority(ies) as

may be prescribed from time to time and subject to such other approvals, permissions and sanctions, as may be required under the provisions of the said Act or under any other law for the time being in force, consent of the Members of the Company be and is hereby accorded for shifting the Registered Office of the Company from the State of Gujarat to the State of Maharashtra within the jurisdiction of the Registrar of Companies at Mumbai.

RESOLVED FURTHER THAT the Registered Office Clause (Clause II) of the Memorandum of Association of the Company be substituted with the following clause:

II. The Registered Office of the Company will be situated in the State of Maharashtra.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any of its duly constituted Committee) or any officer/ executive/representative and/or any other person so authorized by the Board, be and are hereby authorized severally, on behalf of the Company to make any modifications, changes, variations, alterations or revisions stipulated by any authority, while according approval, consent as may be considered necessary and to appoint counsels/consultants and advisors and to file applications/ petitions, issue notices, advertisements, obtain orders for shifting of Registered Office from the authorities concerned and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

5. To consider and authorise issuance of Equity Shares / Other Securities up to ₹ 250 Crore.

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 Sections 23, 42, 62, 71 and other applicable provisions of the Companies Act, 2013, as amended (hereinafter referred to as “the Act”) and rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the applicable provisions of the Securities and Exchange Board of India Act, 1992, as amended and rules and regulations made thereunder, the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder and in accordance with the rules, regulations, guidelines,

notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI), the BSE Limited, the National Stock Exchange of India Limited and/or any other competent authorities, and subject to approval from all other appropriate statutory and regulatory authorities, as may be applicable or relevant and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consent and sanctions, and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee(s) thereof constituted or to be constituted by the Board from time to time, to exercise its power conferred by this resolution) to create, offer, issue and allot such number of Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each, fully convertible Debentures /partly convertible Debentures, Non-convertible Debentures, secured/unsecured redeemable Debentures, Warrants with right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with issue of Non- convertible debentures and/or any other permitted fully or partly convertible securities and/or Preference Shares and/or any other financial instruments convertible into Equity Shares, securities linked to Equity Shares and/or securities or any combination of securities (“Securities”), at a later date, in one or more series/tranches, in the course of domestic and/or international offering(s) in one or more foreign markets, aggregating up to **₹ 250 Crore (Rupees Two Hundred and Fifty Crore Only)**, by way of a public and/ or private offerings and/or qualified institutions placement or any combination thereof, through issue of prospectus and/ or placement document or other permissible / requisite offer document to any eligible person, including qualified institutional buyers in accordance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), or otherwise, foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, and / or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the Investors)

as may be decided by the Board in its discretion and permitted under applicable laws and regulations, at such premium as may be fixed on such securities by offering the securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc., as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/ or other advisor(s), as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the issue of Equity Shares and the Equity Shares shall be issued at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to qualified institutional buyers under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures and such securities shall be issued at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into, or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- a. In the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares

shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

- b. In the event of merger, amalgamation, takeover or any other reorganisation or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted;

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank *pari passu* with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approvals or permissions by such governmental body, authority or regulatory institution, the Board be and is hereby authorised to finalise the structure of the proposed Securities and all the terms and conditions in respect thereof and further, the Board, in its absolute discretion, be and is hereby authorised to dispose of such Securities that are not subscribed in such manner as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead manager(s), underwriter(s), depositories, custodian(s), registrar(s), banker(s), lawyer(s), advisor(s) and all such agencies as are or may be required to be appointed, involved or concerned in the issue and allotment of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, modify, sign, execute, register, deliver including sign any certifications, declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, draft offer document, abridged prospectus, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement,

registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) (the Transaction Documents) (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the Ancillary Documents) as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/ or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds mentioned herein as they may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith and the utilisation of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of

the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of Directors or the Directors or any other officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
For INOX Leisure Limited

Place: Mumbai
Date: 5th August, 2020

Parthasarathy Iyengar
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated 5th May, 2020 read with General Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ('SEBI Circular'), have permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with rules made there under, as amended from time to time, read with MCA Circulars, SEBI Circular and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, the AGM of the Company is scheduled to be held on Wednesday, 23rd September, 2020, at 11:00 a.m. (IST) through VC/OAVM.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
4. The Statement pursuant to Section 102 (1) of the Act, in respect of special business as per item nos. 3 to 5 hereinabove is annexed hereto.
5. Information as required to be provided under the Secretarial Standard – 2 / Regulation 26(4) and Regulation 36(3) of the Listing Regulations, in respect of a Director being appointed / re-appointed is annexed hereto.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM facility.
7. Corporate Members intending to appoint their authorised representatives pursuant to Section 113 of the Act, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Company at investors@inoxmovies.com.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Compensation, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
10. In line with the MCA General Circular dated 5th May, 2020, the Notice of the AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 21st AGM has been uploaded on the website of the Company at www.inoxmovies.com under 'Investor Relations' section and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available on the website of CDSL at www.evotingindia.com.
11. 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 MCA. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 28th September, 2017.
12. As per Regulation 40 of the Listing Regulations, as amended, 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.

13. 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 2019-2020 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.

14. Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:

- A. For Members holding shares in Physical - please provide necessary details like Folio No., Name of Member, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to Company at investors@inoxmovies.com / RTA at einward.ris@kfintech.com
 - B. For Members holding shares in Demat - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to Company at investors@inoxmovies.com / RTA at einward.ris@kfintech.com.
15. 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, as amended and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.
16. Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote

e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

17. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before as well as during the AGM.

Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date should follow the same procedure of e-Voting as mentioned below.

18. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of the Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii. Further, Shareholders will be required to allow Camera and use the Internet with a good speed to avoid any disturbances during the meeting.
- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via Mobile Hotspot may experience Audio/Video loss due to Fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may

register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@inoxmovies.com.

- vi. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@inoxmovies.com. These queries will be replied to by the Company suitably by email.
- vii. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

B. THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The remote e-voting period will commence on Sunday, 20th September, 2020 at 09:00 a.m. and ends on Tuesday, 22nd September, 2020 at 05:00 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 Wednesday, 16th September, 2020, 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 Shareholders 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company at investors@inoxmovies.com / RTA at einward.ris@kfintech.com.</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 (v).</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 Forget

Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective App Store. 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 Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at investors@inoxmovies.com, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- iii. If any votes are casted by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes casted by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.
- iv. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

In case you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058738 / 022-23058542/43.

19. 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 Wednesday, 16th September, 2020. For all others who are not holding shares as on cut-off date and receive the Annual Report of the Company, the same is for their information.

20. 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.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, 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 48 hours of the conclusion of the AGM, 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. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
22. 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.
23. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. KFin Technologies Private Limited, Unit: INOX Leisure Limited, Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingamapally, Hyderabad - 500032, 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. Further, Members may note that Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.
24. 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, so as to enable the Company to keep the information ready.
25. Pursuant to provisions of Section 124 of the Companies Act, 2013, the total amount of interim dividend which remained unpaid or unclaimed were transferred to the Company's special bank account opened in the name of unpaid dividend account 2019-20, on 25th November, 2019. Members who have still not encashed or claimed the dividend declared in Financial Year 2019-20, are advised to write to the Nodal Officer of the Company at parthasarathy.iyengar@inoxmovies.com.

26. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.
27. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice and the Explanatory Statement will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. Wednesday, 23rd September, 2020. Members seeking to inspect such documents can send an email to investors@inoxmovies.com.
28. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (the “Act”)

As required under Section 102(1) of the Act, the following explanatory statement sets out all material facts relating to the special business mentioned under Item Nos. 3 to 5 of this Notice.

Item No 3:

The Board of Directors of the Company, based on the recommendation of Compensation, Nomination & Remuneration Committee at its meeting held on 14th February, 2020, appointed Mr. Vishesh Chander Chandiok (DIN: 00016112) as an Additional and Independent Director for a tenure of five years with effect from 14th February, 2020 up to 13th February, 2025 pursuant to Section 161 of the Act.

In the opinion of the Board his experience in the field of Finance, Auditing, Business Management and Governance will add tremendous value to the Board and the Company. In the opinion of the Board, Mr. Vishesh Chander Chandiok fulfills the conditions for his appointment as an Independent Director as specified in the Act and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (“Listing Regulations”) and he is independent of the management.

As an Additional Director, Mr. Vishesh Chander Chandiok holds office till the date of this AGM and is eligible for being appointed as an Independent Director of the Company. The Company has received necessary declaration(s) from Mr. Vishesh Chander Chandiok confirming that he meets the criteria of Independence as prescribed under the Act and Listing Regulations.

The Company has also received Mr. Vishesh Chander Chandiok’s consent to act as a Director in terms of Section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director under provisions of Section 164 of the Act, nor debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The resolution seeks the approval of Members for the appointment of Mr. Vishesh Chander Chandiok as an Independent Director of the Company up to 13th February, 2025 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation. Further, in terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director of the Company.

As per the provisions of Section 161 of the Act, an Additional Director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a Director by the Members. The Board, at its meeting held on 14th February, 2020, appointed Mr. Vishesh Chander Chandiok as an Additional and Independent Director who holds office up to the ensuing AGM. Accordingly, his appointment is placed for the approval of Members.

A copy of the draft letter for the appointment of the Director as Independent Director setting out the terms and conditions would be available for electronic inspection without any fee by the Members and the same has also been put up on the Company’s website at www.inoxmovies.com.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No.3 of the Notice for the approval of the Members.

Except Mr. Vishesh Chander Chandiok, being the appointee, or his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

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 / reappointment / revision in remuneration at the Annual General Meeting, is provided in the Annexure to this Notice and forms part of the Statement.

Item No 4:

Presently, Registered Office of the Company is situated in the State of Gujarat whereas most of the operational activities of the Company are carried out from Mumbai. For ease of liaising with common regulatory authorities and to meet other compliance requirements smoothly, the Company proposes to shift its registered office to the State of Maharashtra within the Jurisdiction of Registrar of Companies, Mumbai. The Board of Directors of the Company in its meeting held on 5th August, 2020 approved to shift the Registered Office of the Company from the "State of Gujarat" to the "State of Maharashtra" subject to approval of Members of the Company and the Central Government (power delegated to Regional Director).

Shifting of Registered Office will not be prejudicial to the interest of any employees, shareholders, creditors or any other stakeholders.

Pursuant to the provisions of Sections 12, 13 and all other applicable provisions, if any, of the Act read with applicable Rules and Regulations made thereunder (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), shifting of the Registered Office from one State to another and alteration of the Registered Office Clause (Clause II) of the Memorandum of Association (the "MOA") of the Company requires the approval of the Members of the Company by means of a Special Resolution and approval of the Central Government (power delegated to Regional Director).

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

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the Special Resolution set out except to the extent to their shareholding in the Company, if any.

Item No 5:

The consent of the Members is being sought pursuant to the provisions of Sections 23, 42, 62, 71 and other

applicable provisions of the Companies Act, 2013, as amended (hereinafter referred to as "the Act") and rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the applicable provisions of the Securities and Exchange Board of India Act, 1992, as amended and rules and regulations made thereunder, the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) and/or any other competent authorities, and subject to approval from all other appropriate statutory and regulatory authorities, as may be applicable or relevant.

The Company may require funds in order to meet capital expenditure requirements for ongoing and future projects of the Company, to sustain growth in the business, for business expansion and to improve the financial leveraging strength of the Company, working capital requirements, debt repayments including repayment of any existing or future debt incurred for any purpose including for paying off any liability, investments including amongst others, in subsidiary companies, general corporate purposes including but not limited to pursuing new business opportunities, acquisitions, alliances etc. and such other purpose as may be determined by the Board from time to time.

Further, COVID-19 Pandemic has significantly impacted the business of the Company. In view of the directions passed by the respective Government authorities, to prevent and contain the spread of COVID-19 and to ensure the safety and wellbeing of employees and all stakeholders, the Company had to temporarily close its multiplexes. A stronger capital base will further strengthen the Company's ability to deal with operating requirements, unanticipated contingencies or market disruptions which may arise due to COVID-19 pandemic.

Therefore, the Company seeks an enabling approval of the Members to access the capital market, through a public issue or on a private placement basis to create, offer, issue and allot equity shares or other securities convertible into Equity Shares of the Company or any combination thereof in one or more tranches up to an aggregate amount of ₹ 250 crore.

The price at which the Securities will be issued, will be determined by the Board of the Company in accordance with the applicable law and consultation with the appropriate advisors.

The detailed terms and conditions for the offer of above securities will be determined by the Board in consultation with the lead managers, placement agents and such other agency or agencies as may be required to be consulted by the Company, considering the prevailing market conditions and in accordance with the applicable provisions of the law and other relevant factors and will be in accordance with the terms approved by the Members in the proposed resolution.

In case of a Qualified Institutional Placement (QIP), the price at which the Securities shall be allotted to qualified institutional buyers will not be less than the price determined in accordance with the pricing formula in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the SEBI ICDR Regulations). The relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the issue of Equity Shares and the Equity Shares shall be issued at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The Board may, at its absolute discretion, decide the pricing for the equity shares to be issued upon exercise of the warrants in the QIP, subject to the SEBI ICDR Regulations.

The Company may also raise funds through issuance of debt Securities. As per the provisions of the Companies Act, 2013, the Companies are not required to seek shareholders' approval for issuance of debt Securities in case the issue is within the borrowing limit under Section 180(1)(c) of the Companies Act, 2013.

None of the promoters and the key managerial personnel of the Company will subscribe to the offer, if made under Chapter VI of the SEBI ICDR Regulations.

The proceeds of the proposed issue shall be utilised for any of the aforesaid purposes to the extent permitted by applicable provisions of law.

The Equity shares, which would be allotted, shall rank in all respects *pari passu* with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

This resolution will enable the Board of the Company to raise monies, as and when required during the period of one year commencing from date of passing of the resolution as proposed above.

In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

The above proposal is in the interest of the Company, and the Board of the Company thus recommends the resolution at Item No. 5 for approval of the Members of the Company as Special Resolution.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued/allotted to them or to the companies in which they are directors or members. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

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 / reappointment / revision in remuneration at the Annual General Meeting.

Name of the Director	Mr. Siddharth Jain	Mr. Vishesh Chander Chandiok
Item No.	Item No. 2	Item No. 3
Brief Resume	<p>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. The Group has a track record of building successful business 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 Groups' 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>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>Mr. Vishesh Chander Chandiok is the India CEO of Grant Thornton LLP, a firm he co-founded in 2001 which has since grown to over 5,000 personnel with over 15 office locations in India. He became the youngest member to have been elected to the Global Board of Governors of GT from 1st January, 2016, the ultimate decision making authority within the organisation.</p> <p>He has a deep interest in typical issues between business, ownership and governance and is amongst India's foremost commentators of the subject of Family Business & Governance.</p> <p>Mr. Vishesh Chander Chandiok worked with the Late Naresh Chandra, one of the fathers of India's corporate governance, on defining a Country Action Plan for Accounting & Auditing for India on behalf of the World Bank; most of the recommendations made in the report have been adopted over the last decade including most recently with the Companies Act 2013.</p> <p>He is also the North Region Chair of Economic Affairs & Tax at CII, and his firm actively works with the Government on all its programs and priorities - Smart cities, Make in India, Skill India, Digital India, and in Transforming India (working with NITI). Mr. Vishesh Chander Chandiok also has the privilege to serve on the Board of IIM Amritsar and the US India Business Council's India Advisory Board and YPO Capital New Delhi.</p>
Date of Birth	21 st September, 1978	14 th November, 1974
Age	41 Years	45 Years
Date of first Appointment on the Board	10 th September, 2004	14 th February, 2020
Directors Identification Number	00030202	00016112
Qualification	Mechanical Engineer from University of Michigan Ann Arbor, and MBA from INSEAD.	Masters of Science in Business and Management, Strathclyde Graduate Business School, Glasgow, UK.
Experience / Expertise in Specific Functional Area	Mr. Siddharth Jain has over 20 years of work experience in various management positions. Mr. Siddharth Jain has been actively involved in the Groups' Strategic Planning & Business Development initiatives.	Mr. Vishesh Chander Chandiok has worked for Grant Thornton in UK and in India for over 20 years. He has a deep interest in typical issues between business, ownership and governance and is amongst India's foremost commentators of the subject of Family Business & Governance.

Name of the Director	Mr. Siddharth Jain	Mr. Vishesh Chander Chandiok
Item No.	Item No. 2	Item No. 3
Directorships held in other Companies	<ul style="list-style-type: none"> 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"> GT Protec Consultants Private Limited Ashish Finstock Private Limited VC Consultants Group Unlimited Grant Thornton Advisory Private Limited Chandiok's Addapptive Learning Solutions Private Limited Walker Hotels Private Limited
Membership / Chairmanship of Committees of other Public Companies	<ul style="list-style-type: none"> INOX India Private Limited (Member of CSR Committee) INOX Leasing and Finance Limited (Member of Share Transfer and Stakeholders' Relationship Committee, Audit Committee and CSR Committee) INOX Air Products Private Limited (Member of Share Transfer and Stakeholders' Relationship Committee, Operations Committee of the Board of Directors, CSR Committee and Audit Committee) 	None
The number of Meetings of the Board attended during the year	6 out of 6	Not Applicable
Remuneration last drawn	₹ 125.60 Lakhs	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Mr. Pavan Jain	None
Shareholding in the Company	6,19,965	Nil

By order of the Board of Directors
For INOX Leisure Limited

Place: Mumbai
Date: 5th August, 2020

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

Parthasarathy Iyengar
 Company Secretary

BOARD'S REPORT

To the Members of
INOX LEISURE LIMITED

Your Directors take pleasure in presenting to you their Twenty-first Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2020.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19*
Income				
Revenue from operations (net of taxes)	188,713.17	167,956.84	188,713.17	167,956.82
Other operating Income	1,031.17	1,261.63	1,031.17	1,261.65
Total Income from Operations	189,744.34	169,218.47	189,744.34	169,218.47
Less: Total Expenses	156,478.91	147,933.08	156,480.72	147,935.35
Profit from operations before Other Income and Finance Cost and Exceptional Items	33,265.43	21,285.39	33,263.62	21,283.12
Add: Other Income	1,716.90	1,491.82	1,712.50	1,490.35
Profit from operations after Other Income and before Finance Cost and Exceptional Items	34,982.33	22,777.21	34,976.12	22,773.47
Less: Finance Cost	22,124.14	2,367.36	22,124.02	2,367.36
Profit before exceptional items and tax	12,858.19	20,409.85	12,852.10	20,406.11
Add/(Less): Exceptional items	-	(499.69)	-	(499.69)
Profit from ordinary activity before Taxation	12,858.19	19,910.16	12,852.10	19,906.42
Add/(Less): Provision for Taxation				
For the year	(11,415.33)	(7,016.54)	(11,415.33)	(7,015.84)
Taxation pertaining to earlier years	57.70	455.50	57.70	455.50
Net Profit for the year	1,500.56	13,349.12	1,494.47	13,346.08
Profit for the year attributable to:				
Equity holders of the Parent	1,500.52	13,349.10	-	-
Non-controlling interests	0.04	0.02	-	-
	1,500.56	13,349.12	-	-
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Actuarial gain/(loss) on employee defined benefit plan	(199.39)	9.10	(199.39)	9.10
(ii) Tax on above	69.67	(3.18)	69.67	(3.18)
Total Other Comprehensive Income	(129.72)	5.92	(129.72)	5.92
Total Comprehensive Income for the year comprising Profit & Other Comprehensive Income	1,370.84	13,355.04	1,364.75	13,352.00

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19*
Profit brought forward from earlier year/s	42,907.06	29,552.04	42,417.00	29,558.15
On account of change in non-controlling interest	(0.04)	(0.02)	-	-
Business Combinations			-	(493.15)
IND AS 116 Opening Impact	(34,429.35)	-	(34,429.35)	-
Dividend Net of DDT	(1,194.33)	-	(1,196.50)	-
Balance Carried forward to Balance Sheet	8,654.18	42,907.06	8,155.90	42,417.00

* Restated due to amalgamation of Swanston Multiplex Cinemas Private Limited.

During the year under review, 10 Multiplex Cinema Theatres with 58 screens were added. 2 Multiplex Cinema Theatres with 3 Screens each was discontinued. Accordingly, the tally of Multiplex Cinema Theatres of your Company stands at 147 Multiplexes with 626 screens and 1,44,467 seats as on 31st March, 2020.

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 2019-20, have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company and its subsidiary company, 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 2019-20 shall be laid before the Annual General Meeting for approval of the Members of the Company.

3. DIVIDEND

With a view to conserve resources for future growth, the Board has not recommended a final dividend. The Board of Directors at their meeting held on 23rd October, 2019,

declared interim dividend of Re. 1/- per Equity Share of ₹ 10/- each for the Financial Year 2019-20. The interim dividend was paid to the shareholders holding shares as on Record Date i.e., 5th November, 2019.

Pursuant to provisions of Section 124 of the Companies Act, 2013 ("Act"), the total amount of interim dividend which remained unpaid or unclaimed were transferred to the Company's separate bank account opened in the name of "Unpaid Dividend Account 2019-20 INOX Leisure Limited", on 25th November, 2019.

As on 31st March, 2020, an amount of ₹ 1,45,138/- remained unclaimed in the Unpaid Dividend Account of the Company. Members who have not claimed the dividend declared in FY 2019-20, are advised to write to the Nodal Officer of the Company at parthasarathy.iyengar@inoxmovies.com.

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

4. TRANSFER TO RESERVES

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

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Mr. Siddharth Jain (DIN: 00030202), who retires by rotation and being eligible, offers himself for re-appointment.

Based on the recommendation of Compensation, Nomination & Remuneration Committee of the Company, the Board Members have at their Meeting held on 14th February, 2020, recommended to the Members for their approval, appointment of Mr. Vishesh Chander Chandiok (DIN: 00016112) as an Independent Director of the Company for a tenure of five years with effect from 14th February, 2020 up to 13th February, 2025 pursuant to Section 161 of the Act. In the opinion of the Board, Mr. Vishesh Chander Chandiok possesses high integrity, expertise and knowledge and has experience in the field of Finance, Auditing, Business Management and Governance, which will add tremendous value to the Board and the Company. In the opinion of the Board, Mr. Vishesh Chander Chandiok fulfills the conditions for his appointment as an Independent Director as specified in the Act.

Necessary resolutions in respect of Director seeking reappointment and in respect of appointment of Mr. Vishesh Chander Chandiok 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. Kishore Biyani resigned from the position of Independent Director of the Company w.e.f. 16th November, 2019. The Board places on record its deep appreciation and gratitude towards the valuable contribution made by Mr. Kishore Biyani during his tenure as Independent Director of the Company.

During the year under review, there was no changes in the KMP of the Company.

6. NOMINATION & REMUNERATION POLICY

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

7. DECLARATION OF INDEPENDENCE

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

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

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

9. PERFORMANCE EVALUATION

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board, Individual Directors & Chairperson of the Company for the Financial Year 2019-20. Further, based on the feedback received by the Company, the Compensation, Nomination and Remuneration Committee at its Meeting held on 7th February, 2020 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.

The other disclosures with respect to performance evaluation of the Board as a whole, Committees of the Board and Individual Directors and Chairperson is given in the Corporate Governance Report.

10. MEETINGS OF THE BOARD

During the year under review, the Board met 6 (Six) times and details of Board Meetings held are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the time limit prescribed under Section 173 of the Act read with Regulation 17 (2) of the Listing Regulations.

11. AUDIT COMMITTEE

The Composition of Audit Committee is disclosed in the Corporate Governance Report which forms part of this Annual Report.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

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, 2020, 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

Shouri Properties Private Limited

As on 31st March, 2020, Shouri Properties Private Limited (SPPL) is a subsidiary of the Company. The Company is holding 99.29% Equity Shares of SPPL. SPPL is engaged in the business of operating a multiplex cinema theatre.

Swanston Multiplex Cinemas Private Limited

Swanston Multiplex Cinemas Private Limited (SMCPL) was the 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 had approved the scheme on 15th October, 2018 subject to any directions as may be given by Hon'ble National Company Law Tribunal, Bench at Mumbai ("NCLT Mumbai"). Subsequently, NCLT Mumbai vide its order dated 19th August, 2019 approved the Scheme of Merger (By absorption) of SMCPL (Transferor Company) with the Company (Transferee Company). The Scheme has become effective on 27th September, 2019

with the appointed date as 1st April, 2018. Accordingly, SMCPL has merged with the Company.

A separate statement containing the salient features of financial statements of subsidiary, 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 company are available for inspection by the Members on the website of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiary 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 the Subsidiary Company 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 Company 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. Deloitte Touche Tohmatsu India 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.

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 2019 - 20.

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 at 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**.

Annual Return i.e. Form MGT – 7 can also be accessed on the Company's website at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

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, 41,875 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 electronically.

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. If any Member is interested in obtaining such information, the Member may write to the Company Secretary 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 8th June, 2020 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 Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is the summary of sexual harassment complaints received and disposed off during the year 2019-20.

Number of complaints pending as on 1 st April, 2019	Nil
Number of complaints received	24
Number of complaints disposed off	23
Number of complaints pending as on 31 st March, 2020	1*

*Was closed subsequently

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

The spread of COVID-19 outbreak, has significantly impacted almost the whole world and triggered downside risks to the overall global economic outlook. In view of the directions passed by the respective Government authorities, to prevent and contain the spread of COVID-19 and to ensure the safety and wellbeing of employees and all stakeholders, the Company had to temporarily close all of its cinema halls/ multiplexes across India till further notice.

The Company has implemented various measures to ensure complete safety and security of its employees as well as customers which are provided in more detail under the Management Discussion and Analysis Report forming part of this Annual 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: 5th August, 2020

Pavan Jain
Chairman
(DIN: 00030098)

ANNEXURE – A

Nomination and Remuneration Policy:

1. Preface:

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

2. Objectives of this Nomination and Remuneration Policy:

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

3. Definitions:

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

4. Nomination and Remuneration Policy

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

I. Qualifications

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

a. Directors

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

b. Independent Directors

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

c. Senior Management Personnel and KMP and Other Employees

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

II. Remuneration

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

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

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

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual

- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

Fixed Component		
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

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

- 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 – Subsidiary

(₹ in Lakhs)

Particulars	Name of Subsidiary Company Shouri Properties Private Limited
The date of acquisition of subsidiary	24 th November, 2014
Reporting period, if different from the holding Company	Not Applicable
Reporting currency and exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries	Not Applicable
Share Capital	141.00
Reserves and Surplus	(55.11)
Total Assets	1,633.15
Total Liabilities	1,547.26
Investments	29.77
Turnover	111.75
Profit / (Loss) before taxation	5.74
Provision for taxation	-
Profit / (Loss) after taxation	5.74
Proposed Dividend	Nil
% of Shareholding	99.29%
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
Total Revenues contribution (%)	Nil*
EBIDTA contribution (%)	0.01
Net Profit Contribution (%)	0.38
Gross Block contribution (%)	Nil*
Net Worth contribution (%)	0.14

*less than 0.00

ANNEXURE – C

Secretarial Audit Report

For the Financial Year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and 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 - 390 007,
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 (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, 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 period under review, 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 (Depositories and Participants) Regulations, 2018;
 - (f) 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, 2018;
 - d. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- vi. Other sector specific laws as follows:
- (a) The Cinematograph Act, 1952;
 - (b) The Cinema compliance laws as applicable in each state and the Rules and Regulations made thereunder;
 - (c) Entertainment Tax Laws as applicable in each state and the Rules and Regulations made thereunder;
 - (d) Food Safety and Standards Act, 2006 and the Rules and Regulations made there under.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) All applicable and approved Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited 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. The changes in the Composition of the Board of Directors that took

place during the period under review were carried out in compliance with the provisions of the Act;

- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and Operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;
- E. During the period under review, there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs. However, the Hon'ble National Company Law Tribunal Bench at Ahmedabad and Hon'ble National Company Law Tribunal Bench at Mumbai have passed the Order approving the Scheme of Merger (By absorption) of Swanston Multiplex Cinemas Private Limited (Transferor Company) with the Company (Transferee Company). The Scheme has become effective from September 27, 2019.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677

CP No. 2863

UDIN: F003677B000322688

Place: Vadodara,

Date: 8th June, 2020

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

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

Our Secretarial Audit 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. We have conducted the Secretarial Audit (some part), for the period under review, through virtual verification of documents, records, etc., as made available to us by the Company, due to COVID-19 pandemic situation.
- iv. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- v. 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

UDIN: F003677B000322688

Place: Vadodara,

Date: 8th June, 2020

ANNEXURE – D

MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2020

(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	: KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Selenium Tower No. B, Plot No.31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Phone No.: 18003454001 Email: einward.ris@kfintech.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)
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)

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

i. Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year (1 st April, 2019)				No. of shares held at the end of the year (31 st March, 2020)				% 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.	53373928	0	53373928	51.89	53373928	0	53373928	51.89	0.00
	e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (1)	53373928	0	53373928	51.89	53373928	0	53373928	51.89	0.00
2. Foreign										
	a) Individuals (NRIs/Foreign Ind)	0	0	0	0.00	0	0	0	0.00	0.00
	b) Bodies Corp.	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)	53373928	0	53373928	51.89	53373928	0	53373928	51.89	0.00
B. Public Share Holding										
1. Institutions										
	a) Mutual Funds /UTI	21971161	0	21971161	21.36	22961127	0	22961127	22.32	0.96
	b) Alternate Investment Fund	55000	0	55000	0.05	721181	0	721181	0.70	0.65
	c) Financial Institutions /Banks	53301	0	53301	0.05	52850	0	52850	0.05	0.00
	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	11588882	0	11588882	11.27	9587357	0	9587357	9.32	-1.95
	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	0.00
	Sub Total (B) (1)	33668344	0	33668344	32.73	33322515	0	33322515	32.40	-0.34
2. Non Institutions										
	a) Bodies Corporate									
	i. Indian	1871289	0	1871289	1.82	1279047	0	1279047	1.24	-0.58
	ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year (1 st April, 2019)				No. of shares held at the end of the year (31 st March, 2020)				% change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	4742312	7371	4749683	4.62	5838642	6011	5844653	5.68	1.06
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1953688	0	1953688	1.90	1798270	0	1798270	1.75	-0.15
	c) Others									
	Clearing Members	429167	0	429167	0.42	212392	0	212392	0.21	-0.21
	Directors	1505385	0	1505385	1.46	1505385	0	1505385	1.46	0.00
	HUF	288718	0	288718	0.28	192729	0	192729	0.19	-0.09
	NBFC	8400	0	8400	0.01	0	0	0	0.00	-0.01
	Non Resident Indians	233618	0	233618	0.23	251724	0	251724	0.24	0.02
	Non Resident Indians (NON-REPATRIATION)	172969	0	172969	0.17	142327	0	142327	0.14	-0.03
	Trusts	4602565	0	4602565	4.47	4708335	0	4708335	4.57	0.10
	d) Qualified Foreign Investor	0	0	0	0.00	226449	0	226449	0.22	0.22
	Sub Total B2	15808111	7371	15815482	15.38	16155300	6011	16161311	15.71	0.34
	Total Public Shareholding B=B(1) + B(2)	49476455	7371	49483826	48.11	49477815	6011	49483826	48.11	0.00
	Total (A+B)	102850383	7371	102857754	100.00	102851743	6011	102857754	100.00	0.00
	C. Shares held by Custodian for GDRs & ADRs									
	1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	2) Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	102850383	7371	102857754	100.00	102851743	6011	102857754	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 st April, 2019)			Shareholding at the end of the year (31 st March, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	52786467	51.32	0	52786467	51.32	0	0

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 st April, 2019)			Shareholding at the end of the year (31 st March, 2020)			% 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	
2	INOX Leasing and Finance Limited	587461	0.57	0	587461	0.57	0	0
	Total	53373928	51.89	0	53373928	51.89	0	0

Sr. No.	Particulars	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares				% of total shares of the	No. of shares
				No Change			

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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.	HDFC Trustee Company Limited A/ c: - HDFC Capital Builder Value Fund & HDFC Small Cap Fund	6533720	6.35	01/04/2019				
				05/04/2019	-64	Sale	6533656	6.35
				12/04/2019	-15000	Sale	6518656	6.34
				19/04/2019	-36000	Sale	6482656	6.30
				26/04/2019	-66845	Sale	6415811	6.24
				10/05/2019	-50000	Sale	6365811	6.19
				26/07/2019	-25000	Sale	6340811	6.16
				02/08/2019	-42000	Sale	6298811	6.12
				09/08/2019	286100	Purchase	6584911	6.40
				16/08/2019	500000	Purchase	7084911	6.89
				23/08/2019	300000	Purchase	7384911	7.18
				13/09/2019	200000	Purchase	7584911	7.37
				20/09/2019	163100	Purchase	7748011	7.53
				27/09/2019	333000	Purchase	8081011	7.86

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
				25/10/2019	192000	Purchase	8273011	8.04
				25/10/2019	-21265	Sale	8251746	8.02
				01/11/2019	-14777	Sale	8236969	8.01
				08/11/2019	-650	Sale	8236319	8.01
				15/11/2019	-103007	Sale	8133312	7.91
				13/12/2019	-250000	Sale	7883312	7.66
				10/01/2020	-14723	Sale	7868589	7.65
				24/01/2020	-141100	Sale	7727489	7.51
				14/02/2020	-115000	Sale	7612489	7.40
				28/02/2020	-282410	Sale	7330079	7.13
				06/03/2020	100000	Purchase	7430079	7.22
				13/03/2020	61985	Purchase	7492064	7.28
				20/03/2020	65996	Purchase	7558060	7.35
				27/03/2020	7500	Purchase	7565560	7.36
		7565560	7.36	31/03/2020				
2.	Reliance Capital Trustee Co Ltd. A/C	4494733	4.37	01/04/2019				
				05/04/2019	-338237	Sale	4156496	4.04
				12/04/2019	-353024	Sale	3803472	3.70
				17/05/2019	-42358	Sale	3761114	3.66
				24/05/2019	-247001	Sale	3514113	3.42
				07/06/2019	-35507	Sale	3478606	3.38
				28/06/2019	-21826	Sale	3456780	3.36
				05/07/2019	-130473	Sale	3326307	3.23
				12/07/2019	-13090	Sale	3313217	3.22
				26/07/2019	-34000	Sale	3279217	3.19
				02/08/2019	-156000	Sale	3123217	3.04
				09/08/2019	-207839	Sale	2915378	2.83
				16/08/2019	-773781	Sale	2141597	2.08
				23/08/2019	-303873	Sale	1837724	1.79
				30/08/2019	-323611	Sale	1514113	1.47
				06/09/2019	-15122	Sale	1498991	1.46
				13/09/2019	-50179	Sale	1448812	1.41
				15/11/2019	-20000	Sale	1428812	1.39
				22/11/2019	-12432	Sale	1416380	1.38
				24/01/2020	-210000	Sale	1206380	1.17
				14/02/2020	-5000	Sale	1201380	1.17
				21/02/2020	-5000	Sale	1196380	1.16
				28/02/2020	118053	Purchase	1314433	1.28
				20/03/2020	10000	Purchase	1324433	1.29
				31/03/2020	-94694	Sale	1229739	1.20
		1229739	1.20	31/03/2020				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
3.	Pavan Kumar Jain, Vivek Kumar Jain & Deepak Asher -Trustee of INOX Benefit Trust	4350092	4.23	01/04/2019	No Movement during the year.		4350092	4.23
		4350092	4.23	31/03/2020				
4.	Aditya Birla Sun Life Trustee Private Limited A/C	3515140	3.42	01/04/2019				
				10/05/2019	18000	Purchase	3533140	3.43
				17/05/2019	-261500	Sale	3271640	3.18
				24/05/2019	-143800	Sale	3127840	3.04
				07/06/2019	57000	Purchase	3184840	3.10
				07/06/2019	-69300	Sale	3115540	3.03
				14/06/2019	-115100	Sale	3000440	2.92
				21/06/2019	-162600	Sale	2837840	2.76
				28/06/2019	-143500	Sale	2694340	2.62
				05/07/2019	-1200	Sale	2693140	2.62
				12/07/2019	79207	Purchase	2772347	2.70
				19/07/2019	-269100	Sale	2503247	2.43
				02/08/2019	30000	Purchase	2533247	2.46
				09/08/2019	-458400	Sale	2074847	2.02
				04/10/2019	10793	Purchase	2085640	2.03
				15/11/2019	50000	Purchase	2135640	2.08
				13/12/2019	-350000	Sale	1785640	1.74
				20/12/2019	-29338	Sale	1756302	1.71
				27/12/2019	46900	Purchase	1803202	1.75
				31/12/2019	-45709	Sale	1757493	1.71
				10/01/2020	23000	Purchase	1780493	1.73
				17/01/2020	-24127	Sale	1756366	1.71
				21/02/2020	20936	Purchase	1777302	1.73
				28/02/2020	29000	Purchase	1806302	1.76
				28/02/2020	-6302	Sale	1800000	1.75
				13/03/2020	-50000	Sale	1750000	1.70
				20/03/2020	150000	Purchase	1900000	1.85
		1900000	1.85	31/03/2020				
5.	Sundaram Mutual Fund A/C Sundaram Small Cap Fund	2850260	2.77	01/04/2019				
				03/05/2019	112408	Purchase	2962668	2.88
				10/05/2019	100000	Purchase	3062668	2.98
				17/05/2019	177062	Purchase	3239730	3.15
				24/05/2019	-595	Sale	3239135	3.15
				31/05/2019	-17771	Sale	3221364	3.13
				02/08/2019	188492	Purchase	3409856	3.32

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
				09/08/2019	86883	Purchase	3496739	3.40
				16/08/2019	134611	Purchase	3631350	3.53
				30/08/2019	88979	Purchase	3720329	3.62
				06/09/2019	24727	Purchase	3745056	3.64
				13/09/2019	45687	Purchase	3790743	3.69
				27/09/2019	410853	Purchase	4201596	4.08
				04/10/2019	81262	Purchase	4282858	4.16
				11/10/2019	1000	Purchase	4283858	4.16
				22/11/2019	-6000	Sale	4277858	4.16
				29/11/2019	-1980	Sale	4275878	4.16
				13/12/2019	-2331	Sale	4273547	4.15
				20/12/2019	-1388	Sale	4272159	4.15
				28/02/2020	-5739	Sale	4266420	4.15
				06/03/2020	-1602	Sale	4264818	4.15
		4264818	4.15	31/03/2020				
6.	DSP Small Cap Fund	2086482	2.03	01/04/2019				
				20/03/2020	66872	Purchase	2153354	2.09
		2153354	2.09	31/03/2020				
7.	Taiyo Greater India Fund Ltd	1790000	1.74	01/04/2019				
				26/04/2019	-47980	Sale	1742020	1.69
				03/05/2019	-100606	Sale	1641414	1.60
				10/05/2019	-28414	Sale	1613000	1.57
				07/06/2019	37961	Purchase	1650961	1.61
				14/06/2019	59039	Purchase	1710000	1.66
				16/08/2019	59100	Purchase	1769100	1.72
				13/09/2019	-338523	Sale	1430577	1.39
				20/09/2019	-339098	Sale	1091479	1.06
				27/09/2019	-97902	Sale	993577	0.97
				15/11/2019	-66448	Sale	927129	0.90
				22/11/2019	-12552	Sale	914577	0.89
				29/11/2019	-3000	Sale	911577	0.89
				28/02/2020	-82881	Sale	828696	0.81
				06/03/2020	-574931	Sale	253765	0.25
				13/03/2020	-170000	Sale	83765	0.08
				27/03/2020	11540	Purchase	95305	0.09
				31/03/2020	115000	Purchase	210305	0.20
		210305	0.20	31/03/2020				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
8.	Franklin India Smaller Companies Fund	0	0.00	01/04/2019				
				13/12/2019	1489121	Purchase	1489121	1.45
				14/02/2020	50000	Purchase	1539121	1.50
				06/03/2020	100000	Purchase	1639121	1.59
				13/03/2020	21090	Purchase	1660211	1.61
		1660211	1.61	31/03/2020				
9.	ICICI Prudential Value Fund - Series 10	946522	0.92	01/04/2019				
				26/04/2019	-121634	Sale	824888	0.80
				03/05/2019	-69155	Sale	755733	0.73
				10/05/2019	-203038	Sale	552695	0.54
				17/05/2019	35099	Purchase	587794	0.57
				24/05/2019	22	Purchase	587816	0.57
				24/05/2019	-91534	Sale	496282	0.48
				05/07/2019	22	Purchase	496304	0.48
				12/07/2019	122101	Purchase	618405	0.60
				26/07/2019	22	Purchase	618427	0.60
				09/08/2019	70949	Purchase	689376	0.67
				16/08/2019	163668	Purchase	853044	0.83
				23/08/2019	15054	Purchase	868098	0.84
				30/08/2019	18735	Purchase	886833	0.86
				27/09/2019	38	Purchase	886871	0.86
				30/09/2019	21	Purchase	886892	0.86
				04/10/2019	21	Purchase	886913	0.86
				11/10/2019	21	Purchase	886934	0.86
				18/10/2019	3	Purchase	886937	0.86
				25/10/2019	21	Purchase	886958	0.86
				08/11/2019	-30371	Sale	856587	0.83
				22/11/2019	66050	Purchase	922637	0.90
				29/11/2019	33706	Purchase	956343	0.93
				06/12/2019	6237	Purchase	962580	0.94
				27/12/2019	25	Purchase	962605	0.94
				31/12/2019	-83464	Sale	879141	0.85
				10/01/2020	57649	Purchase	936790	0.91
				24/01/2020	45509	Purchase	982299	0.96
				31/01/2020	69964	Purchase	1052263	1.02
				07/02/2020	76709	Purchase	1128972	1.10
				14/02/2020	11	Purchase	1128983	1.10
				14/02/2020	-7164	Sale	1121819	1.09
				06/03/2020	361551	Purchase	1483370	1.44
				20/03/2020	119950	Purchase	1603320	1.56
				27/03/2020	54222	Purchase	1657542	1.61
				31/03/2020	22	Purchase	1657564	1.61
		1657564	1.61	31/03/2020				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
10.	BNP Paribas Mutual Fund AC BNP Paribas Conservativ	1262535	1.23	01/04/2019				
				05/04/2019	140000	Purchase	1402535	1.36
				12/04/2019	20000	Purchase	1422535	1.38
				19/04/2019	41000	Purchase	1463535	1.42
				10/05/2019	80000	Purchase	1543535	1.50
				17/05/2019	10000	Purchase	1553535	1.51
				31/05/2019	-112935	Sale	1440600	1.40
				07/06/2019	-110600	Sale	1330000	1.29
				21/06/2019	-120000	Sale	1210000	1.18
				12/07/2019	30000	Purchase	1240000	1.21
				19/07/2019	49000	Purchase	1289000	1.25
				26/07/2019	55200	Purchase	1344200	1.31
				02/08/2019	70974	Purchase	1415174	1.38
				13/09/2019	62877	Purchase	1478051	1.44
				20/09/2019	50000	Purchase	1528051	1.49
				27/09/2019	13128	Purchase	1541179	1.50
				25/10/2019	10000	Purchase	1551179	1.51
				01/11/2019	-25000	Sale	1526179	1.48
				08/11/2019	-55000	Sale	1471179	1.43
				15/11/2019	-10000	Sale	1461179	1.42
				22/11/2019	-50000	Sale	1411179	1.37
				29/11/2019	-20000	Sale	1391179	1.35
				14/02/2020	45000	Purchase	1436179	1.40
				21/02/2020	5000	Purchase	1441179	1.40
				28/02/2020	10000	Purchase	1451179	1.41
				06/03/2020	-82100	Sale	1369079	1.33
				13/03/2020	-345731	Sale	1023348	0.99
				20/03/2020	-50000	Sale	973348	0.95
		973348	0.95	31/03/2020				
11.	Abu Dhabi Investment Authority - Behave	0	0.00	01/04/2019				
				07/02/2020	98752	Purchase	98752	0.10
				14/02/2020	58844	Purchase	157596	0.15
				21/02/2020	498719	Purchase	656315	0.64
				28/02/2020	388228	Purchase	1044543	1.02
				06/03/2020	100000	Purchase	1144543	1.11
		1144543	1.11	31/03/2020				
12.	Morgan Stanley Investment Funds Indian Equity Fund	1024906	1.00	01/04/2019				
				05/04/2019	-16801	Sale	1008105	0.98
				19/04/2019	-177756	Sale	830349	0.81
				03/05/2019	-89495	Sale	740854	0.72
				14/06/2019	-1920	Sale	738934	0.72
				21/06/2019	-39210	Sale	699724	0.68
				19/07/2019	-1708	Sale	698016	0.68
				26/07/2019	-25000	Sale	673016	0.65
				13/09/2019	-72816	Sale	600200	0.58

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
				20/09/2019	-100000	Sale	500200	0.49
				03/01/2020	-43905	Sale	456295	0.44
				10/01/2020	-55363	Sale	400932	0.39
				24/01/2020	-46388	Sale	354544	0.34
				07/02/2020	-53480	Sale	301064	0.29
				14/02/2020	-37687	Sale	263377	0.26
		263377	0.26	31/03/2020				
13.	Rams Equities Portfolio Fund-India Equities Portfo	964347	0.94	01/04/2019				
				12/04/2019	-34518	Sale	929829	0.90
				31/05/2019	-40000	Sale	889829	0.87
				09/08/2019	50000	Purchase	939829	0.91
				30/08/2019	49474	Purchase	989303	0.96
				27/09/2019	-4200	Sale	985103	0.96
				18/10/2019	-7600	Sale	977503	0.95
				25/10/2019	-74000	Sale	903503	0.88
				08/11/2019	-5500	Sale	898003	0.87
				31/12/2019	-50000	Sale	848003	0.82
				24/01/2020	-58003	Sale	790000	0.77
				31/01/2020	-10800	Sale	779200	0.76
				07/02/2020	-20000	Sale	759200	0.74
				14/02/2020	-10000	Sale	749200	0.73
		749200	0.73	31/03/2020				

(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, 2019)/ End of the Year (31 st March, 2020)		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	0.21	01/04/2019	No Movement during the year.		
		219975	0.21	31/03/2020			
2.	Mr. Vivek Jain	640445	0.62	01/04/2019	No Movement during the year.		
		640445	0.62	31/03/2020			
3.	Mr. Siddharth Jain	619965	0.60	01/04/2019	No Movement during the year.		
		619965	0.60	31/03/2020			

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 st April, 2019)/ End of the Year (31 st March, 2020)		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
4.	Mr. Deepak Asher	25000	0.02	01/04/2019	No Movement during the year.		
		25000	0.02	31/03/2020			
5.	Mr. Haigreve Khaitan	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			
6.	Mr. Amit Jatia	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			
7.	Mr. Kishore Biyani*	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			
8.	Mr. Vishesh Chander Chandiok [#]	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			
9.	Ms. Girija Balakrishnan	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			
	KMP						
1.	Mr. Alok Tandon, Chief Executive Officer	28236	0.03	01/04/2019			
				01/04/2019	-2500 Sale	25736	0.03
				24/05/2019	-10000 Sale	15736	0.02
				29/07/2019	5000 Acquisition of shares pursuant to ESOP	20736	0.02
		20736	0.02	31/03/2020			
2.	Mr. Kailash B. Gupta – Chief Financial Officer	2500	0.00	01/04/2019			
				28/06/2019	2500 Acquisition of shares pursuant to ESOP	5000	0.00
		5000	0.00	31/03/2020			
3.	Mr. Parthasarathy Iyengar	0	0.00	01/04/2019	No Movement during the year.		
		0	0.00	31/03/2020			

*Resigned with effect from 16th November, 2019

[#]Appointed with effect from 14th February, 2020

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	9,000.00	2,000.00	--	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	2,012.89	--	11,015.64
Change in Indebtedness during the Financial Year				
• Addition	--	12,263.98	--	12,263.98
• Reduction	(3,501.23)	(3,996.49)	--	(7,497.72)
Net Change	(3,501.23)	8,267.49	--	4,766.26
Indebtedness at the end of the Financial Year				
i. Principal Amount	5,500	10,264.13	--	15,764.13
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	1.52	16.25	--	17.77
Total (i+ii+iii)	5,501.52	10,280.38	--	15,781.90

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	2.00	3.40	0.80	1.40	7.60
	Commission	0	0	0	0	0
	Others	0	0	0	0	0
	Total (1)	2.00	3.40	0.80	1.40	7.60
2.	Other Non-Executive Directors	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Deepak Asher	Mr. Siddharth Jain	-
	Fee for attending Board/ Committee Meetings	1.60	0.60	1.60	2.60	6.40
	Commission	0	0	0	123.00	123.00
	Others (Professional Fees)	0	0	120.00	0	120.00
	Total (2)	1.60	0.60	121.60	125.60	249.40
	Total of B = (1+2)					257.00
	Total Managerial Remuneration (A+B)					257.00
	Overall Ceiling as per the Act					370.17

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.84	89.89	26.20	241.94
	(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	15.25	7.93	Nil	23.18
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)	7.34	5.08	1.49	13.90
	Total	148.43	102.90	27.69	279.02

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					
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

Nil

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 all its multiplexes across India.
- The Company has been using urinal flush sensors in existing and upcoming properties which help in reducing water wastage.
- 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 have been installed at 13 Properties, which have Air cooled and Water Cooled Chillers owned by the Company. This helps in reducing energy consumption.
- Old chillers have been replaced with new energy efficient chillers at INOX Space Mall Jaipur and INOX City Center Kolkata, which helps in reducing energy consumption.
- Old Chiller compressors and accessories were replaced with new energy efficient compressors along with accessories during the year at INOX Glomax Kharghar which helps in reducing energy consumption.
- Old AHU Fans and motors have been replaced with new energy efficient EC Fans and Motors at total 25 Properties.
- Energy Efficient Hydro pneumatic system with IE5 Motors and integrated drives installed at INOX Bund Garden Pune to help reduce energy consumption.
- Installed ATCON system for DX units to optimize the operation of compressors, thereby reducing the energy consumption in 26 Properties.
- 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 INOX Bund Garden Pune and INOX National Chennai to reduce the Electronic Harmonic Distortions, which gives clean power to equipments & results in reduction of electricity consumption.
- Auto Voltage Regulator (AVR) is installed at INOX Bund Garden Pune & INOX Riverside 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 increased 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 equipments are chalked out in advance with the PPM chart. A benefit of the PPM program is to improve the efficiency of the machines and minimizing breakdowns. As a part of PPM program, the air conditioning system gets overhauled and chemical dosing is used to recover the loss of ageing plus wear and tear. As a result, the electrical current required for getting the desired result has reduced.
- The operation timing of HVAC (Heat Ventilation and Air Conditioning) system and temperature is controlled with the help of Building Management System (BMS) software at some of the units of the Company. Company has done complete chiller revamp and screw compressor retrofit for the old reciprocating chillers at INOX Nariman Point. These will help in reducing energy consumption.
- Eco-friendly renewable source of electricity generated by the wind mill for the multiplex at INOX Race Course Vadodara, INOX Anand, INOX Crystal Jamnagar and INOX Shree Rang Palace Bharuch is used.

- Timers are being used to optimize the operational hours of lighting, including signages & AHUs, as per the schedule of the movies. Same process is being standardized for all upcoming multiplexes.
- Split unit of office area at Pune is replaced with Fan Coils Unit (FCU), with chilled water tapping from chilled water header line. This is helping in saving energy consumption.
- 5 DX units(5.5Tr x 5 nos) replaced with Chilled water units (AHUs) at INOX Vaibhav Jaipur, which helps in saving energy.
- The Company has successfully installed Variable Frequency Drive (VFD) for AHU motors in most of the Properties. This helps us to control the speed of AHU motor as per the temperature and the occupancy which inturn helps to optimize energy consumption for Air conditioning system.
- We have installed motion sensors in toilets and back-office areas in most of Properties. These sensors function upon the physical movement which helps to

reduce electrical energy consumption. 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 2019-20	Previous Year 2018-19
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outgo		
	- CIF value of Capital Goods imported	2592.41	2450.55
	- CIF Value of materials purchased	656.71	567.59
	- CIF Value of services	766.55	668.89
	- Travelling expenses	114.18	72.16
	Total	4129.85	3759.19

ANNEXURE – F

- (i) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 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 2019-20 (₹ In Lakh)	% increase in remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Pavan Jain, Chairman & Non-executive Director	1.60	-99.14	0.42:1
2.	Mr. Vivek Jain, Non-executive Director	0.60	0.00	0.16:1
3.	Mr. Deepak Asher, Non-executive Director #	121.60	270.73	31.82:1
4.	Mr. Siddharth Jain, Non-executive Director *	125.60	5133.33	32.86:1
5.	Mr. Haigreve Khaitan, Independent Director	2.00	-23.08	0.52:1
6.	Mr. Amit Jatia, Independent Director	3.40	30.77	0.89:1
7.	Mr. Kishore Biyani, Independent Director §	0.80	-66.67	0.21:1
8.	Ms. Girija Balakrishnan, Independent Director	1.40	-12.50	0.37:1
9.	Mr. Alok Tandon, Chief Executive Officer	148.43	16.26	} Not Applicable
10.	Mr. Kailash B. Gupta, Chief Financial Officer	102.90	19.30	
11.	Mr. Parthasarathy Iyengar, Company Secretary	27.69	37.56	

• Sitting Fees paid to the Director has been considered as Remuneration for the above purpose.

* Includes payment of Commission of ₹ 123.00 Lakhs to Mr. Siddharth Jain for the Financial Year 2019-20.

Mr. Deepak Asher is being paid Professional Fees of ₹ 120.00 Lakhs p.a. with effect from 1st April, 2019 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 16th November, 2019.

- (ii) Percentage increase in the median remuneration of employees in the Financial Year is 10.50%.
- (iii) The number of permanent employees on the rolls of company as on 31st March, 2020 was 2256.
- (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 10.25% and percentile increase in the managerial remuneration is 10.33%.

- (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. If any Member is interested in obtaining such information may write to the Company Secretary of the Company.

ANNEXURE – G

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

Sr. No.	Particulars	Compliance
1.	A brief outline of CSR Policy including outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and project or programmes	CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on website of the Company at https://www.inoxmovies.com/Corporate.aspx?Section=3
2.	The Composition of CSR Committee	Mr. Haigreve Khaitan, Independent Director Mr. Pavan Jain, Non-Independent Director Mr. Deepak Asher, Non-Independent Director
3.	Average net profit of the Company for last three Financial Years	₹ 10,420.20 Lakhs
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above.)	₹ 208.40 Lakhs
5.	Details of CSR spent during the Financial Year	
	a. Total amount to be spent for the Financial Year	₹ 208.40 Lakhs
	b. Amount unspent, if any	₹ 89.57 Lakhs
	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 directly or through implementing agency
1.	Contribution to Rotary Welfare Trust for Community Service Project	Promoting Paralympic Sports	Bharuch, Gujarat	3,00,000	3,00,000	3,00,000	Through Rotary Welfare Trust
2.	Divyang Paralympic Run at Vadodara Marathon	Promoting Paralympic Sports	Vadodara, Gujarat	22,50,000	22,50,000	22,50,000	Direct
3.	Contribution to Daanish India Foundation	Promoting Education	New Delhi	11,00,000	11,00,000	11,00,000	Through Daanish India Foundation

(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 directly or through implementing agency
4.	Donation to Breach Candy Hospital Trust	Promoting Healthcare	Mumbai, Maharashtra	50,00,000	50,00,000	50,00,000	Through Breach Candy Hospital Trust
5.	Donation to Saat Saath Arts	Preservation of National Heritage, art and Culture	Rajasthan	7,50,000	7,50,000	7,50,000	Through Saat Saath Arts
6.	Contribution for JITO Administrative Training Foundation	Promotion of Education	Vadodara, Gujarat	5,00,000	5,00,000	5,00,000	Through INOX Group CSR Trust
7.	Support to Physically & Mentally Challenged Orphan	Promoting Healthcare	Coimbatore, Tamil Nadu	1,13,000	1,13,000	1,13,000	Through The United Orphanage for the Disabled
8.	Contribution for Distributing Masks to public	Promoting Healthcare	All Over India	18,69,761	18,69,761	18,69,761	Direct
Total				1,18,82,761	1,18,82,761	1,18,82,761	

6.	In case the Company has failed to spend the two percent of the average net profit of last three Financial Years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report.	During the year the Company has spent ₹ 118.83 Lakhs on CSR and there is unspent amount of ₹ 89.57 Lakhs. The Company is obtaining advisory services for identification of CSR projects for its CSR activities and will spend the amount on identification of CSR projects.
7.	A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

INOX Leisure Limited

Alok Tandon

Chief Executive Officer

Mumbai
5th August, 2020

INOX Leisure Limited

Haigreave Khaitan

Chairman - CSR Committee

Mumbai
5th August, 2020

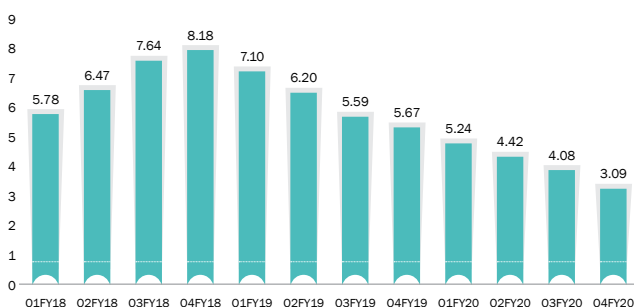
Management Discussion & Analysis (MDA)

Indian economy review

Over the last five years, the Indian economy held its position as a leading economy in the Emerging Markets and Developing Economies (EMDEs). As the 5th largest economy in the world, the growth in GDP during FY 2019-20 is estimated at 4.2%¹. Gaining strength from sustained investments and positive reforms by the government, India has improved its ranking in the World Bank's Ease of Doing Business Report 2020, to reach the 63rd position, in comparison to 142nd rank in CY 2014.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all the businesses. The changes forced on people and businesses by the pandemic are likely to last for some time and established ways of doing business may undergo changes leading to new ways of working.

Graph 1: Quarterly GDP Growth Rate (%)



[Source: Ministry of Statistics and Programme Implementation]

Industry Overview

Media and Entertainment Industry

The Indian Media & Entertainment industry continues to grow at a rapid pace, primarily driven by India's attractiveness as a content production and post production hub. The sector continued to inculcate technological advancements, adopting new methods to accommodate the rising demand for varied content, across digital platforms. In CY 2019, there was a significant surge in content consumption as digital infrastructure improved and the quantum of content produced also increased rapidly. It was also supported by a rise in India's per capita income. As the Media and Entertainment industry continues to explore opportunities, it is likely to play a pivotal role in achieving India's goal of becoming a \$5

trillion economy. The industry witnessed a robust growth of 9% in CY 2019 to reach ₹ 1.82 trillion.

In CY 2019, the advertising industry grew by 11%, adding ₹6,695 crore to Advertising expenditure (Adex) to reach ₹67,603 crore. Growth in the advertising industry was primarily led by digital advertising which grew 32% YoY, while traditional advertising rose 6%². However, the growth in advertising was significantly impacted by slowdown in the economy, especially in the second half of the year which led to lower advertising spends during festive season.

	CY 2018	CY 2019
Television	740	787
Print	305	296
Digital media	169	221
Filmed entertainment	175	191
Animation and VFX	79	95
Live events	75	83
Online gaming	46	65
Out of Home media	37	39
Radio	34	31
Music	14	15
Total	1,674	1,822

All figures are gross of taxes (INR in billion) for calendar years | EY estimates

Indian Film Entertainment Segment

The Indian Film Entertainment segment grew 9.5% in CY 2019. The growth was primarily driven by increased domestic theatrical revenues and improvement in the rates & volume of digital rights sold. The sector also witnessed a phenomenal number of movie releases. A total of 1,833 movies, at an average of 35 films per week, released in CY 2019, as compared to 1,776 films in CY 2018. As many as 17 Bollywood movies made it to the coveted ₹ 100 crore club in CY 2019, as opposed to 13 in CY 2018. Moreover, 6 Bollywood movies secured its position in the highly-acclaimed ₹ 200 crore club in 2019, in comparison to 3 in the previous year. Additionally, of the total films released in 2019, only 14% of the films were Hindi films and contributed ~43% to the annual Gross Box Office Collection (GBOC) and other regional language movies accounted for 80% of the films

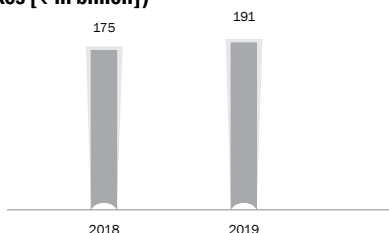
¹Press Note on Provisional Estimates of Annual National Income 2019-20 And Quarterly Estimates of Gross Domestic Product for the Fourth Quarter (Q4) of 2019-20

²Source: Pitch Madison Advertising Report 2020

Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.

released in 2019, contributed ~44% to the GBOC. Further, the gross value of domestic theatrical revenue in CY 2019 reached ₹ 115.2 billion, against ₹ 102.1 billion in CY 2018, registering an increase of 12.8%.

Graph 2: Growth of Filmed Entertainment segment (All figures are gross of taxes [₹ in billion])



[Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.]

Film entertainment segment wise break-up (₹ in billion [gross of taxes])

	2018	2019
Domestic theatricals	102.1	115.2
Overseas theatricals	30.0	27.0
Broadcast rights	21.2	22.1
Digital / OTT rights	13.5	19.0
In-cinema advertising	7.5	7.7
Home video	0.2	0.1
Total	174.5	191.0

[Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020]

Driven by strong demographic growth, rising disposable incomes, discretionary spends and sustained demand from tier 2 and 3 cities, segment is expected to make a strong comeback once cinema operations resume post the lockdown imposed due to outbreak of COVID-19.

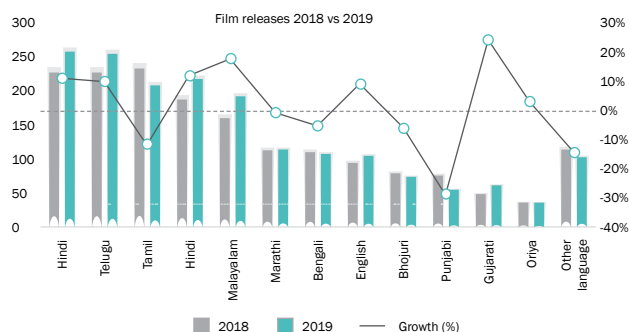
Graph 3: Approximate language composition of domestic theatricals



[Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.]

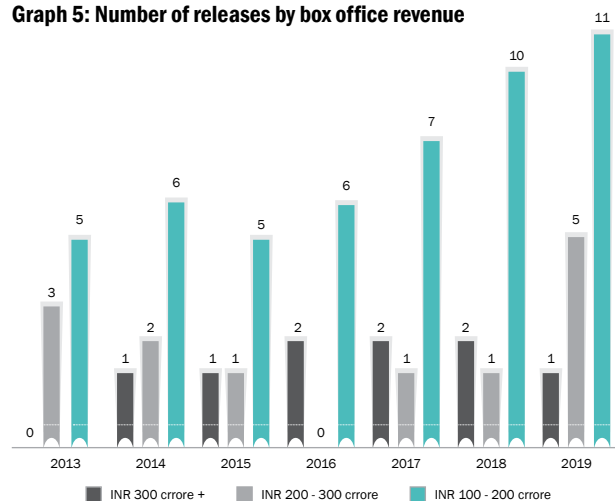
Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.

Graph 4: Film releases in seven languages increased



[Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.]

Graph 5: Number of releases by box office revenue



[Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.]

In recent times, entertainment has been redefined by new-age multiplexes that offer exceptional experiences, boosted by quality infrastructure, state-of-the-art audio-visual systems and multiple F&B offerings. With a push towards completely overhauling the movie-going experience, multiplexes are constantly upgrading and adopting advanced technologies to stay relevant and improve footfalls. A robust content pipeline coupled with multiple initiatives by film exhibitors increased repeat footfalls, which witnessed a growth of 11.6% in 2019.

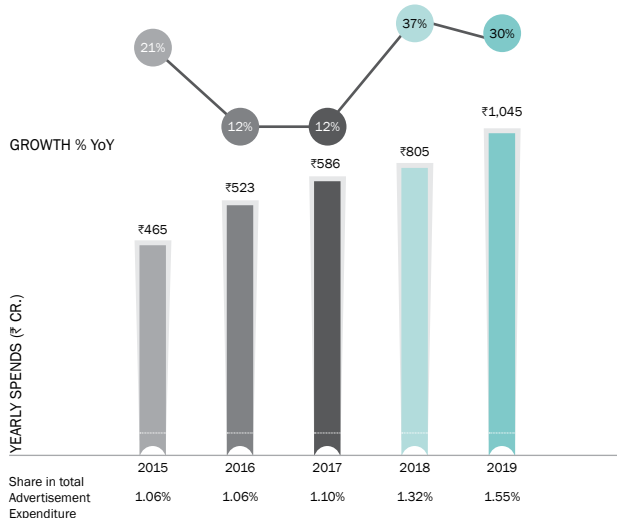
In CY 2019, the total number of screens stood at 9,527, a marginal decline of 74 screen as compared to 9,601 in CY 2018. This decline was largely due to the closure of single screen theatres, primarily in the Hindi heartland of India. However, the declining number of single screens were offset by the increase in multiplexes.

Advertising Expenditure

The Asia Pacific region is the second largest advertising market in the world and India is one of the fastest growing advertising markets in Asia.³ The total Advertising Expenditure (AdEx) grew by 11% in CY 2019 to reach ₹ 67,603 crore, adding a sizeable amount of ₹6,695 crore to Adex in absolute terms. Key sectors including FMCG, Auto, retail, e-commerce, technology and telecom significantly contributed towards AdEx growth. FMCG continued to be the largest contributor, adding 33% to the overall AdEx, followed by Auto, with a share of 10%.

Advertisement Expenditure in Cinema witnessed a sturdy growth of 30% in CY 2019, amounting to ₹ 1,045 crore as compared to ₹ 805 crore in CY 2018. This growth is primarily driven by factors such as consolidation between multiplex and single screen players, greater digitization of movie theatres, leading to more control over advertisements and scientific, data-based selling of the medium.

Graph 6: Cinema Advertisement Expenditure

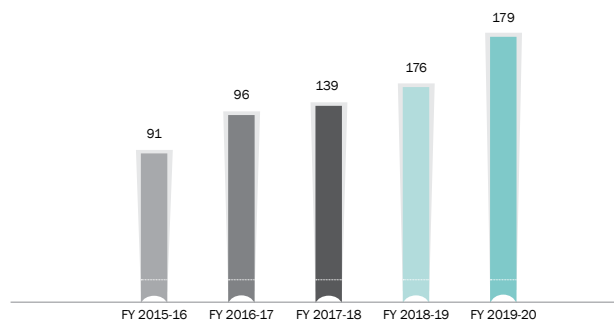


[Source: Pitch Madison Advertising Report 2020]

INOX's Strategy:

The Company's Advertising Revenue has grown at a CAGR of 18% in the last five years and continues to sharply rise upwards. The growing preference of INOX multiplexes as preferred entertainment destinations have significantly increased footfalls, helping the Company to garner a larger share of advertising revenue.

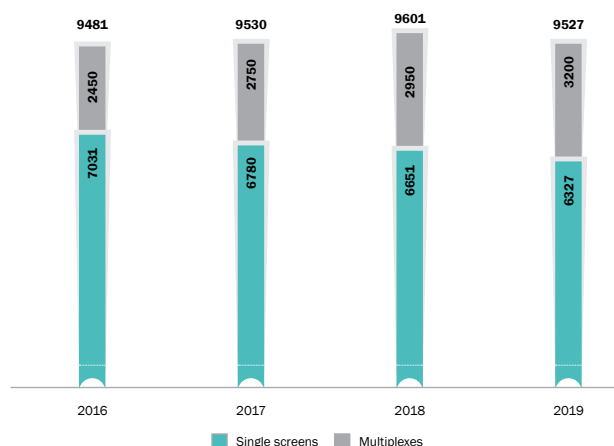
Graph 7: Advertising Revenue (₹ in Cr.)



Multiplexes- the new event destinations

Multiplexes have started positioning themselves as destinations for events – hosting parties, franchisee meets, product launches, live proceedings, birthday parties and many more exclusive events.

Graph 8: Screen count in India



Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.

Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.

³<https://www.statista.com/topics/2116/advertising-industry-in-india/>

INOX's Strategy:

In an effort to improve customer delight, the Company continues to engage in strategic and experiential initiatives that cater to individual needs. The Company is also looking to offer private screenings, wherein families or smaller groups can book the entire auditorium, while enjoying INOX's signature hospitality. It is also looking forward to leverage the alternate content screening opportunities by bringing in musical concert films, edutainment content and LIVE sporting events.

INOX partnered with the International Cricket Council to do a live telecast of select matches across its major properties. The Company also partnered with the NBA to introduce numerous NBA elements such as co-branded inflatables and popcorn buckets, NBA posters and NBA jersey wall displays into select screens across India.

Food and Beverages (F&B) sale

The Food and Beverage segment remained the 2nd largest source of revenue for multiplexes in CY 2019, with gross margins touching somewhere between 70% and 75%. The segment has gone way beyond a limited choice of popcorn and beverages, with multiplexes introducing live kitchen counters, gourmet menus, celebrity chefs, automated kiosks and other value added services. It offers movie goers the perfect blend of comfort and convenience, thereby fostering new channels for point-of-sale distribution at theatre premises. In the days ahead, the F&B segment is anticipated to showcase phenomenal growth owing to changing lifestyles, modified buying trends, and a burgeoning youth population that is willing to pay for world-class services.

The ratio of ticketed and non-ticketed revenues typically stands at 1:1 globally. But, in large multiplex chains of India, non-ticketed revenues clock around 40-50% of the ticketed revenues, as witnessed through food and beverage sales in particular, indicating a significant scope for future growth in this segment.

INOX's Strategy:

INOX multiplexes have extensive menus, spread over numerous F&B concepts, to suit every palate, including street food to gourmet offerings. With multiple food choices, patrons are encouraged to choose from attractive combos that help to increase Spend Per Head (SPH) and thereby improve the contribution of F&B to the Company's overall revenue. In light of the increasing health concerns due to the advent

of COVID-19, the Company has reengineered its menu, with the addition of immunity boosting menu options like fresh fruit juices, specially curated beverages, soups and sandwiches, which would have the added ingredients which build immunity.

Multiple content options

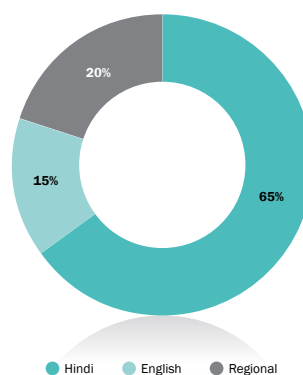
Multiplexes are favourably taking advantage of multiple screens within one property. With the ability to operate the perfect mix of Bollywood and Hollywood movies, along with a special focus on movies of other Indian languages, multiplexes cater to a large audience. The easy availability of a wide variety of content under a single roof, boosts occupancy rates, increases footfalls and promotes such films to a large extent.

INOX's Strategy:

INOX has been addressing the surge in demand of Hollywood movies, as well as movies in other Indian languages, with assigning them the right amount of screens. With its proactive programming processes, the Company has been able to capitalize upon the growing demand and also delight its guests with multiple content offerings.

Graph 9: Language Box Office collection in FY20 (%)

Hindi	65%
English	15%
Regional	20%
Total	100%



Growth in Retail space

The Indian retail space has undergone a tremendous transformation over the last few years. Rapid urbanization, changes in the demographic composition and a push towards improved infrastructure has completely overhauled the face

Source: FICCI-EY Report on India's Media & Entertainment sector, March 2020.

of retail in India. With the growth of new-age malls, these establishments have been fashioned into premier hubs for shopping, entertainment and leisure. Malls now strive to go beyond the usual and endeavour to offer infinite experiences, with a fascinating range of value-added services and facilities that help to improve customer connect. To further augment growth of this sector, the government plans to keep malls in metros open 24x7. It has also led to the popularity of F&B outlets and FECs (family entertainment centres) within malls, adding to the overall appeal of shopping malls and offering consumers the opportunity to experience the extraordinary.

INOX's Strategy:

INOX has been instrumental in providing top quality video and audio experience, excellent ambience, phenomenal service and multiple F&B offerings to its patrons. In addition to offering multiple screens in one location, to provide a wider variety of content, the Company has introduced varied screen sizes that ensure programming flexibility and result in higher occupancy rates. The screen density of Indian multiplexes still remains below par, leaving room for INOX to significantly expand its operations. Staying true to this trend, the Company continues to introduce more screens across malls in several tier-II and tier-III cities. In FY 2019-20, the Company opened 58 screens, achieving a milestone of 600+ screens across the country, scaling up operations to offer a fascinating mix of exhibition and hospitality experience – to engage with audiences and deliver a premium entertainment experience.

Corporate Overview

INOX Leisure Limited (INOX), incorporated in 1999, is one of the largest multiplex operators in India.

With an extraordinary portfolio comprising 147 multiplexes and 626 screens in 68 cities, INOX movie theatres offer a total seating capacity of 144,467 as of 31st March, 2020. Its state-of-the-art theatres utilizing high quality video and audio, impeccable customer service, unique architecture and ambience allows the company to set new benchmarks for cinema viewing.

Core Competencies

- As part of the INOX Group, a reputed business conglomerate in India with diversified offerings across industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, wind energy components and the

entertainment sector, the Company's remarkable brand value adds a competitive edge to stay ahead of its peers.

- One of the largest multiplex chains in India's cinema exhibition industry with access to a wide variety of regional as well as international content.
- The Company has a pan-India presence with multiplexes across 68 major cities and 19 states in the country.
- An exceptional management team at the helm, strong financial backing and its unswerving dedication to stay ahead of the others, drives the Company to firmly cement its position in the cinema exhibition industry.
- Its premium multiplex properties offer the perfect culmination of service and state-of-the-art technology. Equipped with the latest projection and acoustic techniques, plush seating arrangements, hygienic interiors and a great selection of food and beverages helps the Company to deliver unmatched movie experiences.
- The Company has joined hands with some of the leading Indian and global brands to offer unparalleled services.

Performance Highlights

During the year under review, the Company delivered strong operational and financial performances despite major impediments towards the end of the financial year. INOX Leisure continues to stand tall and firm, delivering on its promises and making big strides to emerge as the most profitable cinema chain.

Some of the key operational highlights are summarised below:

- Recorded highest ever yearly footfall of 660 lakh, registering a growth of 6% YoY.
- Occupancy rate remained stable at 28%.
- Registered highest ever yearly ticket price of ₹ 200.
- Registered highest ever yearly Spend Per Head of ₹ 80.
- Witnessed sustained growth in Food & Beverage (F&B) segment owing to consistent improvements in F&B offerings, revenue and profitability.

- The Company continued to optimize costs, enabling it to ensure cost efficiency across operations.
- The Company added 58 screens, 10,979 seats and 10 properties during the year under review, increasing its cumulative capacity to 626 screens, 144,467 seats and 147 properties spread across 19 states and 68 cities in India.
- Successfully launched 58 screens in the last fiscal.
- Launched a 3-tier cinema reward program – INOX REWARDS. A one-of-its-kind reward program that enables customers to earn and redeem points for spends on movie tickets and F&B.
- Company continued to add premium movie formats in the last fiscal. INOX Megaplex at Inorbit Mall, Mumbai was one of its biggest achievements, offering a unique cinema viewing experience with the maximum number of cinema viewing formats under one roof.
- The Company's business was adversely impacted in Q4 of FY 2019-20 due to the sudden outbreak of COVID-19 which resulted in complete closure of movie theatres.

Screen Additions in FY 2019-20

Property Openings	Opened	Property	Screens	Seats
Lucknow Garden Galleria Mall	12-Apr-19	1	4	803
Vadodara Taksh NH8	3-May-19	1	5	976
Bangalore Garuda Yelahanka	28-Jun-19	1	4	756
Hyderabad GSM Mall	29-Jun-19	1	8	1,691
Q1FY20 Openings		4	21	4,226
Lucknow Umrao Mall	18-Aug-19	1	3	653
Jalandhar Reliance	6-Sep-19	1	3	862
Q2FY20 Openings		2	6	1,515
H1FY20 Openings		6	27	5,741
Gorakhpur Orion	12-Dec-19	1	4	748
Indore Century 21 Mall (Existing)	27-Dec-19	-	4	378
Lucknow Crown Mall	30-Dec-19	1	6	1,190
Q3FY20 Openings		2	14	2,316
9MFY20 Openings		8	41	8,057
Pune Elpro	16-Jan-20	1	5	1,139
Lucknow Phoenix Mall	14-Mar-20	1	10	1,710
Indore Central (Existing)	18-Mar-20	-	2	73
Q4FY20 Openings		2	17	2,922
YTD FY20 Openings		10	58	10,979

Financial Highlights

The information provided in this section relate to the consolidated financial results pertaining to the year ended 31st March 2020. The financial statements of the Company and its subsidiaries have been prepared in accordance with the Indian Accounting standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The table below provides an overview of key financial parameters:

(₹ In Crore)			
Particulars	FY 2019-20	FY 2018-19	YoY Change (%)
Total Revenue	1,914.6	1,707.1	12.2%
EBITDA	614.0	324.1	89.5%
PAT	15.0	133.5	(88.8)%
EPS	1.53	14.20	(89)%

Key ratios

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 2019-20 (without IND AS116)	FY 2018-19	YoY growth (%)	Reasons for Change
Interest coverage Ratio*	26.44	10.16	160%	The actual interest outgo reduced significantly in FY 2019-20 as a result of repayment of Inter-Corporate Deposits amounting to ₹ 160 Cr during November 2018.
Return on Net worth	13.7%	16.3%	-16%	Return on Net Worth has declined in FY 2019-20 as Q4FY20 was impacted due to COVID-19.

*Operational Interest Considered

Human Resource

INOX believes and considers its Human Resource as a key asset for driving growth. The number of permanent employees on the rolls of the Company as on 31st March 2020 were 2,256. The Company considers the skills, commitment and energy of its people as vital resources for achieving goals and succeeding strategically. Its People Development Processes lay emphasis on sharpening skill sets and delivering exceptional value to focus on areas that are critical for realizing the Company's vision and objectives. The Company provides employees with multiple opportunities to improve their knowledge, skills and abilities, thereby ensuring and encouraging professional growth through various initiatives.

The Company has undertaken various employee engagement initiatives including Rewards & Recognition programmes, job enrichment strategies for exceptional performers and Learning & Development initiatives to retain and improve their competitive edge. The Company believes that domain knowledge and the experience of a closely-knit management team plays a crucial role in keeping the Company well ahead of the curve. It allows them to pursue strategies to prosper in existing as well as new markets, offering the impetus to deliver exceptional movie-viewing experiences – always.

Outlook

The last fiscal of FY20 was particularly difficult as the menacing impact of the COVID-19 pandemic continued to be felt across sectors. The cinema exhibiting industry was particularly affected due to the complete closure of theatres. However, INOX Leisure remains optimistic about its future

prospects and continues to prepare itself for a new work order. The Company has maintained healthy relationships with all its key stakeholders including mall owners, content producers and government bodies to ensure business sustainability amidst growing challenges.

Keeping its commitment to safety and well-being at the core of its operational strategies, INOX Leisure remains focused to innovate new methods of delivering unique cinema viewing experiences to its audience. Accordingly, it plans to switch to newer formats including private screenings and the development of an integrated marketing plan to bring back audiences to theatres.

The Company plans to open 11 new properties in the nearterm. In these 11 properties ~85% of the work has already been completed. The move is anticipated to ramp up its capacity with the addition of 41 screens and 6,374 seats in FY 2020-21. Further, the Company has nearly 1,000 screens, 142 properties with around 184,000 seats in the offing. Once these properties are operational, the total count is expected to increase to about 300 properties, 1,656 screens and around 335,000 seats.

Responding to COVID-19

The pandemic has posed previously unfathomable challenges to businesses globally, upending traditional ways of working, shutting down various sectors of the economy, disrupting supply chains and severely constraining consumer spends. Amidst this crisis, the Company has implemented various measures to ensure complete safety and security of its employees as well as customers:

- The Company has developed stringent and detailed protocols and guidelines for all theatres. The protocols are benchmarked against best global practices and aimed at ensuring a safe and a hygienic environment for movie-goers, while making provisions for implementing social distancing norms.
- To enable contactless booking, tickets will be available on its website and the INOX App along with partner websites. Customers can also purchase tickets by scanning QR codes at entrance gates. Further, the Company has planned to discontinue paper tickets and will instead issue booking confirmations over SMS. The SMS will contain links for check-in, seat location, F&B menu and options for downloading e-tickets.
- The company has also rolled out a consumer awareness program - Safety First, which encourages guests to follow new operational guidelines to enjoy a safe and secure cinema viewing experience. The campaign will be promoted through the company's social media platforms, emailers, WhatsApp and other medium.
- The Company has also taken a deliberate decision to offer a limited menu. Apart from popular snacks, hot beverages and fresh preparations, the menu will include some healthy choices as well. The Company's menus across cinemas have been reengineered to include ingredients that help to optimize immunity.

Risk Management and Internal Control

With a thorough risk mitigation and internal evaluation system in place, the Company can effectively discern risks and threats. The Company has put in place an 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 it is exposed to - 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, strategic decisions are taken.

Cautionary statement

This document contains forward-looking statements about expected future events, financial and operating results of INOX Leisure Limited. By 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 these 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, FY 2019-20.

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (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. Over the years, the Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. Corporate Governance, therefore, generates long term economic value for its Stakeholders.

The Company's Corporate Governance philosophy is based on maintaining transparency and a high degree of disclosure levels. This philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for Board of Directors and Senior Management of the Company, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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

At the end of the financial year ended 31st March, 2020, 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. The Chairman of the Board is a Non-Executive 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 2019-20, the Board met 6 (Six) times on the following dates namely, 11th April, 2019, 13th May, 2019, 2nd August, 2019, 23rd October, 2019, 7th February, 2020 and 14th February, 2020.

The following table gives details of directors, details of attendance of directors at board meetings, at the Annual General Meeting, disclosure of relationship between directors inter-se, number of shares held by non-executive directors, number of other directorships/committee membership/ chairmanship of various committees and details of directorship in other listed companies as on 31st March, 2020.

Table1: Details of attendance of directors at board meetings, at the Annual General Meeting, disclosure of relationship between directors inter-se, number of shares held by non-executive directors

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	6 out of 6	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 6	No	Brother of Mr. Pavan Jain	6,40,445
Mr. Deepak Asher	Non-Executive – Non Independent	4 out of 6	Yes	No inter-se relationship between Directors	25,000
Mr. Siddharth Jain	Non-Executive – Non Independent	6 out of 6	Yes	Son of Mr. Pavan Jain	6,19,965
Mr. Haigreave Khaitan	Non-Executive - Independent	3 out of 6	No	No inter-se relationship between Directors	0
Mr. Amit Jatia	Non-Executive - Independent	5 out of 6	No	No inter-se relationship between Directors	0
Mr. Kishore Biyani ¹	Non-Executive - Independent	2 out of 4	No	No inter-se relationship between Directors	0
Ms. Girija Balakrishnan	Non-Executive - Independent	5 out of 6	No	No inter-se relationship between Directors	0
Mr. Vishesh Chander Chandiok ²	Non-Executive - Independent	Nil ²	Not Applicable	No inter-se relationship between Directors	0

¹ resigned w.e.f. 16th November, 2019

² appointed as Independent Director w.e.f. 14th February, 2020

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. Siddharth Jain jointly hold 43,50,092 equity shares, as trustees of INOX Benefit Trust as on 31st March, 2020, which are not included above.

Table 2: 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, 2020:

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 Public Limited Companies		
Mr. Pavan Jain	Chairman, Non-Executive – Non Independent Director	9	5	2	GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	Non-Executive, Non-Independent Director
					Gujarat Fluorochemicals Limited (earlier known as INOX Fluorochemicals Limited)	Non-Executive, Non-Independent Director
Mr. Vivek Jain	Non-Executive – Non Independent Director	10	3	1	GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	Non-Executive, Non-Independent Director
					Gujarat Fluorochemicals Limited (earlier known as INOX Fluorochemicals Limited)	Managing Director
Mr. Deepak Asher	Non-Executive – Non Independent Director	4	7	0	GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	Non-Executive, Non-Independent Director
					Gujarat Fluorochemicals Limited (earlier known as INOX Fluorochemicals Limited)	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 Public Limited Companies		
Mr. Siddharth Jain	Non-Executive – Non Independent Director	8	3	1	INOX Wind Limited (resigned from INOX Wind Limited w.e.f. 28 th July, 2020)	Non-Executive, Non-Independent Director
Mr. Haigreve Khaitan	Non-Executive - Independent Director	7	7	4	CEAT Limited	Independent Director
					JSW Steel Limited	Independent Director
					Torrent Pharmaceuticals Ltd	Independent Director
					Tech Mahindra Limited	Independent Director (w.e.f 1 st August, 2019)
					Mahindra & Mahindra Limited	Independent Director (w.e.f 8 th August, 2019)
					Borosil Renewables Limited	Additional & Independent Director (w.e.f 3 rd February, 2020)
Mr. Amit Jatia	Non-Executive - Independent Director	11	3	0	V. I. P. Industries Limited	Non-Executive - Independent Director
					Westlife Development Limited	Executive Director
Ms. Girija Balakrishnan	Non-Executive - Independent Director	2	1	0	Not a Director in any other Listed Company	Not Applicable
Mr. Vishesh Chander Chandiok	Non-Executive - Independent Director	6	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 of the Company are Directors in more than 10 Public Limited Companies. Further, none of the Directors hold directorships in more than 8 Listed Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Director is a member of more than ten committees or act as chairperson of more than five committees across all listed entities in which he / she is a Director as per Regulation 26(1) of Listing Regulations.

(c) 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>.

(d) 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 7th February, 2020, 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 familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company nature of industry in which the Company operates, its business model etc.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and they are independent of the Management.

Mr. Kishore Biyani resigned as a Director of the Company w.e.f. 16th November, 2019. He informed that his other commitments have increased and he may not be able to fulfil the requirements of his position on the Board. He also confirmed that there was no other material reasons for his resignation as Independent Director other than those mentioned above.

Matrix setting out the skills/expertise/competence of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
Media and Entertainment sector, particularly Cinema Exhibition;	Mr. Pavan Jain, Mr. Vivek Jain, Mr. Deepak Asher, Mr. Siddharth Jain
Hospitality, Food and Beverage, Retail Industry;	Mr. Pavan Jain, Mr. Vivek Jain, Mr. Deepak Asher, Mr. Siddharth Jain, Mr. Amit Jatia
Retail Marketing;	Mr. Pavan Jain, Mr. Deepak Asher, Mr. Siddharth Jain, Mr. Amit Jatia
Accounts and Finance, Financial Management, Taxation	Mr. Deepak Asher, Mr. Siddharth Jain, Mr. Amit Jatia, Mr. Vishesh Chander Chandiok
Corporate Governance, Administration;	Mr. Deepak Asher, Mr. Haigreave Khaitan, Ms. Girija Balakrishnan, Mr. Vishesh Chander Chandiok
Legal and compliance;	Mr. Deepak Asher, Mr. Haigreave Khaitan, Ms. Girija Balakrishnan, Mr. Vishesh Chander Chandiok
Business Strategy and Management	Mr. Pavan Jain, Mr. Vivek Jain, Mr. Deepak Asher, Mr. Siddharth Jain, Mr. Amit Jatia, Mr. Vishesh Chander Chandiok

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 utilization 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 SEBI (Prohibition of Insider Trading) Regulations, 2015 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 2019-20:

The Audit Committee comprises of Four Directors as on 31st March, 2020 with Mr. Haigreave Khaitan as the Chairman of the Committee. The composition of Audit Committee is in compliance of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

During the Financial Year 2019-20, the Audit Committee met 4 (Four) times on the following dates, namely, 13th May, 2019, 2nd August, 2019, 23rd October, 2019 and 7th February, 2020.

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

Name of the Director	Position	Number of Meetings Attended during the year
Mr. Haigreave Khaitan, Independent Director	Chairman	2 out of 4
Mr. Deepak Asher, Non-Independent Director	Member	3 out of 4
Mr. Amit Jatia, Independent Director	Member	4 out of 4
Mr. Kishore Biyani, Independent Director ¹	Member	2 out of 3

Name of the Director	Position	Number of Meetings Attended during the year
Mr. Vishesh Chander Chandiok, Independent Director ²	Member	Nil ²

¹resigned w.e.f. 16th November, 2019.

²appointed as member of the Committee w.e.f. 14th February, 2020.

Mr. Haigreave Khaitan, Chairman of the Audit Committee was unable to attend the Annual General Meeting of the Company held on 18th September, 2019, 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 2019-20:

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 2019-20, the Compensation, Nomination and Remuneration Committee met 7 (Seven) times on following dates namely, 11th April, 2019, 25th June, 2019, 22nd July, 2019, 6th November, 2019, 16th January, 2020, 7th February, 2020 and 14th February, 2020.

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 7
Mr. Amit Jatia, Independent Director	Member	7 out of 7
Mr. Siddharth Jain, Non-Executive – Non-Independent Director	Member	5 out of 7

Pursuant to Regulation 19 (2A) of the Listing Regulations, 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, fulfillment of the independence criteria and independence of Independent Directors from the management for the Financial Year 2019-20. Further, based on the feedback received by the Company, the Compensation, Nomination and Remuneration Committee at its Meeting held on 7th February, 2020 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. Siddharth Jain, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 18th September, 2019.

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 18th September, 2019 approving the payment of Professional Fees to Mr. Deepak Asher, Non-executive Director of the Company for Financial Years 2019-20, 2020-21 and 2021-22. 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 (calculated as per provisions of Section 198 of the Companies Act, 2013), for a period of five Financial Years commencing from Financial Year 2018-19.

All the Directors are paid sitting fees of ₹ 20,000/- for attending the Meetings of the Board or Committee thereof (except for Corporate Social Responsibility Committee, Business Responsibility Report Committee, Risk Management Committee and Committee of Directors for Operations) and adjournments thereto. The details of total remuneration paid to the Directors for the year 2019-20 are given below:

(₹ in Lakhs)

Name of Director	Sitting Fees*	Professional Fees	Remuneration	Total
Mr. Pavan Jain	1.60	-	-	1.60
Mr. Vivek Jain	0.60	-	-	0.60
Mr. Deepak Asher	1.60	120.00	-	121.60
Mr. Siddharth Jain	2.60	-	123.00	125.60
Mr. Haigreve Khaitan	2.00	-	-	2.00
Mr. Amit Jatia	3.40	-	-	3.40
Mr. Kishore Biyani ¹	0.80	-	-	0.80
Ms. Girija Balakrishnan	1.40	-	-	1.40
Total	14.00	120.00	123.00	257.00

(*) Includes sitting fees paid for Board and Committee Meetings.

(¹) Mr. Kishore Biyani resigned w.e.f. 16th November, 2019.

During the Financial Year 2019-20, 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 # Mr. Siddharth Jain *
(b)	Name and designation of Compliance Officer	Mr. Parthasarathy Iyengar, Company Secretary
(c)	Number of Shareholders complaints received during the Financial Year 2019-20	9
(d)	Number not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

Upto 13th February, 2020.

* w.e.f. 14th February, 2020.

The Chairman of Stakeholders' Relationship Committee was unable to attend the Annual General Meeting of the Company held on 18th September, 2019, due to his prior commitments and had authorised Mr. Deepak Asher, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 18th September, 2019.

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	1	50
Number of shareholders to whom shares were transferred from suspense account during the year	1	50
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	40	2195

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
2016 -17	18 th AGM on 28 th September, 2017 at 12.00 noon	At Maple Hall, Hotel Express Residency,	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.	18/19, Alkapuri Society, Vadodara – 390 007	<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
2018-19	20 th AGM on 18 th September, 2019 at 11.00 a.m.	INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, 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. 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. 3. To consider and approve payment of remuneration to Mr. Siddharth Jain, Non-Executive Director of the Company for the Financial Year 2019-20. 4. 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.

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, 2020 were submitted to the Stock Exchanges immediately after they were approved by / taken on record by the Board and published in well-circulated Gujarati newspaper Financial Express and English daily 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.

The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company. The basic information about the Company in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly.

9. GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting (AGM):

- Date : Wednesday, 23rd September, 2020
- Time : 11:00 a.m.
- Venue/Mode : The Company is conducting Annual General Meeting through Video Conferencing / Other Audio Visual Means facility pursuant to the MCA Circular dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of the AGM.

(b) Financial year : April, 2019 to March, 2020.

(c) Dividend Payment Date : a) The Board of Directors have not proposed any final dividend for financial year ended 31st March, 2020.
b) The Company has paid interim dividend of ₹ 1 per Equity Share on 11th November, 2019.

(d) 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)

P. J. Towers, Dalal Street, Fort, Mumbai – 400 001

Listing Fees:

The Company has paid the annual listing fees for the Financial Year 2020-21 to the BSE and NSE on which the securities are listed within the stipulated time.

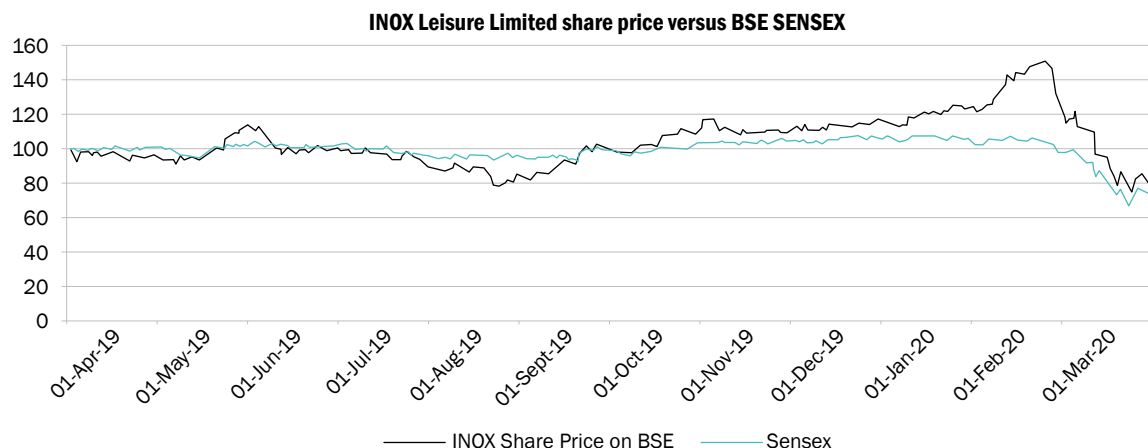
(e) Stock Code:

NSE- INOXLEISUR
BSE- 532706

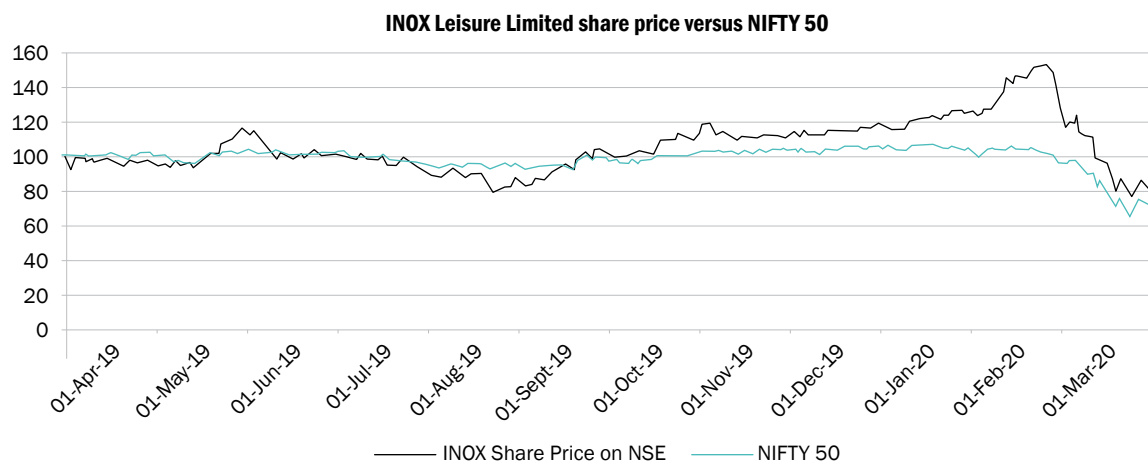
(f) Market Price Data: High, Low during each month in the Financial Year 2019-20:

Month	NSE Monthly High Price (₹)	NSE Monthly Low Price (₹)	BSE Monthly High Price (₹)	BSE Monthly Low Price (₹)
April, 2019	344.40	297.00	344.00	299.35
May, 2019	383.40	298.20	382.60	296.00
June, 2019	381.15	312.50	382.20	311.20
July, 2019	332.95	289.00	333.05	289.05
August, 2019	304.80	249.10	304.50	249.25
September, 2019	349.00	261.95	349.00	261.60
October, 2019	386.90	320.00	386.45	320.00
November, 2019	390.75	352.00	390.00	352.00
December, 2019	399.00	358.20	398.90	358.80
January, 2020	420.00	365.05	420.00	365.00
February, 2020	511.80	386.00	510.80	391.00
March, 2020	447.00	231.50	446.35	231.20

(g) Performance in comparison to broad-based indices viz. Nifty 50 and BSE Sensex (Daily Closing Value):



Note: INOX Leisure Limited closing share price and BSE Sensex values as on 1st April, 2019 have been baselined to 100.



Note: INOX Leisure Limited closing share price and NIFTY 50 values as on 1st April, 2019 have been baselined to 100.

The Equity Shares of the Company were not suspended from Trading during the Financial Year 2019-20.

(h) Registrar and Share Transfer Agents:

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

KFin Technologies Private Limited (Formerly known as "Karvy Fintech Private Limited")

Registered & Corporate Office

Selenium Building, Tower-B,
Plot No- 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi,
Telangana, India, 500032

(i) Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. Further, 99.99% of equity shares of the Company are in demat mode. Transfer of these shares is done through depositories with no involvement of the Company.

Further, SEBI vide its circular dated 20th April, 2018, has emphasized on dematerialization of shares, in cases where shares of a listed entity, have been held in physical mode. Therefore, shareholders are instructed to get their physical shares dematerialised by making an application to their respective depository participant(s).

(j) Distribution of Shareholding & Shareholding Pattern as on 31st March, 2020:

Shareholding of Nominal Value	Number of Shareholders	% to Total	Number of Shares	Amount in Rupees	% to Total
1 - 5000	58,282	96.05	35,98,097	3,59,80,970	3.50
5001 - 10000	1,238	2.04	9,41,813	94,18,130	0.92
10001 - 20000	539	0.89	7,80,025	78,00,250	0.76
20001 - 30000	170	0.28	4,26,739	42,67,390	0.41
30001 - 40000	77	0.13	2,71,958	27,19,580	0.26
40001 - 50000	71	0.12	3,33,061	33,30,610	0.32
50001 - 100000	104	0.17	7,54,711	75,47,110	0.73
100001 & above	197	0.32	9,57,51,350	95,75,13,500	93.09
TOTAL:	60,678	100.00	10,28,57,754	102,85,77,540	100.00

(k) Shareholding Pattern as on 31st March, 2020 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	2,39,08,757	23.24
- Financial Institutions/Banks	52,850	0.05
- Foreign Institutional Investors	95,87,357	9.32
Sub-Total	3,35,48,964	32.62
Others		
Bodies Corporate	12,79,047	1.24
Indian Public	91,48,308	8.89
Non Resident Indians	3,94,051	0.38
Any other		
- HUF	1,92,729	0.19
- Trusts	44,98,334	4.37
- Clearing Members	2,12,392	0.21
Employee Welfare Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	2,10,001	0.20
Sub-Total	1,59,34,862	15.49
Grand Total	102,857,754	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, 2020. Pursuant to the Composite Scheme of Amalgamation of Company's subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with the Company together referred to as 'transferor companies'), 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.

(I) Dematerialization of shares:

The Company's Equity Shares are traded compulsorily in dematerialized form on BSE and NSE.

The summary of dematerialized and physical Equity Shares of the Company as on 31st March, 2020 is as hereunder:

Particulars	No. of Shares	% to Total Share Capital
No of Shares Dematerialised		
- NSDL	993,80,943	96.620
- CDSL	34,70,800	3.374
No. of Shares in Physical Form	6,011	0.006
TOTAL	10,28,57,754	100.00

ISIN number for dematerialization of the equity shares of the Company is INE312H01016.

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

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

(n) 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.

(o) 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.	Chennai	3 rd Floor, Chennai City center, 10/11, R.K. Salai, Near Kalyani Hospital, Mylapore, Chennai
12.	Jaipur	City Plaza, Nirman Marg, Jhotwara Road, Bani Park, Jaipur
13.	Bharuch	Shree Rang Palace, Zadeshwar Road, Bharuch, Gujarat

Sr. No.	City	Location
14.	Jaipur	4 th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur
15.	Lucknow	4 th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow
16.	Raipur	3 rd Floor, City Mall 36, G. E. Road, NH-6, Raipur
17.	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata
18.	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada
19.	Faridabad	3 rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad
20.	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur
21.	Bengaluru	4 th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bengaluru
22.	Burdwan	4 th Floor, Burdwan Arcade, 60, B.B Ghosh Road, Burdwan
23.	Hyderabad	5 th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad
24.	Siliguri	5 th Floor, Orbit Mall, 3 rd Mile, Sevoke Road, Siliguri
25.	Kolkata	3 rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata
26.	Indore	4 th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore
27.	Thane	3 rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane
28.	Vizag	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam
29.	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam
30.	Bengaluru	3 rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bengaluru
31.	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka
32.	Jaipur	Pink Square Mall, Raja Park, Jaipur
33.	Kanpur	3 rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur
34.	Bengaluru	5 th Floor, Bengaluru Central, 45 th Cross, J. P. Nagar 2 nd Phase, Bengaluru
35.	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal
36.	Siliguri	City Centre, Matigara, Siliguri, West Bengal
37.	Vijaywada	3 rd Floor, LEPL Icon, Patamata, Vijayawada
38.	Hyderabad	5 th Floor, Maheshwari Parameshwari Mall, Kachiguda Cross Road, Hyderabad
39.	Navi Mumbai	Glomax Mall, Kharghar, Navi Mumbai
40.	Pune	2 nd Floor, Amanora Park Town, East Blok, Hadapsar, Pune
41.	Bhubaneswar	4 th Floor, BMC Bhawani Mall, Saheed Nagar, Opp. Arya Samaj, Bhubaneswar
42.	Udaipur	5 th Floor, Lake City Mall, Porawalaji Ki Wadi, Ashok Nagar, Udaipur
43.	Bhopal	1 st Floor, Century 21 Mall, Hoshangabad Road, Bhopal
44.	Nashik	Old Vijay Mamta Theatre, Opp. Prasad Chambers, Nashik Pune Road, Nashik
45.	Mumbai	Raghuleela Mall, Behind Poisar Bus Depot, Off S.V. Road, Kandivali (W), Mumbai
46.	Kolkata	Metropolis Mall, Hiland Park, Opp. Pearlless Hospital, E.M. By Pass, Kolkata
47.	Mumbai	Inorbit Mall, New Link Road, Near Subkuch Market, Malad (West) Mumbai
48.	Pune	Jai Ganesh Vision Mall, Near Olympia Service Station Akurdi, Pune
49.	Aurangabad	Old Anuradha Anupama Cinema, Tapadia Mall, Sector - C-2 Town Center, CIDCO, Aurangabad
50.	Mumbai	Nakshatra Cine Shoppe, Ranade Road, Near Dadar Railway Station, Dadar (W), Mumbai
51.	Anand	City Pulse Theaters Ltd., Nr. Hero Honda Showroom, S.N. Motors, Anand - Vidyannagar Road, Anand
52.	Mumbai	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira - Bhayander, Thane
53.	Mumbai	Raghuleela Mall, Poisar, Kandivali
54.	Bengaluru	Next To Ista Hotel, Off M.G. Road, Ulsoor, Bengaluru
55.	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata
56.	Navi Mumbai	3 rd Floor, Raghuleela Mall, Opp. Vashi Railway station, Vashi, Navi Mumbai
57.	Pune ®	1 st Floor, Fun & Shop Mall, Opp. Bhairoba Nallah, Fatima Nagar, Hadapsar, Pune
58.	Mumbai	Neelyog Bulding Patel Chowk, R.B. Road, Ghatkopar (E), Mumbai
59.	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan
60.	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung, Vadodara
61.	Bharuch	Shalimar Takies, Station Road, Bharuch
62.	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad
63.	Bengaluru	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road , Bengaluru
64.	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai
65.	Kolkata	Hind Cinema, Bow Bazar, Kolkata

Sr. No.	City	Location
66.	Surat	VR Surat, Dumas Road, Magdalla, Surat, Gujarat
67.	Vizianagaram	3 rd Floor, NCS Mall, Bochu Peta, Opp. RTC Complex, Vizianagaram
68.	Panchkula	3 rd Floor, NH-22 Mall, Amravati Enclave, Sector 2, Pinjore-Kalka Urban Complex, Panchkula
69.	Raipur	1 st Floor, City Centre Mall, Vidhan Sabha Road, Mowa, Raipur
70.	Jaipur	3 rd Floor, Elements Mall, Ajmer Road, Jaipur
71.	Madurai	5 th Floor, Vishaal de Mal, 31, Gokhale Road, Chinna Chokkikulam, Madurai
72.	Noida	3 rd Floor, MSX Mall, Swarn Nagari, Gate No.1, Greater Noida.
73.	Kolkata	4 th Floor, Quest Mall, 33, Syed Amir Ali Avenue, Kolkata
74.	Manipal	1 st Floor, Central Cinemas, Laxmindra Nagar, Udupi Main Road, Manipal
75.	Gurgaon	3 rd Floor, Gurgaon Dreamz Mall, Sector 4 - 7 Circle, Old Railway Road, Gurgaon
76.	Vizag	4 th Floor, Chitralayaa, Suryabagh, Visakhapatnam
77.	Jalgaon	2 nd Floor, khandesh Central Station Road, Jalgaon
78.	Faridabad	EF - 3 Mall, Sector 20 - A, Mathura Road, Faridabad
79.	New Delhi	1 st Floor, Eros One (Eros Cinema Building), Jangpura Extension, New Delhi
80.	Kurnool	3 rd Floor, Jyoti Mall, Opposite Zilla Parishat, Bellary Road, Kurnool
81.	Ajmer	3 rd Floor, City Square Mall, Panchsheel Nagar, Ajmer
82.	Goa	E-Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao, Goa
83.	Vadodara	3 rd Floor, Reliance Mega Mall, Old Padra Road, Vadodara
84.	New Delhi	Behind Shadipur Metro Station Patel Nagar, New Delhi
85.	New Delhi	District Centre, Janak Place, New Delhi
86.	New Delhi	45, District Centre, Near Intercontinental Hotel, Nehru Place, New Delhi
87.	Indore	C-21 Mall, PU - 4, Scheme No. 54 AB Road, Indore
88.	Jodhpur	Ansai Royal Plaza Nr- Stadium, High Court Road, Jodhpur
89.	Aurangabad	Prozone Mall, API Corner, P-80 Chikalthana Industrial Area, Aurangabad
90.	Rohtak	Sky Mall, Sonipat Road, Huda Sector-3, Rohtak
91.	Mysuru	Mall of Mysore, Plot No. C1, Third Floor, Nazarbad Mohalla, MG Road, Mysuru
92.	Amritsar	5 th Floor, Trilium Mall, Plot C-4 Circular Road, Opp. Basant Avenue, Amritsar
93.	Bhilwara	3 rd Floor, City Centre Mall, Near Mahaveer Park, Bhopalganj, Bhilwara
94.	Rajkot	Old Dharam Cinema Building, Kasturba Road, Rajkot
95.	Gandhinagar	R World, Jamiyatpura Mehsana Highway, Adalaj, Gandhinagar
96.	Gandhinagar	Old Rajshree Cinema, 2 nd Floor, R-21, Sector 21, Gandhinagar
97.	Bhiwadi	Genesis Mall, Alwar Bhiwadi Highway, Bhiwadi.
98.	Mumbai	R City Mall, Lal Bahadur Shastri Marg, Ghatkopar(W), Mumbai
99.	Goa	2 nd Floor, A- Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao
100.	Meerut	PVS Mall, I Block, Shastri Nagar, Meerut
101.	Thrissur	Sobha City Mall, Thrissur
102.	Surat	Aai Mata Chowk, Paravat Patia, Surat
103.	Jorhat	ABS Mall, 4 th Floor, at Rd, Gar-Ali, Jorhat
104.	Goa	Mall De Goa, Alto Porvorim, Bardez, Goa
105.	Bengaluru	Brookefield Mall, Kundalahalli Village, Krishnarajapuram Hobli, Bengaluru
106.	Kota	The Great Mall of Kota, DCM Road, Kota
107.	Howrah	Rangoli Mall, 212, Girish Gosh Road, Belur, Howrah
108.	Jaipur	Sunny's Big Junction (STC), Shukhalpura New Aatish Market, Manasarovar, Jaipur
109.	Rajkot	Mouie Nana Mava, Rajkot
110.	Mumbai	Metro House, Mahatma Gandhi Road, Mumbai
111.	Aurangabad	Reliance Mega Mall, Gajanan Maharaj Mandir Road, Garkheda, Aurangabad
112.	Jamnagar	Crystal Mall, Airport Road, Jamnagar, Gujarat
113.	Surat	Raj Imperial INOX, Deep Kamal Mall, Near Sarthana Zoo, Varachha Road, Surat
114.	Gandhinagar	Old Shalimar Cinema, Sector-16, Gandhinagar
115.	Bharuch	Blue Chip Complex, Seva Ashram Road, Bharuch
116.	Pune	Dorabjee's Royale Heritage Mall, NIBM Ext, Next to Vibgyor High School, Mohammed Wadi, Pune
117.	Greater Noida	3 rd Floor, Omaxe Connaught Place Mall, H Block, Sector Beta - 2, Greater Noida
118.	Mumbai	Atria Mall, Dr. Annie Besant Road, Worli, Mumbai

Sr. No.	City	Location
119.	Kolhapur	2 nd Floor, Reliance Mega Mall, Old Dalal Market, Laxmipuri, Kolhapur
120.	Ghaziabad	3 rd Floor, Shipra Mall, Plot no: 09, Vaibhav Khand, Indrapuram, Ghaziabad
121.	Nadiad	3 rd Floor, Opal One Mall, College Road, Nadiad
122.	Mumbai	3 rd Floor, Palm Beach Galleria Mall, Palm Beach Road, Sector 19, Vashi, Navi Mumbai
123.	Cuttack	SGBL Square, Town Hall Road, Chowdhury Bazar, Cuttack
124.	Zirakpur	1 st Floor, Dhillon Plaza, Chhat Road, Singhpura, Zirakpur
125.	Kakinada	SRMT Mall, Lalitha Nagar, Sarpavaram Junction, Kakinada
126.	Gurugram	2 nd Floor, Sapphire 83 Mall, N. H. 8, Gurugram
127.	Coimbatore	S.F. No. 201, Sathy Main Road, Coimbatore
128.	Surat	4 th Floor, Reliance Mall, Udna, Surat
129.	Gorakhpur	City Mall, 2 nd Floor, 6 Civil Lines, Gorakhpur
130.	Delhi	Lower Ground Floor, Epicuria, TDI South Bridge, Nehru Place Metro Station, PD Area, Nehru Place, Delhi
131.	Bengaluru	2 nd Floor, RMZ Galleria Mall, Ambedkar Colony, Yelahanka,
132.	Gwalior	2 nd Floor, DB Mall, Race Course Road, Old MPSRTC Work Station, Opp. Gwalior Rly Stn, Gwalior
133.	Kolkata	3 rd Floor, Star Mall, 74/Mall/1, Jessore Road (North), Madhyamgram, Kolkata
134.	Jaipur	G.T Central Mall, 4 th Floor, Plot No.4, Indira Palace, Malviya Nagar, Jaipur
135.	Bhubaneswar	D N Regalia, IDCO Plot No 1/A, Bhagabanpur Industrial Estate, Patrapada, Bhubaneswar
136.	Jamnagar	First Floor, Reliance Mall, Motikhavdi, Jamnagar
137.	Bhubaneswar	Symphony Mall, Plot No.149, Rudrapur, Bhubaneswar
138.	Chennai	3 rd Floor, The Marina Mall, Old Mahabalipuram Road, Egatoor, Chennai
139.	Lucknow	3 rd Floor, B-Block South City, Lucknow
140.	Vadodara	Taksh Galaxy Mall, Waghodia, Vadodara
141.	Bengaluru	Garuda Yelahanka, 1 st A Main Road, Yelahanka New Town, Bengaluru
142.	Hyderabad	4 th Floor, GSM Mall, Miyapur 99 & 100, Madeenaguda, Hyderabad
143.	Lucknow	2 nd floor, Umrao Mall, Vidhan Sabha Marg, Nishat Ganj Mahanagar, Lucknow
144.	Jalandhar	3 rd Floor, Reliance Mall, Chotti Baradari Part-2, Jalandhar, Punjab
145.	Gorakhpur	4 th Floor, Orion Mall, Mohaddipur, Gorakhpur, Uttar Pradesh
146.	Lucknow	3 rd Floor, Crown Mall, Faizabad Road, Opposite BBD University, Lucknow
147.	Pune	2 nd Floor, Elpro City Square Mall, Pimpri Chinchwad Link Road, Chinchwad, Pune
148.	Lucknow	3 rd Floor, Phoenix Palassio Mall, Plot No. 1, Sector No. 7, Gomti Nagar Extension, Amar Shaheed Path, Lucknow

®discontinued operations w.e.f. 1st February, 2020

(p) 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

(q) 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:

During the year under review, as per the rating rationale dated 23rd March, 2020, CRISIL has reaffirmed the credit rating of CRISIL AA- for Long Term Facilities and CRISIL A1+ for Short Term Facilities. CRISIL placed its ratings on the Bank Loan facilities of the Company on 'Rating Watch with Negative Implications'.

The details of Credit Rating is available on the website of the Company at <https://www.inoxmovies.com/Corporate.aspx?Section=3>

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 Indian 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 behavior, 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, 2020, 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.

(iii) **Reporting of Internal Auditor:**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

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, 2020.

f) **Disclosure of commodity price risks and commodity hedging activities:**

Not Applicable

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

Not Applicable

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's of the Audit Committee and Stakeholders' Relationship Committee could not attend the last AGM for the reasons specified in paras 3(b) and 6 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, Company Secretaries, confirming that none of the Directors on the Board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities, is annexed to this Report at **Annexure – B**.

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

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

(₹ in Lakhs)	
Particulars	2019-20
Statutory audit	32.00
Limited Review, Corporate governance and Consolidated accounts	11.00
Total	43.00

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 2019-20.

Number of complaints pending as on 1 st April, 2019	Nil
Number of complaints received	24
Number of complaints disposed off	23
Number of complaints pending as on 31 st March, 2020	1

19. COMPLIANCE CERTIFICATE FROM THE INDEPENDENT AUDITORS:

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

By Order of the Board of Directors

Place: Mumbai
Date: 5th August, 2020

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, 2020.

Place: Mumbai
Date: 5th August, 2020

Alok Tandon
Chief Executive Officer

ANNEXURE – B

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members

INOX Leisure Limited

We have examined relevant Registers, Books, Records, Forms, Returns, Declarations, Disclosures etc. of the INOX Leisure Limited ("the Company"), having CIN: L92199GJ1999PLC044045 and Registered Office at ABS Towers, Old Padra Road, Vadodara - 390007, Gujarat, India as produced before us by the Company for the purpose of issuing Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and representatives, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment / Reappointment
1.	Mr. Amit Jatia	00016871	01-04-2019
2.	Mr. Deepak Ranjit Asher	00035371	15-01-2001
3.	Ms. Girija Balakrishnan	06841071	03-12-2019
4.	Mr. Haigreve Khaitan	00005290	01-04-2019
5.	Mr. Kishore Laxminarayan Biyani*	00005740	01-04-2019
6.	Mr. Pavan Kumar Jain	00030098	09-11-1999
7.	Mr. Siddharth Jain	00030202	10-09-2004
8.	Mr. Vivek Kumar Jain	00029968	09-11-1999
9.	Mr. Vishesh Chander Chandiok	00016112	14-02-2020

* Mr. Kishore Laxminarayan Biyani resigned w.e.f. November 16, 2019.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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

UDIN: F003677B000560222

(August 07, 2020)

Place: Vadodara,

Date: 5th August, 2020

CERTIFICATE

COMPLIANCE WITH THE CORPORATE GOVERNANCE

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

To,
The Members of
INOX Leisure Limited,

This report contains details of compliance of conditions of Corporate Governance by **INOX Leisure Limited** ('the Company') for the year ended 31st March, 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

Auditor's Responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

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

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

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations in all material respect except:

- a) 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.
- b) the Chairman of the stakeholder's relationship committee had not attended the last Annual General Meeting of the Company for the reasons mentioned in paragraph 6 of the Corporate Governance Report prepared by the Company.

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

Restriction on use

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

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

A D Talavlikar
Partner
Membership Number: 130432

Place: Pune
Date: 5th August, 2020
UDIN: 20130432AAAABB2933

BUSINESS RESPONSIBILITY REPORT

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

Pursuant to Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the “Business Responsibility Report” (BRR) of the Company for FY 2019-20.

The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles:

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	2019-2020
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	147 Locations as on 31 st March, 2020
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)	₹ 1,89,744.34 Lakhs
3.	Total profit after tax (INR)	₹ 1,494.47 Lakhs
4.	Total spending on CSR as percentage of PAT (%)	₹ 118.83 Lakhs i.e. 7.95 % of PAT for FY 2019-20
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 Arts & Culture.

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/Directors 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	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable regulatory requirements and industry standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	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	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employees either on Company's website (www.inoxmovies.com/corporate) or as part of the employee handbook.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by Management Team								

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):
Not Applicable

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 2018-19 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. The Company has formulated CoC for Vendors who do business with the Company. The CoC for Vendors encourages the Vendors to adhere to the highest standards of ethics and values. 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, Employees and Vendors of the Company to take positive actions which are not only commensurate with the Company's beliefs 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, its Subsidiary and the Vendors of the Company.

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 fire 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, most 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.). The Company has replaced existing induction motors of Air Handling Units with energy efficient Electronically Commutated Motors.

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.

We have sustainable sourcing & transportation model. Almost entire stock is procured through long term sustainable options with reputed vendors. We ensure that we have alternate vendor for most of our Raw Materials and Packaging Materials and we also maintain par stock at our cinemas.

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?

While most of our consumption is procured from National vendors owing to standard menu and volume, we do procure our Ready To Eat (RTE) menu items & associate with Other Food Business (OFB) who are local and small producers. This helps us to give the right taste and flavour required for a particular market. During this exercise, we also train them on safe and hygiene practices, work closely with them to help them improve their volumes. We also give them level playing field at our Cinema lobby to enable them to reach out to patrons.

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 2256 employees (excluding outsourced employees).

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

A total of 7536 employees have been hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.

The Company has 127 permanent women employees and 1,473 women employees on contractual basis.

4. Please indicate the Number of permanent employees with disabilities

The Company currently has 3 permanent employees and 6 contractual employees 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	24	1*
3.	Discriminatory employment	0	0

*Was closed subsequently

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	100%

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?

The Company has identified its internal and external stakeholders which include its employees, shareholders, vendors, customers, regulators, etc.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

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:

- INOX regularly does movie screening for underprivileged kids & kids with special needs, Cancer Patients etc.
- INOX also has the facility of providing assistance for elderly guests and guests who are physically challenged.
- INOX trains small vendors on safety and hygiene practices. We also work closely with them to improve their business.

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, 2020.

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.

Yes. The policy extends to our Employees, Vendors and relevant stakeholders.

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. The strategies are provided in the Earnings Presentation which is available on www.inoxmovies.com/corporate.

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

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?

Eco-friendly wind energy, a renewable source of electricity, is used for multiplex operations at INOX Race Course Vadodara, INOX Anand, INOX Crystal Jamnagar and INOX Shree Rang Palace Bharuch.

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 2019-20, these windmills generated more than 20 lakh units (NET) of electricity which was consumed by 4 of INOX's properties, INOX Vadodara Race Course, INOX Bharuch Shree Rang, INOX Anand City Pulse and INOX Jamnagar Crystal with excess units of electricity being sold to respective DISCOM. The Company has replaced existing induction motors of Air Handling Units with energy efficiency Electronically Commutated Motors.

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.

None.

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)

Yes. The Company regularly engages with relevant regulatory authorities through Multiplex Association of India for public good.

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.

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?

27 complaints are pending as on 31st March, 2020.

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)

We follow all prescribed Local, State and Central laws when it comes to legal metrology and packaging. While most of our Stock Keeping Units (SKUs) are not prepacked (like Popcorn & Cola) we do mention the prescribed requirements in our menu mast (TV). For prepacked SKUs like Chips, Chocolate, Cookies etc., we follow and ensure all statutory details are mentioned in the packs.

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.

24 complaints are pending as on 31st March, 2020 before various Consumer Forums/ commission which are filed during last five years for unfair trade practice/ deficiency in service. There was no pending stakeholder case against the company regarding irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2020.

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 a running and functional feedback system which is used by customers to give ratings via email / mobile. 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: 5th August, 2020

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 31 March 2020, 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 31 March 2020, 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.

Emphasis of Matter

As described in Note 2.2, in preparation of these financial statements, the Company has considered the effect of uncertainties due to COVID-19 pandemic on the operations of the Company. The actual impact of COVID-19 pandemic may be different from that estimated as on the date of approval of these financial statements.

Our report is not modified in respect of this matter.

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 31 March 2020

Sr.	Key Audit Matter	Auditor's Response
1	<p>Adoption of Ind AS 116: Leases</p> <p>As described in Note 44 to the standalone financial statements, the Company has transitioned to Ind AS 116, initial application date being 1 April 2019. The application of this accounting standard is complex and also has significant impact not only on the profit for the year but also on the asset and liability position of the Company. On transition to Ind AS 116, the Company has recognised right-of-use assets (ROU) of ₹ 1,66,301.16 Lakhs and lease liabilities of ₹ 2,19,223.77 Lakhs. Significant judgement is also involved in transition to and application of this accounting standard.</p> <p>This has been identified as a key audit matter in view of the significant impact on the profit for the year and also on the asset and liability position of the Company and the complexities in transition and application of this accounting standard.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessment and testing of processes and controls in respect of Ind AS 116: Leases Assessment of the key terms and conditions of the leases On transition to Ind AS 116: <ul style="list-style-type: none"> Evaluation of the method of transition and related adjustments Evaluation of the practical expedients used on transition Testing the completeness and accuracy of the lease data by reconciling the Company's operating lease commitments to the data used in computing ROU assets and lease liabilities On application of Ind AS 116: <ul style="list-style-type: none"> Substantive testing of the computation of the ROU asset, lease liability, amortization of the ROU and the recognition of lease finance cost Reviewed the accounting policy on Ind AS 116 and testing the presentation and disclosures made in the financial statements as required by Ind AS 116, including those relating to transition.
2	<p>Claims and exposure relating to indirect taxation</p> <p>The Company has disclosed in Note 46 the contingent liabilities as at 31 March 2020 which includes amount of ₹ 25,326.20 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 CEO, CFO and legal head, 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 are in accordance with Ind AS 37.

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31 March 2020 (Contd..)

Sr.	Key Audit Matter	Auditor's Response
3	<p>Carrying amount of goodwill, right-of-use assets and property, plant & equipment</p> <p>As at 31 March 2020, the carrying amount of goodwill, right-of-use assets (ROU) and property, plant & equipment (PPE) is ₹ 1,750.00 Lakhs, ₹ 2,14,182.77 lakhs and ₹ 97,538.77 Lakhs respectively.</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.</p> <p>The Company has also reviewed the carrying amounts of the ROU and PPE to determine whether the recoverable amount of the relevant cash generating unit (CGU) is estimated to be less than its carrying amount by performing a value in use calculation based on cash flow projections of the CGU. For this purpose, each multiplex of the Company is treated as a separate CGU. Based on this analysis, there is no impairment loss.</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. During the year, some of the key assumptions and judgements have been changed by the management on account of COVID-19 impact.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> • In case of ROU and 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 • We have also evaluated the judgment and the changes in assumptions made by the management on account of COVID-19 impact. • 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.

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

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31 March 2020 (Contd..)

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.
- 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.

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31 March 2020 (Contd..)

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, the Standalone 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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 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.

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31 March 2020 (Contd..)

Other matters

The standalone financial statements of the Company for the comparative period have been restated to include financial statements and other financial information in respect of Swanston Multiplex Cinemas Private Limited ("SMCPL"), consequent to amalgamation of SMCPL with the Company, as referred to in Note 8 of the standalone financial statements. The financial statements and other financial information of SMPCL for the comparative period included in the standalone financial statements were previously audited by its statutory auditor who expressed an unmodified opinion on those statements on 10 May 2019 and whose report has been

furnished to us by the management. Our conclusion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of SMCPL prior to merger, is based solely on the report of the other auditor.

For **Kulkarni and Company**

Chartered Accountants
Firm's Registration No. 140959W

A.D Talavlikar

Partner

Place: Pune
Date: 08 June 2020

Membership No. 130432
UDIN: 20130432AAAAAN3392

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 31 March 2020 – 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	131.47	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
Building	2	7,568.81	6,013.16	Conveyance deed is yet to be executed
	1	828.57	613.27	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
	1	1,763.73	1,397.97	In the name of erstwhile amalgamated company and conveyance deed is yet to be executed
Building total		10,161.11	8,024.41	

2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company
4. The Company has complied with the provisions of section 185 and section 186 of the Act in respect of investments made and guarantees provided. The Company has not granted any loans or provided any security covered under section 185 and section 186 of the Act.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, 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 31 March 2020 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	3,011.06	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 not made any preferential allotment of shares or private placement of fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Kulkarni and Company**

Chartered Accountants

Firm's Registration No. 140959W

A.D Talavlikar

Partner

Membership No. 130432

Place: Pune

Date: 08 June 2020

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 31 March 2020 - 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 31 March 2020 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.

Auditors' 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 are being made only in accordance with authorizations of

Annexure II to Independent auditor's report

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

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 31 March 2020 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

A.D Talavlikar

Partner

Place: Pune

Date: 08 June 2020

Membership No. 130432

Standalone Balance Sheet

as at 31 March 2020

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019 (*)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	97,538.77	89,385.12
(b) Capital work-in-progress	5C	8,534.92	6,372.71
(c) Right-of-use assets	44	2,14,182.77	-
(d) Goodwill	6	1,750.00	1,750.00
(e) Other intangible assets	7	841.04	1,105.43
(f) Financial assets			
(i) Investments			
(a) Investment in subsidiary	8	99.12	99.12
(b) Other investments	9	16.09	61.38
(ii) Loans	10	10,163.99	8,922.16
(iii) Other financial assets	11	9,506.62	8,597.21
(g) Deferred tax assets (net)	12	17,727.98	5,285.34
(h) Income tax assets (net)	13	728.49	838.82
(i) Other non-current assets	14	3,092.51	10,368.66
Total Non - current assets		3,64,182.30	1,32,785.95
2 Current assets			
(a) Inventories	15	1,364.54	1,218.75
(b) Financial assets			
(i) Other investments	9	71.72	53.10
(ii) Trade receivables	16	6,274.64	8,824.01
(iii) Cash and cash equivalents	17	3,978.22	1,152.12
(iv) Bank balances other than (iii) above	18	432.58	186.97
(v) Loans	10	884.00	518.31
(vi) Other financial assets	11	27.36	22.12
(c) Income tax assets (net)	13	-	455.13
(d) Other current assets	14	4,300.09	2,660.91
Total Assets (1+2)		17,333.15	15,091.42
EQUITY AND LIABILITIES		3,81,515.45	1,47,877.37
1 Equity			
(a) Equity share capital	19	10,264.78	10,260.59
(b) Other equity	20	55,186.37	89,392.22
(c) Interest in INOX Benefit Trust	21	(3,266.98)	(3,266.98)
Total equity		62,184.17	96,385.83
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	2,000.00	5,500.00
(ii) Lease liabilities	44	2,59,220.10	-
(iii) Other financial liabilities	23	748.54	895.54
(b) Provisions	24	1,788.93	1,266.97
(c) Other non-current liabilities	25	6,648.40	6,904.20
Total non - current liabilities		2,70,405.97	14,566.71
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	10,264.13	2,000.00
(ii) Lease liabilities	44	6,965.45	-
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	27	1,660.09	1.43
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	27	11,274.09	15,983.42
(iv) Other financial liabilities	23	11,486.53	12,013.40
(b) Other current liabilities	28	5,057.07	4,745.13
(c) Provisions	24	1,950.79	1,440.84
(d) Income tax liabilities (net)	13	267.16	740.61
Total current liabilities		48,925.31	36,924.83
Total Equity and Liabilities (1+2+3)		3,81,515.45	1,47,877.37

(*) Restated due to amalgamation of wholly owned subsidiary (see Note 8)

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 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

Kaishash B Gupta
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary

Place: Pune
Date: 8 June 2020

Place: Mumbai
Date: 8 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019 (*)
Revenue from operations	29	1,89,744.34	1,69,218.47
Other income	30	1,712.50	1,490.35
Total Income (I)		1,91,456.84	1,70,708.82
Expenses			
Cost of materials consumed	31	12,621.68	11,249.51
Exhibition cost	32	49,645.78	44,420.91
Employee benefits expense	33	14,206.85	11,516.77
Finance costs	34	22,124.02	2,367.36
Depreciation and amortisation expense	35	26,418.88	9,549.07
Impairment losses	5A/8	-	82.00
Other expenses	36	53,587.53	71,117.09
Total expenses (II)		1,78,604.74	1,50,302.71
Profit before exceptional items and tax (I - II = III)		12,852.10	20,406.11
Exceptional items (IV)	48	-	499.69
Profit before tax (III-IV = V)		12,852.10	19,906.42
Tax expense: (VI)	37		
Current tax		7,290.00	6,010.00
Deferred tax		(2,760.76)	1,005.84
Impact of net deferred tax asset remeasurement on account of change in tax rate		6,886.09	-
Taxation pertaining to earlier years		(57.70)	(455.50)
		11,357.63	6,560.34
Profit for the year (V - VI = VII)		1,494.47	13,346.08
Other comprehensive income (VIII)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(199.39)	9.10
(ii) Income tax on above	37	69.67	(3.18)
Total Other comprehensive income (i-ii)		(129.72)	5.92
Total Comprehensive income for the year (VII + VIII = IX) (Comprising profit and other comprehensive income for the year)		1,364.75	13,352.00
Earnings per equity share (in ₹)			
1) Basic	39	1.52	14.20
2) Diluted	39	1.52	14.19

(*) Restated due to amalgamation of wholly owned subsidiary (see Note 8)

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 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

Place: Mumbai
Date: 8 June 2020

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019 (*)
Cash flows from operating activities		
Profit for the year after tax	1,494.47	13,346.08
Adjustments for:		
Income tax expense	11,357.63	6,560.34
Finance costs	22,124.02	2,367.36
Interest income recognised in profit or loss	(719.78)	(786.89)
Deferred revenue	(908.72)	(1,051.85)
Gain on investments measured at fair value through profit or loss	(90.65)	(87.60)
Deferred rent expenses	-	542.33
Loss on disposal of property, plant and equipment (net)	332.55	479.86
Liabilities and provisions, no longer required, written back	(764.75)	(473.05)
ESOP charge	53.19	126.10
Bad debt & remissions	6.85	41.40
Deposits and advances written off	-	5.00
Allowance for doubtful deposits and advances	58.00	29.22
Allowance for doubtful trade receivables and expected credit losses	393.76	46.01
Impairment loss on property, plant and equipment (net)	-	82.00
Depreciation and amortisation expense	26,418.88	9,549.07
Unrealised exchange loss/(gain)	55.68	(3.16)
	59,811.13	30,772.22
Movements in working capital:		
(Increase)/decrease in trade receivables	2,148.76	(1,320.59)
(Increase)/decrease in inventories	(145.79)	(278.84)
(Increase)/decrease in loans	(1,001.18)	(928.78)
(Increase)/decrease in other financial assets	(1,131.19)	(1,717.93)
(Increase)/decrease in other assets	(5,388.49)	(2,854.72)
Increase/(decrease) in trade payables	(2,542.30)	4,656.42
Increase/(decrease) in provisions	832.52	228.80
Increase/(decrease) in other financial liabilities	(1,012.06)	1,323.92
Increase/(decrease) in other liabilities	964.86	1,788.53
Cash generated from operations	52,536.26	31,669.03
Income taxes paid (net)	(5,160.56)	(3,675.65)
Net cash generated from operating activities	47,375.70	27,993.38
Cash flows from investing activities		
Payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances)	(20,620.38)	(24,650.44)
Payments for acquiring right-of-use assets	(625.69)	-
Payments for acquiring intangible assets	(113.81)	(308.88)
Proceeds from disposal of property, plant and equipment	36.37	40.32
Interest received	132.01	317.93
Maturity of Government securities	21.09	41.30
Purchase of current investments	(44,050.00)	(35,000.00)
Sale/redemption of current investments	44,140.65	36,247.39
Payments towards business combination consideration payable	-	(72.24)
Movement in other bank balances	(188.03)	(203.97)
Net cash used in investing activities	(21,267.79)	(23,588.59)
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	6.25	6.47
Repayment of borrowings - non current	(3,500.00)	(20,193.00)
Net movement in current borrowings	8,264.13	2,000.00
Interim dividend paid	(985.08)	-
Dividend distribution tax on interim dividend	(211.42)	-
Payment of lease liabilities	(25,749.81)	-
Finance costs	(1,105.88)	(2,305.49)
Net cash used in financing activities	(23,281.81)	(4,559.81)
Net increase/(decrease) in cash and cash equivalents	2,826.10	(155.02)
Cash and cash equivalents at the beginning of the year	1,152.12	1,279.40
Add: on account of business combination (see Note 8)	-	27.74
Cash and cash equivalents at the end of the year	3,978.22	1,152.12

(*) Restated due to amalgamation of wholly owned subsidiary (see Note 8)

Standalone Statement of Cash Flows

for the year ended 31 March, 2020

Changes in liabilities arising from financing activities during the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings
Opening balance	9,002.75	2,012.89
Interest expense	646.90	220.78
Cash flows	(4,148.13)	8,046.71
Closing balance	5,501.52	10,280.38

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

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 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

Place: Mumbai

Date: 8 June 2020

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in Lakhs)

Balance as at 1 April 2018	Changes during 2018-19	Balance as at 31 March 2019	Changes during 2019-20	Balance as at 31 March 2020
9,616.28	644.31	10,260.59	4.19	10,264.78

(see Note 19)

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 1 April 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	-	-	-	-	13,346.08	13,346.08
Other comprehensive income for the year, net of tax(*)	-	-	-	-	5.92	5.92
Total comprehensive income for the year	-	-	-	-	13,352.00	13,352.00
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
On account of business combination (see Note 8)	-	356.00	138.74	-	(493.15)	1.59
Share issue expenses	-	(67.79)	-	-	-	(67.79)
Balance as at 31 March 2019	0.10	43,853.87	2,921.29	199.96	42,417.00	89,392.22
Transition impact of IndAS 116, net of tax (see Note 44)	-	-	-	-	(34,429.35)	(34,429.35)
Restated balance as at 1 April 2019	0.10	43,853.87	2,921.29	199.96	7,987.65	54,962.87
Additions during the year:						
Profit for the year	-	-	-	-	1,494.47	1,494.47
Other comprehensive income for the year, net of tax(*)	-	-	-	-	(129.72)	(129.72)
Total comprehensive income for the year	-	-	-	-	1,364.75	1,364.75
On account of stock options (see Note 42)	-	112.18	-	(56.93)	-	55.25
Interim dividend paid (see Note 20)	-	-	-	-	(985.08)	(985.08)
Dividend distribution tax on interim dividend	-	-	-	-	(211.42)	(211.42)
Balance as at 31 March 2020	0.10	43,966.05	2,921.29	143.03	8,155.90	55,186.37

(*) 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: 8 June 2020

Place: Mumbai

Date: 8 June 2020

Notes to the standalone financial statements

for the year ended 31 March 2020

1. Company information

INOX Leisure Limited ("the Company") is a public limited company incorporated and domiciled in India. The Company is engaged in operating & managing multiplexes and cinema theatres in India. The Company's holding company is GFL Limited (earlier Known as 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"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. 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 (see Note 2.4).

These financial statements for the year ended March 31, 2020 are approved for issue by the Board of Directors at its meeting held on 8 June 2020.

2.2 Assessment of COVID-19 pandemic impact

In March 2020 the COVID-19 pandemic developed rapidly into a global crisis, compelling governments to enforce lock-downs of all economic activity. In line with the Government of India directives, the Company's multiplex operations were shut down completely w.e.f. 23 March 2020. The COVID-19 pandemic has impacted the entire Entertainment Industry and consequently the business activities of the Company are also adversely affected.

The Company has assessed the impact of COVID-19 pandemic on its business operations, the carrying amount of its assets and liabilities and recognition of income and expenses. The Company has already initiated effective steps to reduce its operational costs, including invoking the force majeure clause under various lease agreements in respect of its multiplex premises for non-payment of rent and CAM charges for the shutdown period due to COVID-19. In developing the assumptions relating to the possible future uncertainties, the Company has considered all relevant internal and external information available up to the date of approval of these financial statements and the Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis. Given the continuing uncertainties due to the COVID-19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Company's operations to be continuously monitored.

Going concern assumption

On the basis of assessment carried out by the Company's management, the current pandemic does not affect the Company's ability to continue as a going concern, in view of the various steps taken by it towards optimization of costs, the Company's low leverage, additional lines of credit being arranged from the Company's lenders, ownership of treasury shares which could provide additional liquidity, other options for raising capital, and the phased lifting of the lockdown being announced by the Government. Accordingly, these financial statements have been prepared on a going concern basis.

The impact of COVID-19 pandemic on other items of the financial statements are disclosed in the respective places.

2.3 Basis of preparation, presentation and 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 an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period.

Notes to the standalone financial statements

for the year ended 31 March 2020

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 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 not based on observable market data (unobservable inputs) for the asset or liability.

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.

2.4 New accounting standards and recent accounting pronouncements

- a. Standard issued and effective during the year

New accounting standard Ind AS 116: Leases:

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", which is effective for accounting periods beginning on or after 1 April, 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. The Company has transitioned to Ind AS 116 with effect from 1 April, 2019 using 'modified retrospective approach'. Under this approach, the Company has recognized the right-of-use assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments and the cumulative effect (net of deferred taxes) is debited to retained earnings. Further, the comparatives for the previous periods are not required to be restated. See Note 3.6 below for the new accounting policy on adoption to Ind AS 116 and Note 44 for further details.

- b. Amendments to existing accounting standards applicable to the Company:

Amendments to the following accounting standards have become applicable for the current reporting period:

- Amendments to Ind AS 12: Income tax
On 30 March 2019, Ministry of Corporate Affairs notified Appendix C: Uncertainty over Income-

Notes to the standalone financial statements

for the year ended 31 March 2020

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 1 April 2019.

Further, the amendments to Ind AS 12 clarified 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 the statement of profit and 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 1 April 2019.

These amendments did not have any impact on the Company's financial statements.

- Amendment to Ind AS 19: Employee benefits

The amendments to Ind AS 19 addressed 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 1 April 2019 and apply only to any future plan amendments, curtailments, or settlements. This amendment is currently not applicable and will apply only to any future plan amendments, curtailments, or settlements.

- Amendment to Ind AS 23: Borrowing costs

The amendment clarified 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 is applicable to the borrowing costs incurred from 1 April 2019. This amendment did not have any impact on the Company's financial statements.

- c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2020.

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 the statement of profit and loss as incurred.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see Note 3.11); and
- assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

Notes to the standalone financial statements

for the year ended 31 March 2020

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 the statement of profit and 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 the statement of profit and 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 statement of profit and 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, 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 less accumulated impairment losses, if any.

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the statement of profit and 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.

Notes to the standalone financial statements

for the year ended 31 March 2020

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.

The following specific recognition criteria are met before revenue is recognised:

a) 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 sale of movie tickets (box office revenue) 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.

b) 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 sale of products is satisfied at a point in time i.e. at the point of sale.

c) Loyalty programme:

The Company operates a loyalty programme where a customer earns points as and when the customer transacts with the Company, these points can be redeemed in the future for goods and services. Under Ind AS 115, the loyalty programme gives rise to a separate performance obligation as it provides a material right to the customer. The Company allocates a portion of transaction price to the loyalty programme based on relative standalone selling price, instead of allocating using the fair value of points issued. As at year-end, loyalty points which are not redeemed by the customers are lapsed and amount allocated to those points are transferred to other income.

d) Generally 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.

e) 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

Notes to the standalone financial statements

for the year ended 31 March 2020

exactly discounts estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, 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.

3.5 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 the statement of profit and 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 the statement of profit and 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 the statement of profit and loss in the period in which they become receivable.

3.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are

depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'rent and common facility charges'. Rent concessions that are not assessed as lease modification are recognised in the statement of profit and loss.

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.

Notes to the standalone financial statements

for the year ended 31 March 2020

Exchange differences arising of settlement or translation of monetary items are recognised in the statement of profit and 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 the statement of profit and loss in the period in which they are incurred.

3.9 Investment in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.10 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee

benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan and is unfunded. 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 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 statement of profit and loss. Past service cost is recognised in the statement of profit and 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);

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- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 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 the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account in other equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that

fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3.12 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 21), equity shares of the Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by the Company. 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 of sale of such shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

3.13 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. 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

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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.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. 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 the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off

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

3.14 Property, plant and equipment

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

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

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (see Note 3.7).

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at various cinema locations.

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

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maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Subsequent expenditure on additions and betterment of operational properties are capitalised, only if, it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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 the statement of profit and loss.

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

3.15 Intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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 the statement of profit and loss when the asset is derecognised.

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Estimated useful lives of the intangible assets are as follows:

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

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

3.16 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 the statement of profit and 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 the statement of profit and loss.

3.17 Inventories

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

3.18 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized

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because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.19 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 the statement of profit and 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 the statement of profit and 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
- 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

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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 is adjusted for loss allowance and impairment losses, 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 the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially

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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 the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and 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.

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.

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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 the statement of profit and 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 the statement of profit and 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 the statement of profit and loss.

d) Derecognition of financial liabilities

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

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the 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.

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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.

4 Critical accounting judgements, use of estimates and assumptions

The preparation of Company's financial statements requires management 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.

For estimation uncertainty relating to COVID-19 pandemic, see Note 2.2 above.

Following are the other critical judgements, significant estimates and assumptions used in preparation of these financial statements:

a) In respect of leases:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option when determining the lease term. Accordingly, the Company has considered the entire term of lease for the purpose of Ind AS 116 as the Company has the sole right to cancel the agreement

(after the initial lock-in period) and the Company intends to operate the underlying asset for the entire term. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

b) Impairment of goodwill, right-of-use assets and property, plant and equipment:

For the purpose of impairment testing, 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.

Where it is not possible to estimate the recoverable amount of a CGU, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

The value in use calculation requires the management of the Company to estimate the present value of future cashflows expected to arise from the CGU which includes forecast of revenue growth rates and a suitable discount rate assumption.

c) 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

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income and is recognised in the statement of profit and loss as other operating revenue on a systematic basis over the useful lives of the related assets.

d) 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 3.14 and 3.15 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets (other than goodwill) at the end of each reporting period.

e) 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. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

f) Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These

include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

g) Expected credit losses on financial assets:

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

h) Recognition and measurement of provisions and contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

i) Income taxes:

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

Notes to the standalone financial statements

for the year ended 31 March 2020

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,096.44	11,345.57
Leasehold improvements	33,506.29	29,308.64
Plant and equipment	37,277.42	33,785.14
Furniture and fixtures	9,388.60	8,693.56
Vehicles	126.42	148.55
Office equipment	3,473.94	3,434.00
TOTAL	97,538.77	89,385.12

i) Details of property, plant and equipment pledged as security towards borrowings (see Note 22 & 26)

a) Details of freehold land and buildings that are mortgaged are as under.

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Freehold land	1,743.99	1,743.99
Building	4,231.46	4,322.71
Total	5,975.45	6,066.70

b) Details of leasehold improvements, plant and equipment, office equipment and furniture and fixtures that are hypothecated are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Leasehold improvements	10,325.14	10,921.85
Plant and equipment	12,116.15	13,339.68
Furniture and fixtures	3,207.27	3,850.14
Office equipments	896.39	1,293.32
Total	26,544.95	29,404.99

The Company is not allowed to mortgage these assets as security for other borrowings.

Notes to the standalone financial statements

for the year ended 31 March 2020

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 1 April 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 31 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
Additions	-	-	7,136.90	7,939.87	2,503.02	-	1,342.82	18,922.61
Disposals	-	-	(477.28)	(472.08)	(146.04)	(7.10)	(55.84)	(1,158.34)
Balance as at 31 March 2020	2,669.66	12,309.49	43,708.91	53,857.17	15,960.13	175.43	8,554.65	1,37,235.44
Accumulated depreciation and impairment								
Balance as at 1 April 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 31 March 2019	-	963.92	7,740.65	12,604.24	4,909.59	33.98	3,833.67	30,086.05
Depreciation expense for the year	-	249.13	2,754.43	4,318.09	1,768.66	22.13	1,287.75	10,400.19
Eliminated on disposal of assets	-	-	(292.46)	(342.58)	(106.72)	(7.10)	(40.71)	(789.57)
Balance as at 31 March 2020	-	1,213.05	10,202.62	16,579.75	6,571.53	49.01	5,080.71	39,696.67

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 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
As at 31 March 2020	2,669.66	11,096.44	33,506.29	37,277.42	9,388.60	126.42	3,473.94	97,538.77

Notes to the standalone financial statements

for the year ended 31 March 2020

5B. Impairment of right-of-use assets and property, plant & equipment

The Company has reviewed the carrying amounts of right of use assets, property, plant and equipment to determine whether the recoverable amount of a cash generating unit (CGU) is estimated to be less than its carrying amount by performing value in use calculation based on cash flow projections of the relevant CGU. For this purpose, each multiplex of the Company is treated as a separate CGU.

If the recoverable amount of a CGU 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 on a pro-rata basis of the carrying amount of each asset in the said unit.

In view of the economic uncertainties due to COVID-19, the Company has reassessed the discount rates, revisited the growth rates and other assumptions used in the financial projections based on which the future cash flows have been estimated for CGU. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources on the expected future performance of the Company. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on current indicators of the future economic conditions, there is no impairment in current year (as at 31 March 2019: ₹ 103.00 lakhs in respect of two multiplex theatres).

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 9.86% per annum (previous year 12% per annum).

5C. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital work-in-progress	7,422.34	5,461.59
Pre-operative expenditure pending allocation	1,112.58	911.12
Total	8,534.92	6,372.71

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

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	911.12	710.11
Add: Expenses incurred during the year		
Salaries and wages	577.28	569.62
Contribution to provident and other funds	45.66	39.15
Staff welfare	2.27	1.00
Lease Rent	13.93	323.75
Legal & professional fees and expenses	908.69	956.51
Travelling & conveyance	397.40	334.23
Power & fuel	89.47	70.34
Housekeeping expenses	44.12	30.69
Outsourced personnel cost	93.96	54.48
Security expenses	127.82	113.53
Miscellaneous expenses	30.20	192.31
	2,330.80	2,685.61
Sub total	3,241.92	3,395.72
Less: Capitalised during the year	2,129.34	2,484.60
Closing balance	1,112.58	911.12

Notes to the standalone financial statements

for the year ended 31 March 2020

6. Goodwill

(₹ in Lakhs)

Description of Assets	As at 31 March 2020	As at 31 March 2019
At cost		
Balance as at 1 April 2018	1,750.00	1,750.00
Balance as at 31 March 2019	1,750.00	1,750.00
Balance as at 31 March 2020	1,750.00	1,750.00

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

(₹ in Lakhs)

Cash generating units	As at 31 March 2020	As at 31 March 2019
Multiplex theatre	1,750.00	1,750.00
Total	1,750.00	1,750.00

Impairment testing:

Goodwill is in respect of one of the multiplexes of the Company acquired through business combination. This multiplex is considered as cash generating unit (CGU). The Company has performed an annual impairment test to ascertain the recoverable amount of CGU based on a value in use calculation. This calculations use cash flow projections of the CGU based on management's estimates and business plans over a period of 10 years. The Company has used a period greater than five years since the Company has a long term lease arrangement in respect of this multiplex.

In view of the economic uncertainties due to COVID-19, the Company has reassessed the discount rates, revisited the growth rates and other assumptions used in the financial projections based on which the future cash flows have been estimated for CGU. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources on the expected future performance of the Company. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis

Key assumptions on which the management has based its cash flow projections:

- Budgeted footfalls are expected to grow by 5%
- Budgeted Average Ticket Price (ATP) is expected to grow by 9%
- Budgeted Refuel Per Person (RPP) is expected to grow by 11%

The Company has considered the impact of COVID-19 pandemic on revenue during the initial period of forecast and then applied the above growth rates for the balance period.

The discount rate used is 9.86% which is based on Weighted Average Cost of Capital (WACC) for the Company.

The calculations performed indicate that there is no impairment of CGU.

Notes to the standalone financial statements

for the year ended 31 March 2020

7. Other intangible assets

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Computer software	841.04	1,097.59
Website	-	7.84
	841.04	1,105.43

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 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 March 2019	2,065.54	46.00	-	2,111.54
Additions	113.81	-	-	113.81
Disposals	(11.05)	-	-	(11.05)
Balance as at 31 March 2020	2,168.30	46.00	-	2,214.30
Accumulated amortisation				
Balance as at 1 April 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 March 2019	967.95	38.16	-	1,006.11
Amortisation expense for the year	370.21	7.84	-	378.05
Eliminated on disposal of assets	(10.90)	-	-	(10.90)
Balance as at 31 March 2020	1,327.26	46.00	-	1,373.26

(₹ in Lakhs)

Carrying amounts	Computer software	Website	Movie script	Total
As at 31 March 2019	1,097.59	7.84	-	1,105.43
As at 31 March 2020	841.04	-	-	841.04

8. Investment in subsidiaries

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Investment carried at cost		
In equity instruments (unquoted, fully paid up)		
Shouri Properties Private Limited - 14,00,000 (31 March 2019 14,00,000) equity shares	140.00	140.00
Less: Provision for impairment in value of investment	(40.88)	(40.88)
	99.12	99.12

Notes to the standalone financial statements

for the year ended 31 March 2020

8. Investment in subsidiaries (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	99.12	99.12
Aggregate amount of impairment in value of investments	40.88	40.88

Shouri Properties Private Limited's country of incorporation and principal place of business is India. The Company holds 99.29% (previous year 99.29%) of shares in this subsidiary.

- (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) Business Combination:

The Board of Directors of the company had 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 wholly owned subsidiary, Swanston Multiplex Cinemas Private Limited ("SMCPL") with the Company. The Scheme was approved by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad vide its order dated 15 October, 2018 and by Hon'ble National Company Law Tribunal, Bench at Mumbai vide order dated 19 August, 2019. The Scheme has become effective on 27 September 2019 with the appointed date as 1 April 2018.

The amalgamation is accounted in accordance with Appendix C of Ind AS 103: Business Combination and accordingly the identity of the following reserves of SMCPL is preserved in the financial statements of the Company

(₹ in Lakhs)

Particulars	Amount
Securities premium	356.00
General reserve	138.74
Total	494.74

The entire business, assets and liabilities, income and expense of SMCPL have been transferred to the Company w.e.f. April 1, 2018. The summary of assets and liabilities of SMCPL as at 1 April 2018 is as under:

(₹ in Lakhs)

Particulars	Amount
Cash and cash equivalents	27.74
Trade payables	(23.11)
Other current liabilities	(0.04)
Net assets taken over	4.59

Notes to the standalone financial statements

for the year ended 31 March 2020

8. Investment in subsidiaries (Contd..)

No new shares are being issued and the investments held in SMPCL by the Company stand cancelled and difference has been adjusted against Retained earnings as under:

(₹ in Lakhs)

Particulars	Amount
Paid-up share capital of SMCPL	203.00
Less: Cost of investment by the Company in SMCPL	203.00
	-
Provision for impairment in the value of investment in SMCPL reversed	200.00
Retained earnings of SMCPL as at 1 April 2018	(693.15)
Net impact on retained earnings	(493.15)

The comparative financial statements of the Company for the year ended March 31, 2019 are approved by the shareholders in the annual general meeting held on May 14, 2019. Subsequently, to give the effect to the Scheme in accordance with Ind AS 103, comparative financial statements of the Company for the year ended March 31, 2019 are restated as under:

- a) In respect of balance sheet as at 31st March 2019

(₹ in Lakhs)

Particulars	Amount
Cash and cash equivalents	26.34
Trade payables	(22.96)
Other current liabilities	(0.04)
Net impact	3.34

- b) In respect of statement of profit and loss for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Amount
Income	-
Other expenses	(1.25)
Impact on the profit for the year ended 31 March 2019	(1.25)

SMPCL was engaged in the business of operating a multiplex which has ceased operations w.e.f. 12 July 2012.

9. Other investments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificate	87.81	114.48
Less: Current portion	(71.72)	(53.10)
Total	16.09	61.38

Notes to the standalone financial statements

for the year ended 31 March 2020

9. Other investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificate	71.72	53.10
Total	71.72	53.10
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	87.81	114.48
Aggregate amount of impairment in value of investments	-	-

Investment in National Savings Certificate (NSC) carries interest in the range of 8.00% to 8.68% p.a as per the issue series invested. Interest is compounded on yearly basis and payable on maturity. These NSC's are pledged with Government authorities and held in the name of directors/ex-director/employees.

(₹ in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2020	As at 31 March 2019
Financial assets measured at amortised cost		
National Savings Certificates	87.81	114.48
	87.81	114.48

10. Loans

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits		
Unsecured - considered good	10,163.99	8,922.16
Unsecured - credit Impaired	147.46	147.46
	10,311.45	9,069.62
Less: Provision for impairment	(147.46)	(147.46)
Total	10,163.99	8,922.16
Current		
Security deposits		
Unsecured - considered good	884.00	518.31
Total	884.00	518.31

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 | 4,909.09 | 5,121.43 |

Notes to the standalone financial statements

for the year ended 31 March 2020

11. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Entertainment tax and GST refund claimed	1,578.88	1,591.60
Electricity charges refund claimed (see Note 46)	389.83	389.83
Non-current bank balances (from Note 18)	341.59	417.40
Amount recoverable towards claims		
Unsecured - considered good	-	87.97
Unsecured - credit Impaired	914.16	914.16
	914.16	1,002.13
Less: Provision for impairment	(914.16)	(914.16)
	-	87.97
Other advances (*)		
Unsecured - considered good	7,196.32	6,110.41
Unsecured - credit Impaired	80.50	22.50
	7,276.82	6,132.91
Less: Provision for impairment	(80.50)	(22.50)
	7,196.32	6,110.41
Total	9,506.62	8,597.21
Current		
Interest accrued	27.36	22.12
Total	27.36	22.12

(*) 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 31 March 2020

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Impact of transition to Ind AS 116 (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(913.97)	-	(52.41)	-	-	(966.38)
Intangible assets	(118.24)	-	33.08	-	-	(85.16)
Gratuity and leave benefits	509.72	-	(53.10)	69.67	-	526.29
Expenses allowable on payment basis	702.79	-	(8.01)	-	-	694.78
Allowance for doubtful trade receivables and expected credit loss	128.90	-	8.39	-	-	137.29
Government grants - deferred income	2,698.01	-	(942.91)	-	-	1,755.10
Lease Liabilities (*)	-	18,493.26	(4,800.78)	-	-	13,692.48
Others deferred tax assets	151.25	-	1,822.33	-	-	1,973.58
	3,158.46	18,493.26	(3,993.41)	69.67	-	17,727.98
MAT credit entitlement	2,126.88	-	-	-	(2,126.88)	-
Total	5,285.34	18,493.26	(3,993.41)	69.67	(2,126.88)	17,727.98

(*) See Note 44

Notes to the standalone financial statements

for the year ended 31 March 2020

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

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

Year ended 31 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

13. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non current	Current	Non current
Income tax assets (net)				
Income tax paid (net of provisions)	-	728.49	455.13	838.82
Total	-	728.49	455.13	838.82
Income tax liabilities (net)				
Provision for Income tax (net of payments)	267.16	-	740.61	-
Total	267.16	-	740.61	-

14. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	715.28	592.83
Security deposits	1,846.28	1,532.86
Deferred lease rent expense (*)	-	6,391.94
Less: Current portion	-	(614.91)
Deferred lease rent expense	-	5,777.03
Prepayments - leasehold land (*)	-	280.70
Less: Current portion	-	(6.96)
Prepayments - leasehold land	-	273.74
Prepayments - others	530.95	2,192.20
Total	3,092.51	10,368.66

Notes to the standalone financial statements

for the year ended 31 March 2020

14. Other non-current and current assets (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Advances to suppliers	1,801.22	631.08
Other advances for expense	34.73	57.75
Balances with government authorities		
- GST credit available	1,340.93	127.58
Deferred lease rent expense (*)	-	614.91
Prepayments - leasehold land (*)	-	6.96
Prepayments - others	1,123.21	1,140.92
Contract assets - unbilled revenue	-	81.71
Total	4,300.09	2,660.91

(*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 44)

15. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Food & beverages	707.25	825.68
Stores, spares & fuel	657.29	393.07
	1,364.54	1,218.75

- The mode of valuation of inventories is stated in Note 3.17
- In view of the economic uncertainties due to COVID-19, the Company has reviewed the net realisable value of its inventory of food and beverages item as at 31st March 2020 to consider the impact of continued shutdown and accordingly written down the carrying amount of inventories by ₹149.61 Lakhs.

16. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
(unsecured)		
Considered good	6,274.64	8,824.01
Trade receivables which have significant increase in credit risk	194.84	117.19
Trade receivables which are credit impaired	350.66	251.67
	6,820.14	9,192.87
Less: Provision for expected credit loss and impairment	(545.50)	(368.86)
Net Trade receivables	6,274.64	8,824.01
Trade receivable includes amount due from a private company in which a director of the Company is a director (see Note 43)	0.64	0.33

Notes to the standalone financial statements

for the year ended 31 March 2020

17. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts	3,957.02	514.93
Cash on hand	21.20	637.19
Total	3,978.22	1,152.12

18. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unpaid dividend account	1.45	-
Fixed deposits		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	284.01	71.87
Deposit accounts with original maturity for more than 12 months	488.71	532.50
	772.72	604.37
Less: Amount disclosed under Note 11 - 'Other financial assets-non current'	(341.59)	(417.40)
	431.13	186.97
Total	432.58	186.97

Notes:

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

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Deposit account with original maturity for more than 3 months but less than 12 months	284.01	71.87
b) Deposit account with original maturity for more than 12 months	488.71	532.50

19. Share capital

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised capital		
14,90,50,000 (31 March 2019: 14,60,50,000) equity shares of ₹ 10/- each	14,905.00	14,605.00
10,000 (31 March 2019: 10,000) preference shares of ₹ 10 each	1.00	1.00
Issued, subscribed and fully paid up		
10,28,57,754 (31 March 2019: 10,28,57,754) equity shares of ₹ 10 each	10,285.78	10,285.78
Less: 2,10,001 (31 March 2019: 2,51,876) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 42)	(21.00)	(25.19)
	10,264.78	10,260.59

Note: The authorised share capital is increased pursuant to the Scheme of amalgamation (see Note 8)

Notes to the standalone financial statements

for the year ended 31 March 2020

19. Share capital (Contd..)

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
At the beginning of the year	10,26,05,878	10,260.59	9,61,62,753	9,616.28
Add: Issued during the year under ESOP	41,875	4.19	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	10,26,47,753	10,264.78	10,26,05,878	10,260.59

(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. As per the resolution passed by the shareholders of the Company in the Annual General Meeting held on 23 August 2013, GFL Limited (the holding company) is entitled to appoint majority of directors on the Board of the Company if GFL Limited holds not less than 40% of the paid-up equity capital of the Company.

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - holding company	5,27,86,467	5,278.65	5,27,86,467	5,278.65
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	5,33,73,928	5,337.40

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - holding company	5,27,86,467	51.32%	5,27,86,467	51.32%
HDFC Trustee Company Limited	75,65,560	7.35%	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.

Notes to the standalone financial statements

for the year ended 31 March 2020

20. Other equity

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital redemption reserve	0.10	0.10
Securities premium	43,966.05	43,853.87
General reserve	2,921.29	2,921.29
Shares options outstanding account	143.03	199.96
Retained earnings	8,155.90	42,417.00
	55,186.37	89,392.22

Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	0.10	0.10
Movement during the year	-	-
Balance at end of year	0.10	0.10

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

Securities premium

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	43,853.87	28,092.61
Movement during the year		
On account of business combination (see Note 8)	-	356.00
On issue of shares on preferential basis	-	15,360.00
On account of ESOP	112.18	113.05
Share issue expense	-	(67.79)
Balance at end of year	43,966.05	43,853.87

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

Notes to the standalone financial statements

for the year ended 31 March 2020

20. Other equity (Contd..)

General reserve

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	2,921.29	2,782.55
Movement during the year		
On account of business combination (see Note 8)	-	138.74
Balance at end of year	2,921.29	2,921.29

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

Shares options outstanding account

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	199.96	184.76
On account of share options	(56.93)	15.20
Balance at end of year	143.03	199.96

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. Movement during the year is on account of share options granted.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	42,417.00	29,558.15
On account of business combination (see Note 8)		(493.15)
Transition impact of Ind AS 116, net of tax (see Note 44)	(34,429.35)	-
Profit for the year	1,494.47	13,346.08
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(129.72)	5.92
Interim dividend of Re. 1 per share of ₹ 10 each for F.Y. 2019-20 (see note below)	(985.08)	-
Dividend distribution tax on interim dividend	(211.42)	-
Balance at end of year	8,155.90	42,417.00

Note: Amount of interim dividend is net of ₹ 43.50 Lakhs being dividend in respect of treasury shares (see Note 21)

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. Thus, the amounts reported above may not be distributable in entirety.

Notes to the standalone financial statements

for the year ended 31 March 2020

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 1 April 2012, the Company had allotted fully paid-up 3,45,62,206 equity shares of ₹ 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of ₹ 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

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

As at 31 March 2020		As at 31 March 2019	
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

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Secured:		
(i) Term loans - from banks	5,501.52	9,002.75
Total borrowings	5,501.52	9,002.75
Less: Amounts disclosed under Note 23 "Other current financial liabilities"		
Current maturities	(3,500.00)	(3,500.00)
Interest accrued	(1.52)	(2.75)
Total	2,000.00	5,500.00

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

As at 31 March 2020

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	1,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	8.85% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	2,187.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.54% to 9.25%

Notes to the standalone financial statements

for the year ended 31 March 2020

22. Non current borrowings(Contd..)

As at 31 March 2020

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	1,312.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.27% to 8.96%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	1,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.53%

As at 31 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 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 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 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 June 2018.	8.53% to 8.60%

(ii) Securities provided for secured loans

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 of multiplexes financed by the said term loans.

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

Notes to the standalone financial statements

for the year ended 31 March 2020

23. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits	682.07	759.45
Retention money	66.47	136.09
	748.54	895.54
Current		
Current maturities of long-term debt	3,500.00	3,500.00
Interest accrued	17.77	15.64
Security deposits	188.48	214.57
Creditors for capital expenditure	4,670.30	4,089.73
Retention money	690.71	930.50
Employee dues	670.73	716.42
Unclaimed dividend	1.45	-
Expenses and other payable	1,747.09	2,546.54
	11,486.53	12,013.40
Total	12,235.07	12,908.94

24. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Employee benefits (see Note 40)		
a) Gratuity	1,344.47	952.00
b) Leave benefits	444.46	314.97
Total	1,788.93	1,266.97
Current		
Employee benefits (see Note 40)		
a) Gratuity	123.49	95.85
b) Leave benefits	178.68	95.86
Other provisions (see below)	1,648.62	1,249.13
Total	1,950.79	1,440.84

Notes to the standalone financial statements

for the year ended 31 March 2020

24. Provisions (Contd..)

Other provisions:

(₹ in Lakhs)

	Service Tax	Municipal Tax	Other Indirect Taxes	Total
Balance as at 1 April 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 31 March 2019	1,035.02	-	214.11	1,249.13
Provided during the year	-	-	520.41	520.41
Reversed during the year	-	-	(120.92)	(120.92)
Balance as at 31 March 2020	1,035.02	-	613.60	1,648.62

- (i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.
- (ii) Provision for other indirect taxes is in respect of demands/notices received under indirect tax laws and the same are contested by the Company at appropriate levels.

25. Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred revenue arising from Government grant	6,973.54	7,720.95
Less: Current portion disclosed under Note 28 "Other current liabilities"	(674.96)	(816.75)
Revenue received in advance	349.82	-
Total	6,648.40	6,904.20

Movement in deferred revenue arising from government grant:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance	7,720.95	8,532.55
Add: Recognised during the year	120.25	240.25
Less: Transferred to other operating revenue	(867.66)	(1,051.85)
Closing Balance	6,973.54	7,720.95

Notes to the standalone financial statements

for the year ended 31 March 2020

26. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
-From banks		
Short term working capital demand loan	3,000.72	-
Overdraft facility repayable on demand	424.57	-
	3,425.29	-
Unsecured loan		
-From banks		
Short term working capital demand loan	2,015.53	2,012.89
Overdraft facility repayable on demand	4,839.56	-
	6,855.09	2,012.89
Sub-total	10,280.38	2,012.89
Less: Interest disclosed under Note 23 "Other current financial liabilities"	(16.25)	(12.89)
Total	10,264.13	2,000.00

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

As at 31 March 2020:

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Secured			
Short term working capital demand loan	3,000.00	Repayable in bullet instalments of ₹ 3,000 Lakhs on 29 June 2020	9.00%
UnSecured			
Short term working capital demand loan (Term Loan I)	1,000.00	Repayable in bullet instalments of ₹ 1,000 Lakhs on 10 June 2020.	9.00%
Short term working capital demand loan (Term Loan II)	500.00	Repayable in bullet instalments of ₹. 500 Lakhs on 15 June 2020.	9.00%
Short term working capital demand loan (Term Loan III)	500.00	Repayable in bullet instalments of ₹ 500 Lakhs on 15 June 2020.	9.00%

As at 31 March 2019

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Unsecured			
Short term working capital demand loan	2,000.00	Repayable in bullet instalments of ₹ 1,000 Lakhs each on 15 May 2019 & 7 June 2019	9.05%

Notes to the standalone financial statements

for the year ended 31 March 2020

26. Current borrowings (Contd..)

(ii) Securities provided for secured loans:

Short term working capital loan is secured by mortgage of office premises at Mumbai.

Overdraft facility is secured by first charge on entire current assets of the company (except those charged against term loans), first exclusive charge on immovable property situated at Anand and paripasu charge on mortgage of immovable property situated at Vadodara. It carries interest rate ranging from 8.50% to 9.50%.

(iii) Unsecured overdraft facility carries interest rate ranging from 9.30% to 9.95%.

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

27. Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Dues to micro, small and medium enterprises	1,660.09	1.43
- Dues to others	11,274.09	15,983.42
Total	12,934.18	15,984.85

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

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Principal amount due to suppliers under MSMED Act, 2006 at the year end	1,660.09	1.43
b) Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end	3.21	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	148.62	16.86
d) Interest paid to suppliers under section 16 of MSMED Act, 2006 during the year	4.63	9.43
e) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
f) Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	3.21	-

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 31 March 2020

28. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue received in advance	2,358.37	1,705.73
Advances from customers	765.72	512.72
Deferred revenue arising from Government grant (from Note 25)	674.96	816.75
Statutory dues		
- Taxes payable (other than income taxes)	779.91	1,272.63
- Employee recoveries and employer contributions	140.92	122.61
Other liabilities - (see Note 48)	337.19	314.69
Total	5,057.07	4,745.13

29. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with customers:		
Revenue from services	1,38,993.72	1,24,364.27
Food and beverages revenue	49,719.45	43,592.55
	1,88,713.17	1,67,956.82
Other operating revenue	1,031.17	1,261.65
Total revenue	1,89,744.34	1,69,218.47

Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Type of services or goods		
Revenue from box office	1,10,459.02	97,538.25
Revenue from advertisement services	17,897.01	17,666.54
Convenience fees	6,681.83	5,002.37
Virtual print fees	3,003.44	2,697.95
Other services	952.42	1,459.16
	1,38,993.72	1,24,364.27
Food and beverages revenue	49,719.45	43,592.55
Total revenue from contracts with customers	1,88,713.17	1,67,956.82

Notes to the standalone financial statements

for the year ended 31 March 2020

29. Revenue from operations (Contd..)

Contract balances:

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	6,274.64	8,824.01
Contract assets	-	81.71
Contract liabilities	3,473.91	2,218.45

During the year ended 31 March 2020, the Company has recognized revenue of ₹ 2,216.99 Lakhs (Previous Year ₹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	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Within one year	4,837.18	5,561.32
More than one year but less than five years	4,620.73	6,189.33
Total	9,457.91	11,750.65

The transaction price allocated to contracts for original expected duration of one year or less are not included in amounts disclosed above as permitted under Ind AS 115.

COVID-19 impact

For the financial year 2019-20, the impact on revenue was for a short period of about 4-5 weeks and no revenue is recognized for this period. While the Company strongly believes that the normalcy in business operations will gradually be restored towards the end of financial year ending 31 March 2021, the impact on future revenue streams could come from:

- prolonged lock-down situation resulting in Company's inability to restart multiplexes;
- inability of the Company to operate at optimal capacity on account of Government imposed social distancing norms for multiplexes in future;
- retail customers being more prone to immediate impact on account of pandemic postponing their discretionary spend due to change in priorities

Notes to the standalone financial statements

for the year ended 31 March 2020

30: Other Income

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	49.90	29.71
On long term investments	7.56	9.99
On security deposits	606.34	473.08
	663.80	512.78
Other interest income		
Interest on income tax refunds	23.56	200.46
Others	32.42	73.65
	55.98	274.11
Total interest income	719.78	786.89
B) Other non-operating income		
Liabilities and provisions no longer required, written back	764.75	473.05
Miscellaneous income	137.32	142.81
Total other non-operating income	902.07	615.86
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	90.65	87.60
Total	1,712.50	1,490.35
Note: Realised gain in respect of mutual fund	90.65	97.39

31. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cost of food & beverages consumed	12,621.68	11,249.51
Total	12,621.68	11,249.51

32. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Distributors' share	48,843.43	43,678.88
Other exhibition cost	802.35	742.03
Total	49,645.78	44,420.91

Notes to the standalone financial statements

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33. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	12,222.97	9,849.80
Contribution to provident and other funds	812.92	666.55
Expense on ESOP	47.66	115.57
Gratuity	322.84	260.42
Staff welfare expenses	800.46	624.43
Total	14,206.85	11,516.77

34. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	-	1,135.20
- other borrowings	905.53	1,105.38
	905.53	2,240.58
b) Interest on lease liabilities (see Note 44)	20,962.94	-
c) Other interest		
Interest on income tax	15.23	55.00
Other Interest expense	217.82	39.53
	233.05	94.53
Total interest (a+b+c)	22,101.52	2,335.11
Other borrowing costs	22.50	32.25
Total	22,124.02	2,367.36

35. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	10,400.19	9,192.00
Depreciation on right-of-use assets (see Note 44)	15,640.64	-
Amortization of intangible assets	378.05	357.07
Total	26,418.88	9,549.07

Notes to the standalone financial statements

for the year ended 31 March 2020

36. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	11,502.73	10,707.28
Rent and common facility charges	10,164.32	31,867.39
Repairs to :		
- Buildings	407.99	353.11
- Plant and equipment	2,862.03	2,503.01
- Others	867.54	700.18
Rates and taxes	924.45	1,190.41
Expenditure on corporate social responsibility (CSR) - Note (ii) below	118.83	186.74
Directors' sitting fees	14.00	16.40
Commission to non-executive director	123.00	185.00
Allowance for doubtful trade receivables and expected credit losses	393.76	46.01
Allowance for doubtful advances and deposits	58.00	29.22
Bad debts & remissions - Note (iii) below	6.85	41.40
Deposits and advances written off - Note (iv) below	-	5.00
Indirect tax expenses	3,116.01	2,906.23
Net loss on foreign currency transactions and translation	74.37	53.90
Legal and professional fees and expense	1,911.69	1,721.42
Advertisement & sales promotion	1,907.57	2,308.71
Travelling and conveyance	965.63	1,043.57
Housekeeping expenses	3,641.90	3,115.55
Security charges	2,890.90	2,700.79
Outsourced personnel cost	8,174.41	6,510.42
Loss on sale / disposal of property, plant and equipment (net of impairment loss adjusted of ₹ 32.00 lakhs - previous year ₹ Nil)	332.55	479.86
Miscellaneous expenses	3,129.00	2,445.49
Total	53,587.53	71,117.09

i) Legal and professional fees and expense includes:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) payments to auditors:		
- Statutory audit, limited reviews and corporate governance report	43.00	43.00
- For certification matters	-	1.00
	43.00	44.00
b) Professional fees paid to one of the non-executive directors	120.00	30.00
c) Legal fees paid to firms/LLPs in which some of the non-executive directors are partners (including amount of Nil (previous year ₹ 5.07 lakhs), towards share issue expenses and adjusted in security premium)	257.06	223.37

Note - All above amounts are exclusive of GST

Notes to the standalone financial statements

for the year ended 31 March 2020

36. Other expenses (Contd..)

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 ₹ 208.40 lakhs (previous year ₹ 139.95 lakhs).

(b) Amount spent during the year on:

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Construction/acquisition of any PPE		
In Cash	Nil	Nil
Yet to be paid in cash	Nil	Nil
On purposes other than (i) above		
Donations		
In Cash	118.83	186.74
Yet to be paid in cash	Nil	Nil

iii) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 217.12 lakhs (previous year ₹ 39.98 lakhs)

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

v) During the year, the Company has given donation of ₹ 100 Lakhs to an Electoral Trust and the same is included in miscellaneous expenses above.

37.1. Income tax recognised in profit or loss

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
In respect of the current year	7290.00	6,010.00
In respect of earlier years	74.22	(305.68)
	7,364.22	5,704.32
Deferred tax		
In respect of the current year	4,125.33	1,005.84
In respect of earlier years	(131.92)	(149.82)
	3,993.41	856.02
Total income tax expense recognised in the current year	11,357.63	6,560.34

Notes to the standalone financial statements

for the year ended 31 March 2020

37.1. Income tax recognised in profit or loss (contd..)

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	12,852.10	19,907.67
Income tax expense calculated at 34.944% (previous year 34.944%)	4,491.04	6,956.54
Effect of expenses that are not deductible in determining taxable profit	81.90	97.17
Tax incentives	(43.70)	(37.87)
Impact of net deferred tax asset remeasurement on account of change in tax rate (see note below)	6,886.09	-
	11,415.33	7,015.84
Taxation in respect of earlier years	(57.70)	(455.50)
Income tax expense recognised in profit and loss	11,357.63	6,560.34

The tax rate used for the financial year 2019-2020 and 2018-2019 in the reconciliations above is the corporate tax rate of 34.944%, payable by corporate entities in India on taxable profits under the Indian tax law.

Based on the evaluation carried out, the Company proposes to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 from the next financial year viz. w.e.f. 1 April 2020. Consequently, the net deferred tax asset as at 31 March 2020 is remeasured on the basis of the tax rate prescribed in the said section and the impact of this remeasurement is charged to the statement of profit and loss for the year ended 31 March 2020.

37.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	69.67	(3.18)
Total income tax recognised in other comprehensive income	69.67	(3.18)

37.3 Breakup of taxation pertaining to earlier years is as under

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
MAT credit entitlement	-	(720.95)
Income Tax	74.22	(305.68)
Deferred tax	(131.92)	571.13
Net credit	(57.70)	(455.50)

In view of the assessment and appellate orders received during the preceding year, accepting certain claims of the Company, the tax liability (including deferred tax) for earlier years, was recomputed and consequential reduction in taxation for earlier years was recognised in the Statement of Profit and Loss.

Notes to the standalone financial statements

for the year ended 31 March 2020

37.4 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 all other states, the same has been accepted by various appellate authorities. Provision for income tax, till the year ended 31 March 2015, was made on this basis, to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.

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 March 2020	Year ended 31 March 2019
Revenue from services		
Revenue from box office	1,10,459.02	97,538.25
Revenue from advertising income	17,897.01	17,666.54
Convenience Fees	6,681.83	5,002.37
Virtual Print fee	3,003.44	2,697.95
Other services	952.42	1,459.16
Sub-total	1,38,993.72	1,24,364.27
Food & beverages revenue	49,719.45	43,592.55
Sub-total	49,719.45	43,592.55
Other operating revenue		
Government Grants - deferred revenue	867.66	1,051.85
Others	163.51	209.80
Sub-total	1,031.17	1,261.65
Total revenue from operations	1,89,744.34	1,69,218.47

Information about major customers:

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

39. Earnings per share

Basic earnings per share

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year attributable to owners of the Company (₹ in Lakhs)	1,494.47	13,346.08
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,82,84,087	9,39,78,140
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	1.52	14.20

Notes to the standalone financial statements

for the year ended 31 March 2020

39. Earnings per share (Contd..)

Diluted earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	1,494.47	13,346.08
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,83,51,158	9,40,55,086
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	1.52	14.19

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 March 2020	Year ended 31 March 2019
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,82,84,087	9,39,78,140
Add: Effect of dilutive equivalent equity shares- share options outstanding	67,071	76,946
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,83,51,158	9,40,55,086

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 ₹ 762.39 Lakhs (previous year ₹ 598.76 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 45.66 Lakhs (previous year ₹ 39.15 Lakhs) is included in pre-operative expenses.

B. Defined benefit plan:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is unfunded.

There are no other post retirement benefits provided by the Company.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020 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.

Notes to the standalone financial statements

for the year ended 31 March 2020

40. Employee benefits (Contd..)

Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Opening defined benefit obligation	1,047.85	865.13
Current service cost	247.95	197.44
Interest cost	74.89	62.98
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	91.28	6.27
b) arising from experience adjustments	108.11	(15.37)
Benefits paid	(102.12)	(68.60)
Closing defined benefit obligation	1,467.96	1,047.85

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

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Current service cost	247.95	197.44
Interest expense	74.89	62.98
Amount recognised in profit or loss	322.84	260.42
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	91.28	6.27
b) arising from experience adjustments	108.11	(15.37)
Amount recognised in other comprehensive income	199.39	(9.10)
Total	522.23	251.32

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

Particulars	Valuation as at	
	31 March 2020	31 March 2019
Discount rate (per annum)	6.55%	7.49%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2012-14) ultimate mortality table	IAML (2006-08) ultimate mortality table

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically exposes the Company to actuarial risks such as interest rate risk and salary risk.

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

Notes to the standalone financial statements

for the year ended 31 March 2020

40. Employee benefits (Contd..)

- b) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of the salary increase of the plan participants will change the plan liability.

Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(96.76)	(66.01)
If discount rate is decreased by 1%	109.78	74.53
If salary escalation rate is increased by 1%	102.85	70.27
If salary escalation rate is decreased by 1%	(92.42)	(63.38)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined obligation as at 31 March 2020 is 6.56 years (previous year 6.56 years)

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

Particulars	₹ in Lakhs
Expected outflow in 1st Year	123.49
Expected outflow in 2nd Year	153.49
Expected outflow in 3rd Year	194.43
Expected outflow in 4th Year	158.90
Expected outflow in 5th Year	137.13
Expected outflow in 6th to 10th Year	574.88

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31 March 2020 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 140.43 lakhs (previous year ₹43.11 lakhs) which is included in the employee benefits in the Statement of Profit and Loss.

Notes to the standalone financial statements

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40. Employee benefits (Contd..)

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

Particulars	Valuation as at	
	31 March 2020	31 March 2019
Discount rate (per annum)	6.55%	7.49%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2012-14) ultimate mortality table	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	As at	
	31 March 2020	31 March 2019
Total debt	15,781.90	11,015.64
Cash & bank balances (not subject to lien)	(3,978.22)	(1,152.12)
Net debt	11,803.68	9,863.52
Total Equity	62,184.17	96,385.83
Net debt to equity ratio	18.98%	10.23%

(₹ in Lakhs)

(i) Debt is defined as total borrowings and current maturities of long term debt as described in Note 22, 23 and 26, and excludes lease liabilities.

(ii) Cash & bank balances includes cash and cash equivalents (Note 17), other bank balances (Note 18) not subject to lien.

(ii) Categories of financial instruments

Financial assets	As at	
	31 March 2020	31 March 2019
Measured at amortised cost		
(a) Cash and bank balances	4,750.94	1,756.49
(b) Other financial assets at amortised cost		
(i) Investments in NSC	87.81	114.48
(ii) Trade receivables	6,274.64	8,824.01
(iii) Loans	11,047.99	9,440.47
(iv) Other financial assets	9,192.39	8,201.93
Total financial assets	31,353.77	28,337.38

(₹ in Lakhs)

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

Notes to the standalone financial statements

for the year ended 31 March 2020

41. Financial Instruments (Contd..)

(₹ in Lakhs)

Financial liabilities	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost		
(i) Borrowings	15,781.90	11,015.64
(ii) Lease liabilities	2,66,185.55	-
(iii) Trade payables	12,934.18	15,984.85
(iv) Other financial liabilities	8,717.30	9,393.30
Total financial liabilities	3,03,618.93	36,393.79

(iii) Financial risk management

The Company's principal financial liabilities comprise of borrowings, lease liabilities, 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 does not 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, which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and loans.

(i) Foreign Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's import of materials and PPE are not significant to cause major exposure to foreign currency variations. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year, which are not hedged are as follows:

(USD in Lakhs)

Particulars	Liabilities	
	As at 31 March 2020	As at 31 March 2019
Liabilities		
Capital Creditors	11.83	2.02
Other payable	3.51	-

Note: There are no foreign currency denominated monetary assets.

Notes to the standalone financial statements

for the year ended 31 March 2020

41. Financial Instruments (Contd..)

The carrying amount in INR value of above foreign currency is as under:

(₹ in Lakhs)

Particulars	Liabilities	
	As at 31 March 2020	As at 31 March 2019
Liabilities		
Capital Creditors	891.10	139.34
Other payable	264.21	-

The Company is only exposed to changes in USD. The below table demonstrates the sensitivity to a 10% increase or decrease in the USD against INR, on profit or loss and total equity, with all other variable held constant.

The sensitivity analysis is prepared to the net unhedged exposure of the Company.

(₹ in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2020	As at 31 March 2019
Increase by 10%	(75.16)	(9.06)
Decrease by 10%	75.16	9.06

(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 March 2020	As at 31 March 2019
Increase by 50 basis points	(35.01)	(29.28)
Decrease by 50 basis points	35.01	29.28

(iii) Other price risks

The Entity is exposed to equity price risks arising from equity investments. Equity investment in subsidiary is held for strategic rather than trading purposes. The entity does not actively trade in this investments. The Company's investment in mutual funds were in debt funds. Hence the Company's exposure to equity price risk is minimal.

Notes to the standalone financial statements

for the year ended 31 March 2020

41. Financial Instruments (Contd..)

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining security, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For trade receivables, the average credit period generally ranges from 60 to 90 days. Before accepting any new customer, Company uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers who represents more than 5% of the total balance of trade receivable as at 31 March 2020 is ₹ 3,663.75 lakhs (as at 31 March 2019 of ₹ 3,685.08 lakhs) are due from 5 major customers who are reputed parties and having long term contract.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix.

In addition to the historical pattern of credit loss, the Company has considered the likelihood of delays in the recovery of outstanding dues, increased credit risk and consequential default considering emerging situations due to COVID-19 and accordingly created additional provision for the expected credit loss in respect of trade receivable outstanding for less than 1 year.

The provision matrix at the end of the year is as follows.

Ageing	Expected credit loss (%)
Upto 1 year	2%
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 March 2020	As at 31 March 2019
Balance as at beginning of the year	117.19	102.31
Net increase in expected credit loss allowance on trade receivables	77.65	14.88
calculated at lifetime expected credit losses		
Balance as at end of the year	194.84	117.19

In respect of counter-guarantees given by the Company:

As at 31 March 2020, an amount of ₹ 1,643.18 lakhs (previous year ₹ 1,643.18 lakhs) has been recognised in the balance sheet as contingent liabilities. It is towards counter-guarantee given for bank guarantee taken by a subsidiary company, which is the Company's maximum exposure in this regard.

Notes to the standalone financial statements

for the year ended 31 March 2020

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 31 March 2020

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	12,934.18	-	-	12,934.18
Borrowings	13,781.90	2,000.00	-	15,781.90
Other financial liabilities	7,968.76	718.18	30.36	8,717.30
Total	34,684.84	2,718.18	30.36	37,433.38

Particulars of contractual maturities in respect of lease liabilities is as per Note 44

The table below provides details regarding the contractual maturities of financial liabilities as at 31 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	15,984.85	-	-	15,984.85
Borrowings	5,515.64	5,500.00	-	11,015.64
Other financial liabilities	8,497.76	876.52	19.02	9,393.30
Total	29,998.25	6,376.52	19.02	36,393.79

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. Also see Note 2.2.

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.

Notes to the standalone financial statements

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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 31 March 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to INOX Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of ₹ 75.00 Lakhs to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of ₹15 per option. The option carry neither rights to dividends nor voting rights. The options granted are required to be exercised within a period of one year from the date of vesting of the respective options.

On 23 June 2017, stock options of 1,67,500 shares had been granted to employees and on 5 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 June 2017	5 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 31 March 2020

42: Share-based payments (Contd..)

Movements in share options during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at beginning of year	1,16,875	1,62,500
Granted during the year	0	0
Forfeited during the year	7,500	7,500
Exercised during the year	41,875	38,125
Balance at end of year	67,500	1,16,875
Exercisable as at end of the year	NIL	NIL
Weighted average exercise price of all stock options	₹ 15	₹ 15

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 ₹ 53.19 Lakhs (previous year ₹ 126.10 Lakhs) is recognised in the Statement of Profit and Loss.

Range of exercise price and weighted average remaining contractual life of outstanding options

For Options granted on 5 January 2017:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Number of options outstanding	5,000	10,000
Weighted Average Remaining Contractual Life (in years)	1.77	2.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23 June 2017:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Number of options outstanding	62,500	1,06,875
Weighted Average Remaining Contractual Life (in years)	2.23	3.23
Weighted Average Exercise Price (₹)	15	15

Notes to the standalone financial statements

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43. Related Party Transactions

(i) Where Control Exists

- a. GFL Limited (earlier known as Gujarat Fluorochemicals Limited) – holding company
- b. INOX Leasing & Finance Limited – ultimate holding company
- c. Shouri Properties Private Limited – subsidiary company
- d. INOX Leasure Limited - Employees' Welfare Trust - controlled trust
- e. 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. Vishesh Chander Chandiok - Director(w.e.f 14 February 2020)
- i. Mr. Kishore Biyani- Director (upto 16 November 2019)
- j. Mr. Alok Tandon – Chief Executive Officer

Fellow subsidiary

- a. Gujarat Fluorochemicals Limited (earlier known as INOX Fluorochemicals Limited)

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.(All amounts in ₹. Lakhs)

Notes to the standalone financial statements

for the year ended 31 March 2020

43. Related Party Transactions (Contd..)

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 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
a) Transactions with holding company: GFL Limited	-	8.39	-	-
b) Transactions with fellow subsidiary company: Gujarat Fluorochemicals Limited	8.87	-	-	-
c) Transactions with enterprises over which a KMP or his relative has significant influence INOX India Private Limited	2.77	3.18	-	-
INOX FMCG Private Limited	-	-	-	0.18
Sub-total	2.77	3.18	-	0.18
Total	11.64	11.57	-	0.18

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Transactions with holding company: GFL Limited		
(a) Interest paid	-	1,135.20
(b) Reimbursement of expenses paid	-	7.15
(c) Lease rent paid	-	29.69
(d) Repayment of ICD	-	16,249.00
(e) Preferential allotment of equity shares	-	16,000.00
B. Transactions with subsidiary company: Shouri Properties Private Limited		
(a) Conducting fees paid	328.22	349.52
(b) Reimbursement of expenses paid	9.54	7.79
C. Transactions with fellow subsidiary company: Gujarat Fluorochemicals Limited		
(a) Lease rent paid	29.69	-
(b) Reimbursement of expenses paid	8.16	-

Note: The above amounts are exclusive of taxes, wherever applicable

Notes to the standalone financial statements

for the year ended 31 March 2020

43. Related Party Transactions (Contd..)

The following balances were outstanding at the end of the year :

(₹ in Lakhs)

Particulars	Amounts owed by related parties	
	As at 31 March 2020	As at 31 March 2019
Trade receivables		
(a) Transactions with holding company:		
GFL Limited	-	0.03
(b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX India Private Limited	0.64	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 March 2020	As at 31 March 2019
Trade payable and other payable		
a) Transactions with holding company:		
GFL Limited	-	0.58
b) Transactions with subsidiary company:		
Shouri Properties Private Limited	31.71	29.57
c) Transactions with fellow subsidiary company:		
Gujarat Flurochemicals Limited	3.70	-
Total	35.41	30.15

- 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.

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 March 2020	Year ended 31 March 2019
Remuneration paid to Mr. Alok Tandon	148.43	127.67
Professional fees paid to Mr. Deepak Asher	120.00	30.00
Commission paid to non executive director - Mr. Siddharth Jain	123.00	-
Commission paid to non executive director - Mr. Pavan Kumar Jain	-	185.00
Sitting fees paid to directors	14.00	16.40
Total	405.43	359.07

Notes to the standalone financial statements

for the year ended 31 March 2020

43. Related Party Transactions (Contd..)

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:

- A Contribution to Provident Fund (defined contribution plan) is ₹ 7.19 lakhs (previous year ₹ 5.59 lakhs).
- B Share options exercised under ESOP of ₹ 15.25 Lakhs (previous year ₹ 12.14 Lakhs)

Particulars of interim dividend paid to related parties:

Particulars	(₹ in Lakhs)
	Year ended 31 March 2020
GFL Limited - holding company	527.86
INOX Leasing & Finance Limited – ultimate holding company	5.87
INOX Leasure Limited - Employees' Welfare Trust - controlled trust	2.17
Key managerial personnel	8.65
Total	544.55

Additional disclosures required under section 186(4) of the Companies Act, 2013

The Company has given a counter guarantee of ₹ 1,643.18 Lakhs (previous year ₹ 1,643.18 Lakhs) 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.

44 Leases

The Company is operating most of its multiplexes under operating lease. These arrangements generally are for an initial period of 9-29 years with a minimum lock-in period of 5-15 years, after which the lessor does not have a right to terminate the arrangement. The agreements provide for escalation after pre-determined periods. Some of the agreements are fully or partially on revenue share basis. The Company does not have an option to purchase the leased premises at the expiry of lease period.

44.1 Change in accounting policy

During the year Ind AS 116: Leases has replaced the earlier lease standard Ind AS 17: Leases with the date of initial application being 1 April 2019. The Company has transitioned to Ind AS 116 with effect from 1 April, 2019 using 'modified retrospective approach'. Under this approach, the Company has recognized the right-of-use assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments.

Notes to the standalone financial statements

for the year ended 31 March 2020

44. Leases (Contd..)

Accordingly, the Company is not required to restate comparative information, instead the cumulative effect (net of deferred taxes) on transition to Ind AS 116 is debited to retained earnings as under:

(₹ in Lakhs)	
Particulars	Amount
Recognition of lease liability	(2,19,223.77)
Recognition of right-to-use assets	1,66,301.16
	(52,922.61)
Less: Deferred tax on above	18,493.26
Net impact on opening retained earnings	(34,429.35)

On transition to Ind AS 116, the opening balances in 'Deferred lease rent expenses' and 'Prepayment - leasehold lands' are reclassified as right-to-use assets.

The following is the summary of practical expedients elected on initial application:

- 1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- 2) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the initial application.

There is no difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019, discounted using the incremental borrowing rate at the date of the application of Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.16% p.a.

The adoption of the new standard has resulted in decrease in profit before tax by ₹ 9,925.93 Lakhs (Increase in depreciation expense by ₹ 15,640.64 Lakhs and finance cost by ₹ 20,962.93 Lakhs respectively with corresponding decrease in rent and common facility expense by ₹ 26,677.63 Lakhs) and decrease in the profit after tax by ₹ 12,601.48 Lakhs. Further, the basic and diluted earnings per share are lower by ₹ 12.82 and ₹ 12.81 respectively. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 25,749.81 Lakhs each.

Notes to the standalone financial statements

for the year ended 31 March 2020

44. Leases (Contd..)

44.2 Particulars of right-to-use assets and lease liabilities

A Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Total
On recognition and reclassification as at 1 April 2019	280.70	1,74,361.35	1,74,642.05
Additions during the year	-	55,181.36	55,181.36
Depreciation for the year	(6.96)	(15,633.68)	(15,640.64)
Balance as at 31 March 2020	273.74	2,13,909.03	2,14,182.77

For impairment testing, see Note 5B

B Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	Amount
On recognition as at 1 April 2019	2,19,223.77
Additions during the year	51,748.65
Interest on lease liabilities	20,962.94
Payment of lease liabilities	(25,749.81)
Balance as at 31 March 2020	2,66,185.55

The following is the break-up of lease liability as at year end

(₹ in Lakhs)

Particulars	Amount
Non-current lease liability	2,59,220.10
Current lease liability	6,965.45
Total	2,66,185.55

C Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	28,890.37	24,545.17
One to five years	1,28,077.55	1,06,557.63
More than five years	3,52,672.38	2,83,001.10
Total	5,09,640.30	4,14,103.90

D Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	Amount
Interest on lease liabilities	20,962.94
Included in rent expenses:	
a) Variable lease payments not included in the measurement of lease liabilities	1,692.70
b) Expense relating to short-term leases	4.72

Notes to the standalone financial statements

for the year ended 31 March 2020

44. Leases (Contd..)

44.3 As lessor

A Operating lease

The Company has entered into operating leases for part of the multiplex premises. These leases have terms of between 1 to 9 years. The total rent recognised as income during the year is ₹311.26 lakhs (31 March 2019: ₹395.36 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	272.00	315.86
One to five years	232.45	467.59
More than five years	54.68	80.29
Total	559.13	863.74

45. Commitments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,711.95	3,465.57
(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)	5,340.48	6,571.70
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 46(b)	-	502.78

46. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
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 Lakhs 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.		

Notes to the standalone financial statements

for the year ended 31 March 2020

46. Contingent liabilities (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
b. Entertainment Tax matters:	4,786.01	3,625.48
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.	4,683.69	3,523.16
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 ₹ 578.43 Lakhs (previous year ₹ 586.46 lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		
c. Service Tax matters	20,540.19	20,540.19
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	14,226.97
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	6,313.22
The Company has paid ₹976.55 Lakhs (previous year ₹756.94 lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		
d. 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
e. 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.		
f. Income-tax matters.		
In respect of assessment dues, disputed in appeal by the Company.	253.78	-
g. The Company may be required to charge additional cost towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83	389.83

Notes to the standalone financial statements

for the year ended 31 March 2020

46. Contingent liabilities (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
h. Counter-guarantee given for bank guarantee taken by a subsidiary company	1,643.18	1,643.18
i. In respect of the Supreme Court judgement dated 28 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.		
j. Consequent to COVID-19 pandemic, the Company was required to shutdown its multiplexes in March 2020 (see Note 2.2). The Company has invoked the 'force majeure' clause under respective lease agreements due to COVID-19 pandemic for its multiplex premises, contending that rent and common area charges for the shutdown period are not payable. The Company has also obtained expert opinion to the effect that the Company can invoke the 'force majeure' clause on account of Government mandated shutdown of multiplexes. On this basis, the Company has not made a provision for rent payable for the shutdown period and the matter is under discussion with the lessors. The amount of rent reduction not yet accepted by the lessor and is under discussion is disclosed as contingent liability.	1,378.08	

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 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. The cumulative amount recognised in respect of such multiplexes is ₹ 3,631.96 lakhs as at 31 March 2020 (previous year ₹ 3,716.48 lakhs).

Notes to the standalone financial statements

for the year ended 31 March 2020

48. Exceptional Items:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
In respect of one of the multiplexes of the Company, the jurisdictional High Court had passed an order against the Company for grant of entertainment tax exemption. Even though the Company has taken appropriate legal steps in this regard, an amount of ₹410.00 lakhs towards entertainment tax exemption recognized, alongwith 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 ₹ 337.19 Lakhs (previous year ₹314.69 lakhs) is included under 'Other current liabilities' as a separate line item.	-	499.69
Total	-	499.69

As per our report of even date attached
For **Kulkarni and Company**
Chartered Accountants
Firm 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: 8 June 2020

Place: Mumbai
Date: 8 June 2020

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 31 March 2020, 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 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 31 March 2020, 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.

Emphasis of Matter

As described in Note 2.2, in preparation of these financial statements, the Group has considered the effect of uncertainties due to COVID-19 pandemic on the operations of the Group. The actual impact of COVID-19 pandemic may be different from that estimated as on the date of approval of these financial statements.

Our report is not modified in respect of this matter.

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 consolidated 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 31 March 2020

Sr.	Key Audit Matter	Auditor's Response
1	<p>Adoption of Ind AS 116: Leases</p> <p>As described in Note 45 to the consolidated financial statements, the Group has transitioned to Ind AS 116, initial application date being 1 April 2019. The application of this accounting standard is complex and also has significant impact not only on the profit for the year but also on the asset and liability position of the Group. On transition to Ind AS 116, the Group has recognised right-of-use assets (ROU) of ₹ 1,66,301.16 Lakhs and lease liabilities of ₹ 2,19,223.77 Lakhs. Significant judgement is also involved in transition to and application of this accounting standard.</p> <p>This has been identified as a key audit matter in view of the significant impact on the profit for the year and also on the asset and liability position of the Group and the complexities in transition and application of this accounting standard.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessment and testing of processes and controls in respect of Ind AS 116: Leases Assessment of the key terms and conditions of the leases On transition to Ind AS 116 <ul style="list-style-type: none"> Evaluation of the method of transition and related adjustments Evaluation of the practical expedients used on transition Testing the completeness and accuracy of the lease data by reconciling the Group's operating lease commitments to the data used in computing ROU assets and lease liabilities On application of Ind AS 116: <ul style="list-style-type: none"> Substantive testing of the computation of the ROU asset, lease liability, amortization of the ROU and the recognition of lease finance cost Reviewed the accounting policy on Ind AS 116 and testing the presentation and disclosures made in the financial statements as required by Ind AS 116, including those relating to transition.
2	<p>Claims and exposure relating to indirect taxation</p> <p>The Group has disclosed in Note 47 the contingent liabilities as at 31 March 2020 which includes amount of ₹ 25,326.20 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 CEO, CFO and legal head, 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 are in accordance with Ind AS 37.

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 (contd..)

Sr.	Key Audit Matter	Auditor's Response
3	Carrying amount of goodwill, right-of-use assets and property, plant & equipment	To address this key audit matter, our audit procedures included the following:
	<p>As at 31 March 2020, the carrying amount of goodwill, right-of-use assets (ROU) and property, plant & equipment (PPE) is ₹ 1,750.97 Lakhs, ₹ 2,14,182.77 lakhs and ₹ 97,538.77 Lakhs respectively.</p> <p>The goodwill is in respect of the acquisition of one of the 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.</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, there is no impairment loss.</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. During the year, some of the key assumptions and judgements have been changed by the management on account of COVID-19 impact.</p>	<ul style="list-style-type: none"> • In case of ROU and 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. • We have also evaluated the judgment and the changes in assumptions made by the management on account of COVID-19 impact. • 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.

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

The Holding 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 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 etc. 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, and Corporate Governance etc., if we conclude that there is a material misstatement

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 (contd..)

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 one subsidiary whose financial statements reflect total assets of ₹ 1,633.14 lakhs as at 31 March 2020, total revenues of ₹ 111.75 lakhs, total net profit after tax of ₹ 5.74 lakhs and total comprehensive income of ₹ 5.74 lakhs and net cash inflow amounting to ₹ 29.86 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose report 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 this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

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 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,

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 (contd..)

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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'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 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.

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 Statement

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 (contd..)

- of Cash Flow 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 31 March 2020 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditor of its subsidiary company incorporated in India, none of the directors of the Group companies are disqualified as on 31 March 2020 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 Holding Company and its subsidiary company which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 Holding 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 report of the other auditor on separate financial statement of a subsidiary company as noted in the 'Other matter' paragraph:
- The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - The Group did not have any material foreseeable losses on long term contracts, including derivative contracts;
 - 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: 08 June 2020

Membership No. 130432
UDIN: 20130432AAAAO2475

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 31 March 2020 – 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 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company 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 company 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 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 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 company's 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 company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary company 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 one subsidiary which is a company incorporated in India, is based on the corresponding report of the auditor of such company. Our opinion is not qualified in respect of this matter.

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

Place: Pune
Date: 08 June 2020

A.D Talavlikar
Partner
Membership No. 130432

Consolidated Balance Sheet

as at 31 March 2020

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	97,538.77	89,385.12
(b) Capital work-in-progress	5C	8,534.92	6,372.71
(c) Right-of-use assets	45	2,14,182.77	-
(d) Goodwill	6	1,750.97	1,750.97
(e) Other intangible assets	7	841.04	1,105.43
(f) Financial assets			
(i) Other investments	8	16.09	61.38
(ii) Loans	9	10,163.99	8,922.16
(iii) Other financial assets	10	9,505.62	8,596.21
(g) Deferred tax assets (net)	11	17,727.98	5,285.34
(h) Income tax assets (net)	12	737.38	877.53
(i) Other non-current assets	13	3,114.58	10,390.75
Total non-current assets		3,64,114.11	1,32,747.60
2 Current assets			
(a) Inventories	14	1,364.54	1,218.75
(b) Financial assets			
(i) Other investments	8	101.49	61.49
(ii) Trade receivables	15	6,274.64	8,824.01
(iii) Cash and cash equivalents	16	4,021.76	1,178.34
(iv) Bank balances other than (iii) above	17	447.69	186.97
(v) Loans	9	884.00	518.31
(vi) Other financial assets	10	27.36	22.12
(c) Income tax assets (net)	12	-	455.13
(d) Other current assets	13	4,305.67	2,666.39
Total current assets		17,427.15	15,131.51
Total assets (1+2)		3,81,541.26	1,47,879.11
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	10,264.78	10,260.59
(b) Other equity	19	55,189.91	89,387.54
(c) Interest in INOX Benefit Trust	20	(3,266.98)	(3,266.98)
Equity attributable to owners of the Company		62,187.71	96,381.15
Non-controlling interests	21	0.62	0.58
Total equity		62,188.33	96,381.73
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	2,000.00	5,500.00
(ii) Lease Liability	45	2,59,220.10	-
(iii) Other financial liabilities	23	748.54	895.54
(b) Provisions	24	1,788.93	1,266.97
(c) Other non-current liabilities	25	6,648.40	6,904.20
Total non-current liabilities		2,70,405.97	14,566.71
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	10,264.13	2,000.00
(ii) Lease Liabilities	45	6,965.45	-
(iii) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises	27	1,660.09	1.43
b. total outstanding dues of creditors other than micro enterprises and small enterprises	27	11,290.63	15,959.69
(iv) Other financial liabilities	23	11,486.53	12,036.35
(b) Other current liabilities	28	5,062.18	4,751.75
(c) Provisions	24	1,950.79	1,440.84
(d) Income tax liabilities (Net)	12	267.16	740.61
Total current liabilities		48,946.96	36,930.67
Total Equity and Liabilities (1+2+3)		3,81,541.26	1,47,879.11

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

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Place: Mumbai

Date: 8 June 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	29	1,89,744.34	1,69,218.47
Other income	30	1,716.90	1,491.82
Total Income (I)		1,91,461.24	1,70,710.29
Expenses			
Cost of materials consumed	31	12,621.68	11,249.51
Exhibition cost	32	49,645.78	44,420.91
Employee benefits expense	33	14,206.85	11,516.77
Finance costs	34	22,124.14	2,367.36
Depreciation and amortisation expense	35	26,418.88	9,549.07
Impairment losses (net)	5A/ 6	-	82.00
Other expenses	36	53,585.72	71,114.82
Total expenses (II)		1,78,603.05	1,50,300.44
Profit before exceptional items and tax (I - II = III)		12,858.19	20,409.85
Exceptional items (IV)	49	-	499.69
Profit before tax (III-IV = V)		12,858.19	19,910.16
Tax expense: (VI)	37		
Current tax		7,290.00	6,010.70
Deferred tax		(2,760.76)	1,005.84
Impact of deferred tax assets remeasurement on account of change in tax rate		6,886.09	-
Taxation pertaining to earlier years		(57.70)	(455.50)
		11,357.63	6,561.04
Profit for the year (V - VI = VII)		1,500.56	13,349.12
Profit for the year attributable to:			
Equity holders of the Parent		1,500.52	13,349.10
Non-controlling interests		0.04	0.02
		1,500.56	13,349.12
Other Comprehensive Income (VIII)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(199.39)	9.10
(ii) Tax on above	37	69.67	(3.18)
Total other comprehensive Income (i-ii)		(129.72)	5.92
Total Comprehensive income for the year (VII + VIII = IX) (Comprising Profit and other comprehensive income for the year)		1,370.84	13,355.04
Other comprehensive income for the year attributable to:			
- Owners of the Company		(129.72)	5.92
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		1,370.80	13,355.02
- Non-controlling interests		0.04	0.02
		1,370.84	13,355.04
Earnings per equity share (in ₹)			
1) Basic	39	1.53	14.20
2) Diluted	39	1.53	14.19

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

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Place: Mumbai

Date: 8 June 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit for the year after tax	1,500.56	13,349.12
Adjustments for:		
Income tax expense	11,357.63	6,561.04
Finance costs	22,124.14	2,367.36
Interest income recognised in profit or loss	(722.80)	(787.06)
Deferred revenue	(908.72)	(1,051.85)
Gain on investments measured at fair value through profit or loss	(92.03)	(88.90)
Deferred rent expenses	-	542.33
Loss on disposal of property, plant and equipment (net)	332.55	479.86
Liabilities and provisions, no longer required, written back	(764.75)	(473.05)
ESOP charges	53.19	126.10
Bad debt & remissions	6.85	41.40
Deposits and advances written off	-	5.00
Allowance for doubtful advances and deposits	58.00	29.22
Allowance for doubtful trade receivables and expected credit losses	393.76	46.01
Impairment loss on property, plant and equipment (net)	-	82.00
Depreciation and amortisation expense	26,418.88	9,549.07
Unrealised exchange loss/(gain)	55.68	(3.16)
	59,812.94	30,774.49
Movements in working capital:		
(Increase)/decrease in trade receivables	2,148.76	(1,320.59)
(Increase)/decrease in inventories	(145.79)	(278.84)
(Increase)/decrease in loans	(1,001.18)	(928.78)
(Increase)/decrease in other financial assets	(1,131.19)	(1,717.93)
(Increase)/decrease in other assets	(5,388.57)	(2,860.22)
Increase/(decrease) in trade payables	(2,502.03)	4,640.25
Increase/(decrease) in provisions	832.52	228.80
Increase/(decrease) in other financial liabilities	(1,035.01)	1,324.28
Increase/(decrease) in other liabilities	963.35	1,791.76
Cash generated from operations	52,553.80	31,653.22
Income taxes paid (net)	(5,130.74)	(3,685.69)
Net cash generated from operating activities	47,423.06	27,967.53
Cash flows from investing activities		
Payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances)	(20,620.38)	(24,650.44)
Payment for acquiring right-of-use assets	(625.69)	-
Payments for acquiring intangible assets	(113.81)	(308.88)
Proceeds from disposal of property, plant and equipment	36.37	40.32
Interest received	135.03	318.10
Maturity of Government securities	21.09	41.30
Purchase of current investments	(44,070.00)	(35,000.00)
Sale/redemption of current investments	44,140.65	36,272.40
Payments towards business combination consideration payable	-	(72.24)
Movement in other bank balances	(203.14)	(203.97)
Net cash used in investing activities	(21,299.88)	(23,563.41)

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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	6.25	6.47
Repayment of borrowings - non current	(3,500.00)	(20,193.00)
Net movement in current borrowings	8,264.13	2,000.00
Interim dividend paid	(982.91)	-
Dividend distribution tax on interim dividend	(211.42)	-
Payment of lease liability	(25,749.81)	-
Finance costs	(1,106.00)	(2,305.49)
Net cash used in financing activities	(23,279.76)	(4,559.81)
Net increase/(decrease) in cash and cash equivalents	2,843.42	(155.69)
Cash and cash equivalents at the beginning of the year	1,178.34	1,334.03
Cash and cash equivalents at the end of the year	4,021.76	1,178.34

Changes in liabilities arising from financing activities during the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings
Opening balance	9,002.75	2,012.89
Interest expense	646.90	220.78
Cash flows	(4,148.13)	8,046.71
Closing balance	5,501.52	10,280.38

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

Notes:

- The above statement of cash flow has been prepared under the Indirect method.
- Components of cash and cash equivalents are as per Note 16.
- 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

Place: Mumbai

Date: 8 June 2020

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in Lakhs)

Balance as at 1 April 2018	Changes during 2018-19	Balance as at 31 March 2019	Changes during 2019-20	Balance as at 31 March 2020
9,616.28	644.31	10,260.59	4.19	10,264.78

(see Note 18)

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 April 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 preferential issue of equity shares	-	15,360.00	-	-	-	-	15,360.00
On account of stock options (see Note 43)	-	113.05	-	15.20	-	-	128.25
Share issue expenses	-	(67.79)	-	-	-	-	(67.79)
Balance as at 31 March 2019	0.10	43,497.87	2,782.55	199.96	42,907.06	0.58	89,388.12
Transition impact of IndAS 116, net of tax (see Note 45)					(34,429.35)	-	(34,429.35)
Restated balance as at 1 April 2019	0.10	43,497.87	2,782.55	199.96	8,477.71	0.58	54,958.77
Additions during the period:							
Profit for the year	-	-	-	-	1,500.52	0.04	1,500.56
Other comprehensive income for the year, net of tax (*)	-	-	-	-	(129.72)	-	(129.72)
Total comprehensive income for the year	-	-	-	-	1,370.80	0.04	1,370.84
On account of stock options (see Note 43)	-	112.18	-	(56.93)	-	-	55.25
Interim dividend paid (see Note 19)	-	-	-	-	(982.91)	-	(982.91)
Dividend distribution tax on interim dividend	-	-	-	-	(211.42)	-	(211.42)
Balance as at 31 March 2020	0.10	43,610.05	2,782.55	143.03	8,654.18	0.62	55,190.53

(*) 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

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 8 June 2020

Place: Mumbai

Date: 8 June 2020

Notes to the consolidated financial statements

for the year ended 31 March 2020

1. Group information

INOX Leisure Limited ("the Company") is a public limited company incorporated and domiciled 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 GFL Limited (earlier known as 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"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. 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 (see Note 2.4).

These CFS for the year ended 31 March 2020 are approved for issue by the Board of Directors at its meeting held on 8 June 2020.

2.2 Assessment of COVID-19 pandemic impact

In March 2020 the COVID-19 pandemic developed rapidly into a global crisis, compelling governments to enforce lockdowns of all economic activity. In line with the Government of India directives, the Group's multiplex operations were shut down completely w.e.f. 23 March 2020. The COVID-19 pandemic has impacted the entire Entertainment Industry

and consequently the business activities of the Group are also adversely affected.

The Group has assessed the impact of COVID-19 pandemic on its business operations, the carrying amount of its assets and liabilities and recognition of income and expenses. The Group has already initiated effective steps to reduce its operational costs, including invoking the force majeure clause under various lease agreements in respect of its multiplex premises for non-payment of rent and CAM charges for the shutdown period due to COVID-19. In developing the assumptions relating to the possible future uncertainties, the Group has considered all relevant internal and external information available up to the date of approval of these financial statements and the Group has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis. Given the continuing uncertainties due to the COVID-19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Group's operations to be continuously monitored.

Going concern assumption

On the basis of assessment carried out by the Company's management, the current pandemic does not affect the Group's ability to continue as a going concern, in view of the various steps taken by it towards optimization of costs, the Group's low leverage, additional lines of credit being arranged from the Group's lenders, ownership of treasury shares which could provide additional liquidity, other options for raising capital, and the phased lifting of the lockdown being announced by the Government. Accordingly, these financial statements have been prepared on a going concern basis.

The impact of COVID-19 pandemic on other items of the financial statements are disclosed in the respective places.

2.3 Basis of preparation, presentation and 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.

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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, 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 not based on observable market data (unobservable inputs) for the asset or liability.

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 realisation in cash and cash equivalents.

2.4 New accounting standards and recent accounting pronouncements

- a. Standard issued and effective during the year

New accounting standard Ind AS 116: Leases:

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", which is effective for accounting periods beginning on or after 1 April 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. The Group has transitioned to Ind AS 116 with effect from 1 April 2019 using 'modified retrospective approach'. Under this approach, the Group has recognized the right-of-use assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments and the cumulative effect (net of deferred taxes) is debited to retained earnings. Further, the comparatives for the previous periods are not required to be restated. See Note 3.7 below for the new accounting policy on adoption to Ind AS 116 and Note 45 for further details.

- b. Amendments to existing accounting standards applicable to the Group:

Amendments to the following accounting standards have become applicable for the current reporting period:

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- Amendments to Ind AS 12: Income tax

On 30 March 2019, Ministry of Corporate Affairs 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 1 April 2019.

Further, the amendments to Ind AS 12 clarified 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 the statement of profit and 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 1 April 2019.

These amendments did not have any impact on the Group's financial statements.

- Amendment to Ind AS 19: Employee benefits

The amendments to Ind AS 19 addressed 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 1 April 2019 and apply only to any future plan amendments, curtailments, or settlements. This amendment is currently not applicable and will apply only to any future plan amendments, curtailments, or settlements.

- Amendment to Ind AS 23: Borrowing costs

The amendment clarified 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 is applicable to the borrowing costs incurred from 1 April 2019. This amendment did not have any impact on the Group's financial statements.

- c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which is applicable from April 1, 2020

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.

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Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, gain or loss is recognized in the statement of profit and 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 the statement of profit and loss as incurred.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see Note 3.11); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS

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

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

3.4 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.

The following specific recognition criteria are met before revenue is recognised:

a) 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:

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Revenue from sale of movie tickets (box office revenue) 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.

b) 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 sale of products is satisfied at a point in time i.e. at the point of sale.

c) Loyalty programme :

The Group operates a loyalty programme where a customer earns points as and when the customer transacts with the Group, these points can be redeemed in the future for goods and services. Under Ind AS 115, the loyalty programme gives rise to a separate performance obligation as it provides a material right to the customer. The Group allocates a portion of transaction price to the loyalty programme based on relative standalone selling price, instead of allocating using the fair value of points issued. As at year-end, loyalty points which are not redeemed by the customers are lapsed and amount allocated to those points are transferred to other income.

- d) Generally 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.

e) 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'.

3.5 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 or a shorter period, where appropriate, 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.

3.6 Government Grants

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

Government grants, whose primary condition is that the Group should establish and operate multiplexes in specified

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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 related assets of the respective multiplexes. Grants that compensate the Group for expenses incurred are recognized in the statement of profit and loss as other operating revenue on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable.

3.7 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability" and "Right-of-use asset" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'rent and common facility charges'. Rent concessions that are not assessed as lease modification are recognised in the statement of profit and loss.

3.8 Foreign currency transactions and translation

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

Exchange differences arising of settlement or translation of monetary items are recognised in the statement of profit and 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

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depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

3.9 Borrowing costs

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.10 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Group's gratuity scheme is a defined benefit plan and is unfunded. 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 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 statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

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

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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3.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 43.

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

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

3.12 Treasury Shares

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

3.13 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except

to the extent that it relates to an item recognized directly in equity or in other comprehensive income .

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. 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 investment in subsidiary 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..

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Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. 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 Group 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 the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

3.14 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition

at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

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

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. (see Note 3.8).

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at various cinema locations

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.

Subsequent expenditure on additions and betterment of operational properties are capitalised, only if, it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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.

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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 the statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date)

measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.15 Intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and 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 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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3.16 Impairment of tangible and intangible assets other than goodwill

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

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

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

3.17 Inventories

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

3.18 Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and

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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 the statement of profit and 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 the statement of profit and loss and is included in the "Other income" line item.

c) Subsequent measurement:

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

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

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

i. Financial assets measured at amortized cost:

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

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

This category applies to cash and bank balances, trade receivables, loans, other financial assets and certain investments of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is adjusted for loss allowance and impairment losses, 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.

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

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

iii. Financial assets measured at FVTPL:

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

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

d) Foreign exchange gains and losses:

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

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

e) Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;

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

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

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

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

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for the year ended 31 March 2020

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 the statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ii. Financial Liabilities:

a) Initial recognition and measurement

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

b) Subsequent measurement

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

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

c) Foreign exchange gains and losses:

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

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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 the statement of profit and loss.

d) Derecognition of financial liabilities:

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

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the 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.

4. Critical accounting judgements, use of estimates and assumptions

The preparation of Group's financial statements requires management 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.

For estimation uncertainty relating to COVID-19 pandemic, see Note 2.2 above

Following are the other critical judgements, significant estimates and assumptions used in preparation of these financial statements:

a) In respect of leases:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option when determining the lease term. Accordingly, the Group has considered the entire term of lease for the purpose of Ind AS 116 as the Group has the sole right to cancel the agreement (after the initial lock-in period) and the Group intends to operate the underlying asset for the entire term. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

b) Impairment of goodwill, right-of-use assets and property, plant and equipment:

For the purpose of impairment testing, 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.

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Where it is not possible to estimate the recoverable amount of a CGU, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

The value in use calculation requires the management of the Group to estimate the present value of future cash flows expected to arise from the CGU which includes forecast of revenue growth rates and a suitable discount rate assumption.

c) 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 the statement of profit and loss as other operating revenue on a systematic basis over the useful lives of the related assets.

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

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.14 & 3.15 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in

market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Group reviews the estimated useful lives of PPE & intangible assets (other than goodwill) at the end of each reporting period.

e) Fair value measurements and valuation processes:

Some of the Group'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 Group uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

f) Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

g) Expected credit losses on financial assets:

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

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h) Recognition and measurement of provisions and contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

i) Income taxes :

Provision for current tax is made based on reasonable estimate of taxable income computed as per the

prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

j) In respect of INOX Employee Welfare Trust and INOX Benefit Trust:

INOX Employees Welfare Trust manages the ESOP Scheme of INOX Leisure Limited and INOX Benefit Trust holds treasury shares for the benefit of INOX Leisure Limited. INOX Leisure Limited is the Settlor for both these trusts. As a settlor, the Company has the power to remove the trustees as it may deem necessary. Hence, the directors of the Company have concluded that the Group has control over these trusts and the same has been consolidated in these CFS.

Notes to the consolidated financial statements

for the year ended 31 March 2020

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,096.44	11,345.57
Leasehold improvements	33,506.29	29,308.64
Plant and equipment	37,277.42	33,785.14
Furniture and fixtures	9,388.60	8,693.56
Vehicles	126.42	148.55
Office equipment	3,473.94	3,434.00
Total	97,538.77	89,385.12

i) Details of property, plant and equipment pledged as security towards borrowings (see Note 22 & 26)

a) Details of freehold land and buildings that are mortgaged are as under.

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Freehold Land	1,743.99	1,743.99
Buildings	4,231.46	4,322.71
Total	5,975.45	6,066.70

b) Details of leasehold improvements, plant and equipment, office equipment and furniture and fixtures that are hypothecated are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Leasehold improvements	10,325.14	10,921.85
Plant and equipment	12,116.15	13,339.68
Furniture and fixtures	3,207.27	3,850.14
Office equipment	896.39	1,293.32
Total	26,544.95	29,404.99

The Company is not allowed to mortgage these assets as security for other borrowings.

Notes to the consolidated financial statements

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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 1 April 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 31 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
Additions	-	-	7,136.90	7,939.87	2,503.02	-	1,342.82	18,922.61
Disposals	-	-	(477.28)	(472.08)	(146.04)	(7.10)	(55.84)	(1,158.34)
Balance as at 31 March 2020	2,669.66	12,309.49	43,708.91	53,857.17	15,960.13	175.43	8,554.65	1,37,235.44
Accumulated depreciation and impairment								
Balance as at 1 April 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 31 March 2019	-	963.92	7,740.65	12,604.24	4,909.59	33.98	3,833.67	30,086.05
Depreciation expense for the year	-	249.13	2,754.43	4,318.09	1,768.66	22.13	1,287.75	10,400.19
Eliminated on disposal of assets	-	-	(292.46)	(342.58)	(106.72)	(7.10)	(40.71)	(789.57)
Balance as at 31 March 2020	-	1,213.05	10,202.62	16,579.75	6,571.53	49.01	5,080.71	39,696.67

(₹ in Lakhs)

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 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
As at 31 March 2020	2,669.66	11,096.44	33,506.29	37,277.42	9,388.60	126.42	3,473.94	97,538.77

Notes to the consolidated financial statements

for the year ended 31 March 2020

5B. Impairment of right-of-use assets and property, plant & equipment

The Group has reviewed the carrying amounts of right of use assets, property, plant and equipment and goodwill to determine whether the recoverable amount of a cash generating unit (CGU) is estimated to be less than its carrying amount by performing value in use calculation based on cash flow projections of the relevant CGU. For this purpose, each multiplex of the Group is treated as a separate CGU.

If the recoverable amount of a CGU 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 on a pro-rata basis of the carrying amount of each asset in the said unit.

In view of the economic uncertainties due to COVID-19, the Group has reassessed the discount rates, revisited the growth rates and other assumptions used in the financial projections based on which the future cash flows have been estimated for CGU. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources on the expected future performance of the Group. The Group has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on current indicators of the future economic conditions, there is no impairment in current year (as at 31 March 2019: ₹ 103.00 lakhs in respect of two multiplex theatres).

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 9.86% per annum (previous year 12% per annum).

5C. Capital work in progress

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Capital work-in-progress	7,422.34	5,461.59
Pre-operative expenditure pending allocation	1,112.58	911.12
Total	8,534.92	6,372.71

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

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	911.12	710.11
Add: Expenses incurred during the year		
Salaries and wages	577.28	569.62
Contribution to provident and other funds	45.66	39.15
Staff welfare	2.27	1.00
Lease Rent	13.93	323.75
Legal & professional fees and expenses	908.69	956.51
Travelling & conveyance	397.40	334.23

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5C. Capital work in progress (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Power & fuel	89.47	70.34
Housekeeping expenses	44.12	30.69
Outsourced personnel cost	93.96	54.48
Security expenses	127.82	113.53
Miscellaneous expenses	30.20	192.31
	2,330.80	2,685.61
Sub total	3,241.92	3,395.72
Less: Capitalised during the year	2,129.34	2,484.60
Closing balance	1,112.58	911.12

6. Goodwill

(₹ in Lakhs)

Particulars	On business combination	On consolidation	Total
Gross carrying amount			
As at 1 April 2018	1,750.00	41.85	1,791.85
As at 31 March 2019	1,750.00	41.85	1,791.85
As at 31 March 2020	1,750.00	41.85	1,791.85
Accumulated impairment loss			
As at 1 April 2018	-	40.88	40.88
As at 31 March 2019	-	40.88	40.88
As at 31 March 2020	-	40.88	40.88
Net carrying amount			
As at 1 April 2018	1,750.00	0.97	1,750.97
As at 31 March 2019	1,750.00	0.97	1,750.97
As at 31 March 2020	1,750.00	0.97	1,750.97

Goodwill on business combination is in respect of one of the multiplexes of the Group acquired through business combination. Goodwill on consolidation is in respect of consolidation of Shourie Properties Private Limited.

Impairment testing:

a) In respect of goodwill on business combination

Goodwill on business combination is in respect of one of the multiplexes of the Group acquired through business combination. This multiplex is considered as cash generating unit (CGU). The Group has performed an annual impairment test to ascertain the recoverable amount of CGU based on a value in use calculation. This calculation uses cash flow projections of the CGU based on management's estimates and business plans over a period of 10 years. The Group has used a period greater than five years since the Group has a long term lease arrangement in respect of this multiplex.

In view of the economic uncertainties due to COVID-19, the Group has reassessed the discount rates, revisited the growth rates and other assumptions used in the financial projections based on which the future cash flows have been estimated for CGU. In developing the assumptions relating to the possible future uncertainties in the global economic

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for the year ended 31 March 2020

6. Goodwill (Contd..)

conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources on the expected future performance of the Group. The Group has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis.

Key assumptions on which the management has based its cash flow projections:

- a) Budgeted footfalls are expected to grow by 5%
- b) Budgeted Average Ticket Price (ATP) is expected to grow by 9%
- c) Budgeted Refuel Per Person (RPP) is expected to grow by 11%

The Group has considered the impact of COVID-19 pandemic on revenue during the initial period of forecast and then applied the above growth rates for the balance period.

The discount rate used is 9.86% which is based on Weighted Average Cost of Capital (WACC) for the Group.

The calculations performed indicate that there is no impairment of CGU.

- b) In respect of goodwill on consolidation of Shouri Properties Private Limited (SPPL)

SPPL holds a license to operate a multiplex cinema theatre which is operated by INOX Leisure Limited and this multiplex is considered as cash generating unit (CGU). The Group has performed an annual impairment test to ascertain the recoverable amount of CGU based on a value in use calculation. The discount rate used is 9.86% and growth rates used to estimate future performance are based on conservative estimates from past performance and after considering the impact of COVID-19, as stated above.

Based on above, there is no impairment loss required to be recognized in the current year.

7. Other intangible assets

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Computer software	841.04	1,097.59
Website	-	7.84
	841.04	1,105.43

7A. Other intangible assets

(₹ in Lakhs)				
Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 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 March 2019	2,065.54	46.00	-	2,111.54
Additions	113.81	-	-	113.81
Disposals	(11.05)	-	-	(11.05)
Balance as at 31 March 2020	2,168.30	46.00	-	2,214.30

Notes to the consolidated financial statements

for the year ended 31 March 2020

7A. Other intangible assets (Contd..)

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Accumulated amortisation				
Balance as at 1 April 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 March 2019	967.95	38.16	-	1,006.11
Amortisation expense for the year	370.21	7.84	-	378.05
Eliminated on disposal of assets	(10.90)	-	-	(10.90)
Balance as at 31 March 2020	1,327.26	46.00	-	1,373.26

(₹ in Lakhs)

Carrying amounts	Computer software	Website	Movie script	Total
As at 31 March 2019	1,097.59	7.84	-	1,105.43
As at 31 March 2020	841.04	-	-	841.04

8. Other investments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificates	87.81	114.48
Less: Current portion	(71.72)	(53.10)
Total Non-current investments	16.09	61.38
Current		
Unquoted investments (all fully paid)		
Financial assets measured at FVTPL		
Investments in mutual funds		
ICICI Prudential Liquid Plan-Growth-Regular Plan - 10,176.59 units (31 March 2019: 3,046.37) (face value ₹. 100)	29.77	8.39
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	71.72	53.10
Investment in National Savings Certificate		
Total Current investments	101.49	61.49
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	117.58	122.87
Aggregate amount of impairment in value of investments	-	-

Notes to the consolidated financial statements

for the year ended 31 March 2020

8. Other investments (Contd..)

Investment in National Savings Certificate (NSC) carries interest in the range of 8.00% to 8.68% p.a as per the issue series invested. Interest is compounded on yearly basis and payable on maturity. These NSC's are pledged with Government authorities and held in the name of directors/ex-director/employees.

(₹ in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2020	As at 31 March 2019
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL - Mutual funds	29.77	8.39
Financial assets measured at amortised cost		
National Savings Certificates	87.81	114.48
Total	117.58	122.87

9. Loans

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits		
Unsecured - considered good	10,163.99	8,922.16
Unsecured - credit Impaired	147.46	147.46
	10,311.45	9,069.62
Less: Provision for Impairment	(147.46)	(147.46)
Total	10,163.99	8,922.16
Current		
Security deposits		
Unsecured - considered good	884.00	518.31
Total	884.00	518.31
The above financial assets are carried at amortised cost		
Notes:		
Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS.	4,909.09	5,121.43

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Entertainment tax and GST subsidy claimed	1,578.88	1,591.60
Electricity charges refund claimed (see Note 47)	389.83	389.83
Non-current bank balances (from Note 17)	341.59	417.40
Amount recoverable towards claims		
Unsecured - considered good	-	87.97
Unsecured - credit Impaired	914.16	914.16
	914.16	1,002.13

Notes to the consolidated financial statements

for the year ended 31 March 2020

10. Other financial assets (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less: Provision for Impairment	(914.16)	(914.16)
	-	87.97
Other advances (*)		
Unsecured - considered good	7,195.32	6,109.41
Unsecured - credit Impaired	80.50	22.50
	7,275.82	6,131.91
Less: Provision for impairment	(80.50)	(22.50)
	7,195.32	6,109.41
Total	9,505.62	8,596.21
Current		
Interest accrued	27.36	22.12
Total	27.36	22.12

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

11. Deferred tax assets (net)

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

Year ended 31 March 2020

Deferred tax assets/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Impact of transition to Ind AS 116 (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(913.97)	-	(52.41)	-	-	(966.38)
Intangible assets	(118.24)	-	33.08	-	-	(85.16)
Gratuity and leave benefits	509.72	-	(53.10)	69.67	-	526.29
Expenses allowable on payment basis	702.79	-	(8.01)	-	-	694.78
Allowance for doubtful trade receivables and expected credit loss	128.90	-	8.39	-	-	137.29
Government grants - deferred income	2,698.01	-	(942.91)	-	-	1,755.10
Lease Liability (*)	-	18,493.26	(4,800.78)	-	-	13,692.48
Others deferred tax assets	151.25	-	1,822.33	-	-	1,973.58
	3,158.46	18,493.26	(3,993.41)	69.67	-	17,727.98
MAT credit entitlement	2,126.88	-	-	-	(2,126.88)	-
Total	5,285.34	18,493.26	(3,993.41)	69.67	(2,126.88)	17,727.98

(*) see Note 45

Notes to the consolidated financial statements

for the year ended 31 March 2020

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

Year ended 31 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

As at 31 March 2020, the Group has following unused tax losses 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	6.63	31 March 2023
Business loss	2015-16	13.76	31 March 2024

The subsidiary does not have undistributed profits.

12. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non current	Current	Non current
Income tax assets (net)				
Income tax paid (net of provisions)	-	737.38	455.13	877.53
Total	-	737.38	455.13	877.53
Income tax liabilities (net)				
Provision for income tax (net of payments)	267.16	-	740.61	-
Total	267.16	-	740.61	-

Notes to the consolidated financial statements

for the year ended 31 March 2020

13. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	715.28	592.83
Security deposits	1,868.35	1,554.93
Deferred rent expense (*)	-	6,391.94
Less: Current portion	-	(614.91)
Deferred rent expense	-	5,777.03
Prepayments - leasehold land (*)	-	280.71
Less: Current portion	-	(6.96)
Prepayments - leasehold land	-	273.75
Prepayments - others	530.95	2,192.21
Total	3,114.58	10,390.75
Current		
Advances to suppliers	1,801.22	631.08
Other advances for expense	34.73	57.75
Balances with government authorities - GST credit available	1,346.51	133.06
Deferred rent expense (*)	-	614.91
Prepayments - leasehold land (*)	-	6.96
Prepayments - others	1,123.21	1,140.92
Contract assets - unbilled revenue	-	81.71
Total	4,305.67	2,666.39

(*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 45)

14. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Food & beverages	707.25	825.68
Stores, spares & fuel	657.29	393.07
	1,364.54	1,218.75

(i) The mode of valuation of inventories is stated in Note 3.17

(ii) In view of the economic uncertainties due to COVID-19, the Company has reviewed the net realisable value of its inventory of food and beverages item as at 31st March 2020 to consider the impact of continued shutdown and accordingly written down the carrying amount of inventories by ₹ 149.61 Lakhs.

Notes to the consolidated financial statements

for the year ended 31 March 2020

15. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Unsecured	6,274.64	8,824.01
Considered good		
Trade receivable which have significant increase in credit risk	194.84	117.19
Trade Receivable which are credit impaired	350.66	251.67
	6,820.14	9,192.87
Less: Provision for expected credit loss and impairment	(545.50)	(368.86)
Net Trade receivables	6,274.64	8,824.01
Trade receivable includes amount due from a private company in which a director of the Company is a director (see Note 44)	0.64	0.33

16. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts	4,000.56	541.15
Cash on hand	21.20	637.19
Total	4,021.76	1,178.34

17. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unpaid dividend account	1.45	-
Other bank balances		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	299.12	71.87
Deposit accounts with original maturity for more than 12 months	488.71	532.50
	787.83	604.37
Less: Amount disclosed under Note 10 - 'Other financial assets - non current'	(341.59)	(417.40)
	446.24	186.97
Total	447.69	186.97

Notes:

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

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Deposit account with original maturity for more than 3 months but less than 12 months	299.12	71.87
b) Deposit account with original maturity for more than 12 months	473.60	532.50

Notes to the consolidated financial statements

for the year ended 31 March 2020

18. Share capital

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised capital		
14,90,50,000 (31 March 2019: 14,60,50,000) equity shares of ₹ 10/- each	14,905.00	14,605.00
10,000 (31 March 2019: 10,000) preference shares of ₹ 10 each	1.00	1.00
Issued, subscribed and fully paid up		
10,28,57,754 (31 March 2019: 10,28,57,754) equity shares of ₹ 10 each	10,285.78	10,285.78
Less: 2,10,001 (31 March 2019: 2,51,876) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 43)	(21.00)	(25.19)
	10,264.78	10,260.59

Note: The authorised share capital is increased pursuant to the Scheme of amalgamation (see Note 40)

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
At the beginning of the year	10,26,05,878	10,260.59	9,61,62,753	9,616.28
Add: Issued during the year under ESOP	41,875	4.19	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	10,26,47,753	10,264.78	10,26,05,878	10,260.59

(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. As per the resolution passed by the shareholders of the Company in the Annual General Meeting held on 23 August 2013, GFL Limited (the holding company) is entitled to appoint majority of directors on the Board of the Company if GFL Limited holds not less than 40% of the paid-up equity capital of the Company.

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - holding company	5,27,86,467	5,278.65	5,27,86,467	5,278.65
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	5,33,73,928	5,337.40

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for the year ended 31 March 2020

18. Share capital (Contd..)

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	% of holding
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - holding company	5,27,86,467	51.32%	5,27,86,467	51.32%
HDFC Trustee Company Limited	75,65,560	7.35%	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 43.

19. Other equity

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Capital redemption reserve	0.10	0.10
Securities premium	43,610.05	43,497.87
General reserve	2,782.55	2,782.55
Shares option outstanding account	143.03	199.96
Retained earnings	8,654.18	42,907.06
	55,189.91	89,387.54

Capital redemption reserve

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
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

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	43,497.87	28,092.61
Movement during the year		
On issue of shares on preferential basis	-	15,360.00
On account of ESOP	112.18	113.05
Share issue expense	-	(67.79)
Balance as at the end of year	43,610.05	43,497.87

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

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for the year ended 31 March 2020

19. Other equity (Contd..)

General reserve

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance as 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 March 2020	As at 31 March 2019
Balance at the beginning of year	199.96	184.76
On account of share options	(56.93)	15.20
Balance at the end of year	143.03	199.96

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 March 2020	As at 31 March 2019
Balance at the beginning of year	42,907.06	29,552.04
Transition impact of Ind AS 116, net of tax (see Note 45)	(34,429.35)	-
Profit attributable to owners of the Company	1,500.52	13,349.10
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(129.72)	5.92
Interim dividend of Re. 1 per share of ₹ 10 each for F.Y. 2019-20 (see note below)	(982.91)	-
Dividend distribution tax on interim dividend	(211.42)	-
Balance at the end of year	8,654.18	42,907.06

Note: Amount of interim dividend is net of dividend of ₹ 43.50 Lakhs being dividend in respect of treasury shares (see Note 20)

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. Thus, the amounts reported above may not be distributable in entirety.

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for the year ended 31 March 2020

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 1 April 2012, the Company had allotted fully paid-up 3,45,62,206 equity shares of ₹ 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of ₹ 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

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

As at 31 March 2020		As at 31 March 2019	
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.

21. Non-controlling interests

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	0.58	0.56
Share of profit for the year	0.04	0.02
Balance as at the end of year	0.62	0.58

During the F.Y. 2014-15, the Company had acquired 93.75% of the equity shares in Shouri Properties Private Limited ("SPPL") and consequently SPPL had become a subsidiary of the Company with effect from 24 November 2014. SPPL holds a license to operate a multiplex cinema which is operated by the Company. During the F.Y. 2015-16, the Company has further subscribed to 12,50,000 equity shares of SPPL. On allotment of these shares, the Company now holds 99.29% Equity Shares of SPPL.

22. Non current borrowings

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Secured		
(i) Term loans - from banks	5,501.52	9,002.75
Total borrowings	5,501.52	9,002.75
Less: Amounts disclosed under Note 23 "Other current financial liabilities"		
Current maturities	(3,500.00)	(3,500.00)
Interest accrued	(1.52)	(2.75)
Total	2,000.00	5,500.00

Notes to the consolidated financial statements

for the year ended 31 March 2020

22. Non current borrowings (Contd..)

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

As at 31 March 2020

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	1,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	8.85% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	2,187.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.54% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	1,312.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.27% to 8.96%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	1,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.53%

As at 31 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 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 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 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 June 2018.	8.53% to 8.60%

(ii) Securities provided for secured loans

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

Notes to the consolidated financial statements

for the year ended 31 March 2020

23. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits	682.07	759.45
Retention money	66.47	136.09
	748.54	895.54
Current		
Current maturities of long-term debt	3,500.00	3,500.00
Interest accrued	17.77	15.64
Security deposits	188.48	214.57
Creditors for capital expenditure	4,670.30	4,089.73
Retention money	690.71	930.50
Employee dues	670.73	716.42
Unclaimed dividend	1.45	-
Expenses and Other Payable	1,747.09	2,569.49
	11,486.53	12,036.35
Total	12,235.07	12,931.89

24. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Employee benefits (see Note 41)		
a) Gratuity	1,344.47	952.00
b) Leave benefits	444.46	314.97
Total	1,788.93	1,266.97
Current		
Employee benefits (see Note 41)		
a) Gratuity	123.49	95.85
b) Leave benefits	178.68	95.86
Other provisions (see Note below)	1,648.62	1,249.13
Total	1,950.79	1,440.84

Other provisions

(₹ in Lakhs)

Particulars	Service Tax	Municipal Tax	Other indirect taxes	Total
Balance as at 1 April 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 31 March 2019	1,035.02	-	214.11	1,249.13
Provided during the year	-	-	520.41	520.41
Reversed during the year	-	-	(120.92)	(120.92)
Balance as at 31 March 2020	1,035.02	-	613.60	1,648.62

Notes to the consolidated financial statements

for the year ended 31 March 2020

24. Provisions (Contd..)

- (i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.
- (ii) Provision for other indirect taxes is in respect of demands/notices received under indirect tax laws and the same are contested by the Group at appropriate levels.

25. Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred revenue arising from Government grant	6,973.54	7,720.95
Less: Current portion disclosed under Note 28 "Other current liabilities"	(674.96)	(816.75)
Revenue received in advance	349.82	-
Total	6,648.40	6,904.20

Movement in deferred revenue arising from government grant:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance	7,720.95	8,532.55
Add: Recognised during the year	120.25	240.25
Less: Transferred to other operating revenue	(867.66)	(1,051.85)
Closing Balance	6,973.54	7,720.95

26. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured Loan		
-From bank		
Short term working capital demand loan	3,000.72	-
Overdraft facility repayable on demand	424.57	-
	3,425.29	-
Unsecured loan		
-From bank		
Short term working capital demand loan	2,015.53	2,012.89
Overdraft facility repayable on demand	4,839.56	-
	6,855.09	2,012.89
Sub-total	10,280.38	2,012.89
Less: Interest disclosed under Note 23 "Other current financial liabilities"	(16.25)	(12.89)
Total	10,264.13	2,000.00

Notes to the consolidated financial statements

for the year ended 31 March 2020

26. Current borrowings (Contd..)

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

As at 31 March 2020:

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Secured			
Short term working capital demand loan	3,000.00	Repayable in bullet instalments of ₹ 3,000 Lakhs on 29 June 2020	9.00%
Unsecured			
Short term working capital demand loan (Term Loan I)	1,000.00	Repayable in bullet instalments of ₹1,000 Lakhs on 10 June 2020.	9.00%
Short term working capital demand loan (Term Loan II)	500.00	Repayable in bullet instalments of ₹ 500 Lakhs on 15 June 2020.	9.00%
Short term working capital demand loan (Term Loan III)	500.00	Repayable in bullet instalments of ₹ 500 Lakhs on 15 June 2020.	9.00%

As at 31 March 2019

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Unsecured			
Short term working capital demand loan	2,000.00	Repayable in bullet instalments of ₹1,000 Lakhs each on 15 May 2019 & 7 June 2019	9.05%

(ii) Securities provided for secured loans:

Short term working capital loan is secured by mortgage of office premises at Mumbai.

Overdraft facility is secured by first charge on entire current assets of the company (except those charged against term loans), first exclusive charge on immovable property situated at Anand and paripasu charge on mortgage of immovable property situated at Vadodara. It carries interest rate ranging from 8.50% to 9.50%.

(iii) Unsecured overdraft facility carries interest rate ranging from 9.30% to 9.95%.

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

27. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Dues of micro enterprises and small enterprises	1,660.09	1.43
- Dues to creditors other than micro enterprises and small enterprises	11,290.63	15,959.69
Total	12,950.72	15,961.12

Notes to the consolidated financial statements

for the year ended 31 March 2020

28. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue received in advance	2,358.37	1,705.73
Advances from customers	765.72	512.72
	3,124.09	2,218.45
Deferred revenue arising from Government grant (from Note 25)	674.96	816.75
Statutory dues		
- Taxes payable (other than income taxes)	785.02	1,279.25
- Employee recoveries and employer contributions	140.92	122.61
Other Liabilities (see Note 49)	337.19	314.69
Total	5,062.18	4,751.75

29. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with customers:		
Revenue from services	1,38,993.72	1,24,364.29
Food and beverages revenue	49,719.45	43,592.55
	1,88,713.17	1,67,956.84
Other operating revenue	1,031.17	1,261.63
Total revenue	1,89,744.34	1,69,218.47

Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Type of services or goods		
Revenue from box office	1,10,459.02	97,538.28
Revenue from advertisement services	17,897.01	17,666.53
Convenience fees	6,681.83	5,002.37
Virtual print fees	3,003.44	2,697.95
Other services	952.42	1,459.16
	1,38,993.72	1,24,364.29
Sale of food and beverages	49,719.45	43,592.55
Total revenue from contracts with customers	1,88,713.17	1,67,956.84

Notes to the consolidated financial statements

for the year ended 31 March 2020

29. Revenue from operations (Contd..)

Contract balances:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	6,274.64	8,824.01
Contract assets	-	81.71
Contract liabilities	3,473.91	2,218.45

During the year ended 31 March 2020, the Group has recognized revenue of ₹ 2,216.99 Lakhs (Previous Year ₹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 March 2020	Year ended 31 March 2019
Within one year	4,837.18	5,561.32
More than one year but less than five years	4,620.73	6,189.33
Total	9,457.91	11,750.65

The transaction price allocated to contracts for original expected duration of one year or less are not included in amounts disclosed above as permitted under Ind AS 115.

COVID-19 impact

For the financial year 2019-20, the impact on revenue was for a short period of about 4-5 weeks and no revenue is recognized for this period. While the Group strongly believes that the normalcy in business operations will gradually be restored towards the end of financial year ending 31 March 2021, the impact on future revenue streams could come from:

- prolonged lock-down situation resulting in Group's inability to restart multiplexes;
- inability of the Group to operate at optimal capacity on account of Government imposed social distancing norms for multiplexes in future;
- retail customers being more prone to immediate impact on account of pandemic postponing their discretionary spend due to change in priorities

30. Other income

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	50.29	29.71
On long term investments	7.56	9.99
On security deposits	606.34	473.08
	664.19	512.78

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for the year ended 31 March 2020

30. Other income (Contd....)

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Other interest income		
Interest on income tax refunds	26.19	200.46
Others	32.42	73.82
	58.61	274.28
Total interest income	722.80	787.06
B) Other non-operating income		
Liabilities and provisions no longer required, written back	764.75	473.05
Miscellaneous income	137.32	142.81
Total other non-operating income	902.07	615.86
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	92.03	88.90
Total	1,716.90	1,491.82
Note: Realised gains in respect of mutual funds	90.65	99.69

31. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cost of food & beverages consumed	12,621.68	11,249.51
Total	12,621.68	11,249.51

32. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Distributors' share	48,843.43	43,678.88
Other exhibition cost	802.35	742.03
Total	49,645.78	44,420.91

33. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	12,222.97	9,849.80
Contribution to provident and other funds	812.92	666.55
Expense on ESOP	47.66	115.57
Gratuity	322.84	260.42
Staff welfare expenses	800.46	624.43
Total	14,206.85	11,516.77

Notes to the consolidated financial statements

for the year ended 31 March 2020

34. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	-	1,135.20
- other borrowings	905.53	1,105.38
	905.53	2,240.58
b) Interest on lease liabilities (see Note 45)	20,962.94	-
c) Other Interest		
Interest on income tax	15.23	55.00
Other Interest expense	217.94	39.53
	233.17	94.53
Total interest (a+b+c)	22,101.64	2,335.11
Other borrowing costs	22.50	32.25
Total	22,124.14	2,367.36

35. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	10,400.19	9,192.00
Depreciation on right-of-use assets (see Note 45)	15,640.64	-
Amortisation of intangible assets	378.05	357.07
Total	26,418.88	9,549.07

36. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	11,502.73	10,707.28
Rent and common facility charges	10,160.94	31,863.80
Repairs to :		
- Buildings	407.99	353.11
- Plant and equipment	2,862.03	2,503.01
- Others	867.54	700.18
Rates and taxes	924.45	1,190.56
Expenditure on corporate social responsibility (CSR)	118.83	186.74
Directors' sitting fees	14.00	16.40
Commission to non-executive director	123.00	185.00
Allowance for doubtful trade receivables and expected credit losses	393.76	46.01
Allowance for doubtful advances and deposits	58.00	29.22
Bad debts & remissions - Note (i) below	6.85	41.40
Deposits and advances written off Note (ii) below	-	5.00
Indirect tax expenses	3,116.01	2,906.23
Net loss on foreign currency transactions and translations	74.37	53.90

Notes to the consolidated financial statements

for the year ended 31 March 2020

36. Other expenses (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Legal and professional fees and expense	1,913.20	1,722.51
Advertisement & sales promotion	1,907.57	2,308.70
Travelling & Conveyance expenses	965.63	1,043.58
Housekeeping expenses	3,641.90	3,115.55
Security charges	2,890.90	2,700.79
Outsourced personnel cost	8,174.41	6,510.42
Loss on sale / disposal of property, plant and equipment (net of impairment loss adjusted of ₹ 32 lakhs - previous year ₹ Nil)	332.55	479.86
Miscellaneous expenses	3,129.06	2,445.57
Total	53,585.72	71,114.82

(i) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 217.12 lakhs (previous year ₹ 39.98 lakhs)

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

(iii) Legal and professional fees and expense includes:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Professional fees paid to one of the non-executive directors	120.00	30.00
b) Legal fees to firms/LLPs in which some of the non-executive directors are partners (excluding amount of ₹ Nil (previous year ₹ 5.07 lakhs), towards share issue expenses and adjusted in security premium)	257.06	223.37

Note - All above amounts are exclusive of GST

37.1 Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
In respect of the current year	7,290.00	6,010.70
In respect of earlier years	74.22	(305.68)
	7,364.22	5,705.02
Deferred tax		
In respect of the current year	4,125.33	1,005.84
In respect of earlier years	(131.92)	(149.82)
	3,993.41	856.02
Total income tax expense recognised in the current year	11,357.63	6,561.04

Notes to the consolidated financial statements

for the year ended 31 March 2020

37.1 Income tax recognised in profit or loss (Contd..)

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	12,858.19	19,910.16
Income tax expense calculated at 34.944% (previous year 34.944%)	4,493.17	6,957.41
Effect of expenses that are not deductible in determining taxable profit	81.94	97.00
Tax incentives	(43.70)	(37.87)
Impact of net deferred tax asset remeasurement on account of change in tax rate (see note below)	6,886.09	-
Others	(2.17)	-
	11,415.33	7,016.54
Taxation in respect of earlier years	(57.70)	(455.50)
Income tax expense recognised in profit or loss	11,357.63	6,561.04

The tax rate used for the financial year 2019-2020 and 2018-2019 in the reconciliations above is the corporate tax rate of 34.944%, payable by corporate entities in India on taxable profits under the Indian tax law.

Based on the evaluation carried out, the Group proposes to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 from the next financial year viz. w.e.f. 1 April 2020. Consequently, the net deferred tax asset as at 31 March 2020 is remeasured on the basis of the tax rate prescribed in the said section and the impact of this remeasurement is charged to the statement of profit and loss for the year ended 31 March 2020.

37.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	69.67	(3.18)
Total income tax recognised in other comprehensive income	69.67	(3.18)

37.3 Breakup of taxation pertaining to earlier years is as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
MAT credit entitlement	-	(720.95)
Income Tax	74.22	(305.68)
Deferred tax	(131.92)	571.13
Net credit	(57.70)	(455.50)

In view of the assessment and appellate orders received during the preceeding years, accepting certain claims of the Company, the tax liability (including deferred tax) for earlier years, was recomputed and consequential reduction in taxation for earlier years was recognised in the Statement of Profit and Loss.

Notes to the consolidated financial statements

for the year ended 31 March 2020

37.4 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 all other states, the same has been accepted by various appellate authorities and Hon'ble High Court of Judicature at Gujarat. Provision for income tax, till the year ended 31 March 2015, was made on this basis, to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.

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

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from services		
Revenue from box office	1,10,459.02	97,538.28
Revenue from advertising income	17,897.01	17,666.53
Convenience Fees	6,681.83	5,002.37
Virtual Print fee	3,003.44	2,697.95
Other services	952.42	1,459.16
Sub-total	1,38,993.72	1,24,364.29
Food & beverages revenue	49,719.45	43,592.55
Sub-total	49,719.45	43,592.55
Other operating revenue		
Government Grants - deferred revenue	867.66	1,051.85
Others	163.51	209.78
Sub-total	1,031.17	1,261.63
Total revenue from operations	1,89,744.34	1,69,218.47

Information about major customers:

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

39. Earnings per share

Basic earnings per share

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year attributable to owners of the Group (₹ in Lakhs)	1,500.56	13,349.12
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,82,84,087	9,39,78,140
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	1.53	14.20

Notes to the consolidated financial statements

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39. Earnings per share (Contd..)

Diluted earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	1,500.56	13,349.12
Weighted average number of equity shares for the purpose of diluted earnings per shares (nos.)	9,83,51,158	9,40,55,086
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	1.53	14.19

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:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,82,84,087	9,39,78,140
Add: Effect of dilutive equivalent equity shares- share options outstanding	67,071	76,946
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,83,51,158	9,40,55,086

40. Details of subsidiaries

Details of the Group's subsidiaries are as follows.

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2020	As at 31 March 2019
Shouri Properties Private Limited	India	99.29%	99.29%
INOX Leisure Limited - Employees Welfare Trust	India	Controlled by INOX Leisure Limited	
INOX Benefit Trust	India	Controlled by INOX Leisure Limited	

- Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by INOX Leisure Limited.
- INOX Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of INOX Leisure Limited.
- INOX Benefit Trust holds treasury shares for the benefit of INOX Leisure Limited.

The financial year of all the above entities is 1 April to 31 March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

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for the year ended 31 March 2020

40. Details of subsidiaries (Contd..)

Amalgamation of Swanston Multiplex Cinemas Private Limited with INOX Leisure Limited

The Board of Directors of INOX Leisure Limited had 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 its wholly owned subsidiary, Swanston Multiplex Cinemas Private Limited ("SMCPL") with INOX Leisure Limited. The Scheme was approved by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad vide its order dated 15 October, 2018 and by Hon'ble National Company Law Tribunal, Bench at Mumbai vide order dated 19 August, 2019. The Scheme has become effective on 27 September 2019 with the appointed date as 1 April 2018. The amalgamation is accounted in accordance with Appendix C of Ind AS 103: Business Combination.

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 ₹ 762.39 Lakhs (previous year ₹ 598.76 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 45.66 Lakhs (previous year ₹ 39.15 Lakhs) 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 31 March 2020 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 March 2020	31 March 2019
Opening defined benefit obligation	1,047.85	865.13
Current service cost	247.95	197.44
Interest cost	74.89	62.98
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	91.28	6.27
b) arising from experience adjustments	108.11	(15.37)
Benefits paid	(102.12)	(68.60)
Closing defined benefit obligation	1,467.96	1,047.85

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41. Employee benefits (Contd..)

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

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Current service cost	247.95	197.44
Interest expense	74.89	62.98
Amount recognised in profit or loss	322.84	260.42
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	91.28	6.27
b) arising from experience adjustments	108.11	(15.37)
Amount recognised in other comprehensive income	199.39	(9.10)
Total	522.23	251.32

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

Particulars	Valuation as at	
	31 March 2020	31 March 2019
Discount rate	6.55%	7.49%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2012-14) ultimate mortality table	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.

- 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 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.

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41. Employee benefits (Contd..)

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(96.76)	(66.01)
If discount rate is decreased by 1%	109.78	74.53
If salary escalation rate is increased by 1%	102.85	70.27
If salary escalation rate is decreased by 1%	(92.42)	(63.38)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined obligation as at 31 March 2020 is 6.56 years (previous year 6.56 years)

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

Particulars	₹ in Lakhs
Expected outflow in 1st Year	123.49
Expected outflow in 2nd Year	153.49
Expected outflow in 3rd Year	194.43
Expected outflow in 4th Year	158.90
Expected outflow in 5th Year	137.13
Expected outflow in 6th to 10th Year	574.88

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual Privilege leave) for the year ended 31 March 2020 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 140.43 lakhs (previous year ₹43.11 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 March 2020	31 March 2019
Discount rate (per annum)	6.55%	7.49%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2012-14) ultimate mortality table	IAML (2006-08) ultimate mortality table

Notes to the consolidated financial statements

for the year ended 31 March 2020

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.

Gearing ratio

The gearing ratio at the end of the year was as follows:

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Total debt	15,781.90	11,015.64
Cash & Bank balances (not subject to lien)	(4,036.87)	(1,178.34)
Net debt	11,745.03	9,837.30
Total Equity	62,188.33	96,381.73
Net debt to equity ratio	18.89%	10.21%

(i) Debt is defined as total borrowings and current maturities of long term debt as described in Notes 22, 23 and 26 & excludes lease liabilities.

(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

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	29.77	8.39
Measured at amortised cost		
(a) Cash and bank balances	4,811.04	1,782.71
(b) Other financial assets at amortised cost		
(i) Investments in NSC	87.81	114.48
(ii) Trade Receivables	6,274.64	8,824.01
(iii) Loans	11,047.99	9,440.47
(iv) Other financial assets	9,191.39	8,200.93
Sub total	31,412.87	28,362.60
Total financial assets	31,442.64	28,370.99

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

Notes to the consolidated financial statements

for the year ended 31 March 2020

42. Financial Instruments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	15,781.90	11,015.64
(ii) Lease liabilities	2,66,185.55	-
(ii) Trade Payables	12,950.72	15,961.12
(iii) Other financial liabilities	8,717.30	9,416.25
Total financial liabilities	3,03,635.47	36,393.01

(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:

(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 March 2020	As at 31 March 2019
Liabilities		
Capital Creditors	11.83	2.02
Other payable	3.51	-

Note: There are no foreign currency denominated monetary assets.

Notes to the consolidated financial statements

for the year ended 31 March 2020

42. Financial Instruments (Contd..)

The carrying amount in INR value of above foreign currency is as under:

(₹ in Lakhs)

Particulars	Liabilities as at	
	As at 31 March 2020	As at 31 March 2019
Liabilities		
Capital Creditors	891.10	139.34
Other payable	264.21	-

The Group is only exposed to changes in USD. The below table demonstrates the sensitivity to a 10% increase or decrease in the USD against INR, on profit or loss and total equity, with all other variable held constant.

The sensitivity analysis is prepared to the net unhedged exposure of the Group.

(₹ in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2020	As at 31 March 2019
Increase by 10%	(75.16)	(9.06)
Decrease by 10%	75.16	9.06

(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.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year.

(₹ in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2020	As at 31 March 2019
Increase by 50 basis points	(35.01)	(29.28)
Decrease by 50 basis points	35.01	29.28

(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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

42. Financial Instruments (Contd..)

For trade receivables, the average credit period generally ranges from 60 to 90 days. Before accepting any new customer, Group uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers who represents more than 5% of the total balance of trade receivable as at 31 March 2020 is ₹. 3,663.75 lakhs (as at 31 March 2019 of ₹ 3,685.08 lakhs) are due from 5 major customers who are reputed parties and having long term contract

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.

In addition to the historical pattern of credit loss, the Group has considered the likelihood of delays in the recovery of outstanding dues, increased credit risk and consequential default considering emerging situations due to COVID-19 and accordingly created additional provision for the expected credit loss in respect of trade receivable outstanding for less than 1 year.

The provision matrix at the end of the year is as follows.

Ageing	Expected credit loss (%)
Upto 1 year	2%
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 March 2020	As at 31 March 2019
Balance at the beginning of the year	117.19	102.31
Net Increase in expected credit loss allowance on trade receivables	77.65	14.88
calculated at lifetime expected credit losses		
Balance at the end of the year	194.84	117.19

(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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

42. Financial Instruments (Contd..)

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2020

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	12,950.72	-	-	12,950.72
Borrowings	13,781.90	2,000.00	-	15,781.90
Other financial liabilities	7,968.76	718.18	30.36	8,717.30
Total	34,701.38	2,718.18	30.36	37,449.92

Particulars of contractual maturities in respect of lease liabilities is as per Note 45.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 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	5,515.64	5,500.00	-	11,015.64
Other financial liabilities	8,520.71	876.52	19.02	9,416.25
Total	29,997.47	6,376.52	19.02	36,393.01

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. Also see Note 2.2.

(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, 2020	31 st March, 2019		
Investments in Mutual Funds (Note 8)	29.77	8.39	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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

43. Share-based payments

Details of the employee share option plan of the Company:

The Company has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee on its own discretion. The Scheme is administered through INOX Leisure Limited - Employees Welfare Trust.

In the year ended 31 March 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to INOX Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of ₹ 75.00 Lakhs to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of ₹ 15 per option. The option carry neither rights to dividends nor voting rights. The options granted are required to be exercised within a period of one year from the date of vesting of the respective options.

On 23 June 2017, stock options of 1,67,500 shares had been granted to employees and on 5 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:

Particulars	Options granted	
Date of grant	23 June 2017	5 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 consolidated financial statements

for the year ended 31 March 2020

43. Share-based payments (Contd..)

Movements in share options during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of year	1,16,875	1,62,500
Granted during the year	0	0
Forfeited during the year	7,500	7,500
Exercised during the year	41,875	38,125
Balance at the end of year	67,500	1,16,875
Exercisable at end of the year	NIL	NIL
Weighted average exercise price of all stock options	₹ 15	₹ 15

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 ₹ 53.19 Lakhs (previous year ₹ 126.10 Lakhs) is recognised in the Statement of Profit and Loss.

Range of exercise price and weighted average remaining contractual life of outstanding options

For Options granted on 5 January 2017:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Number of options outstanding	5,000	10,000
Weighted Average Remaining Contractual Life (in years)	1.77	2.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23 June 2017:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Number of options outstanding	62,500	1,06,875
Weighted Average Remaining Contractual Life (in years)	2.23	3.23
Weighted Average Exercise Price (₹)	15	15

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for the year ended 31 March 2020

44. Related Party Transactions

(i) Where Control Exists

- GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - holding company
- INOX Leasing & Finance Limited – ultimate holding company

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

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. Vishesh Chander Chandiok - Director (w.e.f 14 February 2020)
- Mr. Kishore Biyani- Director (upto 16 November 2019)
- Mr. Alok Tandon – Chief Executive Officer

Fellow subsidiary

- Gujarat Fluorochemicals Limited (earlier known as INOX Fluorochemicals Limited)

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 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
a) Transactions with the holding company:				
GFL Limited	-	8.39	-	-
b) Transactions with fellow subsidiary company:				
Gujarat Fluorochemicals Limited	8.87	-	-	-
c) Transactions with enterprises over which a KMP or his relative has significant influence				
INOX India Private Limited	2.77	3.18	-	-
INOX FMCG Private Limited	-	-	-	0.18
Sub-total	2.77	3.18	-	0.18
Total	11.64	11.57	-	0.18

Notes to the consolidated financial statements

for the year ended 31 March 2020

44. Related Party Transactions (Contd..)

The Group has entered into other transactions with related parties as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Transactions with the holding company:		
GFL Limited		
(a) Interest paid:	-	1,135.20
(b) Reimbursement of expenses paid	-	7.15
(c) Rent paid	-	29.69
(d) Repayment of ICD	-	16,249.00
(e) Preferential allotment of equity share (including share premium)	-	16,000.00
b) Transactions with fellow subsidiary company:		
Gujarat Fluorochemicals Limited		
(a) Lease rent paid	29.69	-
(b) Reimbursement of expenses paid	8.16	-

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 March 2020	As at 31 March 2019
Trade payables		
a) Transactions with the holding company:		
GFL Limited	-	0.58
b) Transactions with fellow subsidiary company:		
Gujarat Fluorochemicals Limited	3.70	-

(₹ in Lakhs)

Particulars	Amounts owed by related parties	
	As at 31 March 2020	As at 31 March 2019
Trade receivables		
a) Transactions with the holding company:		
GFL Limited	-	0.03
b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX India Private Limited	0.64	0.33

- 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.

Notes to the consolidated financial statements

for the year ended 31 March 2020

44. Related Party Transactions (Contd..)

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration paid to Mr. Alok Tandon	148.43	127.67
Professional fees paid to Mr. Deepak Asher	120.00	30.00
Commission paid to non executive director - Mr. Siddharth Jain	123.00	-
Commission paid to non executive director - Mr. Pavan Kumar Jain	-	185.00
Sitting fees paid to directors	14.00	16.40
	405.43	359.07

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:

- A. Contribution to Provided Fund (defined contribution plan) is ₹7.19 lakhs (previous year ₹ 5.59 lakhs) .
- B. Share options exercised under ESOP of ₹ 15.25 Lakhs (previous year ₹ 12.14 lakhs)

Particulars of interim dividend paid to related parties:

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	
Interim dividend paid		
a. GFL Limited - holding company		527.86
b. INOX Leasing & Finance Limited – ultimate holding company		5.87
c. Key Managerial Personnel		8.65
Total		542.38

45. Leases

The Group operating most of its multiplexes under operating lease. These arrangements generally are for an initial period of 9-29 years with a minimum lock-in period of 5-15 years, after which the lessor does not have a right to terminate the arrangement. The agreements provide for escalation after pre-determined periods. Some of the agreements are fully or partially on revenue share basis. The Group does not have an option to purchase the leased premises at the expiry of lease period.

45.1 Change in accounting policy

During the year Ind AS 116: Leases has replaced the earlier lease standard Ind AS 17: Leases with the date of initial application being 1 April 2019. The Group has transitioned to Ind AS 116 with effect from 1 April, 2019 using 'modified retrospective approach'. Under this approach, the Group has recognized the right-of-use assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments.

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45. Leases (Contd..)

Accordingly, the Group is not required to restate comparative information, instead the cumulative effect (net of deferred tax) on transition to Ind AS 116 is debited to retained earnings as under:

(₹ in Lakhs)

Particulars	Amount
Recognition of lease liabilities	(2,19,223.77)
Recognition of right-of-use assets	1,66,301.16
	(52,922.61)
Less: Deferred tax on above	18,493.26
Net impact on opening retained earnings	(34,429.35)

On transition to Ind AS 116, the opening balances in 'Deferred lease rent expenses' and 'Prepayment - leasehold lands' are reclassified as right-to-use assets.

The following is the summary of practical expedients elected on initial application:

- 1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- 2) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the initial application.

There is no difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019, discounted using the incremental borrowing rate at the date of the application of Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.16% p.a.

The adoption of the new standard has resulted in decrease in profit before tax by ₹ 9,925.93 Lakhs (Increase in depreciation expense by ₹ 15,640.64 Lakhs and finance cost by ₹ 20,962.93 Lakhs respectively with corresponding decrease in rent and common facility expense by ₹ 26,677.63 Lakhs) and decrease in the profit after tax by ₹ 12,601.48 Lakhs. Further, the basic and diluted earnings per share are lower by ₹ 12.82 and ₹ 12.81 respectively. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 25,749.81 Lakhs each.

45.2 Particulars of right-to-use assets and lease liabilities

A Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Leasehold Land	Building	Total
On recognition and reclassification as at 1 April 2019	280.70	1,74,361.35	1,74,642.05
Additions during the year	-	55,181.36	55,181.36
Depreciation for the year	(6.96)	(15,633.68)	(15,640.64)
Balance as at 31 March 2020	273.74	2,13,909.03	2,14,182.77

For impairment testing, see Note 5B

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45. Leases (Contd..)

B Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	Amount
On recognition as at 1 April 2019	2,19,223.77
Additions during the year	51,748.65
Interest on lease liabilities	20,962.94
Payment of lease liabilities	(25,749.81)
Balance as at 31 March 2020	2,66,185.55

Break-up of Lease liability as at year end

(₹ in Lakhs)

Particulars	Amount
Non-current lease liability	2,59,220.10
Current lease liability	6,965.45
Total	2,66,185.55

C Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	28,890.37	24,545.17
One to five years	1,28,077.55	1,06,557.63
More than five years	3,52,672.38	2,83,001.10
Total	5,09,640.30	4,14,103.90

D Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	Amount
Interest on lease liabilities	20,962.94
Included in rent expenses:	
a) Variable lease payments not included in the measurement of lease liabilities	1,692.70
b) Expense relating to short-term leases	4.72

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45. Leases (Contd..)

45.3 As lessor

A Operating lease

The Group has entered into operating leases for part of the multiplex premises. These leases have terms of between 1 to 9 years. The total rent recognised as income during the year is ₹311.26 lakhs (31 March 2019: ₹395.36 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	272.00	315.86
One to five years	232.45	467.59
More than five years	54.68	80.29
Total	559.13	863.74

46. Commitments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,711.95	3,465.57
(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)	5,340.48	6,571.70
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 47(b)	-	502.78

47. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
In respect of INOX Leisure Limited (ILL)		
a. Claims against the Company not acknowledged as debt : 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 Lakhs 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.	116.36	116.36
b. Entertainment Tax matters: This includes	4,786.01	3,625.48
i Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	4,683.69	3,523.16

Notes to the consolidated financial statements

for the year ended 31 March 2020

47. Contingent liabilities (Contd..)

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
ii Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected. The Company has paid ₹578.43 Lakhs (previous year ₹ 586.46 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')	102.32	102.32
c. Service Tax matters This includes	20,540.19	20,540.19
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	14,226.97
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 ₹976.55 Lakhs (previous year ₹ 756.94 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')	6,313.22	6,313.22
d. 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
e. 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
f. Income-tax matters. In respect of assessment dues, disputed in appeal by the Company.	253.78	-
g The Company may be required to charge additional cost towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83	389.83
h In respect of the Supreme Court judgement dated 28 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.		
i Consequent to COVID-19 pandemic, the Company was required to shutdown its multiplexes in March 2020 (see Note 2.2). The Company has invoked the 'force majeure' clause under respective lease agreements due to COVID-19 pandemic for its multiplex premises, contending that rent and common area charges for the shutdown period are not payable. The Company has also obtained expert opinion to the effect that the Company can invoke the 'force majeure' clause on account of Government mandated shutdown of multiplexes. On this basis, the Company has not made a provision for rent payable for the shutdown period and the matter is under discussion with the lessors. The amount of rent reduction not yet accepted by the lessor and is under discussion is disclosed as contingent liability.	1,378.08	-

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 31 March 2020

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. The cumulative amount recognised in respect of such multiplexes is ₹ 3,631.96 lakhs as at 31 March 2020 (previous year ₹ 3,716.48 lakhs).

49. Exceptional items

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
In respect of one of the multiplexes of the Group, the jurisdictional High Court had passed an order against the Group for grant of entertainment tax exemption. Even though the Group has taken appropriate legal steps in this regard, an amount of ₹410.00 lakhs towards entertainment tax exemption recognized, alongwith 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 ₹ 337.19 Lakhs (previous year ₹314.69 lakhs) is included under 'Other current liabilities' as a separate line item.	-	499.69
Total	-	499.69

50. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2020

(₹ 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	99.99%	62,184.17	99.59%	1,494.47	100.00%	(129.72)	99.56%	1,364.75
Subsidiaries (Group's share)								
Indian								
Shouri Properties Private Limited	0.14%	85.89	0.38%	5.74	-	-	0.42%	5.74
INOX Leisure Limited	0.03%	16.51	0.17%	2.53	-	-	0.18%	2.53
Employees welfare trust								
INOX Benefit Trust	0.00%	0.93	-	-	-	-	-	-
Non-controlling Interest in subsidiaries	0.00%	0.62	0.003%	0.04	-	-	0.003%	0.04
Consolidation eliminations / adjustments	-0.16%	(99.79)	-0.14%	(2.22)	-	-	-0.16%	(2.22)
Total	100.00%	62,188.33	100.00%	1,500.56	100.00%	(129.72)	100.00%	1,370.84

Notes to the consolidated financial statements

for the year ended 31 March 2020

50. Disclosure of additional information as required by the Schedule III: (Contd..)

(b) As at and for the year ended 31 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	100.00%	96,385.83	99.98%	13,346.08	100.00%	5.92	99.98%	13,352.00
Subsidiaries (Group's share)								
Indian								
Shouri Properties Private Limited	0.08%	80.14	0.02%	2.89	-	-	0.02%	2.89
INOX Leisure Limited Employees welfare trust	0.01%	13.98	0.00%	0.16	-	-	0.00%	0.16
INOX Benefit Trust	0.00%	0.88	-	(0.02)	-	-	-	(0.02)
Non-controlling Interest in subsidiaries	0.00%	0.58	0.00%	0.02	-	-	0.00%	0.02
Consolidation eliminations / adjustments	-0.09%	(99.68)	0.00%	(0.01)	-	-	0.00%	(0.01)
Total	100.00%	96,381.73	100.00%	13,349.12	100.00%	5.92	100.00%	13,355.04

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: 8 June 2020

Place: Mumbai
Date: 8 June 2020



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