INOX LEISURE LIMITED

INOX Leisure Limited (our "**Company**" or the "**Issuer**") was incorporated as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated November 9, 1999 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company commenced its business on February 11, 2000, pursuant to a certificate of commencement of business issued the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company changed its Registered Office from New Delhi to Vadodara on April 27, 2004. For details of changes in our Registered Office, see "*Organisational Structure*" on page 168.

Registered Office: ABS Tower, Old Padra Road, Vadodara 390 007 | **Telephone:** +91 265 6198 111 | **Corporate Office**: 5th Floor, Viraj Towers, Western Express Highway, Next to Andheri Flyover, Andheri (East), Mumbai 400 093 | **E-mail:** investors@inoxmovies.com | **Website:** www.inoxmovies.com | **CIN:** L92199GJ1999PLC044045

Issue of 98,03,921 equity shares of face value ₹10 each of our Company ("**Equity Shares**") at a price of ₹255 per Equity Share (the "**Issue Price**"), including a premium of ₹245 per Equity Share, aggregating to approximately ₹25,000 lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 35.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 49 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on November 6, 2020 was ₹267.05 and ₹266.40 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE on November 9, 2020. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document (which shall also include disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. This Placement Document has not been reviewed by SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares issued pursuant to the Issue have been made pursuant to the Preliminary Placement Document together with the Application Form and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 179. The distribution of this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. See *"Selling Restrictions"* on page 194 for information about eligible offerees for the Issue and *"Purchaser Representations and Transfer Restrictions"* on page 201 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the BRLMs (as defined hereinafter) or any of its respective affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated November 12, 2020.

BOOK RUNNING LEAD MANAGERS	
ICICI SECURITIES LIMITED	**IIFL SECURITIES LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiary and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, Subsidiary and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, Subsidiary and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The BRLMs have not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiary and the Equity Shares. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 194 and 201, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document or this Placement Document or any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 194.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiary, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.inoxmovies.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of their respective affiliates, does not constitute nor form part of the Preliminary Placement Document and this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" on page 194. The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

Any information about the Company available on any website of the SEBI, the Company or the BRLMs, other than this Placement Document, shall not constitute a part of this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to a prospective investor in the Issue. By Bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLMs, as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter), and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

- You are aware that neither the Preliminary Placement Document nor this Placement Document will be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- The Preliminary Placement Document and this Placement Document has been filed, with the Stock Exchanges and the Preliminary Placement Document and this Placement Document has been displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their respective shareholders, directors, officers, employees, counsel,

representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in the Preliminary Placement Document and this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose the name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 49;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the SEBI ICDR Regulations, and are not a person related to our Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoter or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

- You agree that in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on its behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in

this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 194 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 194;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act.

- If you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" as defined in Regulation S, and are not our Company's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act.

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document does not, and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total

paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs.

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate.

- Our Company, the BRLMs, their respective affiliates, directors, officers, employees, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

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DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document or this Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to the Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, its Promoter, its management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that the Preliminary Placement Document or this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "bidders", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs pursuant to this Issue, references to "our Company", the "Company", or the "Issuer" are to INOX Leisure Limited on a standalone basis and references to "our", "us", "we", or "Group" are to INOX Leisure Limited together with its Subsidiary, on a consolidated basis.

Currency and units of presentation

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in lakhs, unless stated otherwise, in line with the current of presentation used in our Audited Consolidated Financial Statements.

In this Placement Document, references to "lakh(s)" represent "100,000", "million" represents "10 lakhs" or "10,00,000", "crore(s)" represents "1,00,00,000" or "10 million" or "100 lakhs", and "billion" represents "1,00,00,00,000" or "1,000 million" or "100 crore".

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Fiscals" or "Fiscal year", refer to the 12 month period ending March 31 of that particular year.

Unless stated otherwise or unless the context requires otherwise, the financial data in this Placement Document is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results. The Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results have been prepared in accordance with Indian Accounting Standards ("**Ind AS**"), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and guidance notes specified by the Institute of Chartered Accountants of India, which have been included in this Placement Document.

The Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and they have issued their report dated November 5, 2020, based on their limited review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the limited review report issued thereon. Further, our Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period. For further information, see "*Financial Statements*" on page 231.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement

Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. All figures from or derived from the Audited Consolidated Financial Statements are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements. All figures from or derived from the Unaudited Consolidated Financial Results are not in decimals and have been rounded, as has been presented in the Unaudited Consolidated Financial Results. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

As used in this Placement Document, a non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Placement Document to such "non-GAAP financial measures," primarily EBITDA, or earnings before interest, taxes and depreciation and amortization. Our management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Placement Document has been obtained or derived from publicly available information as well as other industry publications and sources. Information has also been included in this Placement Document based on the report titled "*Market Assessment of the Film and Multiplex Industry in India*" dated October 2020 prepared by CRISIL, that we have commissioned. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Information included in this Placement Document from the CRISIL Report is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. INOX Leisure Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Neither we nor the BRLMs have independently verified this data, nor do we or the BRLMs make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLMs can assure potential Investors as to their accuracy. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRSIL Report and EY FICCI 2020 Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors –Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate*." on page 64.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', 'should', 'will', 'would', 'will likely result', 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will pursue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- COVID-19 has had, and is expected to continue to have, a significant adverse impact on our financial condition and operations;
- A lack of movie production or poor performance of movies;
- An increase in the use of alternative content and movie distribution channels, including over-the-top content and home-videos, movie DVDs, and other competing forms of entertainment;
- Our ability to successfully identify and secure strategic locations for our cinemas and timely develop and expand our operations in existing and new markets;
- Our ability to continue to maintain relationships and agreements with distributors and production houses;
- Regulations in the movie exhibition industry including restriction on ticket pricing; and
- Our ability to compete effectively in the competitive movie exhibition industry.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" and on pages 49, 83, 122 and 153, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we nor the BRLMs undertake any obligation to update or revise any of them, whether as a result of new information, future events changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All our Directors and Key Management Personnel named in this Placement Document, are residents of India and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On November 6, 2020, the exchange rate was ₹74.05 to US$ 1. (*source: www.fbil.org.in*)

(₹ per US$)

	Period End[1]	**Average[2]**	**High[3]**	**Low[4]**
Fiscal Ended:				
March 31, 2020	75.39	70.88	76.15	68.37
March 31, 2019	69.17	69.89	74.39	64.93
March 31, 2018	65.04	64.45	65.76	63.35
Month Ended				
October 31, 2020	73.46	73.97	73.97	73.13
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35
July 31, 2020	74.77	74.99	75.58	74.68
June 30, 2020	75.53	75.73	76.21	75.33
May 31, 2020	75.64	75.66	75.93	75.39

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

- *If the reference rate is not available on a particular date due to a public holiday or being Saturday or Sunday, exchange rates of the previous Working Day have been disclosed.*
- *The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Statement of Special Tax Benefits*", "*Legal Proceedings*" and "*Financial Statements*" on pages 122, 212, 222 and 231, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
"Issuer"/"Company"/"our Company"	INOX Leisure, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office (as hereinafter defined) at ABS Tower, Old Padra Road, Vadodara 390 007
"we", "Group", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary

Company related terms

Term	Description
"Articles" or "Articles of Association"	Articles of association of our Company, as amended from time to time
"Audit Committee"	The audit committee of our Board of Directors
"Audited Consolidated Financial Statements"	Our audited consolidated financial statements as on and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared under Ind AS, as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
"Board of Directors" or "Board"	The board of directors of our Company or any duly constituted committee thereof
"Company Secretary and Compliance Officer"	Parthasarathy Iyengar, the company secretary and compliance officer of our Company
"Compensation, Nomination and Remuneration Committee"	The compensation, nomination and remuneration committee of our Board of Directors
"Corporate Office"	5th Floor, Viraj Towers, Western Express Highway, Next to Andheri Flyover, Andheri (East), Mumbai 400 093
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board of Directors
"Director(s)"	Director(s) on the Board of our Company
"ESOP Scheme"	ILL - Employee Stock Option Scheme 2006
"Equity Share(s)"	The equity shares of our Company, each having a face value of ₹10
"Non-executive Director"	A Director, not being an Executive Director or an Independent Director
"Non-executive Chairman"	The non-executive chairman of our Company, being Pavan Jain
"ILL Committee of the Board of Directors for Operations"	ILL Committee of the Board of Directors for Operations, constituted through a resolution of our Board dated May 27, 2014, comprising of Pavan Jain, Siddharth Jain and Haigreve Khaitan
"Independent Director(s)"	The independent Director(s) of our Company, being Haigreve Khaitan, Amit Jatia, Girija Balakrishnan and Vishesh Chandiok
"Key Management Personnel"	Key management personnel of our Company, as disclosed in "*Board of Directors and Key Management Personnel*" on page 169
"MOA"/ "Memorandum of Association"	Memorandum of association of our Company, as amended from time to time
"Promoter"	The promoter of our Company being GFL Limited
"Promoter Group"	Unless the context requires otherwise, the promoter group of our Company as identified in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations

Term	Description
"Registered Office"	The registered office of our Company, located at ABS Tower, Old Padra Road, Vadodara 390 007
"Risk Management Committee"	The risk management committee of our Board of Directors
"RoC" or "Registrar of Companies"	Registrar of Companies, Gujarat at Ahmedabad
"Shareholder(s)"	The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof.
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board of Directors
"Statutory Auditors"	The statutory auditors of our Company, being M/s. Kulkarni and Company, Chartered Accountants
"Subsidiary"	Subsidiary of our Company as of the date of this Placement Document, in accordance with the Companies Act, 2013 and the applicable accounting standards, namely Shouri Properties Private Limited
"Unaudited Consolidated Financial Results"	The Ind AS unaudited consolidated financial results for the quarter and six months ended September 30, 2020, comprising the statement of balance sheet as at September 30, 2020, the statement of profit and loss (including other comprehensive income) and the statement of cash flows (including the comparative financial information with respect to the quarter and six months ended September 30, 2019 and other financial information with respect to historical fiscal year periods as required under applicable law), read along with the notes thereto

Issue related terms

Term	Description
"Allocated" or "Allocation"	The allocation of Equity Shares by our Company following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
"Allot" or "Allotment" or "Allotted"	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
"Allottees"	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
"Application Form"	The form (including any revisions thereof) submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
"Bid(s)"	Indication of an Eligible QIB's interest, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly
"Bid Amount"	With respect to each Bidder, the aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by such Bidder
"Bid/Issue Closing Date"	November 12, 2020, which is the last date up to which our Company (or BRLMs on behalf of our Company) accepted Application Forms and the Bid Amount
"Bid/Issue Opening Date"	November 9, 2020, the which was the first date on which our Company (or the BRLMs on behalf of our Company) commenced acceptance of the Application Forms and the Bid Amount
"Bid/Issue Period"	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids along with the Bid Amount
"Bidder"	An Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs"	ICICI Securities Limited and IIFL Securities Limited
"CAN" or "Confirmation of Allocation Note"	Note or advice or intimation to Bidders confirming Allocation of Equity Shares to Successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
"Closing Date"	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about November 13, 2020
"Designated Date"	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
"Eligible FPI"	FPIs that are eligible to Bid for Equity Shares to be Allotted in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
"Eligible QIB(s)"	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations who are not excluded pursuant to Regulation 179(2)(b) of the

Term	Description
	SEBI ICDR Regulations and not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are: outside the United States (to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.
"Escrow Account"	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank in the name and style of "*INOX Leisure Limited- QIP Escrow Account*", subject to the terms of the Escrow Agreement, into which the Bid Amount has been deposited by respective Bidders and from which refunds, if any, shall be remitted to unsuccessful Bidders
"Escrow Agreement"	Agreement dated November 9, 2020 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
"Escrow Bank"	HDFC Bank Limited
"Floor Price"	The floor price of ₹ 263.10 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has also offered a discount of ₹8.10 per Equity Share in accordance with and in terms of Regulation 176 of the SEBI ICDR Regulations
"Issue"	The issue, offer and Allotment of 98,03,921 Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act
"Issue Price"	₹255 per Equity Share
"Issue Size"	The issue of 98,03,921 Equity Shares aggregating to approximately ₹ 25,000 lakhs
"Mutual Fund"	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Net Proceeds"	The net proceeds from the Issue, after deducting Issue related expenses, as applicable
"Placement Agreement"	Agreement dated November 9, 2020 entered into amongst our Company and the BRLMs
"Placement Document"	This placement document dated November 12, 2020 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and rules made thereunder
"Preliminary Placement Document"	The preliminary placement document-cum-application form dated November 9, 2020, for this Issue issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules thereunder
"QIBs" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"QIP"	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and rules made thereunder
"Refund Amount"	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
"Relevant Date"	November 9, 2020, which is the date of the meeting of the ILL Committee of the Board of Directors for Operations, a committee duly authorised by our Board, deciding to open the Issue
"Stock Exchanges"	Collectively, the BSE Limited and the National Stock Exchange of India Limited
"Successful Bidders"	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue
"Wilful Defaulter"	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable

Industry Related Terms

Term	Description
"Admits"	Number of tickets issued at our cinemas for any relevant period
"Average Ticket Price / ATP"	Gross office collection divided by the number of admits
"Bollywood"	Indian Hindi language film industry of India
"CAM"	Common area maintenance
"CAGR"	Compound annual growth rate
"CAPEX"	Capital expenditure
"CRISIL"	CRISIL Limited
"CRISIL Report"	The report titled "Market Assessment of film and multiplex industry in India" dated October 2020, prepared and issued by CRISIL Research, a division of CRISIL Limited and commissioned by us
"C&S"	Cable and satellite
"CY"	Calendar year
"EBITDA"	Earnings before interest, taxes, depreciation, and amortization
"EY & FICCI 2020"	The report titled, "India's Media & Entertainment Sector" dated March 2020 prepared and issued by Ernst & Young LLP and FICCI
"F&B"	Food and beverages
"FMCG"	Fast-moving consumer goods
"GDP Per Capita"	Per capita gross domestic product
"Hollywood"	Film industry of the United States of America
"ICC"	International Cricket Council
"IMF"	International monetary fund
"M&E"	Media and entertainment
"NBA"	National Basketball Association
"Occupancy percentage"	number of admits in a period divided by the seating capacity as of the relevant period
"OECD"	Organization for Economic Co-operation and Development
"OTT"	Over the top
"PAT"	Profit after tax
"PFCE"	Private final consumption expenditure
"PAT Margin"	The percentage of Profit after tax divided by total income
"PPE"	Personal protective equipment
"PPP"	Purchasing Power Parity
"ROCE "	Return of capital employed
"Spend Per Head"	gross sale of food and beverages divided by the number of admits
"SPH"	Spend per head
"SMS"	Short messaging service
"SWOT"	Strengths weaknesses opportunities threats

Conventional and General Terms/Abbreviations

Term	Description
"AGM"	Annual general meeting
"AIF(s)"	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"AS"	Accounting Standards issued by ICAI, as required under the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015
"AY"	Assessment year
"BSE"	BSE Limited
"CDSL"	Central Depository Services (India) Limited
"CEO"	Chief executive officer
"CFO"	Chief financial officer
"CIN"	Corporate Identity Number
"CSR"	Corporate social responsibility
"Civil Procedure Code"	The Code of Civil Procedure, 1908
"Companies Act / Companies Act, 2013"	The Companies Act, 2013 and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
"Companies Act, 1956"	The erstwhile Companies Act, 1956 along with the rules made thereunder
"Depositories Act"	The Depositories Act, 1996
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018

Term	Description
"Depository Participant"	A depository participant as defined under the Depositories Act
"DIN"	Director Identification Number
"EGM"	Extraordinary general meeting
"FDI"	Foreign direct investment
"FDI Policy"	Consolidated FDI policy issued by the Department for Promotion of Industry and Internal Trade (formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
"FEMA"	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
"FEMA Rules"	The Foreign Exchange Management (Non Debt Instruments) Rules, 2019
"Financial year" or "Fiscal Year" or "FY" or "Fiscal"	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
"Form PAS-4"	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.
"FPI"	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
"Fugitive Economic Offender"	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"FVCI"	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
"GAAP"	Generally accepted accounting principles
"GoI" or "Government"	Government of India, unless otherwise specified
"GST"	Goods and Service Tax
"HUF"	Hindu undivided family
"ICAI"	The Institute of Chartered Accountants of India
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"Ind AS"	Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs through the Indian Accounting Standards Rules in its general statutory rules dated February 16, 2015
"IPR"	Intellectual property rights
"IT"	Information technology
"No."	Number
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"p.a."	Per annum
"PAS Rules"	Companies (Prospectus and Allotment of Securities) Rules, 2014
"PAN"	Permanent account number
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees, the legal currency of the Republic of India
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India
"SEBI Act"	The Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI FPI Regulations"	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"SEBI Insider Trading Regulations"	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations"	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Merchant Banker Regulations"	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

Term	Description
"SEBI Takeover Regulations"	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"SECC Regulations"	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
"Stock Exchanges"	BSE and NSE, taken together
"STT"	Securities transaction tax
"TDS"	Tax deducted at source
"U.S.$", "U.S. dollar", or "USD"	United States Dollar, the legal currency of the United States
"USA", "U.S.", or "United States"	The United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia).
"U.S. Securities Act"	The United States Securities Act of 1933, as amended
"VCF"	Venture capital fund

SUMMARY OF BUSINESS

Overview

We are one of the largest multiplex cinema chain operators in India having pan-India operations as on date across 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 144,467 seats. As of March 31, 2020, we are a market leader in the eastern region with 87 screens. Within the eastern region, we have a dominant share in West Bengal. We are amongst the market leaders in western region with 252 screens Fiscal 2020. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). Our market share of Bollywood/ Hindi movies and Hollywood/ English movies domestic box office collections in India was 65% and 15%, respectively, in Fiscal 2020 (Source: CRISIL Report). For the Fiscal 2020, our PAT per screen (without Ind AS 116 impact) was ₹ 2.3 million and PAT per patron (without Ind AS 116 impact) was ₹ 21.4.

Our core business being screening of movies, we have consistently added screens, both organically and inorganically, through strategic investments and acquisitions, from eight screens in Fiscal 2002 to 626 screens in Fiscal 2020. In Fiscal 2019, we added 85 new screens, which was the highest number of screens added by any multiplex cinema chain operator in India (Source: CRISIL Report). Calcutta Cine Private Limited and Fame India Limited and its subsidiaries were amalgamated into our Company in Fiscal 2008 in Fiscal 2014, respectively. In Fiscal 2016, Satyam Cineplexes Limited, which was one of the prominent multiplex cinema chain players in north India, amalgamated with our Company, pursuant to which we acquired 38 operational screens leading to our strong foothold in northern region. In Fiscal 2021, we are in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. Our revenue from box office increased from ₹ 80,219.57 lakhs in Fiscal 2018 and ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 110,459.02 lakhs in Fiscal 2020. In 2019, we were awarded the "Best Brand" by ET Best Brand awards. We were also awarded the "India's Most Trusted Cinema-Display Brand" by TRA's Brand Trust Report and "India's Top Multiplex Chain of the Year" by Imax Big Cine Awards, in 2019.

To ensure that we deliver unmatched and outstanding screening experience to our patrons, we have always been in the forefront to introduce the best and latest technology. We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest offering in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect. Our IMAX screens use advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3D. We were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making cinema viewing experience as natural as one would watch it in real world. Our LASER screens provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens. In 2019, we were awarded "Best Technology Adopter of the Year" award by Imax Big Cine Awards.

With an endeavour to provide our customers with immaculate experiences, we continue to curate grand and immersive offerings that set new standards of luxury. Our signature offering, INSIGNIA has been designed for the genuine film connoisseurs, which offers 7-star cinema viewing experience curated to the delight of viewers. INSIGNIA offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems along with gourmet food at the seat and a butler – ready to serve anytime. CLUB is our luxurious format offering for the smart and discerning customers with ample leg space and striking interiors. Our home-grown premium large format - BIGPIX, provides movie-lovers a stadium-like auditorium to watch their favourite blockbusters. We have introduced a three tier cinema rewards loyalty program for our customers – INOX Rewards, offering various benefits such as free cancellation and free merchandises, and reward points accumulated with every transaction with us, which could be redeemed for movie tickets and food and beverage ("**F&B**") purchase at our multiplexes. We were awarded the "Highest Luxury Standards" in 2019 by International Film Business Awards. We were also awarded the "Best Loyalty Program" in Retail Industry by ET Global Awards for Retail Excellence in 2019.

In addition to our primary revenue flow from sale of movie tickets, we have other diversified revenue streams such as revenue from sale of F&B and revenue from advertisements. We also derive revenue from convenience fees charged to our customers for tickets purchased on our website and mobile application. We also derive revenue from convenience fee charged from customers by ticket aggregators such as BookMyShow and Paytm for booking and selling our ticketing inventory through their digital platforms, pursuant to our contractual arrangement with them. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020. Further, our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020. In addition, our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

As of March 31, 2020, we are a net debt free company. We have maintained a consistent track record of financial performance. Our total income increased from ₹ 136,258.36 lakhs in Fiscal 2018 and ₹ 17,0710.29 lakhs in Fiscal 2019 to ₹ 19,1461.24 lakhs in Fiscal 2020. Our EBITDA increased from ₹ 22,491.03 lakhs in Fiscal 2018 and ₹ 32,408.28 lakhs in Fiscal 2019 to ₹ 34,723.21 lakhs in Fiscal 2020 (without IND AS 116 impact). Our net profit after tax was ₹ 11,462.94 lakhs in Fiscal 2018 and ₹ 13,349.12 lakhs in Fiscal 2019, and our net profit after tax was ₹ 14,102.56 lakhs in Fiscal 2020 (excluding Ind AS 116).

Our Strengths

Extensive pan-India presence at strategic locations

As on date, we are present 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 144,467 seats. In Fiscal 2021, we are in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. Our presence extends from metro cities like Mumbai, Ahmedabad, New Delhi, Bangalore, Chennai and Kolkata, to tier II and III cities such as Ajmer, Bharuch, Jorhat, Anand, Kakinada, Burdwan, Kurnool, Jalgaon, Bhilwada and Gorakhpur. As of March 31, 2020, we are a market leader in the eastern and western regions with 87 and 252 screens, respectively, aggregating to ~14% and ~40% of the screens in the eastern region and western regions, respectively. Within the eastern region, we have a dominant share in West Bengal. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report).

Our multiplexes are strategically located aiming at higher footfalls. We take into consideration various factors before we start a new multiplex such as catchment potential, the mall developer's profile, design and interior of the mall, retail mix and other ancillary amenities of the mall. In this regard, we carry out extensive research on the location and surroundings to determine the appetite for a new multiplex and the paying propensity of the population of the catchment. Our multiplexes are located in 15 out of the 39 largest operational malls in India in terms of property size, such Atria Mall (Mumbai), The Marina Mall (Chennai), Quest Mall (Kolkata), SouthCity Mall (Kolkata), R City Mall (Mumbai), Amanora Mall (Pune), Malleshwaram Mall (Bengaluru), Mantri Square Mall (Bengaluru), Forum Mall (Bengaluru) and RMZ Mall (Bengaluru), Trillium Mall (Amritsar), Phoenix Palassio (Lucknow), Prozone (Coimbatore), GSM Mall (Hyderabad), GVK One (Hyderabad), Indore Century One (Indore) and Mumbai Malad (Mumbai) (Source: CRISIL Report). As of March 2020, we have a market share of 36% in major malls across India (Source: CRISIL Report). Since the inception of our Company, we have had the highest footfalls in our multiplexes of 66.0 million in Fiscal 2020 from 62.5 million footfalls in Fiscal 2019. Our Company's rise in footfall in Fiscal 2020 was highest as compared to our peer (PVR Limited) (Source: CRISIL Report).

Most of our screens are located on leased premises. We are typically enter into tenancy arrangements with developers of various malls across India for setting up of our screens. Since most of our screens are located in malls, we have established long standing relationships with various mall developers. Accordingly, developers typically approach us in advance for occupying strategic locations that are proposed to be developed by the mall developers at competitive terms, thus giving us a first mover advantage over our competitors.

We believe that our extensive and strategic presence across the country help us generate significant footfalls, which in turn foster our average ticket price and revenue per screen, thereby increasing our revenue and profitability.

Wide range of content

We offer wide variety of regional language content to lower the dependency on Hindi and English content, which we believe increases footfall in our multiplexes. In Fiscal 2018, our content in Hindi, English and regional languages accounted for 66%, 14% and 20%, respectively, of our gross box office collections, and in Fiscal 2019, our content in Hindi, English and regional languages accounted for 67%, 13% and 20%, respectively, of our gross box office collections, while in Fiscal 2020, Hindi, English and regional languages accounted for 65%, 15% and 20%, respectively, of our gross box office collections. In addition, we offer alternate contents such as live screening of sports, stand-up comedy shows, screening of music performances and concerts, which lowers our dependency on movies and helps us attracting crowd including who are not otherwise interested in movie screening. In 2019, our Company entered into a marketing partnership with National Basketball Association ("**NBA**") which introduced numerous NBA elements in and around our multiplexes, including co-branded inflatables and popcorn buckets, NBA posters and NBA jersey wall displays. We host screening parties for select games throughout the NBA season, along with meet-and-greet sessions with former NBA players. We became one of the three multiplex chains in the world to screen ICC Cricket World Cup 2019 live matches in 2019. We have also screened live matches of Vivo Pro Kabaddi League in 2019 in select cities in India. We believe that our wide range of content offerings including regional language movies and alternate content help us tap larger market comprising of varied entertainment interest.

Strong diversified revenue stream

In addition to our primary revenue flow from sale of movie tickets, we have diversified our revenue streams to include revenue from sale of F&B, advertisement and convenience fees.

We endeavour to match the best of dining standards, including spread, taste and service. We put extra emphasis on safety standards. Our spread spans across tangy street food to delectable gourmet offerings. With an undying desire to innovate, we have created unmatched concepts and experiences across our cinemas. Our customers can enjoy our in-cinema fine dining experience at Insignia, serviced by a live kitchen, operated and manned by some of the best personnel in the industry. We have introduced Onyx Diner, a single-serve buffet spread in our select multiplexes. Café Unwind at our multiplexes serves freshly brewed coffee, detox juices, burgers, sandwiches, ice creams, waffles and much more. F&B sales is high margin business, and with growth of our F&B business, the spend per head has increased over a period of time. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020. F&B purchases at our cinemas favourably increases our spend per head. Our Company's spend per head increased ₹ 58.00 in Fiscal 2016 to ₹ 80.00 in Fiscal 2020, registering a CAGR of 8.4%. We have recently partnered with food delivery platform Swiggy to deliver our F&B offerings to general customers outside our multiplexes.

Our revenue from advertisements have grown at a CAGR of 18% in the last five Fiscals. The Advertising Sales team works closely with advertisers and co-creates media plans to effectiveness. Our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020. Our relentless focus on developing experience-driven entertainment destinations, combined with a host of innovations in the space of marketing, F&B and technology, footfall at our multiplexes have been increasing, thereby allowing us to bargain a larger share of advertising revenues at desirable price.

Best in class luxury experience and advanced technology

We endeavour to offer to our customers best in class luxury experience. Our signature offering, INSIGNIA aims to add a new dimension to cinema viewing in India by offering 7-star cinemas, curated to delight viewers with unmatched experiences. Insignia offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems which includes laser projection, Dolby Atmos sound, Volfoni 3D screens along with gourmet food from menu curated by celebrity Chef Vicky Ratnani at the seat and a butler – ready to serve anytime. At present, INSIGNIA screens are present across the country in cities like Mumbai, Delhi, Bangalore, Kolkata, Chennai, Pune, Jaipur and Lucknow. CLUB is our luxurious format offering for the smart and discerning customers with ample leg space and striking interiors. Our home-grown premium large format, BIGPIX, provides movie-lovers a stadium-like auditorium to watch their favourite blockbusters. We also offer private screening of movies. We were awarded the "Highest Luxury Standards" in 2019 by International Film Business Awards. We were also awarded the "Best Loyalty Program in Retail Industry" by ET Global Awards for Retail Excellence 2019. Kiddles, is our bright and exciting cinema format dedicated exclusively to kids. Kiddles is thoughtfully designed keeping in mind our young patrons offering a vibrant sight with its colourful décor. It has a play area for kids, amply stocked with toys and books.

We endeavour to offer best and latest technology for movie screening at our multiplexes for unmatched and outstanding screening experience. We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest offering in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect. Our IMAX screens use advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3DWe were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making the cinema viewing experience as natural as one would watch it in real world. Our LASER screens provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens. In 2019, we were awarded "Best Technology Adopter" of the Year award by Imax Big Cine Awards.

We believe that we have uniquely positioned business by offering best in class luxury experience and advanced technology, making our offerings a preferred choice for the customers. Our emphasis on providing luxury movie experience rather than just movie screening has led to strong brand recognition, which has resulted in competitive edge over other market players.

Consistent financial performance and strong key performance indicators

We have maintained a consistent track record of financial performance. As of March 31, 2020, we are a net debt free company. Our total income increased from ₹ 136,258.36 lakhs in Fiscal 2018 and ₹ 17,0710.29 lakhs in Fiscal 2019 to ₹ 19,1461.24 lakhs in Fiscal 2020. Our EBITDA increased from ₹ 22,491.02 lakhs in Fiscal 2018 and ₹ 32,408.28 lakhs in Fiscal 2019 to ₹ 34,723.21 lakhs in Fiscal 2020 (excluding Ind AS 116). Our net profit after tax was ₹ 11,462.94 lakhs in Fiscal 2018 and ₹ 13,349.12 lakhs in Fiscal 2019, and our net profit after tax was ₹ 14,102.56 lakhs in Fiscal 2020 (excluding Ind AS 116).

We reported the highest net profit margin (without Ind AS impact) among our peer(s) (includes PVR Limited for Fiscal 2020 and PVR Limited, Miraj Entertainment Limited and Cinepolis India Private Limited for Fiscal 2019), of 7.4% in Fiscal 2020 and 8.0% in Fiscal 2019 (Source: CRISIL Report).

The following tables provides details of certain operational key performance indicators of our business:

Particulars	Fiscal 2020	Fiscal 2019
Footfall (in lakhs)	660.36	625.42
Occupancy percentage(1)	28.00%	28.00%
Average Ticket Price (₹)(2)	200.00	197.00
Spend Per Head (₹) (3)	80.00	74.00

Notes:
(1) Occupancy percentage represents number of admits in a period divided by the seating capacity as of the relevant period.
(2) Average Ticket Price represents gross box office collection divided by the number of admits.
(3) Spend Per Head represents gross sale of food and beverages divided by the number of admits.

In Fiscal 2020, we have achieved the highest (i) footfalls of 660.36 lakhs; (ii) average ticket price of ₹ 200; (iii) spend per head of ₹ 80; (iv) total revenue income of ₹ 1,91,461.24 lakhs; (v) EBITDA of ₹ 34,723.21 lakhs (excluding Ind AS 116); and (vi) profit after tax of ₹ 14,102.56 lakhs (excluding Ind AS 116), since our Company's inception. Our Company's average ticket price rose faster than our peer (PVR Limited) to ₹ 200.00 in Fiscal 2020, by ₹ 3.00 or 1.5% over Fiscal 2019 (Source: CRISIL Report). For the Fiscal 2020, our PAT per screen (without Ind AS 116 impact) was ₹ 2.30 million against ₹ 1.6 million of our peer (PVR Limited) and our PAT per patron (without Ind AS 116 impact) was ₹ 21.40 against ₹ 12.9 of our peer (PVR Limited) (Source: CRISIL Report). We had year on year growth of 12.13% in revenues in Fiscal 2020. As of March 31, 2020, we are a market leader in the eastern and western regions with 87 and 252 screens, respectively, aggregating to ~14% and ~40% of the screens in the eastern region and western region, respectively. Within the eastern region, we have a dominant share in West Bengal. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). We are one of the market leaders in terms of number of screens as of date and possess a market share of 21% in total multiplexes based on the number of screens in India (Source: CRISIL Report). As of March 2020, we have a market share of 36% in major malls across India (Source: CRISIL Report). Since the inception of our Company, we have had the highest footfalls in our multiplexes of 66.0 million

in Fiscal 2020 from 62.5 million footfalls in Fiscal 2019. Our Company's rise in footfall in Fiscal 2020 was highest as compared to our peer (PVR Limited) (Source: CRISIL Report).

We believe our consistent financial performance and strong key performance indicators are result of our extensive pan-India presence, wide range of content, superior technology, best in class luxury experience, diversified business offerings and ability to reduce cost. Our strong financial performance and key performance indicators help us in our continuous expansion plans, and in preserving and increasing shareholders' value.

Brand recall and synergies with the Inox group, experienced senior management with domain expertise

Our Promoter is GFL Limited and we are a part of the Inox group. The group has over 10,000 employees and over 200 business units in India, with business activities ranging from chemicals to renewable energy to cryogenic liquid storage and transport tanks. We believe that our relationship with the Inox group provides brand recall and we will continue to derive significant marketing and operational benefits by leveraging the Inox brand. As on the date of this Placement Document, shareholding of Promoter and Promoter Group in our Company aggregates to 51.89%.

We benefit from the experience of our senior management team with vast domain expertise. We have built a strong management team with significant experience in the multiple industry. Pavan Jain is the Chairman and Non-executive Director of our Company and holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi. Vivek Jain is a Non-executive Director of our Company and holds a master's degree in management from Indian Institute of Management, Ahmedabad. Siddharth Jain is a Non-executive Director of our Company and holds a bachelor's degree in mechanical engineering from University of Michigan and a master's degree in management from INSEAD. Alok Tandon is the Chief Executive Officer of our Company. Alok Tandon was awarded "MAPIC Most Admired Retail Personality of the Year" by MAPIC India, "Best CEO of the Year" by ET Now and has also been part of "Top 100 CEOs" by Business Today in 2016. Kailash B. Gupta is the Chief Financial Officer of our Company. He was awarded "Exceptional Performance as CA CFO in the Media & Entertainment Sector" by the ICAI in 2017. Parthasarathy Iyengar is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and an associate of the Institute of Company Secretaries of India.

Our senior management and operational team comprise of members with diverse skills and expertise in sales and marketing, finance, advertising sales, cinema operations, programming, cinema technology and human resource, in the multiplex industry. Our senior managers have an in-depth understanding of the specific industry, products, services and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. We intend to continue to leverage the experience of our senior management team to further grow our business and strategically target new market and expansion opportunities.

Our Strategies

Expand our screen network and offer wide range of content

The share of India's urban population, in relation to its total population, has been rising over the years and printed ~31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030. People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house. As per the United Nations Population Division Report 2017, India's youth (population between the age of 0-24 years) accounted for nearly half its population as of 2010, slightly above the global average of ~44.4% and significantly higher as compared to some of its peers (Brazil at ~42.7%, China at ~35.0% and Russian Federation at ~29.8%) during the corresponding period. Going forward, the share of youth in India is expected to reach ~39.7% of its total population by 2030, and still remain significantly higher as compared to some of its peers (Brazil at ~31.3%, China at ~27.0% and Russian Federation at ~29.6%) indicating a higher proportion of population entering the work-force bracket (Source: CRISIL Report). Considering the rapid urbanisation and youth population in India, we intend to continue to expand our screen network across India, both organically and inorganically, depending on opportunities at hand, to tap upon the underserved aspirational appetite for quality entertainment experiences.

In Fiscal 2021, we are already in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a

total of 300 properties with about 1,656 screens having about 3,35,483 seats. For markets where we already have operations, we want to specifically focus on further expansion in terms of number of screens and seating capacity in cities like Mumbai, Delhi, Bengaluru, Hyderabad, Chennai and Kolkata. We shall continue to work with mall developers to identify suitable opportunities of expansion. Further, we shall continue to identify strategic acquisitions/ amalgamations opportunities of cinemas to expand our screen.

We also intend to further diversify our entertainment content by increasing regional language content, which we believe increases footfall in our multiplexes. In addition, we intend to increase the quantum and frequency of alternate contents such as live screening of sports, stand-up comedy shows, screening of music performances and concerts, to attract crowds who are not otherwise interested in movie screening.

Focus on premium and luxury experience offerings

It is estimated that basic items comprised 42.2% share of total consumption expenditure of Indian consumers in fiscal 2019, while the remainder 57.8% was accounted by discretionary items. It is worth a note here that the share of discretionary items in consumption has increased from 53.4% in fiscal 2012 to 57.8% in Fiscal 2019. The increased spending on discretionary items suggests rising disposable income of households. Recreation and culture expenses have grown at 9% CAGR during fiscals 2012 and 2019, as compared to overall private final consumption expenditure which has increased annually by 13% during the corresponding period. As income levels improve from current levels and discretionary spending increases, it is expected that media and entertainment industry to gain further from current levels. (Source: CRISIL Report).

We intend to focus on providing more premium and luxury offerings to our customers, which are high margin business offerings. We indent to continue working with mall developers and focus on premium screen formats. We also aim to enhance our operations by selectively upgrading existing operational properties in prime locations to premium and luxury category. We plan to continue investing in our cinemas and improving customer experience to take greater advantage of incremental revenue-generating opportunities, primarily through an array of improved and differentiated customer experiences. Our business is of a visual medium requiring a keen focus on the quality of on-screen presentation and accordingly, we are committed to investing in and expanding our offerings to quality sight and sound experiences by providing the latest cinema technology solutions to the customers. We believe the investment in premium screen formats will increase the value of movie-going experience for our customers, ultimately leading to additional ticket, F&B, and advertising revenues.

Focus on improving revenue from ancillary revenue streams

F&B has been a key margin driver in multiplex business. In 2019, the F&B segment remained the second biggest source of revenue for multiplexes, with high gross margins typically between 70% and 75%. Going beyond the usual popcorn and beverages, multiplexes now have live kitchen counters, gourmet menus, celebrity chefs, automated kiosks and even a butler on call – in effect, movie goers do not need to look for food options outside the multiplex and can enjoy more point-of-sale distribution all over the theatre premises and booking through mobile apps. Globally, the ratio of ticketed and non-ticketed revenues is typically 1:1 whereas in India, non-ticketed revenues are typically 40-50% of ticketed revenues for larger multiplex chains, indicating significant scope of future growth (Source: India's Media & Entertainment Sector – EY & FICCI 2020). We intend to increase our non-box office revenues particularly in F&B, advertising and convenience fees, which are also high margin business. We continue to update and expand our menu of F&B products to include more options for meals, healthy snacks, mixed drinks, organic food and other gourmet products. We also intend to focus on offers on F&B, 'combo' products, sale of F&B along with movie tickets which will help us in increasing the spend per head. Our food and beverage increased from ₹ 30,602.29 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.

In-cinema advertising grew marginally in 2019 to reach INR7.7 billion multiplexes and advertising aggregators have started signing long-term deals with brands; earlier brands would opt for weekly deals and extend deals depending on the success of the film, but now the brands are open to entering into 12-week deals leading to higher utilization. Further, multiplexes are developing customized solutions and on-ground activation campaigns for brands. The duration of on-screen cinema advertising has grown to up to 17-20 minutes per show. Aggregators managed over 70% of screens for advertising purposes. (Source: India's Media & Entertainment Sector – EY & FICCI 2020). As a result of increasing occupancy percentage, in-cinema advertising has increased its share and we expect a further increase in the coming months. We intend to capitalize on this opportunity and grow revenues from our advertising offerings through deepening advertiser engagement, attracting new advertisers to our platform, expanding our on-screen and off-screen advertising offerings and growing our advertising spot rates.

Our our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020.

With deepening penetration of smartphones and rising internet usage in India, moviegoers are preferring the convenience of online platforms, such as Bookmyshow, PayTM, and Ticketnew, to book tickets. In fact, ~50% of the tickets sold by multiplexes are via these platforms (excluding tickets sold through dedicated platform apps of multiplexes) (Source: CRISIL Report). We intend to continue to increase the share of online sales of tickets through our partnerships with BookMyShow and Paytm as well as on our website and mobile application, to generate revenue through convenience fees. Our Company's contractual arrangement with digital ticketing platforms aggregators typically involve selling our ticket inventory through their digital platforms, whereby we receive a share of the convenience fee collected by them. Our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

Increase in revenue from F&B, advertising and convenience fees will lead to increase in total revenue from operations of our Company, and hence increased profitability.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 49, 76, 192, 179 and 207, respectively.

Issuer	INOX Leisure Limited
Face value	₹ 10 per Equity Share
Issue Price	₹255 per Equity Share (including a premium of ₹245 per Equity Share)
Discount	₹ 8.10 per Equity Share
Floor Price	₹ 263.10 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations
Issue Size	Issue of 98,03,921 Equity Shares, aggregating to approximately ₹ 25,000 lakhs A minimum of 10% of the Issue Size, i.e., 9,80,393 Equity Shares were made available for Allocation to Mutual Funds only and the balance 88,23,528 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs
Date of Board resolution authorizing the Issue	August 5, 2020
Date of Shareholders' resolution authorizing the Issue	September 23, 2020
Dividend	See "*Description of Equity Shares*" and "*Dividends*" on pages 207 and 182
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who are eligible to bid and participate in the Issue For further details, see "*Issue Procedure*" and "*Selling Restrictions*" on pages 179 and 194, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form was delivered, was determined by our Company in consultation with the BRLMs
Equity Shares issued and outstanding immediately prior to the Issue	10,28,57,754 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	11,26,61,675 Equity Shares
Issue procedure	This Issue was made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 179
Listing and trading	Our Company has obtained in-principle approvals dated November 9, 2020 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Lock-up	For details of the lock-up, see "*Placement – Lock-up*" on page 192
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised

	stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See "Issue Procedure" and "*Selling Restrictions*" on pages 179 and 194, respectively.	
Use of proceeds	The gross proceeds from the Issue aggregating to approximately ₹25,000 lakhs. The net proceeds from the Issue, after deducting Issue related expenses is expected to be ₹24,590 lakhs See "*Use of Proceeds*" on page 76 for information regarding the use of Net Proceeds from the Issue	
Risk factors	See "*Risk Factors*" on page 49 for a discussion of risks you should consider before investing in the Equity Shares	
Indian taxation	See *"Statement of Special Tax Benefits"* on page 212	
Closing Date	The Allotment of the Equity Shares is expected to be made on or about November 13, 2020	
Ranking and dividends	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections "*Dividends"* and "*Description of the Equity Shares"* on pages 82 and 207, respectively	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE312H01016
	BSE Code	532706
	NSE Symbol	INOXLEISUR

SELECTED FINANCIAL INFORMATION

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of our business, which provides such financial measures and other statistical and operational information when reporting their results. Such financial measures and such other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies.

Our Company adopted Ind AS 116 from April 1, 2019, therefore, the audited consolidated financial statements for Fiscal 2020 and unaudited consolidated financial results for September 30, 2020 are prepared using Ind AS 116. Accordingly, financial numbers as per the audited consolidated financial statements for Fiscal 2020 are not comparable with our historical financial statements for audited consolidated financial statements for Fiscal 2019 and Fiscal 2018, included in this Placement Document. For details, please see "Risk Factors - Our audited consolidated financial statements for Fiscal 2020 is not directly comparable to our historical financial statements for audited consolidated financial statements for Fiscal 2019 and Fiscal 2018" on page 61 and Note 45 to the audited consolidated financial statements for Fiscal 2020 included in the section "Financial Statements" on page 231.

The following selected financial information is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results of our Company, prepared in accordance with Companies Act and Ind AS and the applicable rules thereunder, included elsewhere in this Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 83 and 231, respectively, for further discussion and analysis of the Audited Consolidated Financial Statements of our Company. Wherever comparatives have been included in this section, such comparatives have been derived from the comparatives in the Audited Consolidated Financial Statements.

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SUMMARY OF UNAUDITED CONSOLIDATED BALANCE SHEET FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019

(₹ in lakhs)

Particulars	As at September 30, 2020	As at September 30, 2019
Assets		
(1) Non-current assets		
(a) Property, plant & equipment	92,325	90,672
(b) Capital work-in-progress	9,679	7,034
(c) Right-of-use assets	2,05,225	1,82,154
(d) Goodwill	1,751	1,751
(e) Other intangible assets	671	948
(f) Financial Assets		
(i) Other investments	16	20
(ii) Loans	10,713	9,284
(iii) Other financial assets	9,283	8,930
(g) Deferred tax assets (net)	22,394	23,196
(h) Income tax assets (net)	345	1,057
(i) Other non-current assets	3,078	9,896
Total non-current assets	**3,55,480**	**3,34,942**
(2) Current assets		
(a) Inventories	1,192	1,352
(b) Financial assets		
(i) Other investments	42	1,606
(ii) Trade receivables	734	7,440
(iii) Cash & cash equivalents	6,737	1,172
(iv) Bank balances other than (iii) above	1,989	413
(v) Loans	30	518
(vi) Other financial assets	21	20
(c) Other current assets	4,316	3,127
Total current assets	**15,061**	**15,648**
Total assets	**3,70,541**	**3,50,590**
Equity & Liabilities		
(1) Equity		
(a) Equity share capital	10,268	10,264
(b) Other equity	47,948	61,099
(c) Interest in Inox Benefit Trust	-	(3,267)
Equity attributable to owners of the Company	**58,216**	**68,096**
Non-Controlling Interest	1	1
Total Equity	**58,217**	**68,097**
(2) Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,305	3,750
(ii) Lease liabilities	2,55,402	2,31,000
(iii) Other financial liabilities	751	695
(b) Provisions	1,633	1,623
(c) Other non-current liabilities	6,023	7,062
Total non-current liabilities	**2,70,114**	**2,44,130**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,924	1,500
(ii) Lease Liabilities	7,630	6,628
(iii) Trade payables		
a. total outstanding dues of micro enterprises and small enterprises	1,641	194
b. total outstanding dues of creditors other than micro enterprises and small enterprises	5,620	11,714

Particulars	As at September 30, 2020	As at September 30, 2019
(iv) Other financial liabilities	11,845	9,820
(b) Other current liabilities	5,448	6,834
(c) Provisions	1,971	1,673
(d) Income tax liabilities (net)	131	-
Total current liabilities	**42,210**	**38,363**
Total liabilities	**3,12,324**	**2,82,493**
Total equity & liabilities	**3,70,541**	**3,50,590**

SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019

(₹ in lakhs)

Particulars	Quarter ended		Half year ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Income				
(a) Revenue from operations	36	51,994	61	1,01,295
(b) Other income	430	440	702	752
Total Income (a + b)	**466**	**52,434**	**763**	**1,02,047**
Expenses				
a) Cost of food and beverages consumed	-	3,454	-	6,783
b) Exhibition cost	-	13,914	-	26,903
c) Employee benefits expense	1,523	3,732	3,953	7,241
d) Finance costs	6,407	5,422	12,735	10,510
e) Depreciation and amortization expense	7,142	6,451	14,217	12,531
f) Rent concessions	(7,233)	-	(14,160)	-
g) Other expenses	1,690	14,118	2,873	28,582
Total expenses (a) to (g)	**9,529**	**47,091**	**19,618**	**92,550**
Profit/(loss) before tax (1-2)	**(9,063)**	**5,343**	**(18,855)**	**9,497**
Tax expense:				
Current tax	-	2,621	-	4,811
Deferred tax	(2,273)	(748)	(4,701)	(1,485)
Taxation pertaining to earlier years	(7)	(43)	(7)	(43)
Profit/(loss) for the period/year (3-4)	**(6,783)**	**3,513**	**(14,147)**	**6,214**
Other comprehensive Income				
Items that will not be reclassified to Profit & Loss				
Actuarial gain/(loss) on employee defined benefit plan	76	2	136	(170)
Tax on above	(19)	(1)	(34)	60
Total Other Comprehensive Income	**57**	**1**	**102**	**(110)**
Total Comprehensive Income for the period/year comprising Profit/loss for the period/year & Other Comprehensive Income (5+6)	**(6,726)**	**3,514**	**(14,045)**	**6,104**
Profit/loss for the year attributable to :				
- Owners of the Company	**(6,783)**	**3,513**	**(14,147)**	**6,214**
- Non-Controlling interest	**	**	**	**
Other comprehensive income for the year attributable to				
- Owners of the Company	**57**	**1**	**102**	**(110)**
- Non-Controlling interest	-	-	-	-
Total comprehensive income for the year attributable to:				
- Owners of the Company	**(6,726)**	**3,514**	**(14,045)**	**6,104**
- Non-Controlling interest	**	**	**	**
Earnings/(loss) Per Share of ₹10 each				
Paid-up equity share capital (face value ₹ 10 per share)	10,268	10,264	10,268	10,264
(a) Basic (₹)	(6.74)*	3.57*	(14.23)*	6.32*
(b) Diluted (₹)	(6.74)*	3.57*	(14.23)*	6.32*

***Amount below ₹1 lakh*

** not annualised*

SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019

(₹ in lakhs)

Particulars	Period ended September 30, 2020	Period ended September 30, 2019
Cash flows from operating activities		
Profit/(loss) for the period after tax	(14,147)	6,214
Adjustments for:		
Income tax expense	(4,708)	3,283
Finance costs	12,735	10,510
Interest income recognised in profit or loss	(362)	(332)
Deferred revenue	-	(451)
Gain on investments measured at fair value through profit or loss	(1)	(46)
Deferred rent expenses	-	321
Loss on disposal of property, plant and equipment (net)	7	220
Liabilities and provisions, no longer required, written back	(202)	(274)
ESOP charge	3	36
Bad debt & remissions	1	3
Inventories written off	106	-
Allowance for doubtful trade receivables and expected credit losses	126	55
Depreciation and amortisation expense	14,217	12,531
Rent concessions	(14,160)	-
Unrealised exchange loss/(gain)	20	**
	(6,365)	**32,070**
Movements in working capital:		
(Increase)/decrease in trade receivables	5,413	1,326
(Increase)/decrease in inventories	67	(133)
(Increase)/decrease in loans	588	(96)
(Increase)/decrease in other financial assets	143	(365)
(Increase)/decrease in other assets	(343)	(1,871)
Increase/(decrease) in trade payables	(5,690)	(4,054)
Increase/(decrease) in provisions	**	418
Increase/(decrease) in other financial liabilities	355	206
Increase/(decrease) in other liabilities	(239)	2,964
Cash generated from/(used in) operations	**(6,071)**	**30,465**
Income taxes refund/(paid) net	264	(3,106)
Net cash generated from/(used in) operating activities	**(5,807)**	**27,359**
Cash flows from investing activities		
Payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances & capital creditors)	(2,382)	(10,340)
Payments for acquiring intangible assets	-	(206)
Proceeds from disposal of property, plant and equipment	-	7
Interest received	97	72
Maturity of Government securities	41	17
Purchase of current investments	-	(25,270)
Sale/redemption of current investments	-	23,788
Movement in other bank balances	(1,455)	(191)
Net cash used in investing activities	**(3,699)**	**(12,123)**
Cash flows from financing activities		
Proceeds from issue of Treasury Shares (net of expenses)	10,066	-
Shares issued under ESOP	4	5
Proceeds from borrowings - non current	7,500	-
Repayment of borrowings - non current	(2,028)	(1,750)
Net movement in current borrowings	(2,340)	(500)
Repayment of lease liabilities	-	(12,505)

Particulars	Period ended September 30, 2020	Period ended September 30, 2019
Finance costs	(981)	(493)
Net cash generated from/(used in) financing activities	**12,221**	**(15,243)**
Net increase/(decrease) in cash and cash equivalents	**2,715**	**(7)**
Cash and cash equivalents at the beginning of the year	4,022	1,179
Cash and cash equivalents at the end of the period	**6,737**	**1,172**

***Amount below ₹1 lakh.*

Note: The unaudited consolidated statement of Cash Flows has been prepared in accordance with "indirect method" as set out in Ind AS - 7 "Statement of Cash Flows".

SUMMARY OF AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020, MARCH 31, 2019, AND MARCH 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS:			
Non-Current Assets			
Property, plant and equipment	97,538.77	89,385.12	74,270.89
Capital work-in-progress	8,534.92	6,372.71	5,394.78
Right-of-use assets	2,14,182.77	-	-
Goodwill	1,750.97	1,750.97	1,750.97
Other intangible assets	841.04	1,105.43	1,154.66
Financial assets:			
Other investments	16.09	61.38	121.27
Loans	10,163.99	8,922.16	7,417.53
Other financial assets	9,505.62	8,596.21	6,752.68
Deferred tax asset [net]	17,727.98	5,285.34	8,112.40
Income tax assets [net]	737.38	877.53	912.87
Other non-current assets	3,114.58	10,390.75	8,268.24
	3,64,114.11	**1,32,747.60**	**1,14,156.29**
Current Assets			
Inventories	1,364.54	1,218.75	939.91
Financial assets:			
Other investments	101.49	61.49	1,238.98
Trade receivables	6,274.64	8,824.01	7,590.83
Cash and cash equivalents	4,021.76	1,178.34	1,334.03
Bank balance other than cash and cash equivalents	447.69	186.97	168.84
Loans	884.00	518.31	590.31
Other financial assets	27.36	22.12	18.42
Income tax assets (net)	-	455.13	-
Other current assets	4,305.67	2,666.39	2,463.17
	17,427.15	**15,131.51**	**14,344.49**
Total	**3,81,541.26**	**1,47,879.11**	**1,28,500.78**
EQUITY AND LIABILITIES:			
EQUITY			
Equity share capital	10,264.78	10,260.59	9,616.28
Other equity	55,189.91	89,387.54	60,612.06
Interest in Inox Benefit Trust	(3,266.98)	(3,266.98)	(3,266.98)
Non-controlling Interests	0.62	0.58	0.56
	62,188.33	**96,381.73**	**66,961.92**
LIABILITIES			
Non-current liabilities			
Financial liabilities:			
Borrowings	2,000.00	5,500.00	25,240.23
Lease liabilities	2,59,220.10	-	-
Other financial liabilities	748.54	895.54	312.84
Provisions	1,788.93	1,266.97	1,009.79
Other non-current liabilities	6,648.40	6,904.20	7,565.72
	2,70,405.97	**14,566.71**	**34,128.58**
Current liabilities			
Financial liabilities:			
Borrowings	10,264.13	2,000.00	-
Lease liabilities	6,965.45	-	-
Trade payables:			
Due to Micro and Small Enterprises	1,660.09	1.43	5.33
Due to other than Micro and Small Enterprises	11,290.63	15,959.69	11,315.54

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Other financial liabilities	11,486.53	12,036.35	10,573.37
Other current liabilities	5,062.18	4,751.75	3,823.37
Provisions	1,950.79	1,440.84	1,478.32
Income tax liabilities [net]	267.16	740.61	214.35
	48,946.96	**36,930.67**	**27,410.28**
Total	**3,81,541.26**	**1,47,879.11**	**1,28,500.78**

SUMMARY OF AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE FISCALS ENDED MARCH 31, 2020, MARCH 31, 2019 AND MARCH 31, 2018

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019*	For the year ended March 31, 2018*
REVENUE:			
Revenue from operations	1,89,744.34	1,69,218.47	1,34,811.83
Other income	1,716.90	1,491.82	1,446.53
Total income	**1,91,461.24**	**1,70,710.29**	**1,36,258.36**
EXPENSES:			
Cost of materials consumed	12,621.68	11,249.51	7,435.80
Exhibition cost	49,645.78	44,420.91	36,731.79
Employee benefits expense	14,206.85	11,516.77	9,635.56
Finance costs	22,124.14	2,367.36	2,889.63
Depreciation and amortisation expense	26,418.88	9,549.07	8,669.89
Impairment losses (net)	-	82.00	309.55
Other expenses	53,585.72	71,114.82	59,964.19
Total expenses	**1,78,603.05**	**1,50,300.44**	**1,25,636.41**
Share of loss of joint ventures	-	-	(3.43)
Profit before exceptional items and tax	**12,858.19**	**20,409.85**	**10,618.52**
Exceptional items	-	499.69	854.16
Profit before tax	**12,858.19**	**19,910.16**	**9,764.36**
Less: Tax expense:			
Current tax	7,290.00	6,010.70	3,251.61
Deferred tax	(2,760.76)	1,005.84	420.28
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)	(5,370.47)
Total Tax Expenses	**11,357.63**	**6,561.04**	**(1,698.58)**
Profit for the year	1,500.56	13,349.12	11,462.94
Profit for the year attributable to:			
Equity holders of the Parent	1,500.52	13,349.10	11,462.92
Non-controlling interests	0.04	0.02	0.02
	1,500.56	**13,349.12**	**11,462.94**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains on post-employment defined benefit plans, net of tax	(129.72)	5.92	65.19
Items that will be reclassified to profit or loss:			
Exchange differences on transaction of financial statement of a foreign subsidiary	-	-	-
Other Comprehensive Income for the year [net of tax]	**(129.72)**	**5.92**	**65.19**
Total Comprehensive Income for the Year [net of tax]	**1,370.84**	**13,355.04**	**11,528.13**
Other comprehensive income for the year attributable to:			
Owners of the company	(129.72)	5.92	65.19
Non-controlling interests	-	-	-
Total comprehensive income for the year attributable to:			
Equity holders of the Parent	1,370.80	13,355.02	11,528.11
Non-controlling interests	0.04	0.02	0.02
	1,370.84	**13,355.04**	**11,528.13**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019*	For the year ended March 31, 2018*
Basic & diluted earnings per equity share [EPS] [in ₹]			
Basic	1.53	14.20	12.49
Diluted	1.53	14.19	12.48

***** *Our Company adopted Ind AS 116 from April 1, 2019, therefore, the Audited Consolidated Financial Statements for financial year ended March 31, 2020 are prepared using Ind AS 116. Accordingly, financial numbers as per the Audited Consolidated Financial Statements are not comparable with our historical financial statements. For details, please see "Risk Factors - Our Audited Consolidated Financial Statements for Fiscal 2020 is not directly comparable to our historical financial statements, including for Fiscal 2019" on page 61.*

SUMMARY OF AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCALS ENDED 31 MARCH 2020, MARCH 31, 2019 AND MARCH 31, 2018

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities			
Profit after tax	1,500.56	13,349.12	11462.94
Adjustments to reconcile the profit for the year to net cash generated from operating activities:			
Income tax expense	11,357.63	6,561.04	(1698.58)
Finance costs	22,124.14	2,367.36	2889.63
Share of loss of a joint venture	-	-	3.43
Interest income recognised in profit or loss	(722.80)	(787.06)	(705.14)
Deferred revenue	(908.72)	(1,051.85)	(1387.99)
Gain on investments measured at fair value through profit or loss	(92.03)	(88.90)	(372.06)
Deferred rent expenses	-	542.33	616.77
Loss on disposal of property, plant and equipment (net)	332.55	479.86	1085.22
Liabilities and provisions, no longer required, written back	(764.75)	(473.05)	(281.44)
ESOP charges	53.19	126.10	179.49
Bad debt & remissions	6.85	41.40	13.98
Deposits and advances written off	-	5.00	63.61
Allowance for doubtful advances and deposits	58.00	29.22	113.96
Allowance for doubtful trade receivables and expected credit losses	393.76	46.01	-
Allowance for amount recoverable towards claims	-	-	854.16
Impairment loss on goodwill	-	-	0.6
Impairment loss on property, plant and equipment (net)	-	82.00	308.95
Depreciation and amortisation expense	26,418.88	9,549.07	8,669.89
Unrealised exchange loss/(gain)	55.68	(3.16)	10.32
	59,812.94	**30,774.49**	**21,827.74**
Changes in operating assets and liabilities; net of effects from acquisitions:			
(Increase)/decrease in trade receivables	2,148.76	(1,320.59)	(2,963.62)
(Increase)/decrease in inventories	(145.79)	(278.84)	(31.15)
(Increase)/decrease in loans	(1,001.18)	(928.78)	(261.38)
(Increase)/decrease in other financial assets	(1,131.19)	(1,717.93)	477.94
(Increase)/decrease in other assets	(5,388.57)	(2,860.22)	(1,458.78)
Increase/(decrease) in trade payables	(2,502.03)	4,640.25	2,479.00
Increase/(decrease) in provisions	832.52	228.80	147.83
Increase/(decrease) in other financial liabilities	(1,035.01)	1,324.28	1494.80
Increase/(decrease) in other liabilities	963.35	1,791.76	1165.85
Income taxes paid (net)	(5,130.74)	(3,685.69)	(1766.75)
Net cash from operating activities	**47,423.06**	**27,967.53**	**21,111.48**
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)	(15857.32)
Payment for acquiring right-of-use assets	(625.69)	-	-
Payments for acquiring intangible assets	(113.81)	(308.88)	(231.50)
Proceeds from disposal of property, plant and equipment	36.37	40.32	170.52
Interest received	135.03	318.10	182.83
Investments in Government securities	-	-	(8.13)
Maturity of Government securities	21.09	41.30	-
Purchase of current investments	(44,070.00)	(35,000.00)	(54,700)
Sale/redemption of current investments	44,140.65	36,272.40	54,912.26
Investment in subsidiary company	-	-	(3.00)
Payments towards business combination consideration payable	-	(72.24)	(5.32)
Movement in other bank balances	(203.14)	(203.97)	154.12
Net cash used in investing activities	**(21,299.88)**	**(23,563.41)**	**(15,385.54)**
Cash flows from financing activities:			

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
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)	(2503.4)
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)	(2897.21)
Net cash (used in)/ generated financing activities	**(23,279.76)**	**(4,559.81)**	**(5,400.61)**
Net (decrease)/ increase in cash and cash equivalents	**2,843.42**	**(155.69)**	**325.33**
Cash and cash equivalents at the beginning of the year	**1,178.34**	**1,334.03**	**980.96**
Add: Cash and cash equivalents on acquisition of subsidiary	**-**	**-**	**27.74**
Cash and cash equivalents at the end of the year	**4,021.76**	**1,178.34**	**1,334.03**

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Issue. The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Placement Document. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business" and "Financial Statements", on pages 153 and 231 respectively, as well as the other financial information included in this Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of your investment. Any potential investor in the Issue should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" on page 18.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to INOX Leisure Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to INOX Leisure Limited on a consolidated basis.

RISKS RELATED TO OUR COMPANY AND BUSINESS

1. ***COVID-19 has had, and is expected to continue to have, a significant adverse impact on our financial condition and operations. The COVID-19 pandemic is expected to continue to impact our results, operations, growth, strategy, reputation, cash flows, liquidity, and the price of our Equity Shares***

   The spread of COVID-19 and the recent developments surrounding the global pandemic have adversely impacted all aspects of our business. While all our screens across India have been non-operational since March 24, 2020, most of our screens were shut even prior to that in accordance with the orders issued by various statutory and regulatory authorities in those specific regions. Whilst with partial unlock guidelines of the Government of India and State Governments we have started resuming business in certain States such as Andhra Pradesh, Assam, Delhi, Punjab, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Karnataka, Haryana, West Bengal, Gujarat, and Goa, we cannot predict when all our screens will be operational again and without any restrictions. In locations where we have resumed operations, we are required to comply with certain guidelines including reduced capacity in our cinemas by half or more, adversely impacting our revenues. We are also required ensure that all COVID-19 precautions are taken in respect of our operations including disinfection and sanitization of our premises, leading to increased operational costs. During this period, we have endeavored to rationalize our fixed costs. However, since we have not operated any of our screens until the period six month ended September 30, 2020, we have incurred loss for the six months ended September 30, 2020, and our financial results for the quarters and this Fiscal may not be comparable with the corresponding period in the previous year. Since we are not within the essential category of business activities and operation of our cinemas would lead to aggregation of crowd, it is expected that the complete unlocking of our business activities by the Government will be gradual. We also expect to continue to experience losses until our operations are fully resumed. Given the continuing uncertainties due to the COVID-19, the actual impact may be different from that estimated.

   Even with the partial unlock in place, we may require some additional time to commence operations in some of our multiplexes due to various factors such as ongoing negotiation of outstanding rent of our cinema premises during the lockdown period and availability of employees and other staff. Further, even when the

lock down is completely lifted and we are able to restart our business and operations in full, we will still be impacted by number of factors. For instance, there may be continuing Government regulations on the maintenance of social distancing and the public's general concern about health and hygiene could lead to reduced footfall in our cinemas. Further, we will continue to incur increased operational costs on regular disinfection and sanitization of our cinemas for additional hygiene related protocol and other precautions such as temperature checks in our cinemas and technology costs involved with contactless security check-ins. Further, adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth, resulting from the impact of the COVID-19 pandemic and a dearth of quality content, could adversely affect our business and operations. We may not be able to run our cinemas at optimal capacity and our fixed and operational costs may increase, because of which we may not be able to generate sufficient revenue to service such costs and that may have a continued impact on our business and financial prospects, which amongst others may include eventual closure of some lower performing and unsustainable cinemas.

Whist we are aware of a pipeline of movies, both Bollywood and Hollywood and also other regional content, we are not certain on whether production houses and distributors will agree to release movies before cinemas start functioning in all the metro cities and the other key markets. Additionally, if any of our customers or staff from a particular premises is diagnosed with COVID-19 we may have to cease operations in the such premises and also may be in other premises in the surroundings or in the city/ town, and it will have a material adverse impact on our ability to attract customers.

The effects of COVID-19 on our business could be long-lasting and could continue to have adverse effects on our business, results of operations, liquidity, cash flows and financial condition, some of which may be significant, and may adversely impact our ability to operate our business even after the lockdown ends, on the same terms as we conducted business prior to the pandemic. The longer and more severe the pandemic, including repeat or cyclical outbreaks beyond the one we are currently experiencing, the more severe the adverse effects will be on our business, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness

In addition, the COVID-19 pandemic has significantly increased economic and demand uncertainty. The current outbreak and continued spread of COVID-19 could cause a global recession, which would have a further adverse impact on our financial condition and operations. Current economic forecasts for significant increases in unemployment in India and other regions due to the adoption of social distancing and other policies to slow the spread of the virus is likely to have a negative impact on booking demand for our cinemas once our operations resume, and this impact could continue to exist for a significant length of time.

As a result of all of the foregoing, we may be required to raise additional capital and our access to and cost of financing will depend on, among other things, macro-economic conditions, conditions in the financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. If our credit ratings are to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt financing will be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations. Additionally, the impact of COVID-19 on the financial markets is expected to adversely impact our ability to raise funds through equity financings.

The extent of the effects of the outbreak on our business and the movie industry at large is highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and severity of the outbreak, the length of time it takes for demand and pricing to return and normal economic and operating conditions to resume. To the extent COVID-19 continues to adversely affect our business, operations, financial condition and operating results, it may also have the effect of heightening many of the other risks described in this section.

2. ***A lack of movie production or poor performance of movies could result in a decline in movie attendance, which could adversely affect our business, financial condition and results of operations. Further, footfalls at our cinemas depend on the content of the movies and the market for Indian regional language movies, and we may be unable to obtain the movies we want for our cinemas in certain markets.***

   Our business and results of operations are dependent on the overall success, particularly the box office performance of movies. Our ability to operate successfully depends upon the availability, diversity and appeal of movies, our ability to license movies and the performance of such movies in our markets. Our revenues are also dependent upon the timing and popularity of movie releases by production studios and distributors. Once the lockdown is completely lifted, we cannot assure you that producers will continue releasing movies in cinemas if the footfall in cinemas is not as high as it has been historically. Further, because of the COVID-19 pandemic, the production of movies had also come to a standstill and we cannot assure that there will be a continuous availability of movies. Such dearth in content and lower footfall in our cinemas would have a material adverse impact on our business as our box office revenue depends on the number of customers that visit our cinemas and the ticket price that we charge our customers. Our revenue from box office increased from ₹ 80,219.57 lakhs in Fiscal 2018 and ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 110,459.02 lakhs in Fiscal 2020, respectively, which accounted for 58.87%, 57.14% and 57.69%, respectively, of our total income in the same period.

   The success of movies is also significantly dependent on the marketing efforts of the production houses and studios. Poor performance of, or any disruption in the production of these movies, or a reduction in the marketing efforts of the production houses and studios, could adversely affect our business and results of operations. Conversely, the successful performance of any movie, particularly the sustained success of any one movie, or an increase in effective marketing efforts of the production houses and studios, may generate positive results for our business and operations in a specific quarter or year that may not necessarily be indicative of, or comparable to, future results of operations. Box office performance also affects the sale of F&B and advertisement and other revenues in our cinemas.

   We do not have any control over the content of the movies and also cannot determine whether the content of movies will be appreciated by all of our customers. Our business may be adversely affected if the content of the movies we exhibit in our cinemas are suitable only to a limited or particular customer segment or if the audience do not find the content suitable or relevant. Further, a change in the content of movies offered by production houses and distributors may adversely affect the demographic base of our customers, as a result of which, our results of operations may be adversely affected. In the past, the content of certain movies has been alleged to be politically, culturally and religiously sensitive and accordingly, certain restrictions have been imposed on the exhibition of such movies in certain regions in India. As a result, we may face local or widespread opposition or politically supported protests against the content of such movies exhibited by us, or vandalism at our premises, which may have an adverse impact on our business, cash flows and results of operations. Such oppositions and protests could result in disruption of business operations and there can be no assurance that such disruptions will not occur in future. Any such opposition may adversely affect our business, cash flows and results of operations.

   Typically, in some regions there is a smaller market for Indian regional language movies and the overall supply of these movies may not be adequate to generate a sufficient attendance level at those cinemas. In addition, there may be situations where we may be unable to obtain the movies for our cinemas in certain regional markets. As a result of these factors, admission levels at some of our cinemas may not be sufficient to permit us to operate them on a positive cash flow basis. Any one or more of the aforementioned factors could have a material adverse effect on our business, cash flows, financial condition and results of operations.

3. ***An increase in the use of alternative content and movie distribution channels, including over-the-top ("OTT") content and home-videos, movie DVDs, and other competing forms of entertainment may result in a decline in cinema attendance.***

   Increasing competition from OTT channels providing original content, continued piracy, availability of high-speed internet for downloading content, and slower adoption of multiplexes in tier II and III cities will limit the increase in occupancy. This will limit the hike in average ticket price rates by multiplex players. (Source: CRISIL Report). We face competition for customers from a number of alternative movie distribution channels, such as digital available content on various OTT platforms, home theatre video, pay-per- view, cable television, DVD, and broadcast television from domestic and internationally recognized brands. These platforms also engage with production houses for developing specific content that they offer at competitive

rates, which content is not made available to us for exhibiting at our cinemas. Further, certain popular and premium content is now exclusively made available on such OTT platforms. However, in spite of such contracts, customers may choose to view content available on alternative platforms, which may reduce the number of customers visiting our cinemas thereby adversely impacting our financial condition, cash flows and results of operations. The use of the alternative content and movie distribution channels has further increased due to the COVID-19 pandemic. Due to the lock-down, the public has become increasingly dependent on these services for their entertainment. Further, there are certain industry stakeholders who are moving towards the distribution of new movies to OTT platforms. Additionally, if the distribution of new movies to these OTT channels continue even as we re-commence our operations, it may result in a decline in cinema attendance thereby adversely impacting our business, financial condition, cash flows and results of operations. Admissions in our cinemas may be lower than what it has been historically, and we cannot assure that due to such lower admission, producers will not reduce our theatrical windows and release movies on OTT and other digital platforms earlier than what has been done historically.

We also compete with other forms of entertainment for our customers' time and disposable income, such as live concerts, carnival parties, amusement parks, sporting events, shopping activities, social media and restaurants. In addition, distributors and production houses typically do not release movies during popular sporting events, such as cricket world cup, Indian premier league season and football world cup. The expansion of such alternative entertainment could have an adverse effect on movie cinema attendance in general and, therefore, upon our business, financial condition and results of operations. If we are unable to continue to deliver a premium movie-going experience, or adapt to evolving content and distribution channels, customers may be unwilling to visit our cinemas or pay the prices associated with our cinema tickets that would adversely harm our business and prospects.

4. ***We have entered into arrangement with various third parties for use of the premises on which our cinemas are operated. In the event of termination or non-renewal of such arrangements, our business, financial condition and results of operations would be materially adversely affected.***

Most of the premises on which our screens are located are on leasehold/ license basis. We have entered into arrangement with various third parties, typically mall developers, for the use of such immovable property. Rental expenses and CAM charges for use of such immovable property account for a significant portion of our expenses. In Fiscal 2020, Fiscal 2019 and Fiscal 2018, we incurred rent and common facility charges of ₹ 36,838.94 lakhs (without Ind AS 116 impact), ₹ 31,863.80 lakhs and ₹ 26,415.53 lakhs, respectively.

The tenure of our leases/ licenses typically ranges from 15 to 24 years, which are renewable subject to mutual agreement. We are typically required to make a security deposit and common area maintenance deposit with the developer before the commencement of commercial operations. After commercial operations commence, we start paying monthly rent and common area maintenance charges to the lessor or the property manager. Rentals are periodically escalated. Depending on commercial considerations, we either follow a fixed rent model or a revenue sharing model where the rent is a percentage of the net sales of box office and food and beverage at the respective premises and also in certain cases a percentage of other income such as advertisement income. In certain cases we also follow a combination of fixed and revenue sharing model.Typically, in terms of our lease/ license arrangements, we are required to, among others, seek prior consent from the lessors/ licensors for making any material alterations in the cinemas, maintain insurance coverage for our cinemas and obtain necessary approvals required for operating cinemas. In addition, some of our arrangements may be terminated by the lessors/ licensors , after providing a formal written notice and a cure period, on the grounds of, among others: (i) non-payment of rent and/or CAM for a certain period, (ii) cancellation of the cinema operating license granted to us under the Cinematograph Act due to our own fault, (iii) using the premises for purpose other than carrying multiplex operations, (iv) closure of cinemas for a certain period without any reason, subject to certain exceptions such as force majeure events and closure for renovations and refurbishment. Further, in a few of our arrangements, the owners of the multiplex premises, on which we operate, have a right to terminate the arrangement if there is a change in control of our Company.

Any defect in the title, ownership rights, development rights of the owners whose premises we operate in, or any non-compliance with applicable rules and regulations relating to these premises by those developers or any termination of the lease/ license arrangements by the developers, or any legal proceedings involving the premises where we operate, against the developers by any third party, may impede our business and operations. In addition, if we fail to renew our arrangements on competitive or commercially beneficial terms or if we are unable to manage our rental costs, our results of operations would be materially and adversely affected. Further, if any of the owners of these premises terminate the arrangements under which we occupy

the premises or impose terms and conditions that are unfavourable or unviable to us, we may suffer a disruption in our operations or we may have increased rental expenses, which could have a material adverse effect on our business, prospects, results of operations and financial condition. We also compete with various other businesses for prime customer-accessible real estate, such as locations inside malls. We may also be required to pay increased rental costs as a consequence of having to rely on one or few mall developers for prime locations of our cinemas. Further, if such properties are leased or sold to a competitor, it may increase competition for us in that location.

5. ***Non-payment of rental and common area maintenance charges in respect of leased premises on the grounds of force majeure may not be agreeable and could be disputed by lessors/ licensors, which could impact the continued operations of our cinemas and our business, reputations and financial conditions.***

   Most of the premises on which our screens are located, are on leasehold basis or licensed. We have entered into arrangements with various third parties, typically mall developers, for the use of such immovable property. Rental expenses and CAM charges for use of such immovable property account for a significant portion of our cash outflows. Due to the ongoing COVID-19 pandemic lockdown, until recently there has been a complete shutdown of our cinemas. We have served notices to most of these third parties invoking the *force majeure* clauses under most of our arrangements with them or requested for waivers where such *force majeure* clauses are not present, in order to ensure that we are not required to pay our rent and CAM charges during this time. However, we cannot assure you that all these third parties will be agreeable to such non-payment. Non-payment of rent and CAM charges in respect of our leased premises as on date constitutes default under the respective contractual arrangement, which could be a ground for termination. *Force majeure* clauses may be subject to interpretation and such third parties may threaten or commence legal proceedings against us, contesting our non-payment of rent and CAM charges, which will further result in an increase in our expenses and such proceedings and expenses may have an unfavourable impact on our relations with such lessors/ licensor. Further, if we are unable to reach mutually agreeable terms with the lessors/ licensors, we cannot assure you that, among others, there will be no termination of such lease/ license arrangements, forfeiture of our security deposit, litigation, termination of future leases/ licenses with such lessors/ licensors, any of which could impact the continued operations of our cinemas and our business, reputations and financial conditions.

6. ***Our long-term success is highly dependent on our ability to successfully identify and secure strategic locations for our cinemas and timely develop and expand our operations in existing and new markets.***

   As on date, we are present 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 1,44,467 seats. In Fiscal 2019, we add 85 new screens, which is the highest number of screens added by our Company since inception. In Fiscal 2021, we are in the process of adding 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats.

   One of the key means of achieving our growth strategies is through opening and operating cinemas at strategic locations. Our success will therefore depend on our ability to identify target markets where we can enter or expand, taking into account numerous factors such as the location, demographics, income levels and traffic patterns. Desirable locations may be limited for many reasons, including the general lack of prime real estate in the markets in which we compete and restrictions in some of these markets on the use of certain locations for cinemas. As a result, desirable locations for new cinemas or for the relocation of existing cinemas may not be available on commercially acceptable terms or at all. If we are unable to identify and obtain suitable locations for our new cinemas, we may witness lower admissions, which would adversely affect our ability to achieve our anticipated growth in revenue and profitability.

   Further, our expansion plans have been significantly impacted due to the COVID-19 pandemic. We have temporarily deferred a substantial portion of our planned capital expenditures that we were undertaking prior to the shutdown. Whilst we have plans of adding 41 new screens to our network across India in Fiscal 2021, we have not opened any new screens until September 30, 2020.

   In addition, we have, over the years, established relationships with various mall developers. Such relationships, we believe have helped us in securing leases for our cinemas at competitive terms. Any inability to maintain such relationships including due to our invocation of *force majeure* clauses as a result of the

COVID-19 pandemic, or if our competitors are able to capture strategic locations over us, our business and financial condition will be adversely affected.

The number and timing of new cinemas to be opened during any given period may be impacted by a number of factors including: (i) the lack of development and overall decrease in commercial real estate development activity; (ii) the identification and availability of attractive locations for new cinemas and the ability to negotiate suitable lease/ license terms; (iii) the cost and availability of capital to fund construction costs and pre-opening expenses; (iv) our ability to obtain material governmental and statutory approvals required to operate our cinemas, in a timely manner; (v) competition in new markets, including competition for appropriate locations; (vi) anticipated commercial, residential and infrastructure development near our locations; (vii) our ability to obtain adequate financing; and (viii) recruitment and training of qualified personnel in the local market. The uncertainty of these factors could impact the opening of new cinemas which could adversely affect our business, financial condition and results of operations. In addition, any failure to identify and adapt to the trends in the exhibition industry and inability to expand in the most attractive and profitable screen format, may adversely affect our profitability and financial condition.

Further, the commercial real estate market in India is affected by many factors, including changes in the social, political, economic and legal environment and changes in the government's fiscal and monetary policies. Any adverse development in the commercial real estate market in India resulting in a decline in the number of new large shopping malls being built or shutdown of existing malls or any global economic slowdown or financial turmoil in the future, may adversely affect the real estate market thereby adversely impacting the growth of our cinema network. Accordingly, there cannot be any assurance that we will be able to successfully expand as we may not accurately analyze the suitability of a location or anticipate all of the challenges imposed by expanding our operations to these locations. Our growth strategy and the substantial investment associated with the development of each new location may cause our operating results to fluctuate and be unpredictable or adversely affect our profits.

7. Restrictions on ticket prices imposed in certain states may affect our results of operations.

Our ability to charge a particular ticket price is significantly limited by the state legislations which control the cinema ticket prices that we charge from our customers. In particular, ticket prices are regulated in certain states including Andhra Pradesh, Telangana, Tamil Nadu, Kerala and Karnataka. For instance, in Tamil Nadu, pursuant to the Tamil Nadu Cinemas (Regulation) Rules, 1957, specific ticket prices have been prescribed based parameters such as areas in which the theatres are located (being municipalities, town panchayats, village panchayats, etc.) and whether the theatres are air conditioned or not. Similarly, in Andhra Pradesh and Telangana, the licensing authority while granting a license to the movie theatre prescribes the maximum rates at which tickets can be priced and such rates can only be increased pursuant to an order in writing by the licensing authority permitting such increase. Further, in 2017, the Karnataka state government passed an order imposing a cap of ₹ 200 (exclusive of taxes) on movie cinemas in multiplexes across the state, however, this cap is not applicable on Saturday, Sunday and other state holidays. Additionally, the government may if it deems it fit in public interest, alter or amend the prices and such alteration or amendment will have to be complied with by us. Stringent pricing restrictions affect our ability to increase our revenue through ticket prices in the states that are governed by such legislations.

8. We depend on our relationships and agreements with distributors and production houses and any failure to maintain these relationships or if we are unable to obtain movies on competitive terms, our business, financial condition and results of operations may be adversely affected.

We rely on distributors of movies, over whom we have no control, for the movies that we exhibit. Movie distributors and production houses offer and license movies to exhibitors, including us, on a movie-by-movie and cinema-by-cinema basis. Consequently, we cannot assure ourselves of a supply of movies by entering into long-term arrangements with distributors and production houses but must compete for our licenses on a movie- by-movie and cinema-by cinema basis. Our business depends on maintaining good relations with these distributors and production houses, as this affects our ability to obtain such licenses and negotiate commercially favourable licensing terms for movies, including the agreed production house or distributor's share in the net box office collection, payment of minimum guarantee amount, minimum number of shows per day, and the price of each ticket. These relationships are dependent on a number of factors, including the quality, effectiveness and reliability of our cinema distribution platform. Our failure to maintain our relationships and agreements with distributors and production houses, or to establish and capitalise on new

relationships with these parties, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our arrangements and contracts with production houses and distributors contain certain restrictions and commercial risks, including payment of non-refundable minimum guarantee to some distributors and production houses, restriction on cancelling shows without the permission of distributors/ production houses and requirement to pay house-full compensation for cancelled shows and no right to claim any compensation for loss in case the release of a movie is postponed or cancelled.

In addition, the movie exhibition industry in India relies on distributors and production houses to obtain movies for exhibition. For hiring a movie, the production houses and/ or distributor's share is normally a percentage of ticket receipts (net of GST and other taxes and charges). Competitive pressures may result in increasing the cost at which we acquire the rights to exhibit movies. If we are unable to recover such increased costs through higher box office collections or other forms of revenue generation, our results of operations would be adversely affected.

We also earn revenue from virtual print fees, which is the subsidy paid by a movie distributor towards the purchase of digital cinema projection equipment for use by a movie exhibitor for exhibition of movies. In Fiscal 2020 and, Fiscal 2019 and Fiscal 2018, our income from virtual print fees was ₹ 3,003.44 lakhs, ₹ 2,697.95 lakhs and ₹ 2,463.96 lakhs, respectively. There can be no assurance that we will be able to continue to enter into such arrangements and accordingly, that we will be able to continue to derive income from virtual print fees in the future.

9. A significant portion of our revenue is derived from the sale of F&B in our cinemas.

A significant percentage of our revenues are contributed from the sale of F&B in our cinemas. Our sale of food and beverages contributed 25.97%, 25.54% and 22.46% of our total income, in Fiscal 2020, Fiscal 2019, Fiscal 2018, respectively. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.The amount of revenue we generate from the sale of F&B in our cinemas is directly proportionate to the number of admits visiting at our cinemas. We plan our menus based on customer consumption patterns as well as on anticipated trends and customers preferences. Any mismatch between our forecasts, our planning, introduction of new F&B offering and the actual demand by our customers could impact us adversely, leading to loss of existing customers or lower footfalls. Customer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new F&B offering by our competitors could put our F&B offering at a competitive disadvantage. Health, dietary and other considerations may also result in changes to customer preferences, which may in turn result in reduced demand for our products. The demand for our offering or our costs of doing business may also be adversely affected by public concern about nutrition, food safety and other factors. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost- effective manner to changes in customer tastes for our offering, as well as to where and how customers consume these products. Additionally, due to COVID-19 pandemic, customers may prefer packaged food over other food items in our menu or there may be government regulations which could restrict our sale of non-packaged food items in our cinemas adversely impact revenue that we derive from the sale of F&B in our cinemas.

Our F&B revenues are dependent on external supply and we may not be able to ensure the availability of F&B supply chain for our operations at competitive prices and/ or in a timely manner, which could have an adverse effect on our results of operations. Our ability to procure, transport, and sell our F&B products is critical to our profitability. Any disputes with our suppliers, including disputes regarding pricing or performance, could adversely affect our ability to supply F&B products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. In addition, any damage or disruption to our supply chain, including third party production or transportation and distribution capabilities, due to weather, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, or other reasons beyond our control or the control of our suppliers, could impair our ability to procure or sell our F&B products.

Any concerns regarding the safety of products offered at our cinemas or the safety and quality of our supply chain could cause customers to avoid purchasing our F&B products. In addition, any adverse claims, media speculation and other public statements relating to our food quality and service would materially and adversely affect our reputation and our corporate image, or otherwise affect our ability to conduct our business in the ordinary course, including, obtaining and renewing operational licenses and regulatory

approvals and establishing and maintaining our relationships with customers and suppliers. There can be no assurance that there will not be incidents of contaminated products or ingredients in the future which may result in product liability claims, product recall and negative publicity. Any such claims and allegations would also distract our management from their day to day management responsibilities and may therefore have a material adverse effect on our business, financial condition and results of operations.

Contracts which we enter into with our suppliers have terms to ensure that standard of ingredients used and hygiene in the places where the food is prepared are maintained and our Company hold rights to conduct inspection to ensure the same. In case these standards are not met or complaints are received from the customers then these supply agreements could be terminated. Any supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

Further, several petitions have been filed before various courts across India, where, it has been petitioned that admits should be permitted to carry outside F&B inside theatres. Our Company is a party to an appeal filed by the Multiplex Association of India ("**MAI**") before the Supreme Court of India against an order of the Jammu and Kashmir High Court, wherein, the court, among others, directed cinema hall owners in the state of Jammu and Kashmir to remove prohibition on cinemagoers from carrying their own food and water inside the theatre. Similar petitions had also been filed before various High Courts, wherein the prayer was to permit admits to bring their own food and water into the cinema halls. Subsequently, the MAI filed transfer petitions before the Supreme Court and by an order dated September 7, 2018, the Supreme Court has stayed the matters pending before certain high courts and has also ordered for these matters to be heard along with the special leave petition that has been filed by our Company against the order of the Jammu and Kashmir High Court. See "*Legal Proceedings*" on page 222. Allowing outside F&B to be brought into our multiplexes and the imposition of restrictions on the continuation of our F&B business may have a considerable impact on our business, financial condition and results of operations. Further, while there are currently no regulations governing the price of F&B allowed to be charged by movie exhibitors from admits, there can be no assurance that this will not change in the future.

10. Our advertisement income is dependent on maintaining or establishing relationships with advertisers along with certain factors, such as, content, number of screenings of movies, number of admits, our brand, locations of our cinemas and inventory.

We receive revenues from advertisers through on-screen advertisements and off-screen advertisements Our advertisement income comprised 9.35%, 10.35% and 10.19%, of our total income in Fiscal 2020, Fiscal 2019 and Fiscal 2018, respectively. Our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020.We generate advertisement income based on the number of on-screen advertisements played at movie screenings and off-screen advertisements displayed in cinemas. Therefore, the amount of advertisement income we generate is directly proportionate to the number of screenings of movies at our cinemas. The number of screenings in our cinemas depends on various external factors that are beyond our control, including the number of new movies released in a week, and the performance of the movies at the box-office , and specific regional regulations that restrict the number of screenings per day. Further, while there are currently no regulations governing the amount of advertising in cinemas prior to or during a movie screening, there is no assurance that this will not change in the future. The occurrence of any of these events may therefore directly impact our ability to play the advertisements at movie screenings, which in turn may affect our relationships with advertisers, which may in turn affect our ability to generate advertisement income.

Further, we have, over the years, been able to develop relationship with various advertisers from various sectors such as mobile phone manufacturers, fast moving consumer goods, banking and other financial services, fashion and lifestyle, e-commerce and automobile manufacturers. Any failure to continue to maintain such relationships with advertisers or to establish and capitalise on new relationships with them, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations. The competition for advertising expenditure is significant, and advertisers may not continue to do business with us if they believe our advertising platform is ineffective or overly expensive. Further, advertisers generally have predetermined budgets, a significant portion of which is dedicated to traditional platforms such as television and online and mobile media networks. A decrease in such budgets due to economic considerations such as the economic slowdown due to COVID-19 pandemic, or a shift in expenditure towards new advertising platforms such as

the internet and mobile applications, a decline in movie attendance, or other factors could result in lower spending on in-cinema advertising, which would adversely affect our business, financial condition and results of operation.

Further, we derive a significant portion of our revenue from advertisement income from top five advertisers/ advertising agencies. The loss of one or more of these significant advertisers/ advertising agencies or a reduction in the amount of business we obtain from them could have an adverse effect on our business, financial condition and results of operations.

11. ***If we are unable to enter into or renew agreements, or maintain or establish new relationships, with our online aggregator platforms, it could have a material adverse effect on our business, prospects, financial condition and results of operations.***

We sell movie tickets at our cinemas, through our physical box office counters, our website (https://www.inoxmovies.com/), our mobile application and online aggregator platforms. We have collaborated with certain online aggregator platforms. We derive revenue from convenience fees charged to our customers for tickets purchased on our website and mobile application. We also derive revenue from convenience fee charged from customers by ticket aggregators such as BookMyShow and Paytm for booking and selling our ticketing inventory through their digital platforms, pursuant to our contractual arrangement with them. Our online box office collection contribution (as a percentage of gross box office collection) has been steadily increasing and was 50.7%, 48.5%, 45.1% in Fiscal 2020, 2019 and 2018, respectively. Our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

We intend to continue to focus on increasing our revenues from convenience fees and to this effect, we intend to continue our contractual arrangements with these online aggregator platforms, for booking and selling our ticketing inventory through their digital platforms. However, there can be no assurance that we will continue to renew or enter into such arrangements in the future or that our current arrangements will not be terminated or that our commercial understanding will remain the same as is in the agreements at present. In addition, any failure to maintain relationships with online aggregator platforms, or to establish and capitalise on new relationships with them, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations. Further, while there are currently no regulations governing the amount of convenience fees allowed to be charged by cinemas from admits, there is no assurance that this will not change in future.

If any of these platforms delivers unsatisfactory service, engages in fraudulent actions, or is unable or refuses to continue to provide its services to us and our users for any reason, it may materially and adversely affect our business, financial condition and results of operations. Further, we do not have any control over the actions or systems of online aggregator platforms, and any errors arising from the integration of the ticketing software maintained by them might result in loss of revenue for us, thereby impacting our business, financial condition and results of operations.

12. ***The Indian movie exhibition industry is highly regulated. We are required to obtain and maintain certain key approvals, registrations and no-objection certificates in order to operate our cinemas. Our inability to obtain and maintain these approvals, registrations and no-objection certificates, ensuring compliance with these regulations, including restrictions imposed pursuant to the competition laws may have an adverse effect on our business.***

The Indian movie exhibition industry is highly regulated by both the central and the state governments. The key regulations include the Cinematograph Act pursuant to which no exhibition of a cinematograph can be made in a place otherwise than what is licensed under the Cinematograph Act. Further, under the Cinematograph Act, the licensing authority (being the relevant district magistrate, or such other authority as may be specified by the state government) grants a license, *i.e.* 'cinema operating license', subject to satisfaction, amongst other things, that adequate precautions have been taken in the place, in respect of which the license is to be given, to provide for the safety of persons who will attend the cinema exhibitions. Further, we are also required to obtain certain health, electricity and fire related no-objection certificates from local municipal authorities under the applicable local, state level legislations from time to time. Further, for certain states, these no-objection certificates are required to be obtained prior to and continue to operate pursuant to the cinema operating license under the Cinematograph Act. Additionally, in respect of storage and sale of articles of food at our cinema multiplexes, we are required to comply with the general principles and

standards of food safety prescribed under the Food and Safety Standards Act, 2006 and are required to obtain a license thereunder. We are also required to obtain shops and establishment registrations and trade and health licenses under the relevant state and municipality level laws in the ordinary course of our business. Each of these approvals are subject to compliance with certain conditions and required to be renewed on a regular basis. Our Company cannot guarantee that it will timely comply with all of its obligations with governmental agencies, including obtaining the necessary operating permits in a timely manner. We generally apply for renewal of applicable licenses and no-objection certificates before the expiry of the existing license and no-objection certificate. After the review of the application, inspection of the premises and receipt of the renewal fees, the relevant authorities renew the license and issue the no-objection certificate for the premises typically before the expiry, however, in certain cases, after the expiry, in which case we operate the cinemas based on the renewal application.

Although our Company has no reason to believe that such licenses, no-objection certificates and approvals will not be granted and/or renewed as and when requested, our Company cannot guarantee that it will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. In the event that our Company is unable to renew or maintain such statutory permits and approvals or comply with any or all of the applicable terms and conditions, or seek waivers or extensions of time for complying with such terms and conditions, all or some of the Company's operations may be interrupted, penalties may be imposed and the Company's business, financial results and reputation could be materially and adversely affected.

Further, there can be no assurance that the relevant authorities will issue such approvals in the timeframe anticipated by us or at all. For instance, we have applied for renewal of license under the Cinematograph Act and renewal of no objection certificate from the fire and health authorities in various locations like Hyderabad MP Mall, Bangalore RMZ Gallaria (for the cinema license) and Mumbai Kandivali (west) (for fire and health no objection certificate), which is pending grant of renewal on account of COVID-19. Additionally, our Company's trade license for operation of a multiplex as well as operation of our food and beverage counters and the shops and establishments certificate has expired at various locations like Hyderabad GVK One and Thrissur Sobha City Mall, the renewal process for the same has not been initiated because of the government imposed lockdown and will be initiated once operations are renewed.

13. If we are unable to keep pace with evolving digital projection technologies, our results of operations and ability to grow could be materially affected.

Traditionally, movies were filmed using 35 millimeter celluloid movie cameras and screened using analog film projectors. All our cinemas use digital projection technologies. However, digital cinema departs from the traditional movie-based technology and relies on emerging digital technology which may eventually replace traditional celluloid projection technologies in cinemas. Our ability to screen digital movies with comparable celluloid movie quality depends on our ability to keep pace with rapid technological changes and use projectors that cost more than the cost of celluloid movie projectors.

In order to remain competitive, we may be required to make incremental capital investments in digital projectors, failing which our business and results of operations may be adversely affected. There is a risk that we may not be able to sufficiently invest in technology or industry developments, or evolve our business with the right strategic investments, to adapt to changes in our market. Our failure to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and result in being less competitive in terms of the quality of movies we screen. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition.

14. Piracy may reduce the number of cinema customers.

The scale of piracy has globally increased exponentially in the recent years with wide spread access to technology that can easily make copies of most digital content. In Indian movie exhibition sector, the threat of piracy mainly comes from two major sources - video recording of movies in a cinema and distributing through online platforms or other media and prior official release of international movies in other countries. Customer awareness of illegally accessed content and the consequences of piracy is lower in India and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement is difficult and the protection of intellectual property rights in India may

not be as effective as in other countries. There have been several instances where new movies have been subjected to piracy and have been made available online. On account of inadequate enforcement of anti-piracy laws in India, and on account of increasing home-viewing options, the number of cinema customers may reduce in the future, which may have a material adverse effect on our revenues and our results of operations.

15. ***We have in the past and may in future continue to pursue acquisitions, amalgamations and strategic investment opportunities, which could subject us to considerable risks including risks relating to the integration of these acquired/ amalgamated businesses with our existing operations. Our inability to complete and successfully integrate such acquisitions/ amalgamations could adversely affect our business prospects, results of operations and financial condition.***

    We have in the past, and may in the future, acquire potential complementary businesses and pursue acquisitions, amalgamations and/ or investments opportunities to gain access to new and strategic locations, technologies, businesses, products, markets and services, both in areas served by our existing businesses as well as in new areas. For instance, Calcutta Cine Private Limited and Fame India Limited and its subsidiaries were amalgamated into our Company in Fiscal 2008 in Fiscal 2014, respectively. In Fiscal 2016, Satyam Cineplexes Limited, which was a prominent multiplex cinema chain player in north India, amalgamated with our Company, pursuant to which we acquired 38 operational screens leading to our strong foothold in northern region. As a result of such acquisitions/ amalgamations, we expect to achieve certain synergies and cost savings through, for example, reducing general and administrative expenses, achieving purchasing efficiencies and achieving revenue enhancements resulting from the acquisition. However, there can be no assurance that we will be able to generate sufficient cash flow from these acquisitions/ amalgamations to service the indebtedness incurred to finance a particular acquisition or realize any other anticipated benefits. Nor can there be any assurance that our profitability will be improved by these or any future acquisitions/ amalgamations. Further, we may not be successful in identifying acquisition/ amalgamation opportunities, assessing the value, strengths and weaknesses of these opportunities or consummating acquisitions/ amalgamations on acceptable terms.

    Acquisitions/ amalgamations may expose us to particular business and financial risks such as diverting financial and management resources from existing operations, expending significant management time and bandwidth towards ensuring that operations are integrated with our existing operations, incurring indebtedness and assuming additional liabilities, known and unknown, including liabilities relating to the use of intellectual property we acquire, incurring significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges, experiencing an adverse impact on our earnings from the amortisation or impairment of acquired goodwill and other intangible assets, failing to successfully integrate the operations and personnel of the acquired businesses, failure to obtain any material government or statutory approvals including approval from competition authorities, entering new markets or marketing new products with which we are not entirely familiar, and failing to retain key personnel of, vendors to and customers of the acquired/ amalgamated businesses. If we are unable to address the risks associated with acquisitions/ amalgamations, or if we encounter expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired/ amalgamated entities and the expansion of operations, we may fail to achieve acquisition/ amalgamation synergies and may be required to focus resources on integration of operations rather than on our primary business activities. We may also not be in compliance with all the terms of the documentation in relation to our future acquisitions/ amalgamations, which may subject us to claims in relation to the same.

    Further, acquisitions/ amalgamations may also expose us to potential risks, including risks associated with the integration of new cinemas in different regions, operations, services and personnel, unforeseen or hidden liabilities, government restrictions, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions/ amalgamations, and potential loss of, or harm to, relationships with employees and customers, any of which could significantly disrupt our ability to manage our business. If we are unable to successfully integrate acquired/ amalgamated operations with our existing business, our business, results of operations and financial condition may be adversely affected.

16. ***Failure to maintain and enhance our brand, or any negative media coverage of our business may adversely affect our brand.***

Our reputation and the 'INOX' brand are critical to the success of our business. We believe our large scale brand equity and cinema experience has helped becoming the preferred choice of movie exhibitor for production houses and movie distributors. Our brand also helps us in sourcing strategic locations for our cinemas. Further, we believe that we are increasingly recognized among customers for the premium and luxury cinema experience we offer. Many factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, which may negatively affect our brand if not properly managed. These include:

- our ability to effectively manage the quality of our services and address customer grievances;
- our ability to successfully enter newer markets; and
- our ability to adopt new technologies or adapt our systems to user requirements or emerging industry standards.

Our brand could also be harmed if our services fail to meet the expectation of our customers, if we fail to maintain our established standards or if we become the subject of any negative media coverage. Any imitation of our brand or infringement of our intellectual property rights such as our registered trademark could also dilute our brand equity. Our promotion efforts may be costly and may fail to effectively enhance our brand or generate additional revenues. We also anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Our failure to develop, maintain and enhance our brand may adversely affect our relationships with distributors and production houses, which may result in decreased revenue and loss of customers, and in turn adversely affect our business, financial condition and results of operations.

17. Our business relies on the performance of our information technology systems and any interruption or security breaches or failure to migrate to more advanced systems in the future may have an adverse impact on our business operations and profitability.

The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to our centralised ticket booking and feedback systems, together with the communications systems linking our headquarters, theatres, and main information technology centres, is critical to our operations and to our ability to compete effectively. We use licensed software to manage our cinema operations. We also have an interactive web site and mobile application that we use as a marketing and customer information portal. In addition, we are also dependent on information technology systems, which may include third party infrastructure. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these information technologies or communications systems. These failures could be caused by, among others, hardware failure, software program errors, computer virus attacks, internet failure, failure to successfully implement ongoing information technology initiatives, human errors, blackouts and unanticipated problems at our existing and future cinemas. Many of these events are wholly or partially outside of our control. Further, significant problems with our IT system, such as telephone or IT system failure or cyber security breaches, could halt or delay our ability to service our customers, hinder our ability to conduct and expand our business and require significant remediation costs. Any of these events could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

Our ability to provide reliable service largely depends on the efficient and uninterrupted operations of our platforms (website and mobile application) and online aggregator platforms. Accordingly, any significant interruptions could severely harm our business and reputation and result in a loss of revenues. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. We cannot be certain that any measures we and our third party service providers have taken to prevent system failures will be successful or that we will not experience service interruptions. All of these may have an adverse effect on our business, results of operations, cash flows and financial condition.

18. Our marketing and advertising campaigns may not be successful in increasing the popularity of our brand. If our marketing initiatives are not effective, this may adversely affect our business.

The marketing of our cinemas, brand and screen formats is a key focus area for us. We undertake marketing and promotional activities for our brand and cinemas along with initiatives for certain specific movies and F&B items. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. We also rely on the expertise of a third party public relations agency, which provides us public relations and media support services. If our senior management or service provider leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers and retain existing customers. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

The support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects. In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of print or radio advertising, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

19. Our audited consolidated financial statements for Fiscal 2020 is not directly comparable to our historical financial statements for audited consolidated financial statements for Fiscal 2019 and Fiscal 2018.

The Ministry of Corporate Affairs ("**MCA**") has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we were required to adopt Ind AS 116 from April 1, 2019. Therefore, our Audited Consolidated Financial Statements have been prepared using Ind AS 116. We have applied Ind AS 116 from April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116, is recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. Prior to Fiscal 2020, our historical financial statements were all prepared based on applicable Ind AS, including Ind AS 17 "*Leases*", and do not reflect the application of Ind AS 116 which became applicable with effect from April 1, 2019. Accordingly, our historical financial statements including our Audited Consolidated Financial Statements for the Fiscal 2019 are not comparable to our Audited Consolidated Financial Statements for the Fiscal 2020, which reflects the impact of Ind AS 116.

20. We are dependent on our Directors, Key Managerial Personnel and Senior Management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition. Further, we may be unable to attract and retain sufficient qualified and trained staff in all or any of our cinemas which may adversely affect our business.

We are highly dependent on our Directors, Key Managerial Personnel and Senior Management for setting our strategic business direction and managing our business. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

Providing quality services at our cinemas is also one of the critical aspects for the success of our business operations. Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees for our cinemas. As we expand our screen network, we will need experienced manpower that has knowledge of the local market and our industry to operate our cinemas. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our cinemas in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

21. ***We are subject to accidents in our cinemas and other natural calamities or general disruptions affecting our operations which may lead to public liability consequences.***

We store and use certain combustible materials in our cinemas and auditoriums and are therefore subject to the risk of damages arising from fires. Although we have implemented industry acceptable safety controls at our cinemas and continuously seek to upgrade them, the risk of fire cannot be completely eliminated. While we maintain insurance policies according to industry standards to guard against losses caused by fire and other natural calamities, our insurance coverage for damages to our properties and disruption of our business due to these events may not be sufficient to cover all of our potential losses. Further, while we maintain public liability insurance cover for our cinemas and customers, in the event of an accident, we may be exposed to civil, tort and criminal liabilities and have an adverse impact on our reputation and brand. In addition, unanticipated mechanical and electrical failures, which may also cause disruptions in our cinemas for a significant period of time, could have a material adverse effect on our business results of operations and financial condition.

22. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands or any other such kind of disputes.***

In the past, we have not been subject to any material stoppages or strikes at our cinemas. Some of our employees are members of unions such as Maharashtra Navnirman Kamgar Sena, Dashing Amdar Ram Kadam Union and Kolkata Contractor Workers Union. There can be no assurance that we will not experience such disruptions in operations due to disputes or other problems with the government or our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

23. ***We may be exposed to claims by third parties for infringement of their intellectual property rights. Further, we may not be able to adequately protect our intellectual property that is material to our business.***

As licensees and exhibitors of third party content in the cinema and movies business, we also obtain licenses to use the intellectual property rights of such third parties on the terms set out in the agreements. While we take reasonable care to ensure that necessary consents are obtained from third parties for acquiring intellectual property rights relevant for exhibition of movies, we may be exposed to infringement claims by such third parties if we fail to comply with the terms of relevant licenses, which if determined against us, may impact our results of operations and our financial condition. We cannot be certain that we do not or will not inadvertently infringe third parties' intellectual property rights. While there are no outstanding claims made by third parties against our Company, for infringement of their intellectual property rights presently, legal proceedings involving intellectual property rights are highly uncertain, and can involve complex legal issues. Any intellectual property claim against us could result in significant liabilities to our business and can be expensive and time consuming to defend.

Further, our success and ability to compete depend in part upon our ability to protect our technology and to establish and adequately protect our intellectual property rights. While we have registered several of our trademarks, including INOX Live the Movie, INOX LASERPLEX, LASERPLEX, Kiddles, INOX Megaplex, INOX BIGPIX, INOX Black, INOX Blue, INOX REWARDS, INOX Delights, and applied for registration of certain other trademarks, including INSIGNIA and CLUB, monitoring unauthorized use of our intellectual property may be difficult and costly and we cannot be certain that the steps we take will be effective to prevent unauthorized use of our intellectual property rights. If a third party uses any of our marks or a mark similar to ours without our consent, we may face the risk of dilution of our brand equity as well as such trademarks being identified with such parties instead of us. Despite our efforts to protect our intellectual property rights, third parties may knowingly or unknowingly infringe, misappropriate or otherwise violate our intellectual property rights and we may not be able to prevent such infringement, misappropriation or violation without substantial expense to us, or the applicable laws may not adequately protect our rights which may have an adverse effect on our business, results of operations and financial condition.

24. An inability to compete effectively in the competitive movie exhibition industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition, and future prospects.

We operate in the movie exhibition industry, which is highly competitive. We compete against local, regional and national exhibitors in the markets we operate in. Further, our competition varies by market, geographic areas and type of product. We generally compete for admits. The degree of competition for admits is dependent upon such factors as location, theatre capacity, availability of movie show times, customer service quality, ticket price, reputation of their cinemas, quality of projection and sound systems at their cinemas and ability and willingness to promote the movies they are showing. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs and improve our operating efficiencies. key multiplex operators in the Indian movie exhibition industry include INOX Leisure Limited, PVR Limited, Carnival Films Private Limited and Cinepolis India Private Limited (Source: CRISIL Report). Some of our current and potential competitors include large companies that may have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, distribution, technical and other resources than we have. In the event that we are unable to compete effectively, we may lose some or all of our market share in the screen network market or lose our customers to these competitors and our business, results of operations, financial condition and future prospects could be adversely affected. Further, in markets where we typically do not face severe competition from other movie exhibitors, there may be circumstances wherein our competitors may establish new cinemas in such markets which could have an adverse effect on our markets share, business, results of operations and future prospects.

In addition to the cinema exhibition industry, we also compete in the advertising industry with other forms of marketing media including television and radio, as well as advertising in shopping centers, airports, stadiums, supermarkets and public transportation, including taxis, trains and buses. Advertisers may choose alternative methods to advertise which may have an adverse effect on our results of operations and financial condition.

Our competitors may seek to decrease their costs and to increase their margins and follow more competitive pricing, in respect of all aspects of our business, including ticket prices, advertising price as well as F&B offerings. Such pricing pressures may also become necessary on account of availability of alternative movies distribution channels, such OTT platforms, pay-per-view, cable television, and broadcast television from domestic and globally recognized brands. In order to remain competitive, we may have to offer discounts or lower our current price and charges, which would directly reduce our revenue.

25. We make significant investments in our leased premises for renovations and refurbishments, the cost of which we may be unable to recover.

We periodically make significant, fixed capital improvements for renovations, refurbishments and upgradation to our cinemas. As such, we may be unable to recover investments we make in renovating, refurbishing or upgrading our locations at the termination of a lease. The loss of investments in such capital improvements, particularly if such losses occurred at a number of our leased locations, may have an adverse effect on our business, financial condition, results of operations and prospects.

26. Our Company is involved in certain legal and other proceedings and there can be no assurance that our Company will be successful in any of these legal actions. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations and financial condition.

Our Company is impleaded in a number of legal and regulatory proceedings that, if determined against our Company could have an adverse effect on our business, results of operations, cash flows and financial conditions. Further, we have had in past and continue be involved in litigations under the prevention of food adulteration law, food standards and safety law and the consumer protection law, in relation to issues such as substandard products, misbranding, higher maximum retail price of F&B offerings at our multiplexes, convenience fee charged on ticket price, delay in scheduled show timing and deficient F&B products, which are pending before various adjudication forums at different levels of adjudication. For further details, see "*Legal Proceedings*" on page 222. Any adverse decision in any of these cases may adversely affect our business and financial condition. We cannot assure you that the outcome of these legal proceedings will be favourable. Such litigation could consume our financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators,

appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations and financial condition could be adversely affected.

27. Our results of operations are subject to seasonal variation.

The most marketable movies are usually released during the summer and holiday seasons. Therefore, our business is subject to seasonal fluctuations, with higher attendance and revenues generally occurring during the summer months and holiday seasons. As a result of this, our quarter-to-quarter results may not be comparable or a meaningful indicator of our future performance. It is possible that in the future some of our quarterly results of operations may be below expectations of market analysts and our investors and which may adversely impact market price of our Equity Shares.

28. Internal or external fraud or misconduct by our employees could adversely affect our reputation and our results of operations.

We may be subject to misconduct by employees or mishandling of movies and projectors by our employees which could result in piracy of movies, prior to their theatrical release, by such employees. Whilst we have a fidelity and crime insurance to cover to mitigate the risk of potential frauds, our businesses may accordingly expose us to the risk of fraud, misappropriation or unauthorized acts by our representatives and employees responsible for dealing with our operations. In addition, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud, insider trading or misconduct by our representatives and employees, which could adversely affect our goodwill. Any instances of such fraud, insider trading or misconduct could adversely affect our reputation, business, results of operations and financial condition.

29. Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, CRISIL Research, a division of CRISIL Limited, to prepare an industry report titled "*Market Assessment of film and multiplex industry in India"* dated October 2020, for purposes of inclusion of such information in this Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Further, some of the industry data and information may be dated. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

30. We have incurred indebtedness and are required to comply with its covenants based on documentation entered into with the lenders.

The terms of our financing arrangements contain, and our future indebtedness may contain, various restrictive covenants that limit our management's discretion in operating our business. In particular, these agreements include, or may include, covenants relating to limitations on amendment of memorandum of association or articles of association, prepayment of loans without prior consent, change in board composition resulting in change of control, reduction of share capital, advancing loans or providing guarantees and declaration of dividend in case of event of default. Such restrictions could limit our ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business or acquisition opportunities. Compliance with these covenants may prevent us from pursuing opportunities that we believe would benefit our business, including opportunities that we might pursue as part of our plans to expand our store base, our product offerings and sales channels. In addition, our financing arrangements require us to comply with certain financial covenants as well as information covenants. COVID-19 has adversely affected our business

and operations, and we have not operated any of our screens until the period six month ended September 30, 2020, which has adversely affected our financial position. Consequently, we may not be in compliance with some of the financial covenants of our financing arrangements. Some of our financing agreements also contain cross-default clauses, which are triggered in the event of default by our Company under the respective financing agreements. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations and financial condition. Our future borrowings may also contain similar restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

31. Any downgrade of our Company credit rating by an independent agency may adversely affect our ability to raise financing.

Our long term debt rating is CRISIL AA-/ Negative and our short term debt rating is CRISIL A1+. Any adverse revisions to our Company credit ratings rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business, financial condition and the price of our Equity Shares.

32. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business and revenues.

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. Presently, for our business and operations, we have obtained insurance policies such as insurance for property for loss suffered due to fire and other natural calamities, all risk insurance, electronic equipment insurance, burglary insurance, terrorism insurance, money insurance, marine insurance, cyber insurance and combined general liability policy as well as insurance for loss due to fire and burglary of inventory in storage at various locations as well as godowns. While we have various insurance policies, we cannot assure you that there will not be situations which will not be covered under such policies, for instance, our insurance coverage may not be sufficient to meet any losses we face due to the shut down of cinemas due to COVID-19. Further, we apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be materially adversely affected. Insurance against losses of this type can be expensive, and insurance premiums may increase in the near future and rising costs of insurance premiums could have a material adverse effect on our financial position and results of operations.

33. *We have certain contingent liabilities that have not been accounted for in our financial statements, which if they materialize, may adversely affect our financial condition.*

As of March 31, 2020, our contingent liabilities that have not been accounted for in our financial statements, were as follows:

(₹ in lakhs)

Particulars	March 31, 2020
Claims against our Company not acknowledged as debt	116.36
Entertainment Tax matters	4,786.01
Service Tax matters	20,540.19
Stamp duty matter	263.81
Custom duty matter in respect of import of projectors	4.36
Income-tax matters	253.78
Our Company may be required to charge additional cost towards electricity from June 1, 2007 to March 31, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by our 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 favour of the	389.83

Particulars	March 31, 2020
electricity supplier. Our Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	
Consequent to COVID-19 pandemic, the Company was required to shutdown its multiplexes in March 2020. 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

For further information on our contingent liabilities, see "*Financial Statements*" on page 231.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

34. We have significant power requirements for continuous running of our business operations. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an adverse effect on our business, results of operations and financial condition.

Our cinemas have significant electricity requirements and any interruption in power supply to our cinemas may disrupt our operations. Our business and financial results may be adversely affected by any disruption of operations. Our power and fuel charges were ₹ 11,502.73 lakhs, ₹ 10,707.28 lakhs and ₹ 9,531.96 lakhs in Fiscal 2020, Fiscal 2019, and Fiscal 2018 respectively.

We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses, which may adversely impact our business margins. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of our cinemas. In majority of the markets we operate in, there are limited number of electricity providers due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations. Further, in certain of our cinemas, the lessor's / licensor's responsibility to supply power is dependent on the relevant power distribution or electricity board over which we have no control. Accordingly, we may suffer a loss of revenue in the event there is a prolonged power outage at our cinemas. In addition, the Government may in order to control the pollution levels, restrict or ban the use of diesel generators in the future.

35. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Use of Proceeds*" on page 76.

36. Our Company has in the past entered into related party transactions and may continue to do so in the future.

We have entered into and may in the course of our business continue to enter into transactions. See "*Related Party Transactions*" on page 81. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is

likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

37. Our Promoter will be able to exercise significant influence over our Company and may have interests that are different from those of our other shareholders.

Our Promoter will continue to control a significant number of Equity Shares of our Company after the Issue. In view of this, our Promoter, has the ability to exercise, directly or indirectly, a controlling influence over our business, including matters relating to management, business strategies and policies. In addition, under the Articles of Association, our Promoter is entitled to appoint majority of the Directors, if it holds not less than 40% of the shareholding in our Company. As on date of this Placement Document, our Promoter holds 51.32% of our Equity Shares. The interests of our Promoter as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoter will act to resolve any conflicts of interest in favour of our Company or the other shareholders. To the extent that the interests of our Promoter differ from the interests of the shareholders, may be disadvantaged by any action that our Promoter may seek to pursue.

38. Our registered office is not owned by our Company.

Our Registered Office premises is owned by our Promoter, which we use without any formal written arrangement with our Promoter. Our Promoter has permitted us to use a part of its corporate office as our Registered Office without any consideration. Our Promoter may at any time evict us from the Registered Office. If evicted, we cannot assure that we will be able to find a similar office premises at commercially favourable terms and in a timely manner. This may lead to disruption of our business operations. Our Company is in the process of shifting its Registered Office from ABS Tower, Old Padra Road, Vadodara 390 007 to the jurisdiction of the state of Maharashtra, has made the requisite form filings with the RoC in this regard.

39. Grants of stock options under our employee stock option plans may result in a charge to our statement of profit and loss account and, to that extent, adversely affect our business, financial condition, results of operations and prospects.

We propose to issue stock options under the ESOP Scheme. Under Ind AS, the grant of employee stock options results in a charge to our Company's statement of profit and loss account equal to the difference between the fair value of our Equity Shares determined at the date of grant and the exercise price (which will amortize over the vesting period of these stock options). Further, we may continue to introduce such employee stock option schemes in the future, where we issue options to our employees at substantial discount to the market price of the Equity Shares, which may have a material adverse impact on our results of operations and financial condition. The holders of our Equity Shares may experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to any options issued under our employee stock option schemes.

RISKS RELATING TO THE ISSUE

40. Any future issuance of Equity Shares by us may dilute an investor's shareholding or adversely affect trading price of the Equity Shares.

Any future issuance of Equity Shares by us could dilute the investor's shareholding. Additionally, sale of our Equity Shares by the Promoters could also have an adverse effect on the trading price of the Equity Shares. Such events could also impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

41. After this Issue, our Equity Shares may experience price and volume fluctuations.

The offer price of the Equity Shares in this Issue has been determined by us in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this

Offering is complete. You may be unable to resell your Equity Shares at or above the offer price and, as a result, you may lose all or part of your investment.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian entertainment and media sector, adverse media reports on us or the Indian entertainment and media industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant development in India's fiscal regulations.

42. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. In addition, Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

43. There is no guarantee that we will pay dividends.

Any dividend that we pay to shareholders will be based on our performance. In turn, our ability to pay dividends in the future will be affected by a number of factors, principally our generation of distributable profits. In addition, we may be precluded from paying dividends by various factors, such as our financial condition, restrictions in existing or future financing documents to which we are party, or applicable law. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Any of the foregoing could limit the payment of dividends to shareholders or, if we pay dividends, the amount of such dividends. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

44. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. The GoI may also impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

Furthermore, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, all foreign direct investments by entities

incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India and shall have to be in conformity with the applicable provisions of the FEMA.

45. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Company's Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

46. An investor will not be able to sell any of our Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of allotment of the Equity Shares pursuant to the Issue

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment issue of Equity Shares in this Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. Further, allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. We cannot be certain that these restrictions will not have an effect on the price and liquidity of the Equity Shares.

47. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in this Placement Document under the heading "Selling Restrictions". We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

48. You may be subject to Indian taxes arising out of capital gains.

Under the current tax laws in India, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The IT Act levies taxes on such long-term capital gains exceeding ₹1 lakh per financial year arising from sale of equity shares on or after April 1, 2018 while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. You may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Furthermore, any gain realized on the sale of equity shares held for a period of 12 months or less is subject to capital gains tax in India Investors are advised to consult their own tax advisers and to carefully consider the potential tax consequences of an investment in shares. Capital gains arising from the sale of our Equity Shares will be exempt from tax in India in cases where such exemption is provided under the tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties, including those with the United States, do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

49. Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/ Issue Closing Date.

In terms of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investor's demat account with the depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the investors' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

EXTERNAL RISKS

50. We are affected by economic trends and adverse developments in the global economy and in countries where we operate.

Our business is affected by general economic conditions, and we are susceptible to downturns in economies around the world, particularly if this economic impact spreads to India. General economic conditions and macroeconomic trends can affect overall demand for our service / products and the markets in which we operate. During periods of slow economic activity, consumers may forego on use of our service, and if the economic environment in any of the markets from which we derive substantial revenue declines, unfavorable economic conditions may impact a significant number of our customers and, consequently, the demand for our services.

Future economic downturns (including but not limited to global or regional recessions as a result of factors mentioned above or other conflicts, credit crises, natural disasters or general or industry-specific declines in output or growth) could have the effect of significantly reducing demand for our services and could negatively affect our customers, our suppliers and the financial institutions with which we have accounts or other business relationships. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition or results of operations.

51. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the entertainment and media sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations.

Any political instability or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of the Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares.

52. Changing regulations in India, including in relation to finance and taxation laws, could lead to new compliance requirements that are uncertain.

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect our businesses, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely

affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

For example, as of July 1, 2017, a national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India. However, given the recent introduction of GST in India, the practice regarding the implementation of, and compliance with, GST is still evolving. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Any changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations.

Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. Any such failure to achieve compliance may result in increased cost and may adversely affect our business and results of operations.

The Finance Act, 2020 has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

53. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact its financial condition and cash flows.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("**PDP Bill**"), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have an adverse effect on our business, results of operations and financial performance. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business, results of operations and financial performance.

54. Significant differences exist between Ind AS and other accounting principles with which investors may be more familiar.

Our financial statements are prepared in conformity with Indian Accounting Standards ("Ind AS"). Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and accounting standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Ind AS, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Ind AS and IFRS or between Ind AS and U.S. GAAP as applied to our financial statements. As there are significant differences between Ind AS and IFRS and between Ind AS and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Ind AS. The significant accounting policies applied in the preparation of our Ind AS financial statements are as set forth in notes to our financial statements included in this Placement Document. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Ind

AS and IFRS and between Ind AS and U.S. GAAP and how they might affect the financial information contained in this Placement Document.

55. Force majeure events, particularly those affecting the states where our facilities are located, could adversely affect our business.

Our facilities are located across India. It is possible that earthquakes, cyclones, floods, fires, explosions, pandemic diseases or other natural or man-made disasters in India or these countries, particularly those that directly affect the areas in which our facilities and other operations are located, could result in substantial damage to the manufacturing facilities and other assets and adversely affect our operations and financial results. In addition, increased international political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained international relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could affect the availability of materials needed to manufacture our products or the means to transport those materials to manufacturing facilities and finished products to customers. These events have had and may continue to have an adverse impact on the world economy and customer confidence and spending in particular, which could, in turn, adversely affect our business, financial condition or results of operations.

56. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control, may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 10,28,57,754 Equity Shares have been issued, subscribed and paid up. The Equity Shares have been listed on BSE and NSE since February 23, 2006. The Equity Shares are listed and traded on NSE under the symbol INOXLEISUR and BSE under the scrip code 532706.

On November 6, 2020, the closing price of the Equity Shares on BSE and NSE was ₹ 267.05 and ₹ 266.40 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2020	494.40	February 24, 2020	33,015	165.01	245.95	March 24, 2020	19,043	46.50	342.99
2019	329.95	March 28, 2019	56,477	185.05	191.40	October 9, 2018	3,30,135	638.80	248.23
2018	309.05	February 14, 2018	24,261	75.09	217.30	September 27, 2017	5,764	12.65	268.96

(Source: www.bseindia.com)

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2020	495.05	February 24 2020	5,58,509	2,784.65	244.95	March 24, 2020	4,76,858	1,159.43	342.94
2019	329.90	March 28 2019	8,57,331	2,818.53	191.15	October 9, 2018	3,62,024	700.52	248.45
2018	308.00	February 14, 2018	2,11,201	653.11	218.35	September 27, 2017	44,736	98.52	269.25

(Source: www.nseindia.com)

Note:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*

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1. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the month (₹)***	**Equity Shares traded in the month**	
										Volume	**Turnover(₹in lakhs)**
October 2020	287.85	October 5, 2020	1,64,266	473.51	253.80	October 30, 2020	22,092	56.36	272.20	12,12,106	3,467.23
September 2020	296.25	September 3, 2020	1,02,853	304.50	250.05	September 24, 2020	12,853	32.92	281.12	8,50,437	2,394.20
August 2020	307.80	August 20, 2020	3,26,981	976.01	230.10	August 10, 2020	72,228	167.45	265.82	98,81,259	24,028.43
July 2020	255.70	July 28, 2020	1,11,271	281.77	223.30	July 14, 2020	54,174	121.96	235.26	11,94,108	2,904.14
June 2020	288.45	June 5, 2020	2,29,032	652.13	220.75	June 1, 2020	43,822	96.82	245.89	14,76,492	3,793.44
May 2020	216.50	May 21, 2020	1,29,446	271.46	165.25	May 18, 2020	73,465	125.64	202.36	8,73,588	1,709.40

(Source: www.bseindia.com)

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in lakhs)**
October 2020	287.95	October 05, 2020	9,83,108	2,836.50	253.65	October 30,2020	1,46,845	374.13	272.18	1,20,77,229	34,358.61
September 2020	296.75	September 3, 2020	8,81,019	2,606.98	249.60	September 24, 2020	4,06,643	1,038.86	281.15	1,35,48,822	38,093.51
August 2020	309.20	August 20, 2020	28,92,639	8,679.89	229.05	August 3, 2020	2,76,236	634.44	265.80	2,81,79,535	77,702.91
July 2020	255.85	July 28, 2020	7,92,349	2,006.20	223.05	July 14, 2020	2,14,936	483.46	235.22	1,10,65,459	27,040.67
June 2020	288.30	June 5, 2020	36,17,142	10,287.35	220.80	June 1, 2020	8,81,478	1,945.43	245.95	2,31,76,034	60,087.49
May 2020	216.35	May 21, 2020	24,24,398	5,100.13	165.15	May 18, 2020	23,33,153	3,995.47	202.20	1,95,59,620	37,928.23

(Source: www.nseindia.com)

Note:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

- The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2020, 2019 and 2018:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ lakhs)	
	BSE	NSE	BSE	NSE
2020	57,20,615	7,52,82,415	19,827.84	2,62,402.69
2019	1,17,13,565	4,92,31,449	26,060.26	1,21,446.76
2018	83,32,488	3,91,09,341	23,131.80	1,08,015.63

(Source: www.bseindia.com and www.nseindia.com)

- The following tables set forth the market price on the Stock Exchanges on August 6, 2020 being the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
234.00	239.50	231.00	234.65	14,729	34.66

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
233.10	239.95	231.00	234.70	6,92,530	1,636.14

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue aggregates to approximately ₹25,000 lakhs. The net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, are ₹24,590 lakhs ("**Net Proceeds**").

Purpose of this Issue

Our Company proposes to utilize the Net Proceeds (i) to meet capital expenditure requirements for ongoing and future projects; (ii) to sustain growth in the business; (iii) for business expansion and to improve the financial leveraging strength of the Company; (iv) towards working capital requirements; (v) towards debt repayments including repayment of any existing or future debt incurred for any purpose including for paying off any liability; (vi) for investments including amongst others, in subsidiary companies; and (vii) for general corporate purposes including but not limited to pursuing new business opportunities, acquisitions, alliances etc, as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, or final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilization of the Net Proceeds, our Company intends to invest the funds in creditworthy instruments, including money market, mutual funds and deposits with banks and corporates. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

Our Company shall disclose the utilization of funds raised through the Issue in its annual report every year until such funds are fully utilized.

Neither our Promoter nor our Directors are making any contribution either as a part of this Issue or separately in furtherance of the use of the Net Proceeds.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at September 30, 2020 and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 49, 83 and 231, respectively.

(₹ in lakhs)

Particulars	Pre-Issue (as at September 30, 2020)	Post-Issue as adjusted of Issue[1]
Current borrowings :		
Secured	1,887.93	1,887.93
Unsecured	6,036.14	6,036.14
Total current borrowings (a)	7,924.07	7,924.07
Non-current borrowings:		
Secured	10,972.21	10,972.21
Unsecured	0.00	0.00
Total non-current borrowings (b)	10,972.21	10,972.21
Total borrowings (c) = (a) + (b)	18,896.28	18,896.28
Shareholders' funds:		
Share capital	10,267.65	11,248.04
Securities premium	43,611.48	67,631.09
Reserves and surplus (excluding securities premium)	4,336.70	4,336.70
Shareholders' funds (d)	58,215.83	83,215.83
Total capitalization (c) + (d)	77,112.11	1,02,112.11
Current Borrowings / Shareholders Funds (a) / (d)	0.14	0.10
Total Borrowings[(2)] / Shareholders Funds (c) / (d)	0.32	0.23

[1] *Without consideration of the Issue expenses and for any other transactions or movements in such financial statement line items post September 30, 2020. The figures for the financial statement line items under the "Amount after considering the Issue (i.e. Post Issue)" column are unaudited and derived by giving effect to the issue of 98,03,921 Equity shares pursuant to the QIP, at a share premium of ₹ 245 per Equity Share through the Issue, without consideration for any other transaction or movement in such financial statement line items after September 30, 2020.*

[2] *Total borrowings includes short term borrowing, long term borrowing and current maturities of long term borrowing and excludes interest accrued.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

	Particulars	Aggregate value at face value[#] (in ₹)
A	**AUTHORISED SHARE CAPITAL**	
	14,90,50,000 Equity Shares	1,49,05,00,000
	10,000 preference shares of ₹10 each	1,00,000
		1,49,06,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	10,28,57,754 Equity Shares	1,02,85,77,540
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT[(1)]**	
	98,03,921 Equity Shares	9,80,39,210
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	11,26,61,675 Equity Shares	1,12,66,16,750
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (in lakhs)	43,611.48
	After the Issue[(2)] (in lakhs)	67,631.09

[#] Except for securities premium account
(1) The Issue has been authorised by the resolution of the Board of Directors in its meeting on August 5, 2020. The Shareholders have authorised and approved the Issue by way of a special resolution dated September 23, 2020.
(2) The amount has been calculated on the basis of gross proceeds from the Issue.

Equity Share capital history of our Company

The following table sets forth details of allotments of Equity Shares by our Company since its incorporation:

Date of allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment
November 9, 1999	700	10	10	Cash	Subscription to the MOA
March 31, 2000	77,50,000	10	10	Cash	Preferential allotment
January 12, 2001	1,32,50,000	10	10	Cash	Preferential allotment
March 13, 2001	39,99,300	10	10	Cash	Preferential allotment
March 27, 2002	92,00,000	10	10	Cash	Preferential allotment
March 31, 2003	1,08,00,000	10	10	Cash	Preferential allotment
October 17, 2005	25,00,000	10	15	Cash	Preferential allotment
October 28, 2005	5,00,000	10	15	Cash	Preferential allotment to the trustee of the employee welfare trust
February 16, 2006	1,20,00,000	10	120	Cash	Allotment pursuant to initial public offer
December 19, 2007	16,67,800	10	-	Other than cash	Scheme of arrangement
June 20, 2008	2,27,748	10	-	Other than cash	Scheme of arrangement

Date of allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment
July 10, 2013	3,45,62,206	10	-	Other than cash	Scheme of arrangement
November 30, 2018	64,00,000	10	250	Cash	Preferential allotment

Pre-Issue and post-Issue shareholding pattern of our Company

The pre-Issue shareholding pattern as on September 30, 2020 and the post-Issue shareholding pattern of our Company is set forth below:

No.	Category	Pre-Issue as of September 30, 2020		Post-Issue[2 3]	
		No. of Equity Shares held	% of Equity Share holding	No. of Equity Shares held	% of Equity Share holding
A	**Promoters' holding[1]**				
1	Indian				
	Individual	0	0	0	0
	Bodies corporate	5,33,73,928	51.89	5,33,73,928	47.38
	Others	0	0	0	0
	Sub-total	5,33,73,928	51.89	5,33,73,928	47.38
2	Foreign promoters	0	0	0	0
	Sub-total (A)	5,33,73,928	51.89	5,33,73,928	47.38
B	**Non-promoters' holding**				
1	Institutional investors				
	Indian	2,17,72,385	21.17	2,85,76,307	25.36
	Foreign	1,11,74,861	10.86	1,41,74,860	12.58
2	Non-institutional Investors				
	Private corporate bodies	13,50,523	1.31	13,50,523	1.20
	Directors and relatives	15,05,385	1.46	15,05,385	1.34
	Indian public	1,30,47,512	12.69	1,30,47,512	11.58
	Others (including Non-resident Indians (NRIs))	4,51,909	0.44	4,51,909	0.40
3	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	181,251	0.18	181,251	0.16
	Sub-total (B)	**4,93,02,575**	**47.93**	**5,92,87,747**	**52.62**
	Total (A+B)	**10,28,57,754**	**100**	**11,26,61,675**	**100**

[1]This includes the shareholding of the members of our Promoter Group.

2 The table for the post-Issue shareholding pattern of our Company reflects the shareholding of the 'institutional investors' category as of September 30, 2020, adjusted for Allocation made in the Issue, and reflects the shareholding of all other categories of shareholders as of September 30, 2020.

3 Assuming Allotment of Equity Shares to each of the proposed Allottees, referred to in "Proposed Allottees in the Issue" beginning on page 229, pursuant to the Issue.

Employee stock option scheme

As on the date of this Placement Document, our Company has an employees' stock option scheme, the "ILL - Employee Stock Option Scheme 2006" ("**ESOP Scheme**"). The ESOP Scheme came into effect on pursuant to (i) approval of the Board of Directors through its resolution dated October 30, 2006 and (ii) approval of the Shareholders through a special resolution at their EGM held on January 4, 2007. The ESOP Scheme was subsequently amended pursuant to a resolution of the Compensation, Nomination and Remuneration Committee on August 8, 2016 to extend the benefits of the ESOP Scheme to the eligible employees of the subsidiaries of the Company. The ESOP Scheme came into effect from January 29, 2007 and is administered by the Compensation, Nomination and Remuneration Committee through the INOX Leisure Limited – Employees' Welfare Trust

("**ESOP Trust**"). The ESOP Scheme seeks to reward employees for their past performance and association with our Company, as well as to attract, retain, reward and motivate employees to contribute to the growth and profitability of our Company. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. Upon exercise of an option by an eligible employee, Equity Shares of our Company held by the ESOP Trust is transferred to the relevant employee. As on date, the ESOP Trust holds 1,81,251 Equity Shares.

The table below sets forth details in respect of the ESOP Scheme as of September 30, 2020:

Details	Number of options
Total number of options	5,00,000
Total number of options granted	1,87,500
Options vested	1,13,750
Options exercised	1,13,750
Options lapsed or forfeited	40,000
Total number of options outstanding	33,750

Other Confirmations

Our Company has not made any allotments of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the annual general meeting of our Shareholders held on September 23, 2020, to the Shareholders for the approval of this Issue.

There will be no change of control of our Company pursuant to the Issue.

Our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Placement Document.

RELATED PARTY TRANSACTIONS

For details of the related party transactions as per the requirements under Ind AS 24, as notified under Section 133 of the Companies Act, 2013 read with Ind AS rules as amended, for Fiscals 2020, 2019 and 2018, see "*Financial Statements*" on page 231.

DIVIDENDS

The declaration and payment of final dividend, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. See *"Description of the Equity Shares*" on page 207.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on January 24, 2017 in terms of Regulation 43A of the SEBI Listing Regulations to regulate the process of dividend declaration and its pay-out.

The following table details the dividend paid or payable by our Company on the Equity Shares in respect of the six months period ended September 30, 2020 and Fiscals 2020, 2019 and 2018:

Period	Face Value of Equity Share (in ₹)	Interim dividend per Equity Share (in ₹)	Final dividend per Equity Share (in ₹)	Total amount of dividend (in ₹ lakhs)	Dividend rate (%)	Dividend distribution tax (in ₹ lakhs)
Six months period ended September 30, 2020	Nil					
Fiscal 2020	10	1	Nil	985.08	10%	211.42
Fiscal 2019	Nil					
Fiscal 2018	Nil					

Note: The above amount of interim dividend for Fiscal 2020 is net of ₹43.50 lakhs being dividend in respect of treasury shares. The gross amount of dividend is ₹1,028.58 lakhs for Fiscal 2020.

The amounts declared as dividend in the past are not indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. The frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, current year's profits, future outlook, operating cash flows, extraordinary income/expenses and capital expenditure plans. See "*Risk Factors – "There is no guarantee that we will pay dividends"* on page 68.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "*Description of the Equity Shares*" on page 207.

For a summary of certain consequences under Indian taxation law of dividend distributions to shareholders, see "*Statement of Special Tax Benefits*" on page 212.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results on page 231.

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" on page 18. Also read "Our Business", "Industry Overview", "Financial Statements", "– Significant Factors Affecting our Results of Operations", "Risk Factors" and "Selected Financial Information" on pages 153, 122, 231, 85, 49 and 37, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2020, 2019 and 2018 included herein is based on the audited consolidated financial statements prepared as of and for each of the Fiscals 2020, 2019 and 2018 in accordance with the Indian Accounting Standards ("**IndAS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies Act and the financial information included herein for the quarter and half year ended September 30, 2020 (including the comparative financial information with respect to the quarter and half year ended September 30, 2019 as included in the Unaudited Consolidated Financial Results) is based on the consolidated Unaudited Consolidated Financial Results, prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 and as required under the SEBI Listing Regulations, included in this Placement Document. For further information, see "Financial Statements" and "Selected Financial Information" on pages 231 and 37, respectively.*

Our Company adopted Ind AS 116 from April 1, 2019, therefore, the audited consolidated financial statements for Fiscal 2020 and unaudited consolidated financial results for September 30, 2020 are prepared using Ind AS 116. Accordingly, financial numbers as per the audited consolidated financial statements for Fiscal 2020 are not comparable with our historical financial statements for audited consolidated financial statements for Fiscal 2019 and Fiscal 2018, included in this Placement Document. For details, please see "Risk Factors - Our audited consolidated financial statements for Fiscal 2020 is not directly comparable to our historical financial statements for audited consolidated financial statements for Fiscal 2019 and Fiscal 2018" on page 61 and Note 45 to the audited consolidated financial statements for Fiscal 2020 included in the section "Financial Statements" on page 231.

*In this section, unless otherwise indicated or the context requires, a reference to "our Company" is a reference to INOX Leisure Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to INOX Leisure Limited and its subsidiary on a consolidated basis (together referred to as "**Group**"). Certain information included in this section has been extracted from the Crisil Report which has been commissioned by our Company. For risks in relation to commissioned reports, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate" on page 64.*

Overview

We are one of the largest multiplex cinema chain operators in India having pan-India operations as on date across 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 144,467 seats. As of March 31, 2020, we are a market leader in the eastern region with 87 screens. Within the eastern region, we have a dominant share in West Bengal. We are amongst the market leaders in western region with 252 screens Fiscal 2020. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). Our market share of Bollywood/ Hindi movies and Hollywood/ English movies domestic box office collections in India was 65% and 15%, respectively, in Fiscal 2020 (Source: CRISIL Report). For the Fiscal 2020, our PAT per screen (without Ind AS 116 impact) was ₹ 2.3 million and PAT per patron (without Ind AS 116 impact) was ₹ 21.40.

Our core business being screening of movies, we have consistently added screens, both organically and inorganically, through strategic investments and acquisitions, from eight screens in Fiscal 2002 to 626 screens in Fiscal 2020. In Fiscal 2019, we added 85 new screens, which was the highest number of screens added by any multiplex cinema chain operator in India (Source: CRISIL Report). Calcutta Cine Private Limited and Fame India Limited and its subsidiaries were amalgamated into our Company in Fiscal 2008 in Fiscal 2014, respectively. In Fiscal 2016, Satyam Cineplexes Limited, which was one of the prominent multiplex cinema chain players in north India, amalgamated with our Company, pursuant to which we acquired 38 operational screens leading to our strong foothold in northern region. In Fiscal 2021, we are in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. Our revenue from box office increased from ₹ 80,219.57 lakhs in Fiscal 2018 and ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 110,459.02 lakhs in Fiscal 2020. In 2019, we were awarded the "Best Brand" by ET Best Brand awards. We were also awarded the "India's Most Trusted Cinema-Display Brand" by TRA's Brand Trust Report and "India's Top Multiplex Chain of the Year" by Imax Big Cine Awards, in 2019.

To ensure that we deliver unmatched and outstanding screening experience to our patrons, we have always been in the forefront to introduce the best and latest technology. We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest offering in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect. Our IMAX screens use advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3D. We were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making cinema viewing experience as natural as one would watch it in real world. Our LASER screens provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens. In 2019, we were awarded "Best Technology Adopter of the Year" award by Imax Big Cine Awards.

With an endeavour to provide our customers with immaculate experiences, we continue to curate grand and immersive offerings that set new standards of luxury. Our signature offering, INSIGNIA has been designed for the genuine film connoisseurs, which offers 7-star cinema viewing experience curated to the delight of viewers. INSIGNIA offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems along with gourmet food at the seat and a butler – ready to serve anytime. CLUB is our luxurious format offering for the smart and discerning customers with ample leg space and striking interiors. Our home-grown premium large format - BIGPIX, provides movie-lovers a stadium-like auditorium to watch their favourite blockbusters. We have introduced a three tier cinema rewards loyalty program for our customers – INOX Rewards, offering various benefits such as free cancellation and free merchandises, and reward points accumulated with every transaction with us, which could be redeemed for movie tickets and food and beverage ("**F&B**") purchase at our multiplexes. We were awarded the "Highest Luxury Standards" in 2019 by International Film Business Awards. We were also awarded the "Best Loyalty Program" in Retail Industry by ET Global Awards for Retail Excellence in 2019.

In addition to our primary revenue flow from sale of movie tickets, we have other diversified revenue streams such as revenue from sale of F&B and revenue from advertisements. We also derive revenue from convenience fees charged to our customers for tickets purchased on our website and mobile application. We also derive revenue from convenience fee charged from customers by ticket aggregators such as BookMyShow and Paytm for booking and selling our ticketing inventory through their digital platforms, pursuant to our contractual arrangement with them. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020. Further, our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020. In addition, our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

As of March 31, 2020, we are a net debt free company. We have maintained a consistent track record of financial performance. Our total income increased from ₹ 136,258.36 lakhs in Fiscal 2018 and ₹ 17,0710.29 lakhs in Fiscal 2019 to ₹ 19,1461.24 lakhs in Fiscal 2020. Our EBITDA increased from ₹ 22,491.03 lakhs in Fiscal 2018 and ₹ 32,408.28 lakhs in Fiscal 2019 to ₹ 34,723.21 lakhs in Fiscal 2020 (without Ind AS 116 impact). Our net profit

after tax was ₹ 11,462.94 lakhs in Fiscal 2018 and ₹ 13,349.12 lakhs in Fiscal 2019, and our net profit after tax was ₹ 14,102.56 lakhs in Fiscal 2020(without Ind AS 116 impact).

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document we have included the following financial statements prepared under Ind AS: (i) audited consolidated financial statements for Fiscal 2018 read along with the notes thereto (the "**Fiscal 2018 Audited Consolidated Financial Statements**"); (ii) audited consolidated financial statements for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Consolidated Financial Statements**"); (iii) audited consolidated financial statements for Fiscal 2020 read along with the notes thereto (the "**Fiscal 2020 Audited Consolidated Financial Statements**" and collectively with Fiscal 2018 Audited Consolidated Financial Statements and Fiscal 2019 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and (iv) pursuant to the meeting of our Board of Directors on August 5, 2020, we have adopted and filed with the Stock Exchanges on August 5, 2020, the Ind AS unaudited consolidated financial results for the quarter and half year ended September 30, 2020 (including the comparative financial information with respect to the quarter ended September 30, 2019 (included as a comparative in the Unaudited Consolidated Financial Results for September 30, 2020) and other financial information with respect to historical fiscal year/ periods as required under applicable law) read along with the notes thereto (the "**Unaudited Consolidated Financial Results**"). However, potential investors are cautioned that the presentation of our Audited Consolidated Financial Statements may not be strictly comparable to our Unaudited Consolidated Financial Results.

The Audited Consolidated Financial Statements have been audited and the Unaudited Consolidated Financial Results have been reviewed, by our statutory auditors, M/s. Kulkarni and Company ("**Statutory Auditors**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Statement of Unaudited Consolidated Financial Results should be read along with the review report issued thereon.

In this section, we have included (i) a comparison of our Ind AS unaudited consolidated financial results for the half year ended September 30, 2020 with that for the half year ended September 30, 2019; (ii) a comparison of our Ind AS audited consolidated financial statements for Fiscal 2020 with that for Fiscal 2019; and (iii) a comparison of our Ind AS audited consolidated financial statements for Fiscal 2019 with that for Fiscal 2018.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Impact of COVID-19

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India and globally.

The ongoing COVID-19 pandemic has materially adversely affected our business, financial condition and results of operations. There was a complete shutdown of our business during the first two quarters of Fiscal 2021 as all our screens across India were non-operational since March 24, 2020 till as recently as October 14, 2020. Many of our screens were shut even prior to March 24, 2020 in accordance with the orders issued by various statutory and regulatory authorities in many states which had ordered shut down of malls and multiplexes. In order to sustain our capital requirements during this period, we have endeavoured to rationalize our fixed costs, including lease rental/ license fee. We have invoked the force majeure clause under various lease/ license agreements for our multiplex premises, contending that rent and CAM charges for the shutdown period on account of COVID-19 pandemic are not payable. We have already settled the matter with some lessors/ licensors and expect to settle with the balance lessors/ licensors in due course. The amount of reduction in rent and CAM charges which is yet to be settled, for half year ended September 30, 2020, is ₹ 9,880 lakhs while the cumulative amount reduction in rent and CAM charges upto September 30, 2020 is ₹ 10,609 lakhs. Our employee benefit expenditure (including outsourced manpower) decreased by 45.41% in the half year ended September 30, 2020 compared with the half year ended September 30, 2019 due to expiry of contractual agency agreements and reduction in salaries and

layoffs.

While the Government of India and certain state governments have permitted cinemas to reopen, strict Standard Operating Procedures (SOPs) have been laid down by the Ministry of Information and Broadcasting for the cinemas which have to be met for theatres to open and continue operations. Even after some of the theatres resume operations, footfalls is expected to remain sub-par as patrons, are likely to stay away from crowded places, as a means of caution, resulting in lower box-office collections, adversely impacting our revenues. Corporate advertisement spends may also witness a decline, adversely impacting our advertisement revenues. Additionally, once our cinemas resume operations, if any of our customers or staff is diagnosed with COVID-19, it will have a material adverse impact on our ability to attract customers to our cinemas.

The SOPs that have been laid down and to be followed are quite stringent and shall, in the short term, add to the costs of running our operations. Our costs of operations will also increase as we have to conduct regular disinfection and sanitization of our cinemas for additional hygiene related protocol, maintain favourable temperatures in our cinemas, contactless security check-ins etc. Further, we may not be able to run our cinemas at optimal capacity, in order to ensure there is social distancing amongst our patrons. This further means that while our fixed costs may increase significantly, we may not be able to generate sufficient revenue to service such costs and that may have a continued impact on our business and financial prospects, which amongst others may include closure of some lower performing and unsustainable cinemas. These costs are expected to be partially offset by lowering overall operating expenses, fall in lease and rentals and employee costs.

While our cinemas might be permitted to commence operations in some of the less COVID-19 stricken areas, we are not certain on whether production houses and distributors will agree to release movies before cinemas start functioning in all the metro cities and the other key areas. This would result in a dearth of quality content.

The effects of COVID-19 on our business could be long-lasting and could continue to have adverse effects on our business, results of operations, liquidity, cash flows and financial condition, some of which may be significant, and may adversely impact our ability to operate our business on the same terms as we conducted business prior to the pandemic. The longer and more severe the pandemic, including repeat or cyclical outbreaks beyond the one we are currently experiencing in India, the more severe the adverse effects will be on our business, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness.

Box office collection and distributor's share

Our business and results of operations are dependent on our ability to license movies and the overall success, particularly the box office collection, of movies being exhibited at our cinemas. Our ability to attract patrons depends upon the availability, diversity, quality of content and appeal of movies as well as the performance of such movies in our markets. The success of the movies that we license, majorly depends on the marketing efforts of the production houses and distributors and are also dependent upon the timing and popularity of movie releases by major production studios and distributors. Further, considering the geographical spread of our multiplexes and cinemas, the content of movies offered by production houses and distributors also has to cater to the demographic base of our patrons and the appeal such movies have in the areas they are exhibited.

Our box office revenue depends on the number of patrons that visit our cinemas and the ticket price that we charge our patrons. In addition, box office performance also affects the sale of Food and Beverages and our advertisement income. A certain agreed percentage of the net box office collections of a movie is shared with the distributors of the movies and this distributors' share towards exhibition, is our largest head of expense. The share of the distributer is calculated based on various parameters including the number of weeks for which the film is exhibited, category of theatre i.e. single screen or a multiplex and duration and language of the film. Generally, the distributor's share of net collections reduces as the exhibition week progresses. Distributors' share was 44.62%, 44.24% and 43.78% of revenue from box office collection in Fiscals 2018, 2019 and 2020. Our revenue from box office was ₹ 80,219.57 lakhs in Fiscal 2018, ₹ 97,538.28 lakhs in Fiscal 2019 and ₹ 110,459.02 lakhs in Fiscal 2020.

Footfall, ticket prices, food and beverage revenue and revenue from advertising and royalty

Our total income is primarily affected by the footfall at our multiplexes and theatres, our ticket price, revenue generated from the sale of food and beverages and the amount we receive from those who advertise with us.

Footfall and ticket prices - Ticket sale depends primarily upon the footfall at our multiplexes and theatres and the admission price per ticket. Both these factors are critical for optimising the profitability of our multiplexes and theatres. Pricing of a ticket depends on various factors such as location of the multiplex, month of the year, day of the week, show timing, etc. Our ability to charge a particular ticket price is also significantly limited by state legislations which control the cinema ticket prices that we charge from our customers in certain states including Andhra Pradesh, Karnataka, Tamil Nadu and Telangana. For further information, see "*Risk Factors - Restrictions on ticket prices imposed in certain states may affect our results of operations*" on page 54.

Food and beverages - A part of our revenue is generated from the sale of food and beverages in our multiplexes and theatres. We try to maximize our revenue from the sale of food and beverages by increasing the number of transactions in the limited time our patrons have prior to the start of a film or during the interval of a film by increasing the average transaction size by offering attractive deals. We attempt to increase the number of transactions by installing adequate number of points of sale counters in our multiplexes / theatres as well as offering option of getting the food and beverages delivered inside the theatre, on the seats. We have also been offering combo offers along with the online and box-office sale of tickets to increase our revenue from sale of food and beverages. Our revenue from sale of Food and Beverages for the Fiscals 2018, 2019 and 2020 was ₹ 30,602.30 lakhs, ₹ 43,592.55 lakhs and ₹ 49,719.45 lakhs, respectively. Any mismatch between our planning, introduction of new food and beverages offering and the actual demand by our customers could impact us adversely, leading to loss of existing customers or lower footfalls.

Advertisement and royalty - Revenue from advertising and royalty is generated from on-screen advertising, displays inside and outside the multiplexes and theatres, promotional kiosks, etc. While advertisement is not a big component of our total income, it is good for our profit margin because our margin of profit on the revenue generated from advertisement is high as the costs associated with the display of advertisements are very less. Our Advertisement and royalty income in Fiscals 2018, 2019 and 2020 was ₹ 13,890.88 lakhs, ₹ 17,666.54 lakhs and ₹ 17,897.01 lakhs, respectively.

Expansion of screen network and screen formats

Our results of operations are dependent on the number, size and location of, and revenue collected from, our screen network. The expansion of our screen network has been significant contributor in the growth in our overall sales volume. We have added over 168 screens between Fiscal 2018 and Fiscal 2020 of which 85 new screens were added in Fiscal 2019. Investments in additional screens have also contributed to year-on-year increases in depreciation expenses as our depreciable asset base has grown and has also resulted in an increased need for inventory, manpower, rent, common area maintenance and other direct expenses which has increased our costs. The success of our expansion plans is also subject to various factors, including identification of suitable locations, obtaining new leases on suitable terms and conditions and other risks associated with commencing operations in a new market, including local competition. Some of our lease/ license agreements contain provisions permitting termination of these arrangements on account of non-compliance with their terms and failure to cure such non-compliance within specified time frames, by us. Any failure in the timely development, financing or operation of our new projects would likely have an adverse impact on our results of operations. Our new cinemas may not achieve the requisite levels of admissions projected by us at the project evaluation stage, which could adversely affect our results of operations and financial condition. New cinemas generally record lower sales compared to more established cinemas, and these new cinemas will only contribute to sales for part of the fiscal period in which they are opened. Our future results of operations will therefore also depend on the timing of opening of these new cinemas and how quickly each cinema is able to increase sales to a level that enables such cinema to become profitable.

We plan to further expand our screen network across India. For our expansion plans, we aim to continue to work with the commercial real estate developers and focus on premium screen formats. We also intend to expand our screen network through strategic investments, amalgamations and acquisitions and have in the past made certain acquisitions/ amalgamations, such as, FAME and Satyam.

Impact of Goods and Services Tax ("GST") and Local Body Entertainment Tax ("LBET")

Our results of operations are also significantly impacted by GST. Initially, under the GST regime, movie exhibition fell under the highest tax bracket of 28% (for tickets above ₹ 100), which was reduced to 12% from 18% for tickets up to ₹ 100 and 18% from 28% for tickets above ₹ 100 with effect from January 1, 2019. In addition, previously, the GST rate was 18% on F&B, however, the GST rate has now been fixed at 5% on F&B without any input tax credit, thereby limiting the ability of cinema operators to offset input credit against output

tax liability which increases costs for the cinema operators. Any subsequent changes in the GST rates could affect our business and results of operations. Further, with the implementation of GST, the entertainment tax levied by the state governments was subsumed under GST. However, certain local bodies levy local body entertainment tax, in addition to GST, within their state. For instance, in Tamil Nadu, the Greater Chennai Corporation's Revenue Department levies local body entertainment tax of 8.0% of the net ticket price for Tamil films, 15.0% of the net ticket price for Hindi and other regional films and 20.0% of the net ticket price for English films. If any other local bodies in the states we operate in, start implementing such entertainment tax or if there is any subsequent increase in local body entertainment tax, it could result in a reduction in our profitability and could materially affect our business and results of operations.

Impact of Ind AS 116

During the year Ind AS 116: Leases has replaced the earlier lease standard Ind AS 17: Leases with the date of initial application being April 1, 2019. Our Company has transitioned to Ind AS 116 with effect from April 1, 2019 using 'modified retrospective approach'. Under this approach, we have 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. 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. Therefore, the financial statements/ financial information that we prepare in accordance with Ind AS 116 in the future will not be comparable with our historical financial statements.

We assess whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. As at the date of commencement of the lease, we recognise a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for the leases with a term of twelve month or less (short-term leases). For these short term leases, we recognise the lease payments as an operating expense on a straight line basis over the period of lease. Further, certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right of use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right of use assets are initially recognized 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. Right of use assets are depreciated from the commencement date on a straight line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Accordingly, the lease liability and right of use asset have been separately presented in the interim condensed consolidated balance sheet and lease payments have been classified as financing cash flows in interim condensed consolidated statement of cash flows.

There is no difference between the operating lease commitments disclosed applying Ind AS 17 as at March 31, 2019, discounted using the incremental borrowing rate at the date of the application of Ind AS 116. 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 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. For further information, see "*Financial Statements*" on page 231.

COMPETITION

Multiplexes and theatres operated by us compete for audiences with other multiplexes and theatres based on geographical location. In particular we compete with the other domestic multiplex chains i.e. PVR Limited, Carnival Films Private Limited and Cinepolis India Private Limited. Our success is dependent on our ability to

compete in areas such as ticket prices, content of the film, quality of service, location of multiplexes / theatres and brand recognition, among others. We also have to compete with any new multiplex or theatre that commences operations in the cities in which we operate. We also compete with other movie distribution channels and these technologies, such as, video on demand and online streaming, could also have an adverse effect on our business and results of operations.

Further, we face competition for the public's leisure time and disposable income with other forms of entertainment, including sporting events, concerts, live theatre and restaurants. Some of our current and potential competitors include large companies that may have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, distribution, technical and other resources than we have. In the event that we are unable to compete effectively, we may lose some or all of our market share in the screen network market or lose our customers to these competitors and our business, results of operations, financial condition and future prospects could be adversely affected.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

Control is achieved when our 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.

Our 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 our Company obtains control over the subsidiary and ceases when our 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 our Company gains control until the date when our Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of our Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of our Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the members of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the 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 losses 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.

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; and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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.

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 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.

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) <u>Revenue from services:</u>

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) <u>Food and beverages revenue:</u>

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

(c) <u>Loyalty programme</u>

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'.

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.

Government Grants

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

Government grants, whose primary condition is that the Group should establish and operate multiplexes in specified areas, are initially recognised as deferred revenue in the consolidated balance sheet and subsequently transferred to profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the 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.

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.

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 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.

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.

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.

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.

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.

Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with our Company, equity shares of our Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by our Company at the time of amalgamation. These shares were recognised as Interest in INOX Benefit Trust at the amount of consideration paid by our Company to acquire the shares of erstwhile Fame. These shares of our 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'. The Trust has subsequently sold the treasury shares to un related parties by way of a block deal on August 11, 2020. For further details see "-*Significant Developments after March 31, 2020 that may affect our Future Results of Operations*" on page 121.

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.

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.

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 April 1, 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.

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.

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 10-24 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 April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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.

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.

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.

Financial instruments

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

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

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

iii. Financial assets measured at FVTPL:

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

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

d) Foreign exchange gains and losses

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

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in 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)

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 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.

Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of our 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 our Company held by INOX Benefit Trust as of March 31, 2020, being treasury shares, were excluded while computing the weighted average number of shares as of March 31, 2020.

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.

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.

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 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.

(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, our Company has the power to remove the trustees as it may deem necessary. Hence, the directors of our Company have concluded that the Group has control over these trusts and the same has been consolidated.

For further information, see "*Financial Statements*" on page 231.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our revenue comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) revenue from box office, (ii) revenue from advertisement services, (iii) convenience fees, (iv) virtual print fees, (v) other services (conducting fee income, recovery – common area management, management fees, parking charges received and equipment leasing income) (vi) Sale of food and beverages, and (vii) other operating revenue.

Other Income

Other income includes (i) interest earned on bank deposits, long term investments and security deposits and others, (ii) interest on income tax refunds and other interest, (iii) other non-operating income (net) including excess liability written back, and (iv) net gain on redemption of mutual fund investments.

Expenses

Our expenses comprise (i) cost of materials (food and beverages) consumed, (ii) exhibition cost, (iii) employee benefits expense, (iv) finance costs, (v) depreciation and amortisation expense, (vi) Impairment losses (net), and (vii) other operating expenses.

Cost of materials (food and beverages) consumed

Consumption of food and beverages represents the material cost of raw material, and semi-finished and finished products used in supply of food and beverages to our customers.

Exhibition cost

Exhibition cost represents the cost associated with the box-office revenue shared with the film distributors and production houses pursuant to the revenue share agreement and other exhibition costs.

Employee benefit expense

Employee benefits expense comprises (i) salaries and wages; (ii) contribution to provident and other funds; (iii) expenses towards employee stock option scheme, (iv) gratuity expense and (v) staff welfare expenses.

Finance Costs

Finance costs comprise interest on term loans and banks, interest on leased liabilities, interest on income tax and other interest expense and other financial charges.

Depreciation and Amortization Expenses

Depreciation and amortization expenses comprises (i) depreciation on property, plant and equipment; (ii) depreciation on right-of-use assets and (iii) amortization of intangible assets.

Other Operating Expenses

Other operating expenses includes, amongst others (i) power and fuel; (ii) rent and common facility charges; (iii) outsourced personnel cost; (iv) repairs and maintenance towards plant and equipment, buildings etc.; (v) indirect tax expense; (vi) housekeeping expenses; (vii) security charges (viii) advertisement and sales promotion; (ix) travelling and conveyance; (x) rates and taxes; (xi) legal and professional fees; (xii) Loss on sale / disposal of property, plant and equipment and miscellaneous expenses.

NON-GAAP MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization Expenses, Foreign exchange loss, Mark to market loss on forward contracts and other income ("Operating EBITDA") and Operating EBITDA Margin

Operating EBITDA is calculated as net profit/ loss for the year/ period plus total tax expense, exceptional item, finance costs, depreciation and amortisation expenses, foreign exchange loss and mark to market loss on forward contracts minus other income for the relevant fiscal year/ period. Operating EBITDA Margin is calculated as Operating EBITDA divided by revenue from operations. The following table sets forth certain information with respect to our Operating EBITDA and Operating EBITDA Margin, on a consolidated basis, for the periods indicated:

(₹ in lakhs, unless otherwise specified)

Particulars	Half year ended September 30,		Fiscal		
	2020	2019	2020	2019	2018
Profit/ (Loss) for the year/ period	**(14,147)**	**6,214**	**1500.56**	**13,349.12**	**11,462.94**
Add: Total Tax expense	(4,708)	3,283	11,357.63	6,561.04	(1,698.58)
Net Profit/ (loss) before tax (A)	**(18,855)**	**9,497**	**12,858.19**	**19,910.16**	**9,764.36**
Add: Exceptional item	-	-	-	499.69	854.16
Add: Finance costs	12,735	10,510	22,124.14	2,367.36	2,889.63
Add: Depreciation and Amortisation expenses	14,217	12,531	26,418.88	9,549.07	8,669.89
Add: Impairment losses	-	-	-	82.00	309.55
Total Adjustments (B)	**26,952**	**23,041**	**48,543.02**	**12,498.12**	**12,723.23**
Operating EBITDA (C=A+B)	**8,097**	**32,538**	**61,401.21**	**32,408.28**	**22,487.59**
Total Income - D	**763**	**1,02,047**	**1,91,461.24**	**1,70,710.29**	**136,258.36**
Operating EBITDA Margin (C/D)	**1,061.21%**	**31.89%**	**32.07%**	**18.98%**	**16.50%**

Operating EBITDA presented in this Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS or Previous GAAP.

Operating EBITDA is not a measurement of our financial performance or liquidity under Ind AS or Previous GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS or Previous GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, Operating EBITDA is not a standardised term, hence a direct comparison of Operating EBITDA between companies may not be possible. Other companies may calculate Operating EBITDA differently from us, limiting its usefulness as a comparative measure.

Interest Coverage Ratio

Interest coverage ratio, on a consolidated basis, is calculated on the basis of profit/ (loss) after tax plus depreciation and amortisation expenses, impairment loss recognised, loss on account of unapproved product development (i.e., cash profit after tax) plus finance costs, divided by finance costs, for the relevant Fiscal:

(₹ in lakhs, except for ratio)

Particulars	For the Fiscal		
	2020*	2019	2018
Profit/ (loss) before tax	12,858.19	19,910.16	9,764.36
Add: Expenses charged to the statement of profit and loss			
Depreciation and amortisation expense (excluding depreciation of right-of-use-assets*	10,778.24	9,549.07	8,669.89
Impairment	-	82.00	308.95
Exceptional items	-	499.69	854.16
Provisions and Contingencies	-	-	-
Finance cost (only interest on borrowings)	905.53	2,240.58	2,855.59
	24,541.96	**32,281.50**	**22,452.95**
Impact of Ind AS 116**	9,925.93	-	-

Particulars	For the Fiscal		
	2020*	2019	2018
Adjusted Profit/ (loss)(A)**	**94,467.89**	**32,281.50**	**22,452.95**
Finance cost (interest on borrowings, including interest capitalized) (B)	**905.53**	**2,240.58**	**2,911.45**
Interest Coverage Ratio (on a consolidated basis) (C=A/B)	**38.06**	**14.41**	**7.71**

**In view of Ind AS 116: Leases becoming effective from April 1, 2019, the depreciation of right-of-use assets in respect of assets taken on lease is excluded for the Fiscal 2020.*

***Further, effect is also given for the impact of Ind AS 116 on the profit before tax for the purpose of comparison of data with the data for earlier years.*

Interest Coverage Ratio for Fiscal 2020 considering impact of Ind AS 116 would be 2.80.

Interest coverage ratio, on a consolidated basis, is calculated on the basis of profit/ (loss) after tax plus depreciation and amortisation expenses, impairment loss recognised, loss on account of unapproved product development (i.e. cash profit after tax) plus finance costs, divided by finance costs, for the half year ended September 30, 2020:

(₹ in lakhs, except for ratio)

Particulars	For the half year ended
	September 30, 2020*
Profit/ (loss) before tax	(18,854.78)
Add: Expenses charged to the statement of profit and loss	
Depreciation and amortisation expense (excluding depreciation of right-of-use-assets*)	5,666.28
Impairment	-
Exceptional items	-
Provisions and Contingencies	-
Finance cost (only interest on borrowings)	885.10
	(12,303.40)
Impact of Ind AS 116**	6,082.13
Adjusted Profit (A)**	**(6,221.27)**
Finance cost (interest on borrowings, including interest capitalized) (B)	**885.10**
Interest Coverage Ratio (on a consolidated basis) (C=A/B)	**NA**

**In view of Ind AS 116: Leases becoming effective from April 1, 2019, the depreciation of right-of-use assets in respect of assets taken on lease is excluded for the Fiscal 2020 and half year ended September 30, 2020.*

***Further, effect is also given for the impact of Ind AS 116 on the profit before tax for the purpose of comparison with the data for earlier years.*

Interest Coverage Ratio for half year ended September 30, 2020 considering impact of Ind AS 116 would be 0.63.

RESULTS OF OPERATIONS

HALF YEAR ENDED SEPTEMBER 30, 2020 COMPARED TO HALF YEAR ENDED SEPTEMBER 30, 2019

The following table sets forth select financial data from our unaudited consolidated financial statement of profit and loss for the half year ended September 30, 2020 and September 30, 2019 (as included in the Unaudited Consolidated Financial Statements), the components of which are also expressed as a percentage of total income for such periods:

(₹ in lakh)

Particular	Half Year Ended September 30, 2020		Half Year Ended September 30, 2019	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Income				
Revenue from operations	61	7.99	1,01,295	99.26
Other income	702	92.01	752	0.74
Total Income (I)	**763**	**100.00**	**1,02,047**	**100.00**
Expenses				

Particular	Half Year Ended September 30, 2020		Half Year Ended September 30, 2019	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Cost of materials consumed	-	-	6,783	6.65
Exhibition cost	-	-	26,903	26.36
Employee benefits expense	3,953	518.09	7,241	7.10
Finance costs	12,735	1,669.07	10,510	10.30
Depreciation and amortisation expense	14,217	1,863.30	12,531	12.28
Rent concessions	(14,160)	(1,855.83)		
Other expenses	2,873	376.54	28,582	28.00
Total expenses (II)	**19,618**	**2,571.17**	92,550	90.69
Profit before exceptional items and tax (I - II + III = IV)	**(18,855)**	**(2,471.17)**	**9,497**	**9.31**
Profit before tax (IV - V = VI)	**(18,855)**	**(2,471.17)**	**9,497**	**9.31**
Tax expense (VII)				
Current tax	-	-	4,811	4.71
Deferred tax	(4,701)	(616.12)	(1,485)	(1.46)
Taxation pertaining to earlier years	(7)	(0.92)	(43)	(0.04)
Profit for the period (VI - VII = VIII)	**(14,147)**	**(1,854.13)**	**6,214**	**6.09**
Other Comprehensive Income (IX)				
(i) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans	136	17.82	(170)	(0.17)
(ii) Tax on above	(34)	(4.46)	60	0.06
Total other comprehensive Income	**102**	**13.36**	**(110)**	**(0.11)**
Total Comprehensive income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)	**(14,045)**	**(18,403.77)**	**6,104**	**5.98**

On account of the nationwide lockdown imposed by India in March 2020 due to the COVID-19 pandemic, there was total disruption in our operations in the half year ended September 30, 2020. The lockdown impacted the entire entertainment industry and consequently the business activities of our Company were also adversely affected, due to which the results for the quarter ended September 30, 2020 not being comparable with those of the previous or corresponding quarters. For further information, see *"- Significant Factors Affecting Our Results of Operations and Financial Condition – Impact of COVID-19*" on page 85.

Total Income

Our total income significantly decreased from ₹ 1,02,047 lakhs in half year ended September 30, 2019 to ₹ 763 lakhs in the half year ended September 30, 2020 primarily owing to the lockdown imposed due to COVID-19 pandemic.

Revenue from Operations

Revenue from operations significantly decreased from ₹ 1,01,295 lakhs in the half year ended September 30, 2019 to ₹ 61 lakhs in the half year ended September 30, 2020, primarily owing to complete shutdown of operations due to the lockdown imposed due to COVID-19, which resulted in:

- Revenue from services decreasing from ₹ 73,461 lakhs in the half year ended in September 30, 2019 to ₹ 44 lakhs in the half year ended September 30, 2020.

- Food and beverages revenue decreasing from ₹ 27,322 lakhs in the half year ended in September 30, 2019 to Nil in the half year ended September 30, 2020.

Other Income

Other income decreased from ₹ 752 lakhs in the half year ended September 30, 2019 to ₹ 702 lakhs in the half year ended September 30, 2020, primarily due to reduction in excess liability written back in the half year ended September 30, 2020 compared to the half year ended September 30, 2019.

Expenses

Total expenses significantly decreased from ₹ 92,550 lakhs in the half year ended September 30, 2019 to ₹ 19,618 lakhs in the half year ended September 30, 2020, primarily due to the lockdown imposed due to COVID19 pandemic resulting in complete shutdown of operations.

Rent Concessions

Our Company took multiple steps to reduce its operational costs as there was no income from operations during the half year ended September 30, 2020. Amongst the steps taken to reduce operational costs, our Company has invoked the force majeure clause under various lease agreements for its multiplex premises, contending that rent and CAM charges for the shutdown period on account of COVID-19 pandemic are not payable. Accordingly, our Company has recognised ₹ 14,160 lakhs towards reduction of such rentals and has also not recognised expense of ₹ 2,115 lakhs towards CAM charges for the period ended September 30, 2020.

In accordance with principles of fair presentation, the reduction in rentals has been disclosed as a separate line item in the financial results. The amount of reduction in rent and CAM charges which is yet to be confirmed in writing as on September 30, 2020 is ₹ 10,609 lakhs.

Cost of materials consumed

Cost of materials consumed in the half year ended September 30, 2020 was Nil as compared to ₹ 6,783 lakhs in the half year ended September 30, 2019 on account of complete shutdown of operations owing to the lockdown imposed due to the COVID-19 pandemic.

Exhibition cost

Our exhibition cost for the half year ended September 30, 2020 was Nil as compared to ₹ 26,903 lakhs in the half year ended September 30, 2019 on account of complete shutdown of operations owing to the lockdown imposed due to the COVID-19 pandemic.

Employee benefits expense

Employee benefits expense decreased by 45.41% from ₹ 7,241 lakhs in the half year ended September 30, 2019 to ₹ 3,953 lakhs in the half year ended September 30, 2020, on account of the various cost containment measures taken such as a reduction in the salaries and wages of our employees due to the COVID-19 pandemic.

Finance Costs

Finance costs increased by 21.17 % from ₹ 10,510 lakhs in the half year ended September 30, 2019 to ₹ 12,735 lakhs in the half year ended September 30, 2020 primarily on account of increase in notional interest on lease liability in terms of IND AS 116.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 13.45% from ₹ 12,531 lakhs in the half year ended September 30, 2019 to ₹ 14,217 lakhs in the half year ended September 30, 2020, primarily due to an increase in the right of use assets and property, plant & equipment because of addition of new units.

Other Expenses

Other expenses significantly decreased from ₹ 28,582 lakhs in the half year ended September 30, 2019 to ₹ 2,873 lakhs in the half year ended September 30, 2020 primarily due to various cost containment measures taken by us and the lockdown imposed due to COVID-19 pandemic resulting in complete shutdown of operations.

Loss/ Profit before Tax

For the reasons discussed above, loss before tax was ₹ 18,855 lakhs in the half year ended September 30, 2020 compared to a profit before tax of ₹ 9,497 lakhs in the half year ended September 30, 2019.

Tax Expense

Current tax expenses was Nil in the half year ended September 30, 2020 as against ₹ 4,811 lakhs in the half year ended September 30, 2019. Deferred tax credit amounted to ₹ 4,701 lakhs in the half year ended September 30, 2020 as against deferred tax credit of ₹ 1,485 lakhs in the half year ended September 30, 2019.

Net Loss/ Profit for the Period

For the various reasons discussed above, we recorded a net loss for the period of ₹ 14,147 lakhs in the half year ended September 30, 2020 compared to a net profit for the period of ₹ 6,214 lakhs in the half year ended September 30, 2019.

Total Comprehensive Income for the Period

Total comprehensive income for the period was ₹ 14,045 lakhs in the half year ended September 30, 2020 compared to ₹ 6,104 lakhs in the half year ended September 30, 2019.

FISCAL 2020 COMPARED TO FISCAL 2019

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2020 and 2019:

Particular	Fiscal 2020		Fiscal 2019	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Income				
Revenue from operations	1,89,744.34	99.10	1,69,218.47	99.13
Other income	1,716.90	0.90	1,491.82	0.87
Total Income (I)	**1,91,461.24**	100.00	**1,70,710.29**	100.00
Expenses				
Cost of materials consumed	12,621.68	6.59	11,249.51	6.59
Exhibition cost	49,645.78	25.93	44,420.91	26.02
Employee benefits expense	14,206.85	7.42	11,516.77	6.75
Finance costs	22,124.14	11.56	2,367.36	1.39
Depreciation and amortisation expense	26,418.88	13.80	9,549.07	5.59
Impairment losses (net)	-	-	82.00	0.05
Other expenses	53,585.72	27.99	71,114.82	41.66
Total expenses (II)	**1,78,603.05**	93.29	**1,50,300.44**	88.05
Profit before exceptional items and tax (I - II + III = IV)	**12,858.19**	6.72	**20,409.85**	11.96
Exceptional items (V)	-	-	499.69	0.29
Profit before tax (IV-V = VI)	**12,858.19**	6.72	**19,910.16**	11.66

Particular	Fiscal 2020		Fiscal 2019	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Tax expense (VII)				
Current tax	7,290.00	3.81	6,010.70	3.52
Deferred tax	(2,760.76)	(1.44)	1,005.84	0.59
Impact of deferred tax assets remeasurement on account of change in tax rate	6,886.09	3.60	-	0.00
Taxation pertaining to earlier years	(57.70)	(0.03)	(455.50)	(0.27)
	11,357.63	5.94	**6,561.04**	3.84
Profit for the period (VI - VII = VIII)	**1,500.56**	0.78	**13,349.12**	7.82
Other Comprehensive Income (IX)				
(i) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans	(199.39)	(0.10)	9.10	0.01
(ii) Tax on above	69.67	0.04	(3.18)	0.00
Total other comprehensive Income	**(129.72)**	(0.07)	**5.92**	0.01
Total Comprehensive income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)	**1,370.84**	0.72	**13,355.04**	7.82

The MCA has *vide* notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we were required to adopt Ind AS 116 with effect from April 1, 2019. Therefore, our Fiscal 2020 Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results have been prepared as per Ind AS, including Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach. Accordingly, our Fiscal 2020 Audited Consolidated Financial Statements are not comparable to our Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Consolidated Financial Statements. For further information, see "*Financial Statements*" on page 231.

Total Income

Total income from operations increased by 12.16% from ₹ 1,70,710.29 lakhs in the Fiscal 2019 to ₹ 1,91,461.24 lakhs in the Fiscal 2020 primarily due to an increase in our revenue from operations on account of higher revenue from box office, advertisement services, convenience fees, virtual print fees and food and beverages revenue.

Revenue from Operations

Revenue from operations increased by 12.13% from ₹ 1,69,218.47 lakhs in the Fiscal 2019 to ₹ 1,89,744.34 lakhs in the Fiscal 2020, primarily due to an increase in our revenue from operations on account of higher revenue from box office, advertisement services, convenience fees, virtual print fees and food and beverages revenue, which resulted in:

- Revenue from services increasing from ₹ 1,24,364.29 lakhs in Fiscal 2019 to ₹ 1,38,993.72 lakhs in Fiscal 2020.

- Food and beverages revenue increasing from ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.

The following table sets forth certain information relating to revenues from operations from our product portfolios for the periods indicated:

(₹ in lakh)

Product portfolios	Fiscal 2020	Fiscal 2019
Revenue from services		
Revenue from box office	1,10,459.02	97,538.28

Product portfolios	Fiscal 2020	Fiscal 2019
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*
Other operating revenue	*1,031.17*	*1,261.63*
Total – Revenue from operations	**1,89,744.34**	**1,69,218.47**

Other Income

Other income increased by 15.09% from ₹ 1,491.82 lakhs in the Fiscal 2019 to ₹ 1,716.90 lakhs in the Fiscal 2020, primarily due to increase in excess liability written back in the Fiscal 2020 compared to the Fiscal 2019.

Expenses

Total expenses significantly increased by 18.83% from ₹ 1,50,300.44 lakhs in the Fiscal 2019 to ₹ 1,78,603.05 lakhs in the Fiscal 2020, primarily due to an increase in the number of screens from 574 screens as on March 31, 2019 to 626 screens as on March 31, 2020.

Cost of materials consumed

Cost of materials consumed increased by 12.20% from ₹ 11,249.51 lakhs in Fiscal 2019 to ₹ 12,621.68 lakhs in the Fiscal 2020 primarily due to an increase in sale of food and beverages by 14.05% from ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.

Cost of materials consumed as a percentage of sale of food and beverages has actually reduced from 25.81% in Fiscal 2019 to 25.39% in Fiscal 2020.

Exhibition cost

Our exhibition cost increased by 11.76% from ₹ 44,420.91 lakhs in Fiscal 2019 to ₹ 49,645.78 lakhs in the Fiscal 2020 primarily due to an increase in income from sale of movie tickets by 13.25% from ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 1,10,459.02 lakhs in Fiscal 2020.

Exhibition cost as a percentage of income from sale of movie tickets has actually reduced from 44.26% in Fiscal 2019 to 43.76% in Fiscal 2020.

Employee benefits expense

Employee benefits expense increased by 23.36% from ₹ 11,516.77 lakhs in the Fiscal 2019 to ₹ 14,206.85 lakhs in the Fiscal 2020, primarily due to increase in manpower due to opening of 10 new cinemas, increase in salaries and increase in minimum wages.

Finance Costs

Finance costs increased substantially from ₹ 2,367.36 lakhs in the Fiscal 2019 to ₹ 22,124.14 lakhs in the Fiscal 2020 primarily on account of recognition of interest ₹ 20,962.94 lakhs on lease liability due to implementation of IND AS 116 - Leases effective from April 1, 2019.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased substantially from ₹ 9,549.07 lakhs in the Fiscal 2019 to ₹ 26,418.88 lakhs in the Fiscal 2020, primarily due to recognition of depreciation ₹ 15,640.64 lakh on right-of-use assets due to implementation of IND AS 116 effective from April 1, 2019 and increase in the fixed assets base of our Company due to addition of 10 new cinemas.

Other Expenses

Other expenses significantly decreased from ₹ 71,114.82 lakhs in the Fiscal 2019 to ₹ 53,585.72 lakhs in the Fiscal 2020 primarily due to reduction in rentals on account of implementation of IND AS 116. However, our other expenses has increased by 12.86% from ₹ 71,114.82 lakhs to ₹ 80,262.72 lakhs due to increase in rent and common facility charges by 15.61% from ₹ 31,863.80 lakhs in Fiscal 2019 to ₹ 36,837.94 lakhs, increase in power and fuel cost by 7.43% from ₹ 10,707.28 lakhs in Fiscal 2019 to ₹ 11,502.73 lakhs in Fiscal 2020, increase in outsource personnel cost by 25.56% from ₹ 6,510.42 lakhs in Fiscal 2019 to ₹ 8,174.41 lakhs in Fiscal 2020 and increase in miscellaneous expenses by 27.95% from ₹ 2,445,57 lakhs to ₹ 3,129.06 lakhs.

Loss/ Profit before exceptional items and tax

For the reasons discussed above, profit before exceptional items and tax decreased from ₹ 20,409.85 lakhs in the Fiscal 2019 to ₹ 12,858.19 lakhs in the Fiscal 2020.

Exception items

Exception items decreased by ₹ 499.69 lakhs, or 100%, from ₹ 499.69 lakhs for the Fiscal 2019 to Nil for the Fiscal 2020, primarily due to no exception item noted in Fiscal 2020.

Tax Expense

Current tax expenses significantly increased from ₹ 6,010.70 lakhs in the Fiscal 2019 to ₹ 7,290.00 lakhs in the Fiscal 2020. Deferred tax credit amounted to ₹ 2,760.76 lakhs in the Fiscal 2020 as against deferred tax debit of ₹ 1,005.84 lakhs in the Fiscal 2019. Further, impact of deferred tax assets remeasurement on account of change in tax rate in Fiscal 2020 was ₹ 6,886.09 lakhs.

Net Loss/ Profit for the Period

For the various reasons discussed above, we recorded a net profit for the period of ₹ 1,500.56 lakhs in the Fiscal 2020 compared to a net profit of ₹ 13,349.12 lakhs in the Fiscal 2019.

Total Comprehensive Income for the Period

Total comprehensive income for the year was ₹ 1,370.84 lakhs in Fiscal 2020 compared to ₹ 13,355.04 lakhs in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2019 and 2018:

Particular	Fiscal 2019		Fiscal 2018	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Income				
Revenue from operations	1,69,218.47	99.13	1,34,811.83	98.94
Other income	1,491.82	0.87	1,446.53	1.06
Total Income (I)	**1,70,710.29**	**100.00**	**1,36,258.36**	**100.00**
Expenses				
Cost of materials consumed	11,249.51	6.59	7,435.80	5.46
Exhibition cost	44,420.91	26.02	36,731.79	26.96
Employee benefits expense	11,516.77	6.75	9,635.56	7.07
Finance costs	2,367.36	1.39	2,889.63	2.12
Depreciation and amortisation expense	9,549.07	5.59	8,669.89	6.36
Impairment losses (net)	82.00	0.05	309.55	0.23
Other expenses	71,114.82	41.66	59,964.19	44.01

Particular	Fiscal 2019		Fiscal 2018	
	Amount ₹ in lakh	% of total income	Amount ₹ in lakh	% of total income
Total expenses (II)	**1,50,300.44**	**88.05**	**1,25,636.41**	**92.21**
Profit before share of loss of a joint venture and exceptional items	20,409.85	11.96	10,621.95	7.80
Share of loss of joint venture	-	-	(3.43)	-
Profit before exceptional items and tax (I - II + III = IV)	**20,409.85**	**11.96**	**10,618.52**	**7.80**
Exceptional items (V)	499.69	0.29	854.16	0.63
Profit before tax (IV-V = VI)	**19,910.16**	**11.66**	**9,764.36**	**7.17**
Tax expense (VII)				
Current tax	6,010.70	3.52	3,251.61	2.39
Deferred tax	1,005.84	0.59	420.28	0.31
Taxation pertaining to earlier years	(455.50)	(0.27)	(5,370.47)	(3.94)
	6,561.04	**3.84**	**(1,698.58)**	**(1.25)**
Profit for the period (VI - VII = VIII)	**13,349.12**	**7.82**	**11,462.94**	**8.41**
Other Comprehensive Income (IX)				
Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans	9.10	0.01	100.21	0.07
Tax on above	(3.18)	0.00	(35.02)	(0.03)
Total other comprehensive Income	**5.92**	**0.01**	**65.19**	**0.04**
Total Comprehensive income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)	**13,355.04**	**7.82**	**11,528.13**	**8.46**

Total Income

Total income from operations increased by 25.28% from ₹ 1,36,258.36 lakhs in the Fiscal 2018 to ₹ 1,70,710.29 lakhs in the Fiscal 2019 primarily due to an increase in our revenue from operations on account of higher revenue from box office, advertisement services, convenience fees, virtual print fees and food and beverages revenue.

Revenue from Operations

Revenue from operations increased by 25.52% from ₹ 1,34,811.83 lakhs in the Fiscal 2018 to ₹1,69,218.47 lakhs in the Fiscal 2019, primarily due to an increase in our revenue from operations on account of higher revenue from box office, advertisement services, convenience fees, virtual print fees and food and beverages revenue, which resulted in:

- Revenue from services increasing from ₹ 1,02,622.81 lakhs in Fiscal 2018 to ₹ 1,24,364.27 lakhs in Fiscal 2019.

- Food and beverages revenue increasing from ₹ 30,602.30 lakhs in Fiscal 2018 to ₹ 43,592.55 lakhs in Fiscal 2019.

The following table sets forth certain information relating to revenues from operations from our product portfolios for the periods indicated:

(₹ in lakh)

Product portfolios	Fiscal 2019	Fiscal 2018
Revenue from services		
Revenue from box office	97,538.25	80,219.57

Product portfolios	Fiscal 2019	Fiscal 2018
Revenue from advertisement services	17,666.54	13,890.88
Convenience fees	5,002.37	3,719.07
Other services	4,157.11	4793.29
	1,24,364.27	*1,02,622.81*
Sale of food and beverages	*43,592.55*	*30,602.30*
Other operating revenue	*1,261.65*	*1,586.72*
Total – Revenue from operations	**1,69,218.47**	**1,34,811.83**

Other Income

Other income marginally increased by 3.13% from ₹ 1,446.53 lakhs in the Fiscal 2018 to ₹ 1,491.82 lakhs in the Fiscal 2019.

Expenses

Total expenses significantly increased by 19.63% from ₹ 1,25,636.41 lakhs in the Fiscal 2020 to ₹ 1,50,300.44 lakhs in the Fiscal 2019, primarily due to an increase in the number of screens from 492 screens as on March 31, 2018 to 574 screens as on March 31, 2019.

Cost of materials consumed

Cost of materials consumed increased by 51.29% from ₹ 7,435.80 lakhs in the Fiscal 2018 to ₹ 11,249.51 lakhs in Fiscal 2019 primarily due to an increase in sale of food and beverages by 42.44% from ₹ 30,602.30 lakhs in Fiscal 2018 to ₹ 43,592.55 lakhs in Fiscal 2019.

Exhibition cost

Our exhibition cost increased by 20.93% from ₹ 36,731.79 lakhs in the Fiscal 2018 to ₹ 44,420.91 lakhs in Fiscal 2019 primarily due to an increase in income from sale of movie tickets by 21.59% from ₹ 80,219.57 lakhs in Fiscal 2018 to ₹ 97,538.25 lakhs in Fiscal 2019.

Employee benefits expense

Employee benefits expense increased by 19.52% from ₹ 9,635.56 lakhs in the Fiscal 2018 to ₹ 11,516.77 lakhs in the Fiscal 2019 to, primarily due to increase in manpower due to opening of 17 new cinemas, increase in salaries and increase in minimum wages.

Finance Costs

Finance costs decreased by 18.07% from ₹ 2,889.63 lakhs in the Fiscal 2018 to ₹ 2,367.36 lakhs in the Fiscal 2019 primarily on account of repayment of inter-corporate deposit from holding company amounting to ₹ 16,249 lakhs as on March 31, 2018.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 10.14% from ₹ 8,669.89 lakhs in the Fiscal 2018 to ₹ 9,549.07 lakhs in the Fiscal 2019, primarily due to an increase in the fixed assets base of our Company due to opening of 17 new cinemas.

Other Expenses

Other expenses significantly increased by 18.60% from ₹ 59,964.19 lakhs in the Fiscal 2018 to ₹ 71,114.82 lakhs in the Fiscal 2019 primarily due to increase in rent and common area maintenance charges by 20.62% from ₹ 26,415,53 lakhs in Fiscal 2018 to ₹ 31,863.80 lakhs in Fiscal 2019, increase in power and fuel by 12.33% from ₹ 9,531.96 lakhs in Fiscal 2018 to ₹ 10,707.28 lakhs in Fiscal 2019, increase in outsource personnel cost by 22.23% from ₹ 5,326,50 lakhs in Fiscal 2018 to ₹ 6,510.42 lakhs in Fiscal 2019.

Loss/ Profit before exceptional items and tax

For the reasons discussed above, profit before exceptional items and tax increased from ₹ 10,618.52 lakhs in the Fiscal 2018 to ₹ 20,409.85 lakhs in the Fiscal 2019.

Exceptional items

Exceptional items decreased by 41.50% from ₹ 854.16 lakhs for the Fiscal 2018 to ₹ 499.69 lakhs for the Fiscal 2019.

Tax Expense

Current tax expenses significantly increased from ₹ 3,251.61 lakhs in the Fiscal 2018 to ₹ 6,010.70 lakhs in the Fiscal 2019. Deferred tax debit amounted to ₹ 1,005.84 lakhs in the Fiscal 2019 as against deferred tax debit of ₹ 420.28 lakhs in the Fiscal 2018.

Net Loss/ Profit for the Period

For the various reasons discussed above, we recorded a net profit for the period of ₹ 13,349.12 lakhs in the Fiscal 2019 compared to a net profit for the period of ₹ 11,462.94 lakhs in the Fiscal 2018.

Total Comprehensive Income for the Period

Total comprehensive income for the year was ₹ 13,355.04 lakhs in Fiscal 2019 compared to ₹ 11,528.13 lakhs in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through equity infusion, debt financing and funds generated from our operations.

CASH FLOWS

'Indian Accounting Standard (Ind AS) 116 – Leases' ("Ind AS 116") became applicable to us from the accounting period commencing April 1, 2019. Accordingly, our Fiscal 2020 Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results have been prepared as per Ind AS, including Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach. Accordingly, our Fiscal 2020 Audited Consolidated Financial Statements are not comparable to our Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Consolidated Financial Statements. For further information, see *"- Significant Factors Affecting our Results of Operations and Financial Condition - Impact of Ind AS 116*", *"- Presentation of Financial Information*" and "*Financial Statements*" on pages 88, 85 and 231, respectively.

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ lakhs)

Particulars	Fiscal		
	2020	2019	2018
Net cash generated from / (used in) operating activities	47,423.06	27,967.53	21,111.48
Net cash generated from/ (used in) investing activities	(21,299.88)	(23,563.41)	(15,385.54)
Net cash generated from/ (used in) financing activities	(23,279.76)	(4,559.81)	(5,400.61)
Net increase/ (decrease) in cash and cash equivalents	2,843.42	(155.69)	325.33
Cash and cash equivalents at the end of the year	4,021.76	1,178.34	1,334.03

Particulars	Six months ended September 30, 2020
Net cash generated from / (used in) operating activities	(5,807)
Net cash generated from/ (used in) investing activities	(3,699)
Net cash generated from/ (used in) financing activities	12,221
Net increase/ (decrease) in cash and cash equivalents	2,715
Cash and cash equivalents at the end of the year	6,737

Operating Activities

Six Months Ended September 30, 2020

In the six months ended September 30, 2020, net cash flow used in operating activities was ₹ 5,807 lakhs. Loss before tax was ₹ 18,855 lakhs in the six months ended September 30, 2020 and adjustments to reconcile profit before tax to net cash flows primarily consisted of finance costs of ₹ 12,735 lakhs, depreciation on property, plant, equipment and intangible assets of ₹ 5,667 lakhs and amortization of 'right of use' assets of ₹ 8,550 lakhs. The main working capital adjustments in the six months ended September 30, 2020, included decrease in trade payables of ₹ 5,690 lakhs and decrease in trade receivables of ₹ 5,413 lakhs. Income taxes refunded (net of taxes paid) amounted to ₹ 264 lakhs in the six months ended September 30, 2020.

Fiscal 2020

In Fiscal 2020, net cash flow from operating activities was ₹ 47,423.06 lakhs. Profit before tax was ₹ 1,500.56 lakhs in Fiscal 2020 and adjustments to reconcile profit before tax to net cash flows primarily consisted of depreciation and amortization expense of ₹ 26,418.88 lakhs, finance cost of ₹ 22,124.14 lakhs and Income tax expense of ₹ 11,357.63 lakhs. Our changes in working capital for the Fiscal 2020 were primarily related to an increase in loans of ₹ 1,001.18 lakhs, increase in other assets of ₹ 5,388.57 lakhs, increase in other financial assets of ₹ 1,131.19 lakhs, decrease in trade receivables of ₹ 2,148.76 lakhs and increase in provisions of ₹ 832.52 lakhs. Income tax paid (net of refunds) amounted to ₹ 5,130.74 lakhs.

Fiscal 2019

In Fiscal 2019, net cash flow from operating activities was ₹ 27,967.53 lakhs. Profit before tax was ₹ 13,349.12 lakhs in Fiscal 2019 and adjustments to reconcile profit before tax to net cash flows primarily consisted of depreciation and amortization expense of ₹ 9,549.07 lakhs, finance cost of ₹ 2,367.36 lakhs and Income tax expense of ₹ 6,561.04 lakhs. Our changes in working capital for the Fiscal 2019 were primarily related to an increase in loans of ₹ 928.78 lakhs, increase in other assets of ₹ 2,860.22 lakhs, increase in trade receivables of ₹ 1,320.59 lakhs and increase in trade payables of ₹ 4,640.25 lakhs. Income tax paid (net of refunds) amounted to ₹ 3,685.69 lakhs.

Fiscal 2018

In Fiscal 2018, net cash flow from operating activities was ₹ 21,111.48 lakhs. Profit before tax was ₹ 11,462.94 lakhs in Fiscal 2018 and adjustments to reconcile profit before tax to net cash flows primarily consisted of depreciation and amortization expense of ₹ 8,669.89 lakhs, finance cost of ₹ 2,889.63 lakhs and Loss on disposal of property, plant and equipment ₹ 1,085.22 lakhs. Our changes in working capital for the Fiscal 2018 were primarily related to increase in trade receivables of ₹ 2,963.62 lakhs, increase in other assets of ₹ 1,458.78 lakhs, increase in trade payables of ₹ 2,479.00 lakhs. Direct taxes paid (net of refunds) amounted to ₹ 1,766.75 lakhs.

Investing Activities

Six Months Ended September 30, 2020

Net cash used in investing activities was ₹ 3,699 lakhs in the six months ended September 30, 2020, primarily on account of purchase of property, plant and equipment, intangible assets, capital work-in progress and capital advance of ₹ 2,382 lakhs and fixed deposits with banks amounting to ₹ 1,455 lakhs.

Fiscal 2020

Net cash used in investing activities was ₹ 21,299.88 lakhs in Fiscal 2020, primarily on account of purchase of current investments of ₹ 44,070.00 lakhs, and payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances) of ₹ 20,620.38 lakhs. This was offset by sale/redemption of current investments of ₹ 44,140.65 lakhs.

Fiscal 2019

Net cash used in investing activities was ₹ 23,563.41 lakhs in Fiscal 2019, primarily on account of purchase of

current investments of ₹ 35,000.00 lakhs, and payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances) of ₹ 24,650.44 lakhs. This was offset by sale/redemption of current investments of ₹ 36,272.40 lakhs.

Fiscal 2018

Net cash used in investing activities was ₹ 15,385.54 lakhs in Fiscal 2018, primarily on account of purchase of current investments of ₹ 54,700.00 lakhs, and payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances) of ₹ 15,857.32 lakhs. This was offset by sale/redemption of current investments of ₹ 54,912.26 lakhs.

Financing Activities

Six Months Ended September 30, 2020

Net cash generated from financing activities was ₹ 12,221 lakhs in the six months ended September 30, 2020 primarily on account of sale of treasury shares of ₹ 10,066 lakhs and net proceeds from long term borrowings of ₹ 5,472 lakhs. This was partly offset by repayment of short-term borrowings of ₹ 2,340 lakhs.

Fiscal 2020

Net cash used in financing activities was ₹ 23,279.76 lakhs in Fiscal 2020, primarily on account of payment of lease liability of ₹ 25,749.81 lakhs, repayment of borrowings of ₹ 3,500.00 lakhs and finance costs of ₹ 1,106.00 lakhs. This was offset by net movement in current borrowings of ₹ 8,264.13 lakhs, which was on account of utilization of cash credit facilities available with the company.

Fiscal 2019

Net cash used in financing activities was ₹ 4,559.81 lakhs in Fiscal 2019, primarily on account of repayment of borrowings of ₹ 20,193.00 lakhs and finance costs of ₹ 2,305.49 lakhs. This was offset by proceeds from issue of preferential equity shares to holding company of ₹ 16,000.00 lakhs.

Fiscal 2018

Net cash used in financing activities was ₹ 5,400.61 lakhs in Fiscal 2019, primarily on account of repayment of borrowings of ₹ 2,503.49 lakhs and finance costs of ₹ 2,897.21 lakhs.

INDEBTEDNESS

As of September 30, 2020, we had total borrowings (consisting of long-term borrowings and short-term borrowings) of ₹ 18,896.28 lakhs, of which ₹ 10,972.21 lakhs was secured term loans from banks (including current maturities) and ₹ 7,924.07 lakhs was short term borrowings.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2020, and our repayment obligations in the periods indicated:

(₹ in lakhs)

	As of September 30, 2020			
	Payment due by period			
	Total	**Not later than 1 year**	**1-5 years**	**More than 5 years**
Long Term Borrowings				
Term loans (secured)	10,972.21	4,666.67	6,305.55	
Total long-term borrowings (including current maturities)	**10,972.21**	**4,666.67**	**6,305.55**	**-**
Short Term Borrowings				
Secured	1,887.93	1,887.93	-	-
Unsecured	6,036.14	6,036.14	-	-
Total Short-Term Borrowings	**7,924.07**	**7,924.07**	**-**	**-**
Total Borrowings	**18,896.28**	**12,590.74**	**6,305.54**	**-**

Non-compliance with covenants in financing agreements

Neither our Company nor its Subsidiary have breached any provisions of the respective financing agreements, including representations, warranties and covenants (financial or otherwise). In addition, neither our Company nor its Subsidiary have defaulted in repayment of any principal or payment of any interest for the loans availed from the lenders. Further, there has been no re-scheduling, event of default or acceleration under any of the respective financing agreements.

Our Company, on behalf of itself and its Subsidiary, has also furnished no-default letters to all the respective lenders confirming that there are no breaches, events of default or acceleration of any of the provisions or conditions under the respective financing agreements, including representations, warranties and covenants (financial or otherwise). Our Company and its Subsidiary have not availed the moratorium for payment of interest and repayment of principal in accordance with the COVID-19 Regulatory Package announced by the RBI.

Contractual Obligations and Commitments

As of March 31, 2020, we had estimated future payments due under contractual commitments of ₹ 5,711.95 lakhs, net of advances paid, in relation to contracts remaining to be executed on capital account and not provided for.

Contingent Liabilities and Other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2020:

(₹ in lakhs)

Particulars	March 31, 2020
Claims against our Company not acknowledged as debt	116.36
Entertainment Tax matters	4,786.01
Service Tax matters	20,540.19
Stamp duty matter	263.81
Custom duty matter in respect of import of projectors	4.36
Income-tax matters	253.78
Our Company may be required to charge additional cost towards electricity from June 1, 2007 to March 31, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by our 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 favour of the electricity supplier. Our Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83
Consequent to COVID-19 pandemic, the Company was required to shutdown its multiplexes in March 2020. 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

Capital Expenditure

In Fiscal 2020, 2019 and 2018, our consolidated capital spent towards additions to fixed assets (purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances) were ₹ 21,321.08 lakhs, ₹ 26,198.53 lakhs and ₹ 16,228.55 lakhs, respectively.

Further, in the half year ended September 30, 2020, our consolidated capital expenditure towards additions to fixed assets (purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances) was ₹ 1,337.44 lakhs. For further information, see "*Financial Statements*" on page 231.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Financial Statements*" on page 231.

CHANGES IN ACCOUNTING POLICIES

Except as disclosed in this Placement Document, there have been no changes in our accounting policies in the last three fiscals.

Foreign Currency risk

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. Our 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. Our Company is only exposed to changes in USD.

Interest rate risk

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. Our 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 our Company by maintaining an appropriate mix between fixed and floating rate borrowings.

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 investment. Our Company's investment in mutual funds were in debt funds. Hence our Company's exposure to equity price risk is minimal.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to our Company. Our 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 March 31, 2020 of ₹ 3,663.75 lakhs (as at March 31, 2019 of ₹ 3,685.08 lakhs) were due from 5 major customers having long term contract.

Our 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, our 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.

Liquidity risk

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 our Company's short, medium and long-term funding and liquidity management requirements. Our 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.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH THE COMPANY OPERATED

We have one primary business segment, namely 'theatrical exhibition. For further information, see "*Industry Overview*" and "*Financial Statements*" on pages 122 and 231, respectively.

QUALIFICATIONS, RESERVATIONS AND ADVERSE REMARKS

There are no reservations, qualifications or adverse remarks, included in the audit reports issued by the relevant statutory auditors of the Company on the financial statements of the Company as at and for the Fiscals 2020, 2019, 2018, 2017 and 2016.

EMPHASIS OF MATTER

Further, our Statutory Auditors have included emphasis of matters in their audit reports on our standalone and consolidated financial statements for Fiscal 2020 as well as in their review report for our financial results for the half year ended September 30, 2020, noting the effect of uncertainties due to COVID-19 pandemic on the operations of our Company. For details on the emphasis of matter included in the consolidated financial statements for Fiscal 2020, see "*Financial Statements*" on page 231.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as stated below and as disclosed in this Placement Document, to our knowledge no circumstances have arisen since September 30, 2020, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

(a) On October 29, 2020, we have obtained an ICD of ₹ 2000 lakhs from INOX Leasing and Finance Limited at an interest rate of 7.5% p.a. for a period of 1 year.

(b) Pursuant to the Notification No. 40-3/2020-DM-I(A) issued by Ministry of Home Affairs dated September 30, 2020 and the circulars issued by various state governments, cinemas/ theatres/ multiplexes have been allowed to open in the states of Andhra Pradesh, Assam, Delhi, Goa, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal. Our Company operates 528 screens in 123 locations across these states.

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from the CRISIL Report prepared and issued by CRISIL on our request. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Please see "Industry and Market Data" on page 17, for disclaimer by CRISIL in respect of the CRISIL Report.

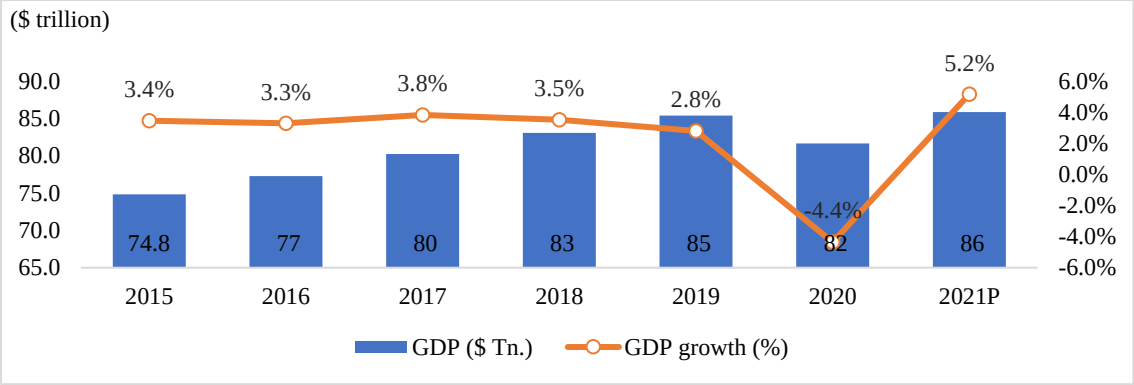
Macroeconomic overview

1. Global GDP review and outlook

1.1. Global gross domestic product (GDP) to decline sharply in 2020 owing to the Covid-19 pandemic, but expected to rebound strongly by end of 2021

According to the International Monetary Fund (IMF), global real GDP growth ranged 3-4% during 2015-18, dipping to 2.8% in 2019. In 2020, it is expected to de-grow 4.4% owing to the pandemic, which has disrupted businesses across the world. However, by end of 2021, global GDP growth is expected to rebound strongly and grow by 5.2% on-year. Almost all major economies of the world have started witnessing recovery in the second half of the year and have announced stimulus packages to give the economies a new lease of life.

Trend and outlook for global GDP (CY2015-2021P)



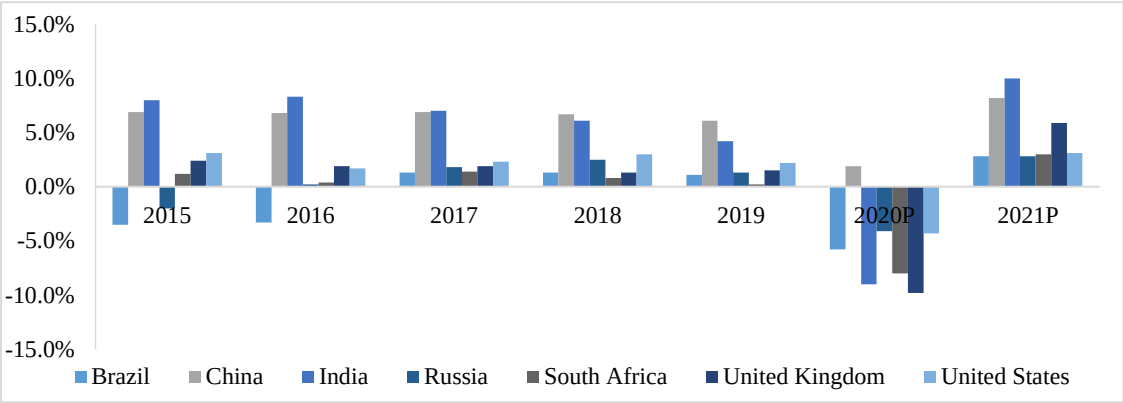
P: Projection
Source: IMF economic database, World Bank national accounts data and OECD national accounts data

1.2. Real GDP growth rates

India is expected to regain the top spot as world's fastest growing economy in year 2021

India was one of the fastest growing economies in 2018 and 2019. In 2020, except for China, GDP of all other countries is expected to de-grow including developed economies such as the US and the UK primarily due to the negative economic impact of COVID-19 pandemic. Further, GDP growth rate for all the major economies of the world is expected to rebound within a year in CY 2021 as growth resumes post-pandemic and has added benefit from low base effect of CY 2020. Among the major economies, India is expected to be the fastest growing economy in year 2021 with GDP growth rate of ~10%, followed by China with GDP growth rate of 8.2% in 2021.

Trend of real GDP growth rate (%) for key economies of the world (CY2015-2021P)



Note: Data for India represents financial year, forecasts for India are CRISIL Research forecasts
Source: IMF

1.3. Review of global per capita GDP

India's per capita GDP growing at ~3x global per capita GDP growth rate

As per the World Bank data, global GDP per capita clocked a compound annual growth rate (CAGR) of 1.7% between fiscals 2013 and 2019. During the period, the on-year per capita GDP growth rate consistently fell in the range of 1.4-2.1%. India's per capita GDP has clocked a CAGR of ~5.8% during the same corresponding period, growing ~3 times faster than the global per capita GDP.

Per-capita GDP – Global and India (constant 2010 US$) (CY2013-2021P)

	2013	2014	2015	2016	2017	2018	2019	CAGR
Per capita GDP – Global (constant 2010 US$)	10010	10175	10347	10493	10713	10919	11070	1.7%
On-year growth (%)		1.6%	1.7%	1.4%	2.1%	1.9%	1.4%	
Per capita GDP – India (constant 2010 US$)	1545	1640	1752	1876	1987	2086	2169	5.8%
On-year growth (%)		6.2%	6.8%	7.1%	5.9%	5.0%	4.0%	

Source: World Bank

2. Macroeconomic overview of India

2.1. A review of India's GDP growth

GDP increased at 6.6% CAGR between fiscals 2012 and 2020

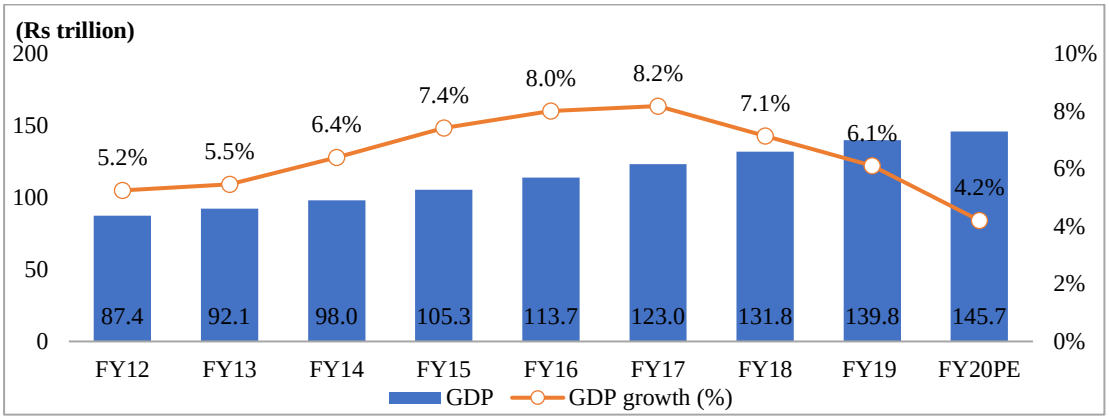
In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) changed the base year for calculating the GDP to fiscal 2012 from fiscal 2005. Based on this, India's GDP increased at a CAGR of 6.6% to Rs 146 trillion from Rs 87 trillion between fiscals 2012 and 2020.

Fiscal 2020 estimates show investment decline has added to the economy's woes

India's GDP growth in fiscal 2020 was 4.2% as per provisional estimates. Private consumption was down to a decadal low of 5.3% from 7.2% in fiscal 2019. The dip is clearly a fallout of the slowdown in spending by the central and state governments and a muted private sector appetite for fresh investments. Over the past four years, a sharp increase in government spending, especially on infrastructure, such as roads, railways and highways, had kept the overall investment spending growth at 8% average. In fiscal 2020,

though, government investment spending took a backseat. Meanwhile, weak consumption demand and low capacity utilisation kept investments in the manufacturing sector in the lull.

Real GDP growth in India (new GDP series)



PE: Provisional estimates
Source: Provisional Estimates of Annual National Income, 2019-20, Central Statistics Office (CSO), MoSPI

2.2. GDP outlook for fiscals 2021 and 2022

(a) CRISIL forecasts India's GDP growth to contract 9% in fiscal 2021

CRISIL sees the Indian economy contracting 9% this fiscal. We expect agricultural GDP to grow 2.5% on-year this fiscal, given normal and a largely well-distributed monsoon, and healthy sowing and groundwater situation. The non-agriculture economy represents two-thirds of the rural economy and though affected by the pandemic, appears to have held up better than its urban counterpart. This is reflected in demand for products with rural footprint such as tractors, motorcycles and fast-moving consumer goods (FMCG). But rural wages remain depressed and remittances are likely to have been hit due to reverse migration. Moreover, the pandemic's rapid spread to rural areas could mean an increase in restrictions on activity there, which could challenge the rural story.

(b) Fiscal 2022 GDP growth to rebound to 10% due to weak base and rising-global-tide effect

CRISIL sees India's GDP growth rate rebounding to 10% in fiscal 2022 on the back of a very weak base and some benefit from the rising-global-tide-lifting-all-boats effect. Even with that, real GDP will only merely catch up to the fiscal 2020 level by fiscal 2022.

2.3. Fundamental growth drivers of GDP

(a) India's population is projected to touch 1.5 billion by 2030

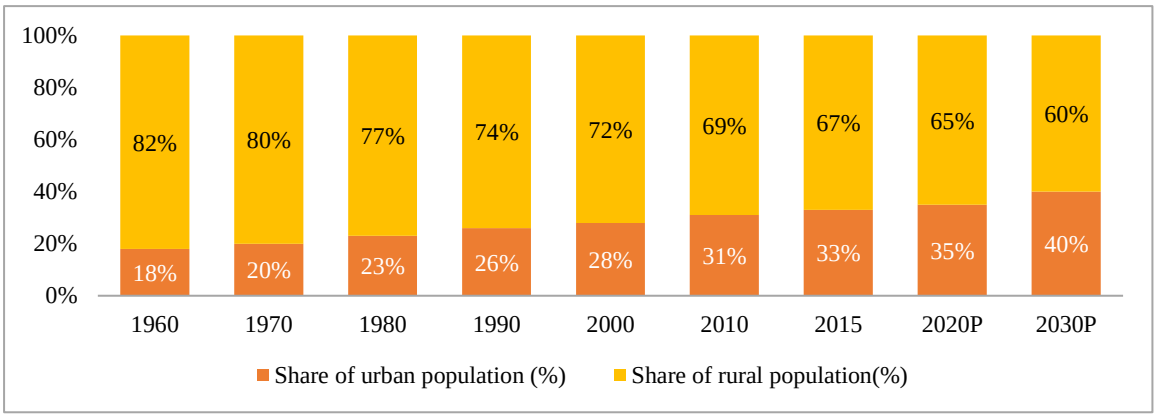
India's population clocked 1.8% CAGR from 2001 to 2011 to reach ~1.2 billion and comprised nearly 246 million households, as per Census 2011.

According to the World Urbanization Prospects: The 2018 Revision by the United Nations, India and China, the top two countries in terms of population, accounted for nearly 37% of the world's population in 2015.The report projects India's population to increase at 1% CAGR to 1.5 billion by 2030, making it the world's most populous country, surpassing China (with 1.4 billion people by 2030).
Source: World Urbanization Prospects: The 2018 Revision, United Nations

(b) Urbanisation likely to reach 40% by 2030

The share of India's urban population in relation to its total population has been rising over the years and printed at ~31% in 2010. This trend is expected to continue, with the United Nations report projecting that nearly 40% of the country's population will live in urban areas by 2030.

India's urban versus rural population



P: Projected
Source: World Urbanization Prospects: The 2018 Revision, United Nations

People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house.

(c) India's per capita income rose at healthy pace between fiscals 2012 and 2020

India's per capita income, a broad indicator of living standards, clocked ~5% CAGR between fiscals 2012 and 2020, rising from Rs 63,642 to Rs 94,954. The growth in per capita income was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth has remained fairly stable at ~1% CAGR.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20PE
Per capita net national income (Rs)	63,462	65,538	68,572	72,805	77,659	82,931	87,828	92,085	94,954
On-year growth (%)	2.1	3.3	4.6	6.2	6.7	6.8	5.9	4.8	3.1

PE: Provisional estimates
Source: Provisional Estimates of Annual National Income, 2019-20, CSO, MoSPI

(d) <u>Decline in poverty levels indicate rise in middle and higher income groups in India</u>

The World Bank, in its report 'Global Economic Prospects, January 2019', estimates the number of poor (defined as those living at or below the international poverty line of purchasing power parity of $1.90 per day) in India declined sharply from 405 million people in 1981 to 175 million people in 2015. In percentage terms, the share of poor in India's total population declined from 57.4% to ~13.4% over the period, and was estimated at 8.4% in 2018. The decline in poverty has been attributed to improvement in macroeconomic parameters, such as growth of the economy, employment rate, income equality, etc, and adoption of employment and other public welfare schemes by the government.

For 2020, the World Bank projects the absolute number of poor in India to reduce further to ~77 million people, thus lowering the percentage share to ~5.5%.

A positive economic outlook along with growth across key employment generating sectors, such as real estate, infrastructure, automobiles, etc, is expected to have a cascading effect on overall per capita income levels of the population in the medium-to-long term. This, in turn, is expected to drive consumption expenditure and discretionary spending.

2.4. Review of private final consumption growth in India

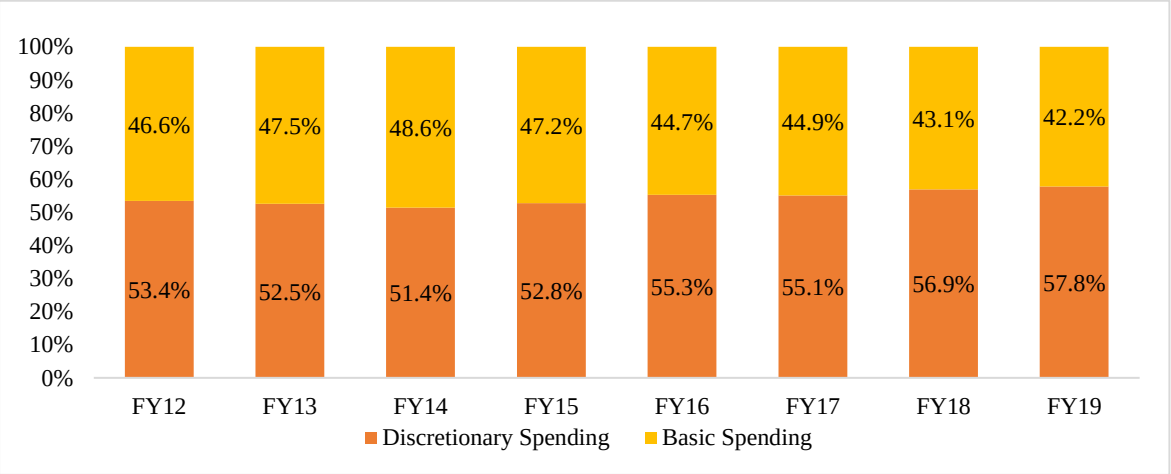
(a) Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.8% CAGR between fiscals 2012 and 2020, maintaining its dominant share in the GDP pie, at ~57% or Rs 83.3 trillion. Factors contributing to this growth included good monsoons, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, and low inflation.

PFCE to be driven by discretionary items

CRISIL Research estimates basic items comprised 42.2% share of total consumption expenditure of Indian consumers in fiscal 2019, while the remainder 57.8% was accounted by discretionary items. It is worth a note here that the share of discretionary items in consumption has increased from 53.4% in fiscal 2012 to 57.8% in fiscal 2019. The increased spending on discretionary items suggests rising disposable income of households.

Broad split of PFCE consumption into basic and discretionary items



Note: Basic items includes food, clothing, and housing. Discretionary items include education, health care, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel & gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified (n.e.c.)
Source: MoSPI

Within the discretionary basket, recreation and culture expenses have risen at 9% CAGR over fiscals 2012 and 2019, as compared with overall PFCE, which increased annually by 13%. As income levels improve and, consequently, discretionary spending increases, CRISIL Research expects the media and entertainment industry to gain.

3. Assessment of India's media and entertainment industry

3.1. Review and outlook

(a) Revenue to de-grow in fiscal 2021 owing to the COVID-19 pandemic, revive in fiscal 2022

India's media and entertainment (M&E) industry steadily expanded at a CAGR of 8-9% over the past five fiscals. Increasing demand, continuous expansion in reach, increase in average ticket price (ATP) for multiplex players and digitalisation have served the industry well. However, in fiscal 2021, it is expected to de-grow 18-22% on-year as advertising or ad spends have been canned during the pandemic.

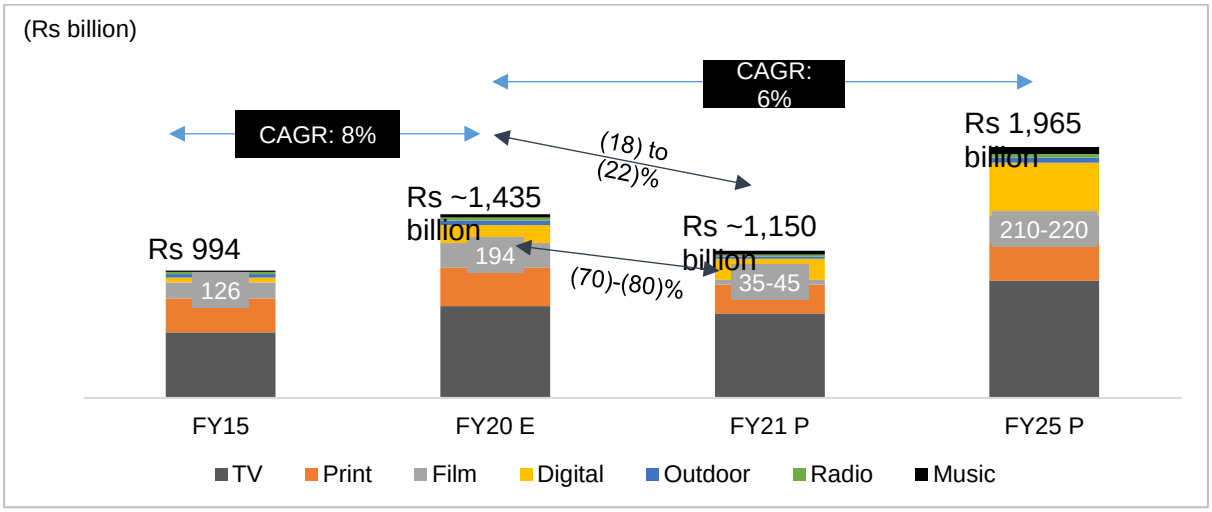
In fiscal 2020, the M&E industry is estimated to have grown 7-9% to ~Rs 1,435 billion, driven by spike in television subscription revenue and digital ad spends. The digital segment, which is

increasingly gaining popularity among advertisers, is also likely to register rapid growth of more than 20% on-year in fiscal 2020.

Film industry highly impacted by the pandemic

The lockdown washed away the film industry's two-quarter revenue with theatres being shut for months. In fiscal 2022, the M&E industry's revenue is expected to rebound by 25-30% on-year to cross ~Rs 1,400 billion, driven by rebound in ad revenue across segments.

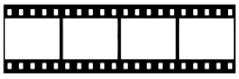
M&E industry's revenue to rebound next fiscal

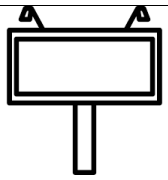


E: Estimated; P: Projected

3.2. Sub-segments

Revenue growth by sub-segments

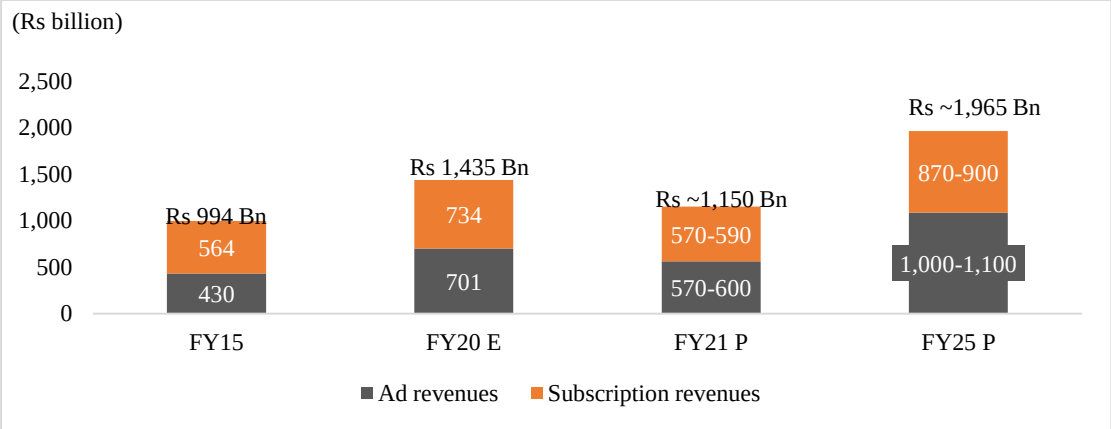
	Sub-segment	CAGR FY15 to FY20 (%)	FY21P y-o-y growth (%)	CAGR FY20 to FY25 (%)
	TV	7	(18)-(22)	5-7
	Print	2	(25)-(30)	~0
	Film	9	(70)-(80)	2-4
	Multiplex	18	(88)-(92)	6-7

	Sub-segment	CAGR FY15 to FY20 (%)	FY21P y-o-y growth (%)	CAGR FY20 to FY25 (%)
	Digital/OTT	30	15-20	20-25
	Outdoor	5	(50)-(60)	4-6
	Radio	6	(35)-(40)	~3
	Music	23	10-15	15-20

E: Estimated; P: Projected

3.3. Subscription versus advertising revenue

Break-up by ad and subscription revenue



E: Estimated; P: Projected

(a) Ad spends to be curtailed in fiscal 2021, due to weak demand across industries

The M&E industry's ad revenue increased at ~9% CAGR over the past five years to Rs 726 billion in fiscal 2020. The expansion was driven by growth across all segments - television or TV (largely preferred by advertisers) and newspapers (as circulation and reach expand, particularly for non-English newspapers).

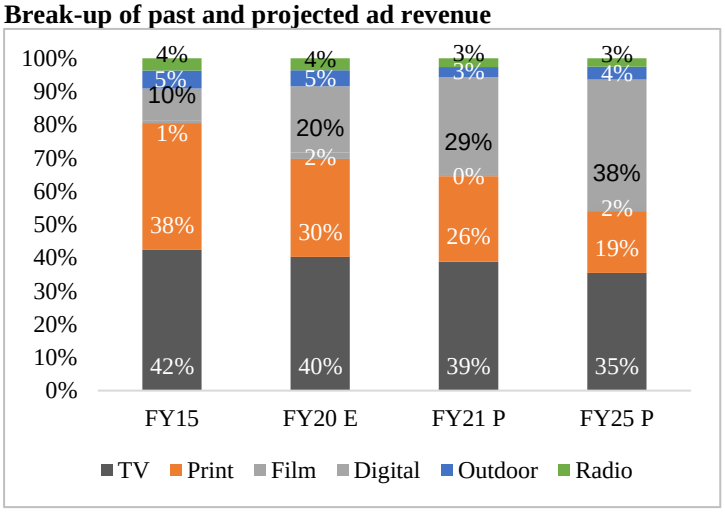
In fiscal 2020, the industry's ad revenue is expected to stay flat on-year at ~Rs 710 billion. While most of the sectors de-grew, digital revenue will provide some respite.

In fiscal 2021, ad revenue is expected to decrease by more than 15% on-year to ~Rs 600 billion due to curtailment of spends across sectors. Only digital spends are expected to rise ~11% during the period.

Overall, ad revenue is expected to clock ~9% CAGR between fiscals 2020 and 2025 to reach Rs 1.1-1.2 trillion, driven by revival in the macro environment which will lead to higher ad spends, growth in newer avenues of advertising such as digital and outdoor.

(b) Ad spend distribution to shift to digital

Break-up of past and projected ad revenue



CRISIL Research expects the share of digital advertising in total ad spend to rise to ~35% by fiscal 2025 from ~20% in fiscal 2020. Digital media spend has risen significantly in recent times, as com panies are allocating a larger portion of their ad budgets to target a growing population of tech-savvy consumers. The share of print media is likely to decline to ~25% by fiscal 2025 from ~29% in fiscal 2020, in line with the global trend. TV will remain the preferred medium for advertising, given its reach across a wider target audience.

E: Estimated; P: Projected

(c) <u>M&E subscription revenue to drop in fiscal 2021, rebound in fiscal 2022</u>

Subscription (non-ad) revenue is expected to de-grow 8-10% on-year to ~Rs 690 billion in fiscal 2021, on account of a sharp fall in print and film subscription revenue. Over the medium term, subscription revenue is expected to increase ta a five-year CAGR of 3% to ~Rs 900 trillion by fiscal 2025, due to the following factors:

- Continuing growth in theatrical collections of movies owing to the rising number of multiplexes in tier 2 and tier 3 cities and moderate rise in ticket prices, along with rising revenue from ancillary streams such as cable, satellite and digital rights
- The shift to over-the-top (OTT) platforms will widen the digital TV subscriber base. Increased availability of regional and original content on digital platforms coupled with shift to a subscription based-model by players will drive the segment's growth
- Growth in the music industry aided by increase in digital revenue following bundling by telecom companies (telcos) as well as growing number of standalone-streaming applications

4. Assessment of India's film and multiplex industry

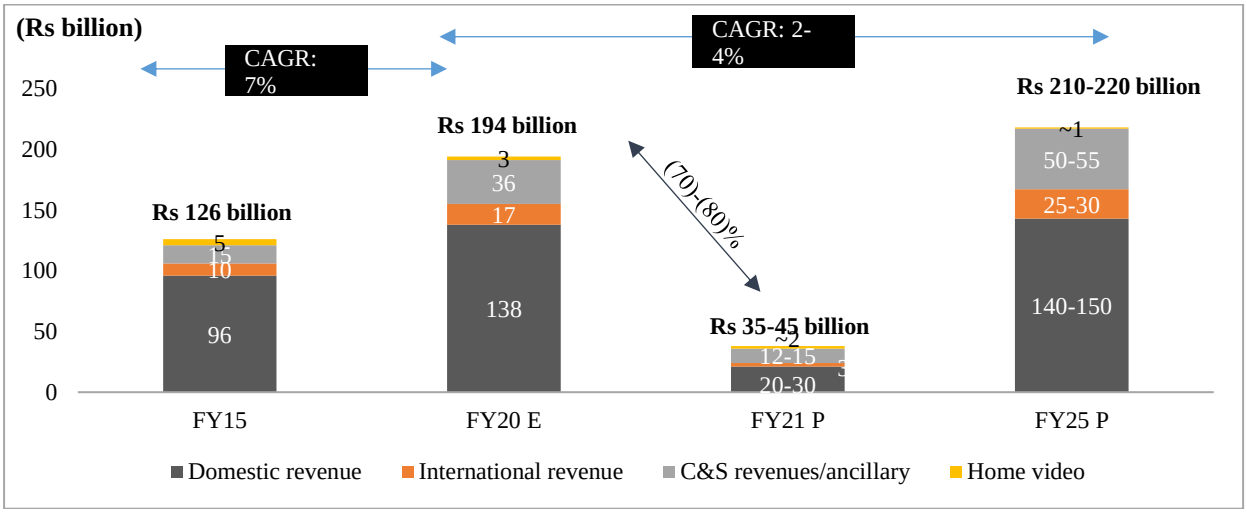
4.1. Review and outlook

(a) <u>Films revenue to nosedive in fiscal 2021, climb steadily over the next five years</u>

Films revenue includes revenue earned from domestic multiplexes and box office collections, international movies' producer share, cable and satellite (C&S) revenue including revenues from over-the-top (OTT) players and home videos. Over the past five fiscals from FY15 to FY20, the film industry revenues grew at a CAGR of 7% from Rs 126 bn in FY15 to Rs 194 billion in FY20. Domestic box office collections grew a muted 3-5% on-year in fiscal 2020 to ~Rs 138 billion after strong double-digit growth of ~10% in the previous fiscal. This was on account of the last quarter being severely affected by the lockdown announced in March. Also, people were cautious to visit theatres even before the lockdown was implemented because of fear of COVID-19 infection.

In fiscal 2021, the film industry's revenue is expected to nosedive 70-80% on-year to ~Rs 40 billion on account of a drop in multiplex revenue, which constitutes ~55% of total domestic theatrical revenue, due to lockdown-induced lower occupancy and gradual recovery in footfalls along with gradual release of movies. Cable and satellite revenue are expected to decrease as new film releases have been pushed to the backburner; only some films have been released on OTT, resulting in de-growth of 60-70% to ~Rs 15 billion. About 53% of the film industry's revenue will comprise domestic theatrical revenue, and international markets, cable and satellite (C&S) and home video segments will comprise the rest.

Industry revenue to nosedive in fiscal 2021, rebound next year



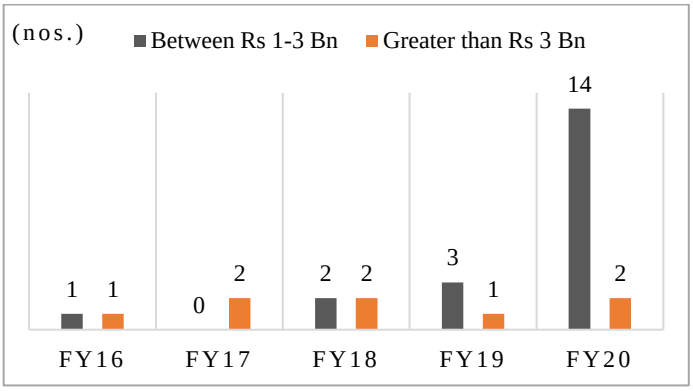
E: Estimated; P: Projected
C&S includes revenue from OTT players
Source: industry

Avengers-Endgame: The highest grossing movie in fiscal 2020 (YTD)

Year	Top 3 movies	Collections (Rs billion)
FY20	Avengers-Endgame	3.7
	War	3.17
	Kabir Singh	2.78
FY19	Sanju	3.5
	Uri - The Surgical Strike	2.5
	Simmba	2.4
FY18	Baahubali 2 - The Conclusion	5+
	Tiger Zinda Hai	3+
	Padmaavat	2+
FY17	Dangal	3.5+
	Sultan	3+
	Raees	1.3+

Note: Collections indicate only box office collections of Bollywood movies
E: Estimated, YTD: Year-to-date
Source: industry

More movies cross ~Rs 1 billion mark in fiscal 2020



FY20 collections are for all movies; previous collections indicate only box office collections of Bollywood movies
E: Estimated; P: Projected
Source: industry

(b) <u>Multiplex screen additions to be restrained in fiscal 2021</u>

In fiscal 2021, multiplex screen additions are expected to be either deferred or only those nearing completion (70-80% capex completed) expected to be commissioned. Also, since most of the

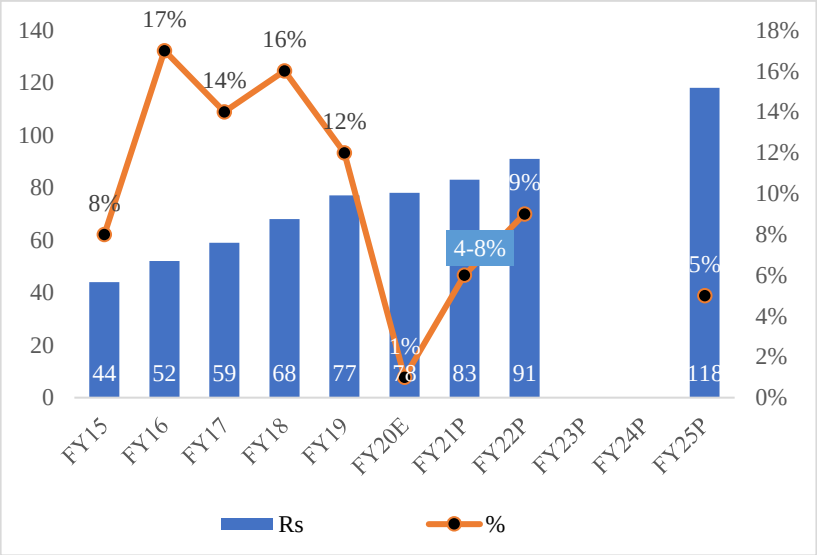
multiplexes are located in malls, a delay in commissioning of malls due to economic conditions will impact screen additions.

Over the medium term, CRISIL Research expects domestic theatrical revenue to be aided by screen additions by multiplex players, as they focus more on increasing the number of screens, leading to higher number of shows. Blended ATP is estimated to increase 8% on-year, driven by increase in multiplex screens which have higher ATP.

Blended ATP is expected to rise at ~8% CAGR between fiscals 2020 and 2025, owing to:

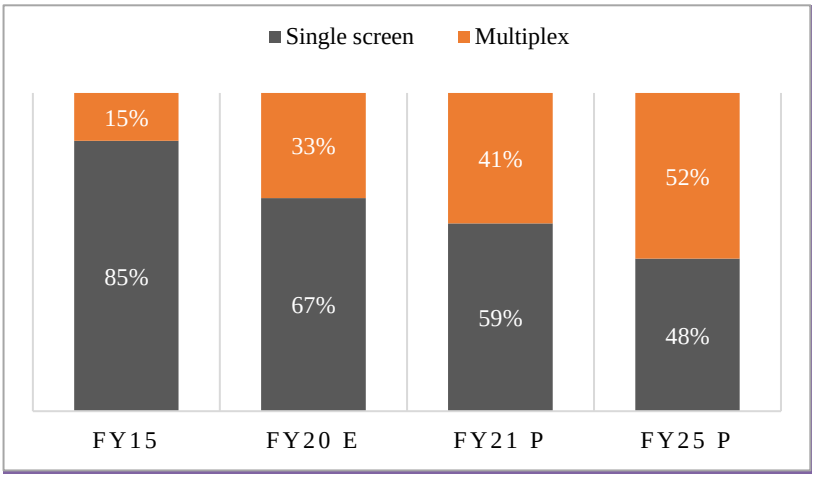
- More openings of premium properties by multiplexes having the latest technology in order to provide ultra-luxurious experience to moviegoers: PVR PXL, PVR Gold Class and INOX Insignia
- Advent of on-demand services with diverse content choices by top multiplex players such as VKAAO

Blended ATP on increase in FY21 as single screen count decreases; maintain long term growth



E: Estimated; P: Projected
Source: Industry

Increasing share of multiplexes in total screens



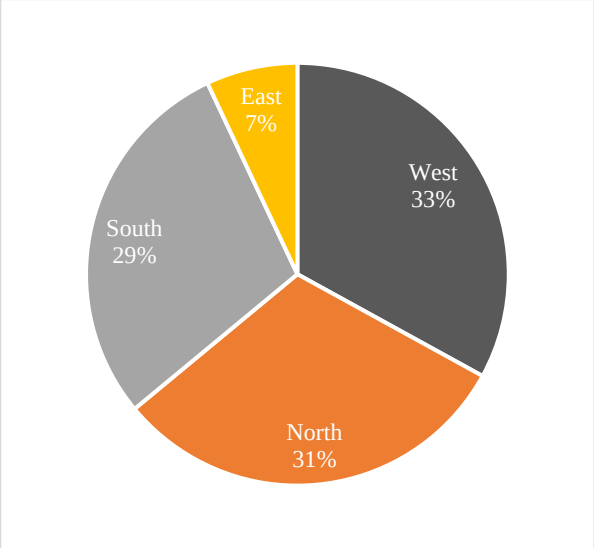
E: Estimated; P: Projected
Source: Industry

The number of multiplexes is expected to reach ~3,100 in fiscal 2021, constituting about ~41% of total screens in India. Further, addition of screens would depend on the pace at which malls develop (having slowed down in recent times in metros due to the non-availability of space). Additionally, multiplexes accounted for ~54% of the domestic box office revenue. Going forward, CRISIL Research expects this to touch ~74% by fiscal 2025 as single screens shut down or convert to multiplex screens.

Northern and western India account for lion's share of Bollywood box office collection

The northern and western regions of the country contribute ~65% to the box office collection of Bollywood movies. Though the southern market for Bollywood is growing, too, there is a dominance of regional content here. Also, ATP at single screens in the region is lower than the national average, which impacts box office collection. The increase in caps on ticket prices in the southern states has resulted in better revenue in the past two years. In other geographies, higher ticket prices boost revenue. Collection from the central region has gained momentum, accounting for ~9% of the total collection in fiscal 2019 compared with 8% in fiscal 2018. Revenue from the eastern region has also improved on-year. Going forward, these regions are expected to show higher growth, with increasing number of multiplexes and more movie releases.

Region-wise box office collections (January to December 2019)



Source: Industry

(c) <u>C&S revenue to grow at a muted pace</u>

In fiscal 2021, CRISIL Research expects C&S revenue to de-grow 60-70% on-year as a result of muted film releases with some releases to OTT players, especially small and mid-budget ones to support further decline. One of the major OTT players, Amazon Prime Video, bought digital rights for direct release on its OTT platform for movies such as *Gulabo Sitabo*, *Shakuntala* and other 5-6 Indian films for its 'direct-to-digital' slate with many small and mid-budget movies expected to follow suit in fiscal 2021, as exhibitors remain shut amid uncertain recovery in footfalls. Such a trend is expected to help lift C&S revenue but such rights are expected to be negatively impacted as content would be always available on OTT platform, thereby impacting C&S from satellite and cable deals.

Notably, general entertainment channels and movies account for majority of TV viewership in India. The price for purchasing broadcasting rights of new films shot up a few years ago, driven by improved revenue from digitisation. Satellite rights for the movie *War* is estimated to have been bought for over Rs 1500 million.

Rights purchased by the broadcasters, however, show fluctuation in growth rates based on the content. Many channels took a pre-release risk and invested heavily in acquiring movie rights. However, many films tanked at the box office and did not translate into high returns even in the C&S segment. While demand for big-budget/star-cast films has not really contracted, the broadcasters are now considering a film's performance before purchasing the rights for low-budget movies.

Besides, the digital rights for films are also getting expensive with more OTT players entering the market and consumers showing interest in watching movies on these platforms. This brings in competitiveness among OTT players for purchasing content rights.

Discussions with industry stakeholders indicate that multiplex operators, in order to protect their revenue, are pushing for an exclusive eight-week window before a movie is released on OTT or C&S platforms. The tussle between multiplex and OTT/C&S platform owners is already reflected in film rights getting expensive and production of original content by OTT players. CRISIL Research expects C&S revenue to increase at 6-8% CAGR over the next five fiscals.

4.2. Review and outlook of Indian multiplex industry

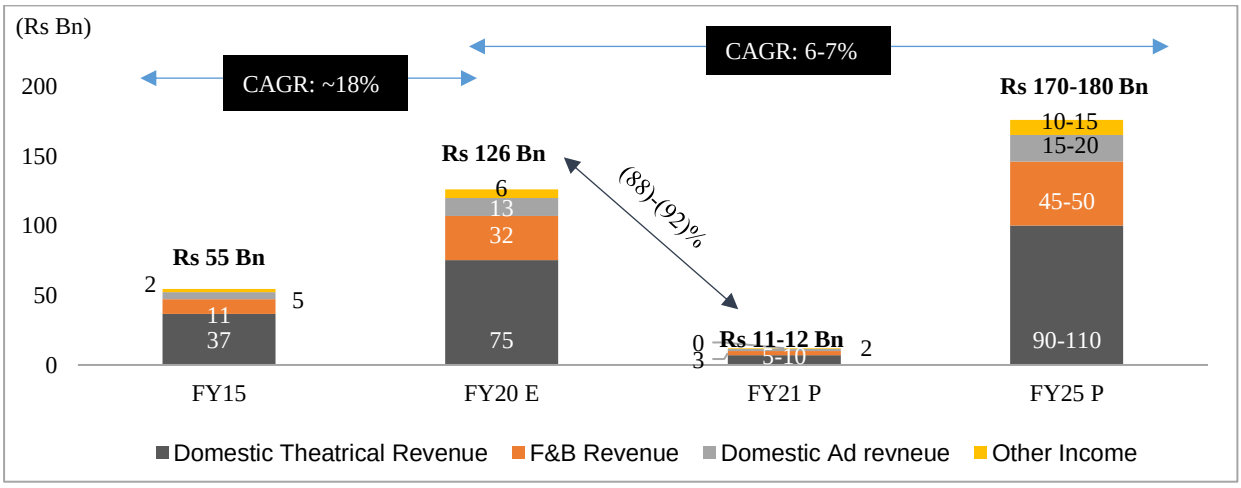
(a) Temporary closure of multiplexes along with lower consumer discretionary spends to cut fiscal 2021 exhibition revenue

Over the past five fiscals from FY15 to FY20, the Indian multiplex revenues have grown at a strong CAGR of 18% from Rs 55 Bn in fiscal 2015 to Rs 126 Bn in fiscal 2020. However, revenue of the multiplex industry is expected to plunge 88-92% on-year in fiscal 2021, to Rs 11-12 billion. A large part of the slide is the result of the temporary shutting down of movie theatres in the first half of the fiscal because of the nationwide and state-imposed lockdowns and accompanying regulations, and expectation of only a gradual resumption in theater screenings post lifting of the lockdown. Also, weighing down revenue is the reduction in consumer discretionary spending amid the fallout from a sharp slide in the economy; CRISIL Research has projected India's gross domestic product to decline 9% in fiscal 2021.

Hence, occupancy levels at multiplexes are expected to decline ~5% on-year in fiscal 2021. And while the recent central government guideline allowing the opening up of theatres from October 15, 2020 with 50% capacity provides some respite, the decision to open rests with the state governments. But even after resumption of screenings by theatres, we expect big production houses to delay releases until the situation normalises so as to ensure good footfalls. All this points to recovery only in later half of the fiscal year. Added to this, small budget movies are likely to release on OTT platforms, as in the case of *Gulabo Sitabo*, which was released on Amazon Prime on June 12, 2020.

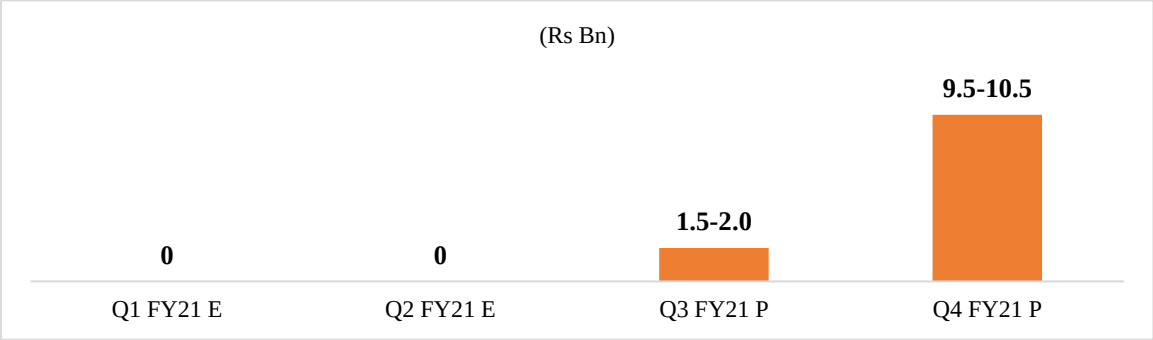
CRISIL Research projects the multiplex industry to grow at a moderate pace over the next five fiscals to Rs 170-180 Bn in fiscal 2025 at a 6-7% CAGR over revenues of Rs 126 Bn estimated for fiscal 2020 as India is also one of the leading film producers in the world. However, owing to COVID-19, closure of unprofitable screens and consolidation of smaller screens by big players is a recent trend in the industry. The slower growth rate expected over the next five years is owing to uncertainty with respect to COVID-19 and its vaccination, people's sentiments and also expansion plans of players which might be deterred.

Multiplex industry to nosedive in fiscal 2021; grow at moderate pace over medium term



E: Estimated; P: Projected
Source: Industry

Quarterly revenues of multiplex players for the fiscal 2021



E: Estimated; P: Projected
Source: Industry

(b) <u>Q4 Fiscal 2021 to see revival in industry</u>

The first two quarters of fiscal 2021 were a complete washout as a result of shutting down of movie theatres across the country. Multiplex players cut short their expenses in order to maintain the year's profitability. In fiscal 2021, because of the complete shutdown of theatres, CRISIL Research expects a significant number of single screen theatres to not reopen owing to their weak credit profile. As a result, CRISIL Research projects accelerated closure or conversion of single screens to multiplexes to continue in the medium term, with the share of multiplexes steadily rising in screens to ~50% by fiscal 2025.

The quarter 3 of FY21 is expected to continue to bear the brunt of COVID-19 on account of two factors – one the allowed opening of theatres across a few states of the country from 15th of October of which major revenue earning states of Maharashtra and Tamil Nadu not allowed to open anytime until 31st October 2020 and two no new releases until Diwali 2020. New and big banner releases are lined up only starting December onwards with a rush of new releases only from January 2021 i.e. Q4 of FY21. CRISIL Research thus projects lower footfalls for the theatres opened for Q3 FY21. Q4 FY21 will see an improvement in footfalls with consumer sentiments turning positive also led by new big banner releases. As a whole, FY21 is expected to witness 88-90% lower revenue y-o-y and projected to clock only revenues to the tune of Rs 11-12 bn during the fiscal.

F&B revenue to be proportionately affected in fiscal 2021; tweaking of product mix and prices by multiplex operators to drive F&B growth over medium term

As a result of lower footfalls as well as lower operating days because of the shut down in the first half of the fiscal year, F&B revenue are projected to mirror the drop in ticket revenue.

Over the medium term, though, we expect F&B revenue to remain steady as players improve the product mix and prices, resulting in higher spending per head.

The reason for theaters leaning on the F&B segment to support revenue is its high growth trajectory over the years. In fiscal 2020, the segment posted an impressive ~23% on-year growth on the back of ~35% rise in fiscal 2019.

Upcoming Bollywood movies

S. No.	Movie Name	Language	Star Cast
1	Sooryavanshi	Hindi	Akshay Kumar, Katrina Kaif, Gulshan Grover, Cameo - Ajay Devgan and Ranveer Singh
2	83	Hindi	Ranveer Singh, Sahil Khattar, Chirag Patil, Nawazuddin Siddiqui
3	Jayeshbhai Jordaar	Hindi	Ranveer Singh, Shalini Pandey, Boman Irani, Ratna Pathak
4	Radhe - Your Most Wanted Bhai	Hindi	Salman Khan, Disha Patani, Jackie Shroff, Randeep Hooda

S. No.	Movie Name	Language	Star Cast
5	Prithviraj	Hindi	Akshay Kumar, Manushi Chhilar
6	Bell Bottom	Hindi	Akshay Kumar, Mrunal Thakur
7	Brahmastra (Part 1) -	Hindi	Ranbir Kapoor, Alia Bhatt, Amitabh Bachchan, Mouni Roy, Nagarjuna
8	Lal Singh Chaddha	Hindi	Amir Khan, Kareena Kapoor Khan
9	Maidaan	Hindi	Ajay Devgan, Keerthy Suresh
10	Atrangi Re	Hindi	Akshay Kumar, Dhanush, Sara Ali Khan
11	Shamshera	Hindi	Ranbir Kapoor, Sanjay Dutt, Vaani Kapoor
12	Sardar Udham Singh	Hindi	Vicky Kaushal, Banita Sandhu
13	Kabhi Eid Kabhi Diwali	Hindi	Salman Khan
14	Bachchan Pandey	Hindi	Akshay Kumar, Kriti Sanon
15	Kaithi Remake	Hindi	Ajay Devgan
16	RRR	Hindi/Tamil/Telugu Malayalam	Jr Ntr, Ram Charan, Alia Bhat, Ajay Devgan, Daisy Edger-Jones
17	Pathan	Hindi	Shak Rukh Khan, John Abraham
18	Attack	Hindi	John Abraham, Jacqueline Fernandez,
19	Jersey	Hindi	Shahid Kapoor
20	Gangubai Kathiawadi	Hindi	Ajay Devgan, Alia Bhat

Source: Industry

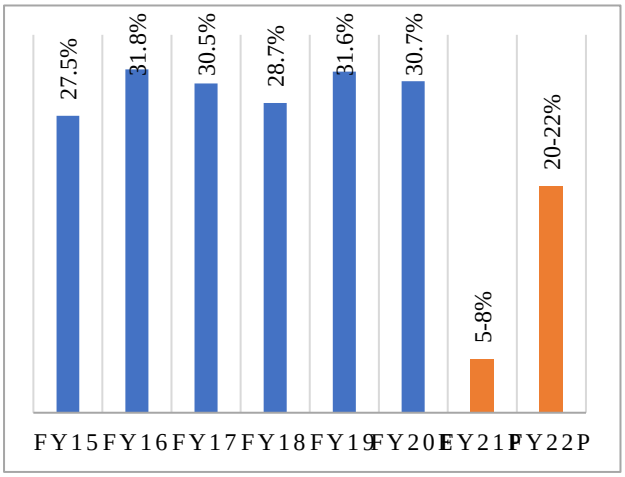
(c) <u>Screen additions to also drive multiplex revenue growth over medium term</u>

Multiplexes accounted for ~33% share of the domestic screen portfolio and ~54% share of the domestic theatrical revenue in fiscal 2020.

Growth will increasingly be driven by tier II and III cities, as the pace of mall additions has slowed in metros and tier-I cities, and availability of desired space at reasonable rents has reduced. Also, metros are generally more competitive, in terms of out-of-home entertainment options, such as live events and plays. In contrast, rising disposable income, novelty of multiplexes and digital technology have incentivised the opening of more screens in tier II and III cities; currently, tier I comprises ~40% share of multiplexes, with tier II and III cities comprising the rest.

But while newer plans introduced by larger multiplex players, such as loyalty schemes and unlimited plans, will provide some heft as well, a shorter window for film exhibition, along with increasing piracy and ability to download content online quickly (because of high-speed internet) will continue to restrain theatrical revenue growth.

Pan-India occupancy rates to crash in fiscal 2021; recover over medium term



E: Estimated; P: Projected
Source: Industry

Occupancy to plunge in fiscal 2021; rise steadily over medium term

Occupancy (the ratio of number of footfalls per screen per annum-to-total capacity per screen) depends on the film content. In fiscal 2021, occupancy levels are expected to reduce to 5-8% as the first half was a washout, and even after resumption of theatres, we expect big production houses to delay releases until the situation normalises so as to ensure good footfalls. Overall occupancy levels were at ~31% in fiscal 2020. During the medium term, occupancy levels are expected to stabilise as the situation normalises; but increasing competition from OTT channels providing original content, continued piracy, availability of high-speed internet for downloading content, and slower adoption of

multiplexes in tier II and III cities will limit the increase in occupancy. This will limit the hike in average ticket price rates by multiplex players.

Meanwhile, with deepening penetration of smartphones and rising internet usage in India, moviegoers are preferring the convenience of online platforms, such as Bookmyshow, Paytm, and Ticketnew, to book tickets. In fact, ~50% of the tickets sold by multiplexes are via these platforms (excluding tickets sold through dedicated platform apps of multiplexes).

Multiplex players' also testing luxury movie experience

Leading multiplex players such as PVR, INOX and Cinepolis have launched their own brands for luxury cinema viewing experience. PVR recently opened Luxe, an ultra-luxury cinema hall in Mumbai. In calendar year 2016, INOX launched Insignia, a 'seven-star' movie viewing experience theatre in New Delhi. The services include laserplex screens, recliner seats, exclusive gourmet crafted by celebrity chefs, and on-call butler service. INOX has 27 properties with 6 or more screens across the country. The large number of screens also provide the flexibility to introduce multiple cinema-viewing formats and technologies.

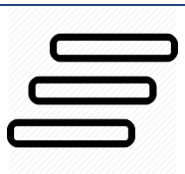
The capex required for these screens is 60-75% more than the conventional multiplex screens and, thus, the ticket prices are estimated to be twice. Rising disposable income and favourable demographics is expected to augment the demand for these services in the long term.

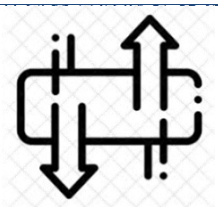
Multiplex players' also focusing on larger format cinema destinations

Multiplexes have been focusing on developing large-format cinemas, which become destinations within themselves, with a wide range of content choices, multiplex F&B concepts and an exuberant design and ambience, delivering a mesmerizing experience overall. INOX rolled out a Megaplex at Inorbit Mall Malad in Mumbai, with 11 screens that houses 6 different cinema viewing experiences, apart from the mainstream auditoriums under one roof - IMAX, MX4D, ScreenX, Samsung ONYX LED, Insignia and Kiddles. INOX's 2nd Megaplex is also ready to be opened in the city of Lucknow. Such large format cinemas allow multiplexes to offer a wholesome family outing experience, and also ensure repeat visits and increase loyalty.

4.3. Impact of COVID-19 on safety precautions and standards taken by the Indian multiplex industry

The COVID-19 pandemic has compelled multiplex players to take utmost care and precautions in order to attract footfalls and get back in business. Some of the key safety precautions that multiplexes are taking into consideration are as follows:

1.		Staggering show timings
2.		Mandating face masks

3.		Raising fresh air circulation rates
4.		Screening employees and customers from time to time
5.		Minimizing physical contact
6.		Frequent disinfecting in all high touch areas between show times and throughout the day
7.		Provision for hand wash and sanitizers
8.		Digital payments and tickets encouraged

Source: CRISIL Research, Industry

4.4. Key growth drivers for the film and multiplex industry

(a) Key growth drivers

Rising trend in footfalls in Indian multiplexes	• Occupancy rate of the multiplex industry has consistently risen over the last five fiscals, from ~28% in FY15 to ~31% in FY20. Also, India stood at maximum admissions in cinema halls in 2017, surpassing China
Multiplex cinemas gaining ground	• Multiplex cinemas are fast changing the way in which movies are viewed, particularly in big cities. Multiplex cinemas are characterised by limited seating capacity of 250-400 seats per screen, good ambience, quality viewing with high-end sound systems, comfortable seating arrangements
Increasing use of advanced technologies	• Multiplexes are using the latest technology to provide ultra-luxurious experience to moviegoers - e.g., PVR Directors Cut, PVR Gold Class and INOX Insignia, among others
Premiumisation	• Multiplexes, with their superior infrastructure, provide an enhanced movie viewing experience. The advent of in-cinema F&B service is seen as a step towards providing a premium experience. Also, multiplexes aim to provide more F&B menu options, create more sales touch points, and innovate on price and products
Advertisement revenue	• In-cinema advertising is becoming an effective medium of advertisement, as it gives advertisers undivided audience attention (in theatres, the audience is mostly focused on the screen). In-cinema advertising in multiplexes is expected to reach ~Rs 20 billion by FY25, from ~Rs 13 billion in FY20, a CAGR of ~9%
Growth of malls	• India's retail real estate market primarily originated in tier-I cities, and has subsequently expanded to tier II cities, with leading players continuing to plan shopping malls and hypermarkets in these locations.

4.5. SWOT analysis for the Indian multiplex industry

Strengths

- Higher revenue-earning potential and superiority over single screens
- Higher occupancy rates and better realisation
- Sharing reduces overhead cost, improves profitability
- Multiplexes beneficial to all stakeholders
- Diversified revenue stream

Weaknesses

- Absence of stringent piracy laws
- Allowing outside food to impact multiplex margins
- Slow pace of real estate developments
- Tough regulatory environment

Opportunities

- Low screens per capita
- Private screenings
- Release of movies in multiple languages
- Higher and comfortable F&B sales options
- Alternate content options

Threats

- Rising popularity of live events and performances
- Bans, restrictions by the Central Board of Film Certification
- Delays in production/releases
- New content distribution platforms

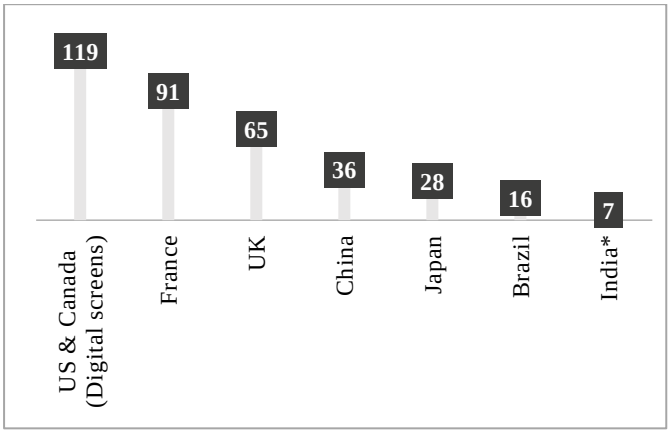
Source: Industry

4.6. Global trends

(a) India has highest admissions in cinema halls but low per capita screen availability

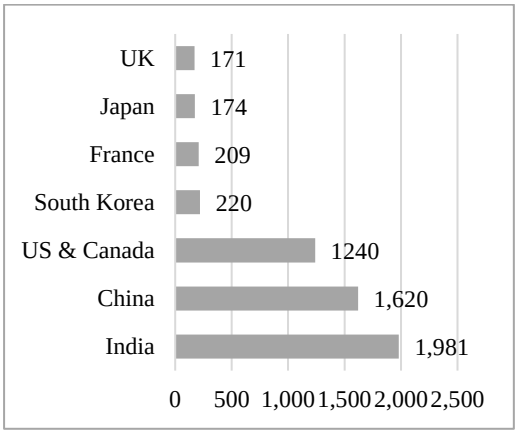
In terms of the number of screens per million population, the US and Canada fared much better as compared with other the key countries, with 119 screens in 2017, followed by France (91 screens). India, in spite of the maximum admissions in cinema halls in 2017, remains an under-penetrated country when it comes to movie screens per capita, with seven screens per million population.

Per capita availability of movie screens in key countries (2017 – number of screens per million population)



**India data is of fiscal 2018*
Note: Data pertains to 2017
Source: Industry sources and associations

Admissions in cinema halls across key countries – 2017 (million)



Source: Industry sources and associations

5. Competitive mapping of multiplex operators in India

5.1.

In this section, CRISIL Research has compared key players in the film exhibition industry. The data is obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites.

Key players in the domestic multiplex industry

Players	Year of commencement of business	Company headquarters	Total states present in as per latest available data	Count of properties as per latest available data	Total number of screens as per latest available data
PVR Ltd** (India)	1995	Gurugram, Haryana	20	175	846
INOX Leisure Ltd**	1999	Mumbai, Maharashtra	19	147	626
Carnival Films Pvt Ltd*	2012	Mumbai, Maharashtra	20	~160	465+
Cinepolis India Pvt Ltd*	2009	Gurugram, Haryana	12	~95	360-380
Miraj Entertainment %	2012 (movie exhibition business)	Rajasthan	13	44	122

** Data for Carnival Films (https://www.carnivalcinemas.com) and Cinepolis India are as per their respective websites and news articles accessed between 19 and 22 October 2020*
*** Data for PVR and INOX is as of March 2020*
% Data for Miraj Entertainment is as per credit rating rationale document for the company by CARE Ratings
Source: Companies' annual reports, Investor presentation, News articles, Credit rating rationale, Companies' websites

Pan-India presence of major multiplex players

The western region has a dominant share of multiplex screens in India, followed by the northern region. The eastern region has the lowest number of multiplex screens.

Regional share of screens for key players in domestic multiplex industry

Player	East	West	North	South	Total
Carnival Films Pvt Ltd	6%	51%	32%	15%	100%
Cinepolis India Pvt Ltd	6%	40%	25%	31%	100%
INOX Leisure Ltd	14%	41.0%	24.1%	22.3%	100%
PVR Ltd	5.5%	29%	31%	33.5%	100%

Note:
Data for INOX and PVR is as of latest data available; Regional spilt for Carnival Films (https://www.carnivalcinemas.com) is based on data accessed on the company's website on February 2019 and October 2020; regional split for Cinepolis is based on data accessed on the company website as of February 2019 and October 2020
Source: Companies' annual reports, Investor presentation, Companies' websites

Player rankings based on screens at regional level across India

Ranking	East	West	North	South
Rank 1	INOX Leisure Ltd	INOX Leisure Ltd	PVR Ltd	PVR Ltd
Rank 2	PVR Ltd	PVR Ltd	INOX Leisure Ltd	INOX Leisure Ltd
Rank 3	Carnival Films Pvt Ltd	Carnival Films Pvt Ltd	Cinepolis India Pvt Ltd	Cinepolis India Pvt Ltd
Rank 4	Cinepolis India Pvt Ltd	Cinepolis India Pvt Ltd	Carnival Films Pvt Ltd	Carnival Films Pvt Ltd

Note:
Data for INOX and PVR is as of latest data available; Regional spilt for Carnival Films (https://www.carnivalcinemas.com) is based on data accessed on the company's website on February 2019 and October 2020; regional split for Cinepolis is based on data accessed on the company website as of February 2019 and October 2020
Source: Companies' annual reports, Investor presentation, Companies' websites

Regional details of key players in domestic multiplex industry (number of screens)

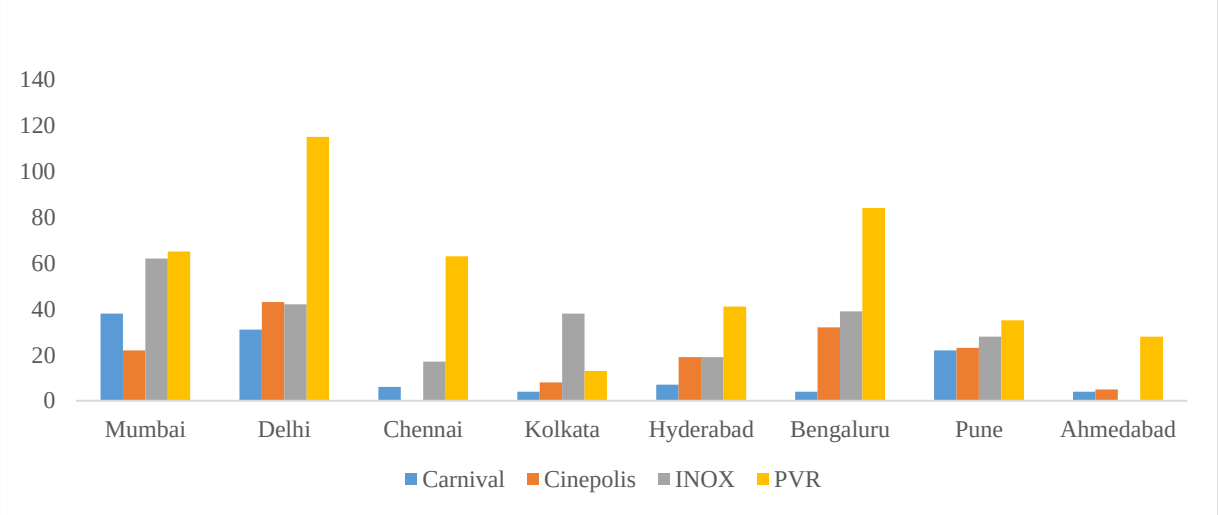
Player	East	West	North	South	Total screens
INOX Leisure Ltd	87(14%)	252 (40%)	149 (24%)	138 (22%)	626
PVR Ltd	47 (5.6%)	248 (29.3%)	264 (31.2%)	277 (33.8%)	836

Note: CRISIL Research has considered the following bifurcation of states into regions: The West includes Maharashtra, Goa, Gujarat, and Madhya Pradesh; North includes Uttarakhand, Delhi, Haryana, Rajasthan, Bihar, Himachal Pradesh, Jammu and Kashmir, Punjab, Uttar Pradesh, and Chandigarh; South includes Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Andaman and Nicobar Islands, and Puducherry; East includes West Bengal, Chhattisgarh, Jharkhand, Odisha, Meghalaya, Assam, Arunachal Pradesh, Sikkim, Mizoram, Nagaland, Tripura, and Manipur
Source: Companies' annual reports, Investor presentation, Companies' websites

City-wise screen of major multiplex players – 2019

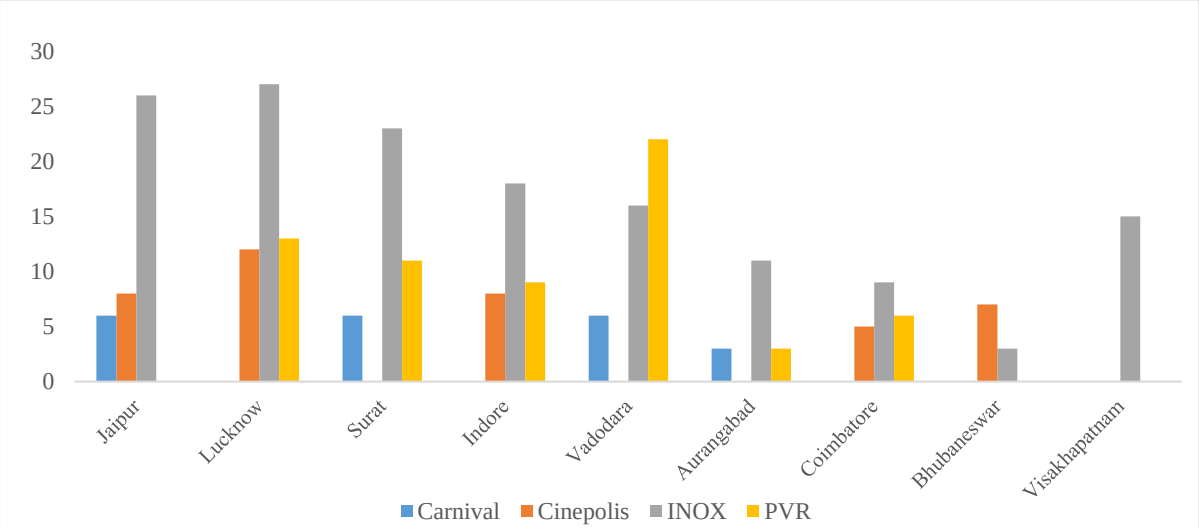
30-35% of total screens are present in top 8 metro cities and high per capita consumption cities as of 2019

Metro-wise screen of major multiplex players – 2019



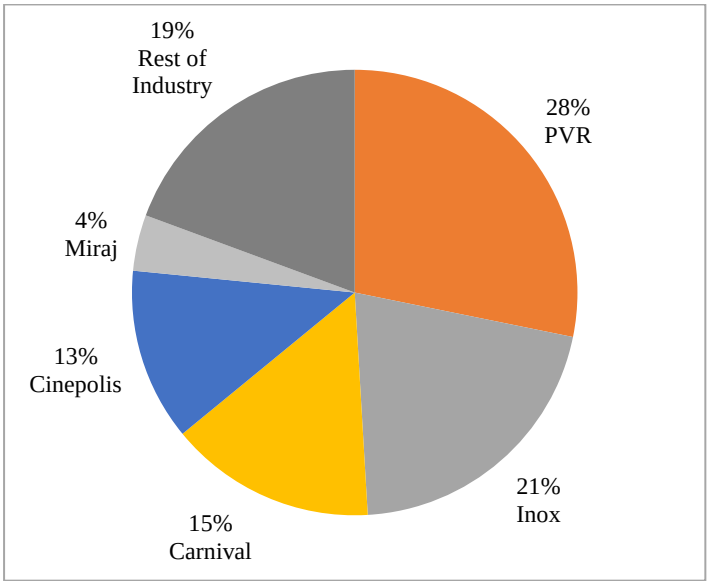
Note: Data for city-wide screens are based on 2018-19 screen numbers across major cities
Source: Company websites, Annual reports

City-wise screen of major multiplex players



Note: Data for city-wide screens are based on 2018-19 screen numbers across major cities
Source: Company websites, Annual reports

Top five players account for ~80% market share (fiscal 2020)



The multiplex exhibition industry is highly consolidated, with the top five players accounting for ~80% screens in India

PVR, followed by INOX, are the two largest players, PVR accounts for 28% share and INOX accounts for 21% of the screens in the Indian market as of FY20

Source: Company websites, Annual reports and presentation, CRSIIL Research

Break-up of domestic theatrical into languages

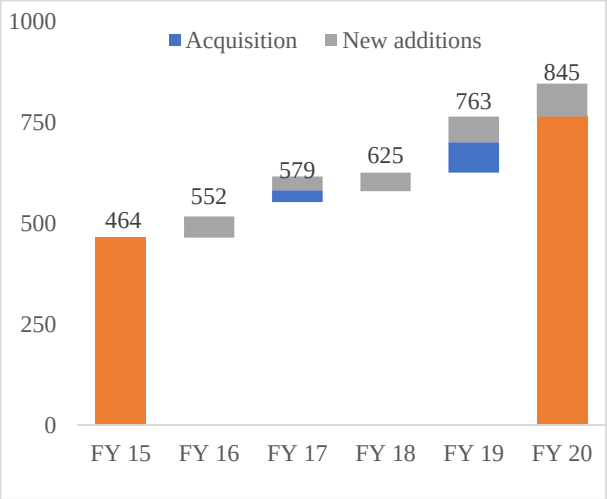
Language	INOX	PVR	Industry
Hindi	65%	53%	40-45%
English / Hollywood	15%	23%	10-15%
Regional	20%	24%	40-50%

Source: Companies' annual reports, Investor presentation, Companies' websites

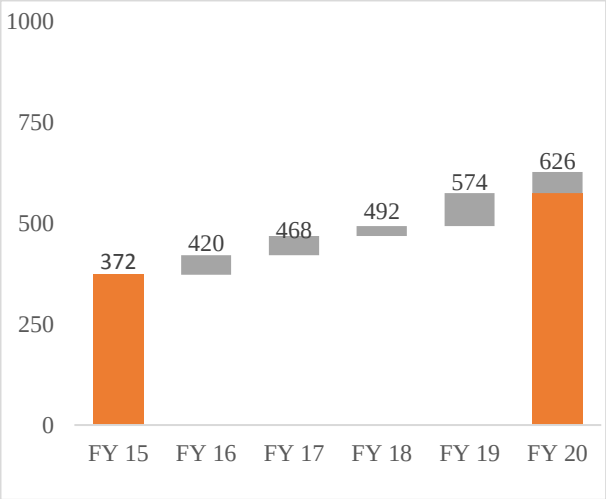
(a) Players are expanding reach by increasing number of screens

Number of screen additions by major multiplex players (fiscals 2015 to 2020)

PVR Ltd
Largest multiplex company in India with 845 screens as of FY 20. PVR added 380 screens between FY15-FY20 through expansion of network and two acquisitions

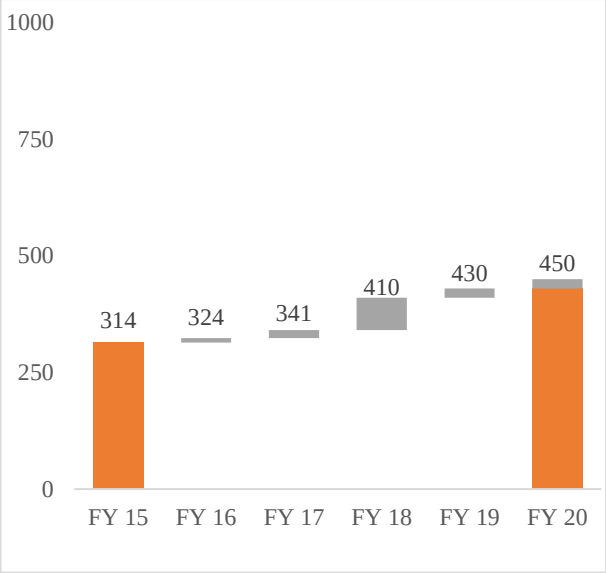


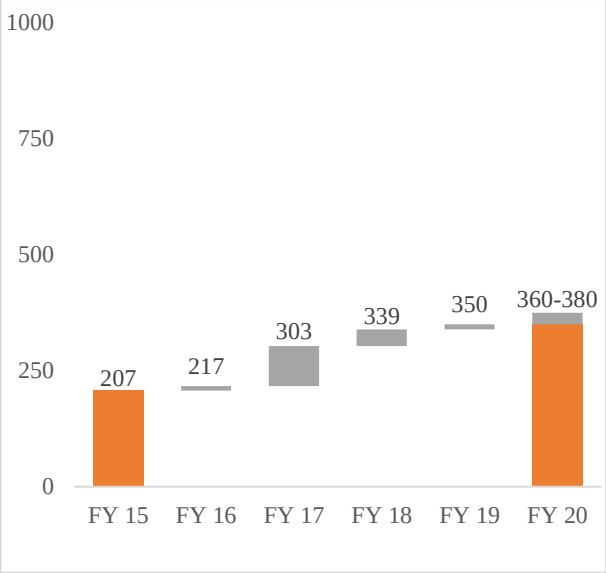
INOX Leisure Ltd
Second-largest multiplex company in India with 626 screens as of FY 20. INOX added over 254 screens between FY15-FY20.



Cinepolis
Cinepolis India had 450 screens across India in FY20. Cinepolis acquired assets of Fun Cinemas.

Carnival Films
Carnival Films had 360-380 screens in India in FY20. Carnival films acquired Big cinemas in 2016-2017





Source: Company websites, annual reports and presentation, CRSIIL Research

Premium screen count of PVR and INOX as of fiscal 2018:

Player	Premium screen	Share in total screens
INOX Leisure Ltd.	63	10%
PVR Ltd.	94	11%

Note: INOX operates IMAX (4) and INSIGNIA (27) under premium screen format. PVR has Gold Class (37), DC (4), 4DX (18), IMAX (9), Playhouse (13), PXL (8), Onyx (1), and sapphire (4) as premium screens.

(b)

Screen offerings

Screen offerings	INOX Leisure Ltd.	PVR Ltd.	Cinepolis
IMAX Experience®	INOX IMAX	PVR IMAX (9)	Cinepolis IMAX
Premium and Super-premium offerings	INOX club, 7 Star Insignia Technological advances such as Laserplex, Dolby Atmos Sound and Volfoni 3D Screen	Director's Cut(4), Sapphire (4), Gold class / Luxe (37)	Cinepolis VIP (comfort and luxury F&B)
270 degree viewing experience / large screen	ScreenX , panoramic viewing	P[XL] – large screen viewing (8)	-
4-D viewing experience	MX4D INOX	4DX (2D and 4D formats) (18)	4DX
Bright laser focused 3D screens	Laser	-	-
LED screen viewing	Samsung Onyx LED technology	Onyx (1)	-
Viewing dedicated to Kids	Kiddles	Playhouse (13)	-

Number in brackets indicate the number of screens under each segment as reported by the company.
Source: Company annual report

There is various technological advancement being introduced in theatre industry from 4D/5D experience to large screen sharper image formats. IMAX system with large screen was first introduced in India in 2001 in Mumbai at Adlabs cinemas. There are several IMAX screens in India today across various major cities. Yet another format is 4D/5D cinema experience, which incorporates on-screen visuals with synchronized motion seats and environmental effects such as water, wind, fog, scent, and more, to enhance the action on

screen. Various technology companies such as MediaMation and CJ 4DX /CJ CGV provide the technology for theatre industry

MediaMation is an interactive attraction technology company and one of the leading worldwide supplier and manufacturer of 4D/5D motion EFX theatres, seating and systems integration for attractions and cinemas worldwide. Motion seats are programmed to match the exact movement on the screen coupled with optional special atmospheric effects that provided the effect that one is watching movie in virtual reality (VR). MX4D partners with several theatres around the world such as HG entertainment, Kinepolis, B&B theaters, MBO cinemas and others. In India, MX4D partners with INOX. INOX was the first multiplex cinema chain operators in India to introduce MX4D® offering for the 4D cinema experience in 2019.

CJ CGV, another leading provider in cinema viewing technology and visuals, has offering such as 4DX, IMAX, ScreenX, SphereX, SoundX, Starium. CGV through CJ 4DX has partnered with PVR cinemas in India to introduce 4DX screen in 2016. CGV / CJ 4DX partners with cinema theatres such as Cinepolis, AEG, united cinemas, Cineplex and others across the globe.

Another offering by CGV included ScreenX which is a 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. ScreenX was first introduced in India by INOX in 2019. Samsung ONYX LED screen is yet another technology offering in the space. Samsung ONYX was first introduced in India by Samsung group along group HARMAN at Swagath Cinemas in Bengaluru in 2019. INOX was the first player to introduce Samsung ONYX LED screen in Mumbai.

Profitability parameter for top multiplex operators (fiscal 2020)

Players	Screen (Rs. million per screen)		Patron (Rs. per patron)		Location (Rs. million per location)	
	PAT (without IND AS 116) / Screen	Reported PAT / Screen	PAT (without IND AS 116) / Patron	Reported PAT / Patron	PAT (without IND AS 116) / Location	Reported PAT / Location
INOX Leisure Ltd	2.3	0.2	21.4	2.3	9.6	1.0
PVR Ltd	1.6	0.3	12.9	2.6	7.5	1.5

Note: Reported PAT is after incorporating for IND AS 116 accounting standards for operating leases. Source: Companies' annual reports, Investor presentation, Companies' websites

Operating parameters of top multiplex operators

Year	PVR Limited					INOX Leisure Limited				
	Footfall	Location	Screen	ATP	SPH	Footfall	Location	Screen	ATP	SPH
	Mn	No.	No.	Rs	Rs	Mn	No.	No.	Rs	Rs
FY 16	70	121	552	188	72	53	107	420	164	58
FY 17	75	126	579	196	81	54	118	468	170	62
FY 18	76	134	625	210	89	53	123	492	193	66
FY 219	99	164	763	207	91	63	139	574	197	74
FY 20	102	175	845	204	99	66	147	626	200	80
Y-o-Y FY20	2.2%	**6.7%**	**10.7%**	-1.4%	**8.8%**	**5.6%**	5.8%	9.1%	**1.5%**	8.1%

Source: Company annual reports

Key operational malls in India and presence of multiplex operators in the same

Name of Mall	City	Approximate area of property (area in sq. ft)	Presence of multiplex operators
Lulu International Shopping Mall	Kochi	2,500,000	PVR
World Trade Park	Jaipur	2,400,000	Cinepolis
DLF Mall of India	Noida	2,000,000	PVR
VR Mall	Chennai	2,000,000	PVR
Sarath City Capital Mall	Hyderabad	1,930,000	AMB Cinemas
Mumbai Atria Mall	Maharashtra	1,900,000	INOX
Ambience Mall	Gurgaon	1,800,000	PVR
Phoenix Market City	Bangalore	1,400,000	PVR
Chennai The Marina	Tamil Nadu	1,400,000	INOX
Kolkata Southcity	West Bengal	1,350,000	INOX
Select CityWalk	Delhi	1,300,000	PVR
Mumbai R City	Maharashtra	1,200,000	INOX
Pune Amanora	Maharashtra	1,200,000	INOX
Elante Mall	Chandigarh	1,150,000	PVR
Esplanade One	Bhubaneshwar	1,000,000	Cinepolis
Phoenix Market City	Chennai	1,000,000	PVR
Viviana Mall	Thane	1,000,000	Cinepolis
VR Punjab (Earlier Called North Country Mall)	Mohali	1,000,000	PVR
Bangalore Malleshwar	Karnataka	1,000,000	INOX
Bangalore Rmz Mall	Karnataka	1,000,000	INOX
Amritsar Trillium	Punjab	1,000,000	INOX
Lucknow Phoenix Palassio	Uttar Pradesh	1,000,000	INOX
Fun Republic	Lucknow	970,000	Cinepolis
Mantri Square	Bangalore	924,000	INOX
Express Avenue	Chennai	900,000	PVR, Pix 5D Cinemas
Orion Mall	Bangalore	850,000	PVR
The Great India Place	Noida	850,000	Carnival
Infiniti Mall (Malad)	Mumbai	850,000	PVR
Forum Sujana Mall	Hyderabad	820,000	PVR
Bangalore Forum	Karnataka	780,000	INOX
Kolkata Quest Mall	West Bengal	700,000	INOX
Coimbatore Prozone	Tamil Nadu	500,000	INOX
Hyderabad Gsm Mall	Telangana	425,000	INOX
Hyderabad GVK One	Telangana	350,000	INOX
Indore Century 21	Madhya Pradesh	75,000	INOX
Mumbai Malad	Maharashtra	60,000	INOX
Alpha one, Ahmedabad	Gujarat	1,200,000	Cinepolis
Phoenix market city Kurla	Mumbai	4,100,000	PVR
Viviana Mall	Mumbai	1,000,000	Cinepolis
High street Phoenix	Mumbai	3,300,000	PVR
Growels 101	Mumbai	1,000,000	PVR
Dreams Mall HDIL	Mumbai	1,200,000	Carnival
Phoenix market city	Pune	1,200,000	PVR

Source: Company websites, annual report

(c) Key financial ratios of a few listed players

(i) <u>Key financial ratios of listed players for Fiscal 2020</u>

Key financial ratios (FY20)	Operating margin (%)	Net profit margin #(%)	Net profit margin (%)	RoCE (%)	Interest coverage (times)	Gearing (times)	Debt (Rs. Mn)
INOX	31.5%	7.4%	0.8%	17.9%	2.7	0.26	1,576
PVR	31.6%	3.8%	0.8%	17.5%	2.2	4.4	10,990

 # - Net margin without impact of IND AS116; Note- *Fiscal 2020 financials are as per IND AS 116 accounting st*andards. EBITDA, Interest cost and depreciation is higher as per I*ND AS 116.Ratios calculated as per CRISIL Research standards as described below:*

- *Operating margin = OPBDIT / Operating income*
- *Net profit margin = Profit after tax / Operating income*
- *RoCE = Profit before interest and tax (PBIT) / [Total debt + Net worth – Intangible Assets (Goodwill) + Deferred tax liability]; CRISIL considers tangible net worth for calculation of capital employed. Interest includes financial interest cost*
- *Interest coverage ratio = Profit before depreciation, interest, and tax (PBDIT)/ Interest and finance charges*
- *Gearing = Adjusted total debt /Adjusted net worth*
- *Debt = Long term + short term debt*

Source: Company annual reports

(ii) <u>Key financial ratios for fiscal 2019</u>

Key financial ratios (FY19)	Operating margin (%)	Net profit margin (%)	RoCE (%)	Interest coverage (times)	Gearing (times)
INOX	18.8%	8.0%	24.4%	13.5	0.1
PVR	18.9%	6.1%	28.6%	4.6	6.9
Cinepolis	14.2%	-12.9%	-8.3%	1.5	NA
Miraj	17.4%	7.4%	22.3%	11.5	0.6

Ratios calculated as per CRISIL Research standards as described below:

- *Operating margin = OPBDIT / Operating income*
- *Net profit margin = Profit after tax / Operating income*
- *RoCE = Profit before interest and tax (PBIT) / [Total debt + Net worth – Intangible Assets (Goodwill) + Deferred tax liability]; CRISIL considers tangible net worth for calculation of capital employed.*
- *Interest coverage ratio = Profit before depreciation, interest, and tax (PBDIT1)/ Interest and finance charges*
- *Gearing = Adjusted total debt /Adjusted net worth*

CRISIL Research has taken into account 'Tangible net worth' for calculation of both ROCE and gearing ratio.
Source: Company annual reports

Key observations:

- As per CRISIL's classification of states (mentioned above), INOX has higher number of screens (252 screens) in the western region than its peers, with close competition from PVR (248 screens) - the difference in the number of screens between the two competitors being very narrow

- INOX is a market leader in the eastern region with 87 screens in FY20. The region accounts for ~14% of screens for the company. Within the eastern region, INOX has a dominant share in West Bengal

- INOX is among the market leaders in western region with 252 screens in FY20. The region accounts for ~40% of screens for the company. Within the western region, INOX has a dominant share in Gujarat, Madhya Pradesh, and Goa.

- INOX is ranked first in east and west regions, and PVR in north and south, on the number of screens

- Within major cities, INOX has highest number of screens in Kolkata among top metros

- Among other cities INOX has higher screen than competitors in cities such as Jaipur, Lucknow, Surat, Indore, Bhopal, Vishakhapatnam, Aurangabad, Coimbatore, and Bhubaneshwar

- INOX added the highest number of screens in FY19 with addition of 85 screens; followed by PVR that added 82 screens in FY20

- The top five players account for ~80% of the multiplex screens market with PVR and INOX having 28% and 21% share respectively

- 30-35% of total screens are present in top 8 metro cities with high per capital consumption. PVR has higher share concentration in these cities with 50% of its screens present in top 8 metros. INOX has 40% of its screen present in top 8 metros cities in India.

- Top multiplex players are focusing on premium offerings and premium screen format accounts for 10-11% of screen portfolio

- INOX saw highest rise in footfall in FY20 as compared to its peers from 62.5 mn in FY19 to 66 mn in FY20

- INOX's revenue growth was driven by growth in average ticket price (ATP) at 5.1% CAGR between fiscals 2016 and 2020, while that of its competitor PVR grew at 2.1% CAGR

- INOX's average ticket price (ATP) rose faster than its peers to Rs 200 in fiscal 2020, by Rs 3 or 1.5% over fiscal 2019

- INOX reported highest growth in revenue per screen in fiscal 2020 (Rs 30.3 million per screen) from Rs 29.0 million per screen in fiscal 2019, at 4.7% year on year growth

- INOX saw highest rise in spend per head (SPH) between fiscals 2016 to 2020 from Rs. 58 to Rs. 80, registering a CAGR of 8.4%. INOX was closely followed by PVR registering a CAGR of 8.3% during the same period with SPH increasing from Rs. 72 to Rs. 99 between fiscals 2016 to 2020

- INOX has higher PAT (without IND AS 116 impact) per screen of Rs. 2.3 million as against Rs. 1.6 million registered by PVR in fiscal 2020. INOX has higher PAT (without IND AS 116 impact) per patrons of Rs. 21.4 as against Rs. 12.9 registered by PVR in fiscal 2020. INOX has higher PAT (without IND AS 116 impact) per location of Rs. 9.6 million as against Rs. 7.5 million registered by PVR in fiscal 2020

- Multiplex players such as PVR, INOX Cinepolis and others have growth opportunity in Indian consumption market to gain from the increasing in discretionary spend and registering a rise in F&B and spend per head

- As of March 2020, INOX Ltd is present in 15 of the 39 largest operational malls (by size of property) in India, making its share at 36% in major malls across India.

- INOX saw a drastic improvement in operating margin to 31.5% in fiscal 2020 from 18.8% in fiscal 2019, a rise of 12.7 percentage points, on account of change in accounting standards of IND AS 116 leading to a change in cost heads from operational lease rentals to depreciation and interest cost and improvement in spend per head (SPH) and ATP

- In terms of return of capital employed (ROCE), INOX ranked first among its peers reporting ROCE of 17.9% in fiscal 2020, closely followed by PVR with ROCE of 17.5%

- Interest coverage ratio for the industry declined in fiscal 2020 on accounting of change in accounting standards (IND AS 116). INOX reported healthy interest coverage ratio of 2.7 times in fiscal 2020 followed by PVR reporting ICR of 2.2 times.

6. Competitive assessment of global multiplex operators

6.1. CRISIL Research has compiled profiles of key players in the global multiplex industry as detailed below. Information in this section is sourced from company websites, including annual reports and investor presentations, regulatory filings, rating rationales, and/or product brochures.

Key players in the global multiplex industry

Players	Year of commencement of business	Company headquarters	Total countries present in
AMC Entertainment Holdings	1920	Kansas, United States	15 (US, Austria, Denmark, Estonia, Finland, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Portugal, Spain, Sweden, United Kingdom, Saudi Arabia)
Cinemark Holdings Inc	2006	Texas, United States	16 (US, Brazil, Colombia, Argentina, Chile, Central America (Includes Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala, Peru, Ecuador, Bolivia, Paraguay, Curacao)
Cineplex Inc	1999	Toronto, Canada	One (Canada)
Cineworld Group plc	1995	London, United Kingdom	10 (UK, Ireland, Poland, Romania, Hungary, Czech Republic, Israel, Bulgaria, Slovakia)
CJ CGV	2004	Seoul, South Korea	Seven (South Korea, China, Vietnam, United States, Indonesia, Turkey and Myanmar)
Kinepolis Group	1997	Brussels, Belgium	Eight (Belgium, France, Canada, Spain, Netherlands, Luxembourg, Poland, Switzerland)
Major Cineplex Group Public Company Ltd	1995	Bangkok, Thailand	Three (Thailand, Cambodia, Laos)
Village Roadshow Ltd	1954	Melbourne, Australia	One* (Australia- cinema exhibition)
Vue International	2003	London, United Kingdom	10 (Italy, Ireland, Poland, Germany, Netherlands, Denmark, Latvia, Lithuania and Taiwan, UK)

Source: Companies' annual reports, investor presentations, companies' websites

Operational details for key players in the global multiplex industry

Players	Total number of screens (2019)	Total admits / tickets sold (in million, 2019)	ATP (2019)	ATP ($, as of December 2019)	SPH (2019)	SPH ($, 2019)	SPH/ATP ratio (%, 2019)
AMC Entertainment Holdings	11,041	356	-	9.5	-	4.7	50%
Cinemark Holdings Inc	6,132	280	-	6.5	-	4.1	64%
Cineplex Inc	1,693	66.4	10.6 CAD	8.1	6.7 CAD	5.1	63%
Cineworld Group Plc*	9,500	275	-	9.2	-	4.51	49%
INOX Leisure Ltd.~	626	66	200 (Rs)	2.7	80 (Rs)	1.1	40%
Kinepolis Group	852	35.6	7.3 (in EUR)	8.6	3.7 (in EUR)	4.3	50%
Major Cineplex Group Public Company Ltd#	812	34.2	173 (THB)	5.5	66 (THB)	2.1	38%
PVR Ltd~	846	101.7	204 (Rs)	2.8	99 (Rs)	1.4	49%
Village Roadshow Ltd@	600-700	NA	NA	NA	NA	NA	NA
Vue International**	1,997	96.3	2.3 (GBP)	3.0	1.1 (GBP)	1.4	47%

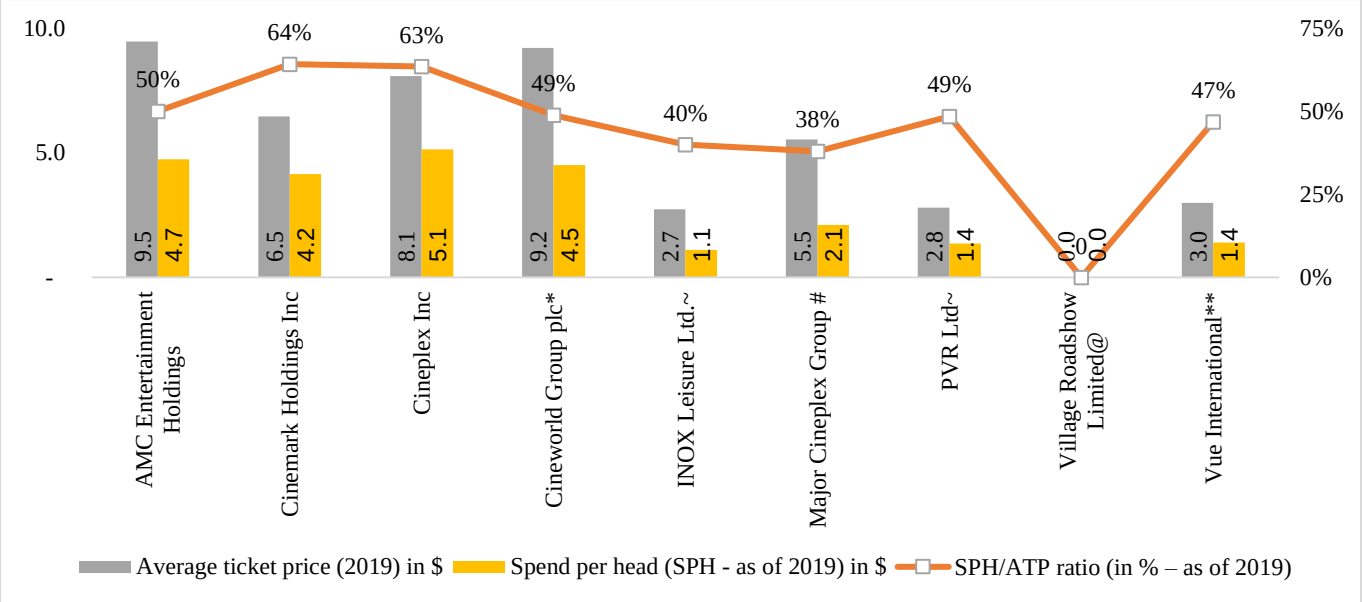
Notes: 1) Exchange rates for different currencies are taken as daily average for 2019. 2) Exchange rates considered for the conversion of local currencies to $ are: $1 = 1.31 CAD, $1 = 0.77 GBP, $1 = 0.85 Euro, $1 = 31.23 Baht, $1 = Rs 73.
3) SPH is calculated as F&B spend per head where the metric was not explicitly mentioned in the public document
4) ~Screen and property count for PVR and INOX is for FY20, as per Indian accounting year April-March
5) #Screen and property count for Major Cineplex is as of June 2019
6) @ data for Village Roadshow Ltd is as of June 2020
*7) ** data for Vue International is as of November 2019, the company follows December-November as reporting period*
Source: Companies annual reports

- Based on data available for 2019, INOX is among the top global multiplex operators in terms of number of screens (626) and total admits/tickets sold (66 million)

- The ratio of SPH/ATP for Indian multiplexes like INOX and PVR is lower in comparison with certain international counterparts like AMC Entertainment, Cinemark Holdings, Cineplex Inc, Cineoworld Group and Kinepolis Group

Comparison of ATP & SPH of INOX Leisure Ltd vis-à-vis Global players

In USD



Source: Company Annual Reports

Property count and rank of key global players

Player	2015	2016	2017	2018	2019	Rank
AMC Entertainment Holdings	387	906	1,014	1,006	1,004	1
Cinemark Holdings Inc	513	526	533	546	554	3
Cineplex Inc	162	165	163	164	165	6
Cineworld Group plc	218	226	232	792	787	2
CJ CGV	NA	NA	NA	517	520	4
INOX Leisure Ltd	96	107	118	136	147	9
Kinepolis Group	46	49	94	97	-	10
Major Cineplex Group Public Company Ltd	91	113	131	142	170	8
PVR Ltd	106	120	126	161	175	7
Village Roadshow Ltd	75	80	83	74	74	11
Vue International	189	211	212	215	228	5

Source: Companies' annual reports and websites, secondary resources (for CJ CGV

Screen count and rank of key global players

Player	2015	2016	2017	2018	2019	Rank
AMC Entertainment Holdings	5,426	10,558	11,169	11,091	11,041	1
Cinemark Holdings Inc	5,796	5,903	5,959	6,048	6,132	3
Cineplex Inc	1,655	1,683	1,676	1,686	1,693	6
Cineworld Group plc	2,011	2,011	2,011	9,542	9,500	2
CJ CGV	NA	NA	NA	3,784	~3,780+	4
INOX Leisure Ltd	372	420	468	557	626	11
Kinepolis Group	491	528	822	852	~850+	7
Major Cineplex Group Public Company Ltd	601	678	710	738	812	9
PVR Ltd	464	516	579	748	845	8
Village Roadshow Ltd	722	760	784	704	700	10
Vue International	1,753	1,879	1,902	1,928	1,997	5

Note: NA: Not available
Source: Companies' annual reports and websites, secondary resources (for CJ CGV)

- Based on the data available for 2019, Indian multiplex operators' ad revenue in absolute terms are lower that their global counterparts' such as AMC Entertainment Holdings, Cinemark Holdings Inc, Kinepolis Group and Vue International. However, at a per screen level, Indian players like PVR Ltd and INOX Leisure Ltd enjoy a better ad income per screen as compared with their global counterparts.

OUR BUSINESS

The following information should be read together with the information contained in the sections titled "Risk Factors," "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 49, 122, 83 and 231, respectively.

In this section, unless the context otherwise requires, indicates or implies, "we", "us" and "our", refer to our Company together with our Subsidiary. Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Overview

We are one of the largest multiplex cinema chain operators in India having pan-India operations as on date across 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 144,467 seats. As of March 31, 2020, we are a market leader in the eastern region with 87 screens. Within the eastern region, we have a dominant share in West Bengal. We are amongst the market leaders in western region with 252 screens Fiscal 2020. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). Our market share of Bollywood/ Hindi movies and Hollywood/ English movies domestic box office collections in India was 65% and 15%, respectively, in Fiscal 2020 (Source: CRISIL Report). For the Fiscal 2020, our PAT per screen (without Ind AS 116 impact) was ₹ 2.3 million and PAT per patron (without Ind AS 116 impact) was ₹ 21.40.

Our core business being screening of movies, we have consistently added screens, both organically and inorganically, through strategic investments and acquisitions, from eight screens in Fiscal 2002 to 626 screens in Fiscal 2020. In Fiscal 2019, we added 85 new screens, which was the highest number of screens added by any multiplex cinema chain operator in India (Source: CRISIL Report). Calcutta Cine Private Limited and Fame India Limited and its subsidiaries were amalgamated into our Company in Fiscal 2008 in Fiscal 2014, respectively. In Fiscal 2016, Satyam Cineplexes Limited, which was one of the prominent multiplex cinema chain players in north India, amalgamated with our Company, pursuant to which we acquired 38 operational screens leading to our strong foothold in northern region. In Fiscal 2021, we are in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. Our revenue from box office increased from ₹ 80,219.57 lakhs in Fiscal 2018 and ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 110,459.02 lakhs in Fiscal 2020. In 2019, we were awarded the "Best Brand" by ET Best Brand awards. We were also awarded the "India's Most Trusted Cinema-Display Brand" by TRA's Brand Trust Report and "India's Top Multiplex Chain of the Year" by Imax Big Cine Awards, in 2019.

To ensure that we deliver unmatched and outstanding screening experience to our patrons, we have always been in the forefront to introduce the best and latest technology. We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest offering in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect. Our IMAX screens use advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3D. We were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making cinema viewing experience as natural as one would watch it in real world. Our LASER screens provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens. In 2019, we were awarded "Best Technology Adopter of the Year" award by Imax Big Cine Awards.

With an endeavour to provide our customers with immaculate experiences, we continue to curate grand and immersive offerings that set new standards of luxury. Our signature offering, INSIGNIA has been designed for the genuine film connoisseurs, which offers 7-star cinema viewing experience curated to the delight of viewers.

INSIGNIA offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems along with gourmet food at the seat and a butler – ready to serve anytime. CLUB is our luxurious format offering for the smart and discerning customers with ample leg space and striking interiors. Our home-grown premium large format - BIGPIX, provides movie-lovers a stadium-like auditorium to watch their favourite blockbusters. We have introduced a three tier cinema rewards loyalty program for our customers – INOX Rewards, offering various benefits such as free cancellation and free merchandises, and reward points accumulated with every transaction with us, which could be redeemed for movie tickets and food and beverage ("**F&B**") purchase at our multiplexes. We were awarded the "Highest Luxury Standards" in 2019 by International Film Business Awards. We were also awarded the "Best Loyalty Program" in Retail Industry by ET Global Awards for Retail Excellence in 2019.

In addition to our primary revenue flow from sale of movie tickets, we have other diversified revenue streams such as revenue from sale of F&B and revenue from advertisements. We also derive revenue from convenience fees charged to our customers for tickets purchased on our website and mobile application. We also derive revenue from convenience fee charged from customers by ticket aggregators such as BookMyShow and Paytm for booking and selling our ticketing inventory through their digital platforms, pursuant to our contractual arrangement with them. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020. Further, our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020. In addition, our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

As of March 31, 2020, we are a net debt free company. We have maintained a consistent track record of financial performance. Our total income increased from ₹ 136,258.36 lakhs in Fiscal 2018 and ₹ 17,0710.29 lakhs in Fiscal 2019 to ₹ 19,1461.24 lakhs in Fiscal 2020. Our EBITDA increased from ₹ 22,491.03 lakhs in Fiscal 2018 and ₹ 32,408.28 lakhs in Fiscal 2019 to ₹ 34,723.21 lakhs in Fiscal 2020 (without IND AS 116 impact). Our net profit after tax was ₹ 11,462.94 lakhs in Fiscal 2018 and ₹ 13,349.12 lakhs in Fiscal 2019, and our net profit after tax was ₹ 14,102.56 lakhs in Fiscal 2020 (without IND AS 116 impact).

Our Strengths

Extensive pan-India presence at strategic locations

As on date, we are present 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens having 144,467 seats. In Fiscal 2021, we are in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. Our presence extends from metro cities like Mumbai, Ahmedabad, New Delhi, Bangalore, Chennai and Kolkata, to tier II and III cities such as Ajmer, Bharuch, Jorhat, Anand, Kakinada, Burdwan, Kurnool, Jalgaon, Bhilwada and Gorakhpur. As of March 31, 2020, we are a market leader in the eastern region with 87 screens. Within the eastern region, we have a dominant share in West Bengal. We are amongst the market leaders in western region with 252 screens Fiscal 2020. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). .

Our multiplexes are strategically located aiming at higher footfalls. We take into consideration various factors before we start a new multiplex such as catchment potential, the mall developer's profile, design and interior of the mall, retail mix and other ancillary amenities of the mall. In this regard, we carry out extensive research on the location and surroundings to determine the appetite for a new multiplex and the paying propensity of the population of the catchment. Our multiplexes are located in 15 out of the 39 largest operational malls in India in terms of property size, such Atria Mall (Mumbai), The Marina Mall (Chennai), Quest Mall (Kolkata), SouthCity Mall (Kolkata), R City Mall (Mumbai), Amanora Mall (Pune), Malleshwaram Mall (Bengaluru), Mantri Square Mall (Bengaluru), Forum Mall (Bengaluru) and RMZ Mall (Bengaluru), Trillium Mall (Amritsar), Phoenix Palassio (Lucknow), Prozone (Coimbatore), GSM Mall (Hyderabad), GVK One (Hyderabad), Indore Century One (Indore) and Mumbai Malad (Mumbai) (Source: CRISIL Report). As of March 2020, we have a market share of 36% in major malls across India (Source: CRISIL Report). Since the inception of our Company, we have had the highest footfalls in our multiplexes of 66.0 million in Fiscal 2020 from 62.5 million footfalls in Fiscal 2019. Our Company's rise in footfall in Fiscal 2020 was highest as compared to our peer (PVR Limited) (Source: CRISIL Report).

Most of our screens are located on leased premises. We are typically enter into tenancy/ license arrangements with developers of various malls across India for setting up of our screens. Since most of our screens are located in malls, we have established long standing relationships with various mall developers. Accordingly, developers typically approach us in advance for occupying strategic locations that are proposed to be developed by the mall developers at competitive terms, thus giving us a first mover advantage over our competitors.

We believe that our extensive and strategic presence across the country help us generate significant footfalls, which in turn foster our average ticket price and revenue per screen, thereby increasing our revenue and profitability.

Wide range of content

We offer wide variety of regional language content to lower the dependency on Hindi and English content, which we believe increases footfall in our multiplexes. In Fiscal 2018, our content in Hindi, English and regional languages accounted for 66%, 14% and 20%, respectively, of our gross box office collections, and in Fiscal 2019, our content in Hindi, English and regional languages accounted for 67%, 13% and 20%, respectively, of our gross box office collections, while in Fiscal 2020, Hindi, English and regional languages accounted for 65%, 15% and 20%, respectively, of our gross box office collections. In addition, we offer alternate contents such as live screening of sports, stand-up comedy shows, screening of music performances and concerts, which lowers our dependency on movies and helps us attracting crowd including who are not otherwise interested in movie screening. In 20019, our Company entered into a marketing partnership with National Basketball Association ("**NBA**") which introduced numerous NBA elements in and around our multiplexes, including co-branded inflatables and popcorn buckets, NBA posters and NBA jersey wall displays. We host screening parties for select games throughout the NBA season, along with meet-and-greet sessions with former NBA players. We became one of the three multiplex chains in the world to screen ICC Cricket World Cup 2019 live matches in 2019. We have also screened live matches of Vivo Pro Kabaddi League in 2019 in select cities in India. We believe that our wide range of content offerings including regional language movies and alternate content help us tap larger market comprising of varied entertainment interest.

Strong diversified revenue stream

In addition to our primary revenue flow from sale of movie tickets, we have diversified our revenue streams to include revenue from sale of F&B, advertisement and convenience fees.

We endeavour to match the best of dining standards, including spread, taste and service. We put extra emphasis on safety standards. Our spread spans across tangy street food to delectable gourmet offerings. With an undying desire to innovate, we have created unmatched concepts and experiences across our cinemas. Our customers can enjoy our in-cinema fine dining experience at Insignia, serviced by a live kitchen, operated and manned by some of the best personnel in the industry. We have introduced Onyx Diner, a single-serve buffet spread in our select multiplexes. Café Unwind at our multiplexes serves freshly brewed coffee, detox juices, burgers, sandwiches, ice creams, waffles and much more. F&B sales is high margin business, and with growth of our F&B business, the spend per head has increased over a period of time. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020. F&B purchases at our cinemas favourably increases our spend per head. Our Company's spend per head increased ₹ 58.00 in Fiscal 2016 to ₹ 80.00 in Fiscal 2020, registering a CAGR of 8.4%. We have recently partnered with food delivery platform Swiggy to deliver our F&B offerings to general customers outside our multiplexes.

Our revenue from advertisements have grown at a CAGR of 18% in the last five Fiscals. The Advertising Sales team works closely with advertisers and co-creates media plans to effectiveness. Our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020. Our relentless focus on developing experience-driven entertainment destinations, combined with a host of innovations in the space of marketing, F&B and technology, footfall at our multiplexes have been increasing, thereby allowing us to bargain a larger share of advertising revenues at desirable price.

Best in class luxury experience and advanced technology

We endeavour to offer to our customers best in class luxury experience. Our signature offering, INSIGNIA aims to add a new dimension to cinema viewing in India by offering 7-star cinemas, curated to delight viewers with unmatched experiences. Insignia offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems which includes laser projection, Dolby Atmos sound, Volfoni 3D screens along with

gourmet food from menu curated by celebrity Chef Vicky Ratnani at the seat and a butler – ready to serve anytime. At present, INSIGNIA screens are present across the country in cities like Mumbai, Delhi, Bangalore, Kolkata, Chennai, Pune, Jaipur and Lucknow. CLUB is our luxurious format offering for the smart and discerning customers with ample leg space and striking interiors. Our home-grown premium large format, BIGPIX, provides movie-lovers a stadium-like auditorium to watch their favourite blockbusters. We also offer private screening of movies. We were awarded the "Highest Luxury Standards" in 2019 by International Film Business Awards. We were also awarded the "Best Loyalty Program in Retail Industry" by ET Global Awards for Retail Excellence 2019. Kiddles, is our bright and exciting cinema format dedicated exclusively to kids. Kiddles is thoughtfully designed keeping in mind our young patrons offering a vibrant sight with its colourful décor. It has a play area for kids, amply stocked with toys and books.

We endeavour to offer best and latest technology for movie screening at our multiplexes for unmatched and outstanding screening experience. We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest offering in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect. Our IMAX screens use advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3DWe were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre. We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making the cinema viewing experience as natural as one would watch it in real world. Our LASER screens provide a highly engaging, next-level movie viewing experience with 300% enhanced picture quality, explosive cinema surround sound and the brightest 3D screens. In 2019, we were awarded "Best Technology Adopter" of the Year award by Imax Big Cine Awards.

We believe that we have uniquely positioned business by offering best in class luxury experience and advanced technology, making our offerings a preferred choice for the customers. Our emphasis on providing luxury movie experience rather than just movie screening has led to strong brand recognition, which has resulted in competitive edge over other market players.

Consistent financial performance and strong key performance indicators

We have maintained a consistent track record of financial performance. As of March 31, 2020, we are a net debt free company. Our total income increased from ₹ 136,258.36 lakhs in Fiscal 2018 and ₹ 17,0710.29 lakhs in Fiscal 2019 to ₹ 19,1461.24 lakhs in Fiscal 2020. Our EBITDA increased from ₹ 22,491.02 lakhs in Fiscal 2018 and ₹ 32,408.28 lakhs in Fiscal 2019 to ₹ 34,723.21 lakhs in Fiscal 2020 (without IND AS 116 impact). Our net profit after tax was ₹ 11,462.94 lakhs in Fiscal 2018 and ₹ 13,349.12 lakhs in Fiscal 2019, and our net profit after tax was ₹ 14,102.56 lakhs in Fiscal 2020 (without IND AS 116 impact).

We reported the highest net profit margin (without Ind AS impact) among our peer(s) (includes PVR Limited for Fiscal 2020 and PVR Limited, Miraj Entertainment Limited and Cinepolis India Private Limited for Fiscal 2019), of 7.4% in Fiscal 2020 and 8.0% in Fiscal 2019 (Source: CRISIL Report).

The following tables provides details of certain operational key performance indicators of our business:

Particulars	Fiscal 2020	Fiscal 2019
Footfall (in lakhs)	660.36	625.42
Occupancy percentage(1)	28.00%	28.00%
Average Ticket Price (₹)(2)	200.00	197.00
Spend Per Head (₹) (3)	80.00	74.00

Notes:
(1) Occupancy percentage represents number of admits in a period divided by the seating capacity as of the relevant period.
(2) Average Ticket Price represents gross box office collection divided by the number of admits.
(3) Spend Per Head represents gross sale of food and beverages divided by the number of admits.

In Fiscal 2020, we have achieved the highest (i) footfalls of 660.36 lakhs; (ii) average ticket price of ₹ 200; (iii) spend per head of ₹ 80; (iv) total revenue income of ₹ 19,14,61.24 lakhs; (v) EBITDA of ₹ 34,723.21 lakhs (without IND AS 116 impact); and (vi) profit after tax of ₹ 14,102.56 lakhs (without IND AS 116 impact), since our Company's inception. Our Company's average ticket price rose faster than our peer (PVR Limited) to ₹ 200.00 in Fiscal 2020, by ₹ 3.00 or 1.5% over Fiscal 2019 (Source: CRISIL Report). For the Fiscal 2020, our PAT per

screen (without Ind AS 116 impact) was ₹ 2.30 million against ₹ 1.6 million of our peer (PVR Limited) and our PAT per patron (without Ind AS 116 impact) was ₹ 21.40 against ₹ 12.9 of our peer (PVR Limited) (Source: CRISIL Report). We had year on year growth of 12.13% in revenues in Fiscal 2020. As of March 31, 2020, we are a market leader in the eastern region with 87 screens. Within the eastern region, we have a dominant share in West Bengal. We are amongst the market leaders in western region with 252 screens Fiscal 2020. Within the western region, we have a dominant share in Gujarat, Madhya Pradesh, and Goa. (Source: CRISIL Report). We are one of the market leaders in terms of number of screens as of date and possess a market share of 21% in total multiplexes based on the number of screens in India (Source: CRISIL Report). As of March 2020, we have a market share of 36% in major malls across India (Source: CRISIL Report). Since the inception of our Company, we have had the highest footfalls in our multiplexes of 66.0 million in Fiscal 2020 from 62.5 million footfalls in Fiscal 2019. Our Company's rise in footfall in Fiscal 2020 was highest as compared to our peer (PVR Limited) (Source: CRISIL Report).

We believe our consistent financial performance and strong key performance indicators are result of our extensive pan-India presence, wide range of content, superior technology, best in class luxury experience, diversified business offerings and ability to reduce cost. Our strong financial performance and key performance indicators help us in our continuous expansion plans, and in preserving and increasing shareholders' value.

Brand recall and synergies with the Inox group, experienced senior management with domain expertise

Our Promoter is GFL Limited and we are a part of the Inox group. The group has over 10,000 employees and over 200 business units in India, with business activities ranging from chemicals to renewable energy to cryogenic liquid storage and transport tanks. We believe that our relationship with the Inox group provides brand recall and we will continue to derive significant marketing and operational benefits by leveraging the Inox brand. As on the date of this Placement Document, shareholding of Promoter and Promoter Group in our Company aggregates to 51.89%.

We benefit from the experience of our senior management team with vast domain expertise. We have built a strong management team with significant experience in the multiple industry. Pavan Jain is the Chairman and Non-executive Director of our Company and holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi. Vivek Jain is a Non-executive Director of our Company and holds a master's degree in management from Indian Institute of Management, Ahmedabad. Siddharth Jain is a Non-executive Director of our Company and holds a bachelor's degree in mechanical engineering from University of Michigan and a master's degree in management from INSEAD. Alok Tandon is the Chief Executive Officer of our Company. Alok Tandon was awarded "MAPIC Most Admired Retail Personality of the Year" by MAPIC India, "Best CEO of the Year" by ET Now and has also been part of "Top 100 CEOs" by Business Today in 2016. Kailash B. Gupta is the Chief Financial Officer of our Company. He wasawarded "Exceptional Performance as CA CFO in the Media & Entertainment Sector" by the ICAI in 2017. Parthasarathy Iyengar is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and an associate of the Institute of Company Secretaries of India.

Our senior management and operational team comprise of members with diverse skills and expertise in sales and marketing, finance, advertising sales, cinema operations, programming, cinema technology and human resource, in the multiplex industry. Our senior managers have an in-depth understanding of the specific industry, products, services and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. We intend to continue to leverage the experience of our senior management team to further grow our business and strategically target new market and expansion opportunities.

Our Strategies

Expand our screen network and offer wide range of content

The share of India's urban population, in relation to its total population, has been rising over the years and printed ~31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030. People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house. As per the United Nations Population Division Report 2017, India's youth (population between the age of 0-24 years) accounted for nearly half its population as of 2010, slightly above the global average of ~44.4% and significantly higher as compared to some of its peers (Brazil at ~42.7%, China at ~35.0% and Russian Federation at ~29.8%) during the

corresponding period. Going forward, the share of youth in India is expected to reach ~39.7% of its total population by 2030, and still remain significantly higher as compared to some of its peers (Brazil at ~31.3%, China at ~27.0% and Russian Federation at ~29.6%) indicating a higher proportion of population entering the work-force bracket (Source: CRISIL Report). Considering the rapid urbanisation and youth population in India, we intend to continue to expand our screen network across India, both organically and inorganically, depending on opportunities at hand, to tap upon the underserved aspirational appetite for quality entertainment experiences.

In Fiscal 2021, we are already in the process of adding 11 new properties with 41 new screens to our network across India, in respect of which 85% of the construction work is complete. We have a further pipeline of 142 additional properties with about 989 screens having about 1,84,642 seats post Fiscal 2021, which will lead to a total of 300 properties with about 1,656 screens having about 3,35,483 seats. For markets where we already have operations, we want to specifically focus on further expansion in terms of number of screens and seating capacity in cities like Mumbai, Delhi, Bengaluru, Hyderabad, Chennai and Kolkata. We shall continue to work with mall developers to identify suitable opportunities of expansion. Further, we shall continue to identify strategic acquisitions/ amalgamations opportunities of cinemas to expand our screen.

We also intend to further diversify our entertainment content by increasing regional language content, which we believe increases footfall in our multiplexes. In addition, we intend to increase the quantum and frequency of alternate contents such as live screening of sports, stand-up comedy shows, screening of music performances and concerts, to attract crowds who are not otherwise interested in movie screening.

Focus on premium and luxury experience offerings

It is estimated that basic items comprised 42.2% share of total consumption expenditure of Indian consumers in fiscal 2019, while the remainder 57.8% was accounted by discretionary items. It is worth a note here that the share of discretionary items in consumption has increased from 53.4% in fiscal 2012 to 57.8% in Fiscal 2019. The increased spending on discretionary items suggests rising disposable income of households. Recreation and culture expenses have grown at 9% CAGR during fiscals 2012 and 2019, as compared to overall private final consumption expenditure which has increased annually by 13% during the corresponding period. As income levels improve from current levels and discretionary spending increases, it is expected that media and entertainment industry to gain further from current levels. (Source: CRISIL Report).

We intend to focus on providing more premium and luxury offerings to our customers, which are high margin business offerings. We indent to continue working with mall developers and focus on premium screen formats. We also aim to enhance our operations by selectively upgrading existing operational properties in prime locations to premium and luxury category. We plan to continue investing in our cinemas and improving customer experience to take greater advantage of incremental revenue-generating opportunities, primarily through an array of improved and differentiated customer experiences. Our business is of a visual medium requiring a keen focus on the quality of on-screen presentation and accordingly, we are committed to investing in and expanding our offerings to quality sight and sound experiences by providing the latest cinema technology solutions to the customers. We believe the investment in premium screen formats will increase the value of movie-going experience for our customers, ultimately leading to additional ticket, F&B, and advertising revenues.

Focus on improving revenue from ancillary revenue streams

F&B has been a key margin driver in multiplex business. In 2019, the F&B segment remained the second biggest source of revenue for multiplexes, with high gross margins typically between 70% and 75%. Going beyond the usual popcorn and beverages, multiplexes now have live kitchen counters, gourmet menus, celebrity chefs, automated kiosks and even a butler on call – in effect, movie goers do not need to look for food options outside the multiplex and can enjoy more point-of-sale distribution all over the theatre premises and booking through mobile apps. Globally, the ratio of ticketed and non-ticketed revenues is typically 1:1 whereas in India, non-ticketed revenues are typically 40-50% of ticketed revenues for larger multiplex chains, indicating significant scope of future growth (Source: India's Media & Entertainment Sector – EY & FICCI 2020). We intend to increase our non-box office revenues particularly in F&B, advertising and convenience fees, which are also high margin business. We continue to update and expand our menu of F&B products to include more options for meals, healthy snacks, mixed drinks, organic food and other gourmet products. We also intend to focus on offers on F&B, 'combo' products, sale of F&B along with movie tickets which will help us in increasing the spend per head. Our food and beverage increased from ₹ 30,602.29 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.

In-cinema advertising grew marginally in 2019 to reach INR 7.7 billion multiplexes and advertising aggregators have started signing long-term deals with brands; earlier brands would opt for weekly deals and extend deals depending on the success of the film, but now the brands are open to entering into 12-week deals leading to higher utilization. Further, multiplexes are developing customized solutions and on-ground activation campaigns for brands. The duration of on-screen cinema advertising has grown to up to 17-20 minutes per show. Aggregators managed over 70% of screens for advertising purposes. (Source: India's Media & Entertainment Sector – EY & FICCI 2020). As a result of increasing occupancy percentage, in-cinema advertising has increased its share and we expect a further increase in the coming months. We intend to capitalize on this opportunity and grow revenues from our advertising offerings through deepening advertiser engagement, attracting new advertisers to our platform, expanding our on-screen and off-screen advertising offerings and growing our advertising spot rates. Our our advertisement income increased from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020.

With deepening penetration of smartphones and rising internet usage in India, moviegoers are preferring the convenience of online platforms, such as Bookmyshow, PayTM, and Ticketnew, to book tickets. In fact, ~50% of the tickets sold by multiplexes are via these platforms (excluding tickets sold through dedicated platform apps of multiplexes) (Source: CRISIL Report). We intend to continue to increase the share of online sales of tickets through our partnerships with BookMyShow and Paytm as well as on our website and mobile application, to generate revenue through convenience fees. Our Company's contractual arrangement with digital ticketing platforms aggregators typically involve selling our ticket inventory through their digital platforms, whereby we receive a share of the convenience fee collected by them. Our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

Increase in revenue from F&B, advertising and convenience fees will lead to increase in total revenue from operations of our Company, and hence increased profitability.

Response to COVID-19

The spread of COVID-19 and the recent developments surrounding the global pandemic have materially adversely impacted all aspects of our business. While all our screens across India have been non-operational since March 24, 2020, most of our screens were shut even prior to that in accordance with the orders issued by various statutory and regulatory authorities in those specific regions. With partial unlock guidelines of the Government of India and State Governments, we have started resuming business in certain States such as Andhra Pradesh, Assam, Delhi, Punjab, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Karnataka, Haryana, West Bengal, Gujarat, Kerala, and Goa. Since we have not operated any of our screens until the period six month ended September 30, 2020, we have incurred loss for the half year ended September 30, 2020. Since we are not within the essential category of business activities and operation of our cinemas would lead to aggregation of crowd, it is expected that the complete unlocking of our business activities by the Government will be slow. We also expect to continue to experience losses until our operations are fully resumed. Our financial results for the quarters and this Fiscal may not be comparable with the corresponding period in the previous year.

Our total income for the six month period ended September 30, 2020 was ₹ 763.39 lakhs. Our EBITDA (without IND AS 116 impact) for the six month period ended September 30, 2020 was ₹ (6,508.09) lakhs. Our loss after tax (without IND AS 116 impact) for the six month period ended September 30, 2020 was ₹ (9,928.78) lakhs.

During this period, we have endeavoured to rationalize our fixed costs. Our (i) employee benefit expense for the six month period ended September 30, 2020 was ₹ 3,952.58 lakhs as compared to ₹ 7,241.47 lakhs towards employee benefit expense for the six month period ended September 30, 2019; (ii) power, fuel and repairs and maintenance charges for the six month period ended September 30, 2020 was ₹ 894.83 lakhs as compared to ₹ 8,555.48 lakhs towards power, fuel and repairs and maintenance charges for the six month period ended September 30, 2019; (iii) other expenses (excluding rent and CAM) for the six month period ended September 30, 2020 was ₹ 1,504.52 lakhs as compared to ₹ 13,791.71 lakhs towards other expenses for the six month period ended September 30, 2019.

Most of the premises on which our screens are located are on leasehold basis or licensed and hence, we do not have any ownership rights in the immovable property in respect of the cinemas operated by us. We have entered into arrangements with various third parties, typically mall developers, for the use of such immovable property. Rental expenses and CAM charges for use of such immovable property account for a significant portion of our cash outflows. Due to the ongoing COVID-19 pandemic lockdown, until recently there has been a complete shutdown of our cinemas. We have served notices to most of these third parties invoking the force majeure clauses under most of our arrangements with them or requested for waivers where such force majeure clauses

are not present, in order to ensure that we are not required to pay our rent and CAM charges during this time. Whilst some of the lessors/ licensors have agreed to waive of the rent/ license fee for lockdown period, we are continuing our negotiations with other lessors/ licensors to come to a favourable conclusion, including moving from a fixed rent to revenue sharing model for the remaining period of Fiscal 2021.

Amidst this crisis, our 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 are available on our website and mobile application along with partner websites and apps. Customers can also purchase tickets by scanning QR codes at entrance gates. Further, our Company has planned to discontinue paper tickets and will instead issue booking confirmations over SMS.

Pursuant to the standard procedure of operation provided by the Ministry of Information & Broadcasting, Government of India, some of the key measures that we shall undertake in our multiplexes are as follows:

- All our guests will have to mandatorily wear masks and there will be temperature checks conducted at the entrance;
- We will also keep PPE kits available for purchases, which would include a mask, a pair of gloves and sanitizer;
- There will be pedal operated touch free hand sanitizers placed at various locations in the multiplexes;
- Our shows will be programmed in such a manner that there are no simultaneous entries, intermissions and exits; and
- Extensive sanitization drills, disinfection processes shall be undertaken in the multiplexes.

We have 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 mediums. Our Company has also taken a deliberate decision to offer a limited menu under our F&B offerings. Apart from popular snacks, hot beverages and fresh preparations, the menu will include some healthy choices and options which include ingredients that help to optimize immunity.

We have also introduced the concept of private screenings, which is a premium and personalised offering wherein a small group of audience hires the entire auditorium to enjoy the content of their choice. No other guests apart from the group members are allowed during that show, reducing crowd and risk of contamination.

See "*Risk Factors - COVID-19 has had, and is expected to continue to have, a significant adverse impact on our financial condition and operations. The COVID-19 pandemic is expected to continue to impact our results, operations, growth, strategy, reputation, cash flows, liquidity, and the price of our Equity Shares"* on page 49.

Key milestones

The table below sets forth some of the key milestones in the history of our Company:

Calendar year	Milestone
1999	Incorporated as a public limited company
2006	Initial public offering
2007	Amalgamation of Calcutta Cine Private Limited with our Company
2014	Amalgamation of Fame India Limited and its subsidiaries with our Company
2016	Amalgamation of Satyam Cineplexes Limited with our Company
2016	Launched INSIGNIA
2019	Opened India's first MX4D theatre
	Opened India's first ScreenX theatre
	Crossed 600 screens
	Our Company becomes one of the three multiplex chains in the world to screen ICC World Cup
	Opened Megaplex in Mumbai – world's first cinema with six viewing experiences
	Launched its loyalty program – INOX Rewards
	Developed central India's largest multiplex at C21 Mall, Indore

Our Business

Movie screening business

Our core business is movie screening at our multiplexes across India. We are one of the largest multiplex cinema chain operators in India having pan-India operations as on date across 68 cities in 18 States and one Union Territory, having 147 properties (including eight managed properties) with 626 screens with 144,467 seats. Whilst a large portion of our content for screening includes Bollywood and Hollywood movies, we also offer wide variety of regional language content in our multiplexes. In Fiscal 2018, our content in Hindi, English and regional languages accounted for 66%, 14% and 20%, respectively, of our gross box office collections, and in Fiscal 2019, our content in Hindi, English and regional languages accounted for 67%, 13% and 20%, respectively, of our gross box office collections, while in Fiscal 2020, Hindi, English and regional languages accounted for 65%, 15% and 20%, respectively, of our gross box office collections. In addition, we offer alternate contents such as live screening of sports, stand-up comedy shows, screening of music performances and concerts, which lowers our dependency on movies and helps us attracting crowd including who are not otherwise interested in movie screening.

The following table provides a state-wise location split of our screens in India as of September 30, 2020:

Location	Number of properties (including eight managed properties)	Number of screens
Assam	1	2
Chhattisgarh	2	8
Jharkhand	1	4
Odisha	4	14
West Bengal	15	59
Goa	4	14
Gujarat	20	81
Madhya Pradesh	5	28
Maharashtra	27	129
Delhi	5	16
Haryana	6	19
Punjab	3	13
Rajasthan	13	47
Uttar Pradesh	12	54
Andhra Pradesh	8	33
Karnataka	12	49
Kerala	1	6
Tamil Nadu	5	31
Telangana	3	19
Total	147	626

The following table provides a key city-wise location split of our screens in India as of September 30, 2020:

Location	Number of properties (including eight managed properties)	Number of screens
Mumbai	15	75
Bengaluru	9	39
Kolkata	9	38
Pune	5	28
Lucknow	5	27
Jaipur	7	26
Surat	4	23
Hyderabad	3	19
Indore	3	18
Chennai	3	17
Delhi	5	16

Location	Number of properties (including eight managed properties)	Number of screens
Vadodara	4	16
Visakhapatnam	3	15
Gandhinagar	3	14
Goa	4	14
Aurangabad	3	11
Bhubaneswar	3	10
Greater Noida	2	10
Rest of the cities	57	210
Total	**147**	**626**

The following table provides details in relation to our number of screens for the periods indicated:

Particulars	As of March 31,				
	2016	2017	2018	2019	2020
Number of screens	420	468	492	574	626

Typically, all our multiplexes have three to four screens, allowing us to screen different movies throughout the day, optimising utilisation and reducing costs. Most of our multiplexes operate and screens shows from morning until late night. Our customers could book tickets at the box offices or through our website and mobile application or through third-party digital ticketing platforms such as BookMyShow and Paytm.

Presently, we are also focusing on developing massive experience-driven entertainment centres called Megaplex. These centres will offer a huge number of screens and seats, multiple formats, a huge assortment of F&B concepts, marvellous and an inviting look and feel. First such Megaplex has already been constructed in Inorbit Mall, Malad, Mumbai, which is home to India's first MX4D and ScreenX screens, Mumbai's first Onyx LED screen, an IMAX screen, a Laser screen, Kiddles and INSIGNIA. The second Megaplex is also ready at Phoenix Palassio in Lucknow, which will include INSIGNIA, Kiddles, IMAX and MX4D, besides mainstream cinema experiences. It also includes a live kitchen at INSIGNIA.

Each of our multiplexes are unique with its own distinct architecture and aesthetics. All our multiplexes are designed similarly and have seating lounges, F&B counters and washroom facilities. We have the following wide range of advanced technology and premium and luxury offerings at our select multiplexes:

INSIGNIA: Our signature offering, INSIGNIA has been designed for the genuine film connoisseurs, which offers 7-star cinema viewing experience curated to the delight of viewers. INSIGNIA offers plush leather recliner seats, micro-adjustable neck rests and state-of-the-art audio-visual systems along with gourmet food at the seat and a butler – ready to serve anytime.

CLUB: CLUB is our luxurious format offering 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 stadium-like auditorium to watch their favourite blockbusters.

Kiddles: Our bright and exciting cinema format dedicated exclusively to kids. Kiddles is thoughtfully designed keeping in mind our young patrons offering a vibrant sight with its colourful décor. It has a play area for kids, amply stocked with toys and books.

MX4D®: We were the first multiplex cinema chain operators in India to introduce MX4D® which is the newest evolution in the 4D cinema experience. It allows the audience to "feel" the movie's motion from the built-in motion and effects in the seats along with the theatre's atmospheric interventions and flawlessly synchronized timing of each effect.

IMAX: IMAX is our proprietary software and advanced technology to deliver extraordinary experiences on a giant-screen with immersive audio-visual effects. IMAX screen has 40% larger image, a dual projection system and highest quality 3D.

ScreenX: We were also the first in India to have launched ScreenX which provides 270 degree panoramic movie viewing experience with multi-projection system on three walls of the theatre.

Samsung ONYX: We introduced Samsung ONYX Cinema LED screen for the first time in Mumbai, which offers sharper and detailed visuals and amplifies next-level cinema content with JBL's sculpted surround sound audio, thus making the cinema viewing experience as natural as one would watch it in real world.

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

Following table provides count of some of our key advanced technology and premium and luxury offerings as on September 30, 2020:

Offering	Units
INSIGNIA	44
CLUB	3
Kiddles	4
BIGPIX	1
IMAX	6
MX4D®	2
Samsung ONYX	1
ScreenX	2

Revenue from movie screening, i.e. box office revenue is our largest source of revenues. We sell tickets of movies at our cinemas, through our physical box office counters, our website (https://www.inoxmovies.com/), our mobile application and online digital ticketing aggregator platforms. Our revenue from box office increased from ₹ 80,219.57 lakhs in Fiscal 2018 and ₹ 97,538.28 lakhs in Fiscal 2019 to ₹ 110,459.02 lakhs in Fiscal 2020.

Our box office revenue depends on the number of customers that visit our cinemas and the ticket price that we charge our customers. Since the inception of our Company, we have had the highest footfalls in our multiplexes of 660.36 lakhs in Fiscal 2020 from 625.42 lakhs footfalls in Fiscal 2019 and 533.31 lakhs in Fiscal 2018. Our Company's rise in footfall in Fiscal 2020 was highest as compared to our peer (PVR Limited) (Source: CRISIL Report). Further, our occupancy rates were 28%, 28% and 26% in Fiscal 2020, 2019 and 2018, respectively.

We have a programming team which is responsible for pricing of tickets. We follow an inflationary approach for pricing of tickets. Various factors are taken into consideration for pricing of tickets such as (i) the popularity of the movie; (ii) timing of the show; (iii) location of multiplex; (iv) catchment of the mall where our multiplexes are present; (v) the day of the week; (vi) number of weeks of screening of the movie; (vii) type of screen; (viii) nearby competition; (xi) price sensitivity of the catchment; (x) type of seat; and (xi) rate of GST on ticket price. The programming team continuously analyses location-wise competition prices in order to fine-tune our pricing on a weekly basis. Our average ticket prices grew at a CAGR of 4% from Fiscal 2017 to Fiscal 2020. In certain States, our ability to charge ticket price above a particular limit is regulated by local legislations. See "*Risk Factors"*- "*Restrictions on ticket prices imposed in certain states may affect our results of operations*" on page 54.

We also earn revenue from the convenience fees charged by online aggregator platforms, our website and mobile application to customers for booking movie tickets online. Such convenience fee when charged by online aggregator platforms like BookMyShow and Paytm, is shared based on a pre-agreed revenue share arrangement with a fixed minimum guarantee, whereas, for the convenience fee charged by our website and mobile application, we receive the full convenience fee paid by the customer. Our online box office collection contribution (as a percentage of gross box office collection) has been steadily increasing and was 50.7%, 48.5%, 45.1% in Fiscal 2020, 2019 and 2018, respectively. Our revenue from convenience fees has also increased from ₹ 3,719.07 lakhs in Fiscal 2018 and ₹ 5,002.37 lakhs in Fiscal 2019 to ₹ 6,681.83 lakhs in Fiscal 2020.

Business Operations

We license movies from movie distributors who are generally owned by the major production houses and studios, including international studios. We also license movies from production houses directly and independent movie distributors who are generally involved with the distribution of movies from relatively smaller production houses and studios. We evaluate each upcoming movie's prospects based on various parameters, such as cast, director,

genre, publicity, and estimated box office collection, which is done by a dedicated in-house team. We typically procure movies on a revenue share basis by entering into arrangements with the distributors/ producers, wherein the box office collections (net of GST and other taxes and charges), are shared with the distributor/ producers. The percentage of revenue share with distributors/producers reduces every week in favour of us. The duration of our movie licenses is negotiated with our distributors on a case-by-case basis. The term of the license agreements is typically determined based on the expected levels of admissions and box office revenues.

Multiplex lease

Most of our screens are located on leased/ licensed premises. We typically enter into tenancy/ license arrangements with developers of various malls across India for setting up of our screens. Since most of our screens are located in malls, we have established long standing relationships with various mall developers. Accordingly, developers typically approach us in advance for occupying strategic locations that are proposed to be developed by the mall developers at competitive terms. The tenure of our leases/ licenses typically ranges from 15 to 24 years, which are renewable subject to mutual agreement. We are typically required to make a security deposit and CAM deposit with the developer before the commencement of commercial operations. After commercial operations commence, we start paying monthly rent and common area maintenance charges to the lessor or the property manager. Rentals are usually escalated after every three years. Depending on commercial considerations, we either follow a fixed rent model or a revenue sharing model where the rent is a percentage of the net sales of box office and food and beverage at the respective premises and also in certain cases a percentage of other income such as advertisement income. In certain cases we also follow a combination of fixed and revenue sharing model. In Fiscal 2020, Fiscal 2019 and Fiscal 2018, we incurred rent and common facility charges of ₹ 36,838.94 lakhs (without IND AS 116 impact), ₹ 31,863.80 lakhs and ₹ 26,415.53 lakhs, respectively.

Managed properties

Eight out of our 147 multiplexes properties are owned and developed by third parties. We do not lease out these properties but are operated and managed by our Company through operating and management contracts. In such cases, we provide a detailed business plan to the third parties on a year on year basis for the operation and management of the multiplex. These agreements provide us with discretion in operation of the multiplex while all operation related expenses are borne by the owners. Under these arrangements, our Company is entitled to a lump sum technical fee for our expertise and know- how. Further, our Company is entitled to a management fee on a monthly basis which is either a fixed monetary amount as specified in the agreement or is a fixed percentage of certain revenue benchmarks, as specified in the agreements. The management fee also includes year on year escalation. Our Company uses its brand name and other intellectual property in respect of these multiplexes.

F&B Business

The F&B segment is our second largest source of revenue. Revenue from F&B segment have higher margin than ticket sales and is a highly profitable revenue stream for us. Our sale of food and beverages contributed 25.97%, 25.54% and 22.46% of our total income, in Fiscal 2020, Fiscal 2019, Fiscal 2018, respectively. Our food and beverage increased from ₹ 30,602.30 lakhs in Fiscal 2018 and ₹ 43,592.55 lakhs in Fiscal 2019 to ₹ 49,719.45 lakhs in Fiscal 2020.

Our F&B segment has extensive menus, spread over numerous F&B concepts, to suit every palate, including street food to gourmet offerings. We endeavour to match the best of dining standards, including spread, taste and service. We put extra emphasis on safety standards. With multiple food choices, patrons are encouraged to choose from attractive combos that help us to increase spend per head and thereby improve the contribution of F&B to our 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. We operate 17 live kitchens at premium locations. INOX has well trained and experienced in-house chef team, who constantly re-engineer the menu. Celebrity Master Chef Vicky Ratnani curates the food menu for INSIGNIA. Our menu is comprehensive with more than 100 delicacies. We also have a new age cafe format at 17 locations called Café Unwind, which serves customer with a range of short eats and array of hot and cold beverages. We have introduced Onyx Diner, a single-serve buffet spread in our select multiplexes. We have recently partnered with food delivery platform Swiggy to deliver our F&B offerings to general customers outside our multiplexes.

Currently, we procure ready-to-eat short shelf life menu items like samosas, sandwiches and burgers from third party kitchens. We enter into contracts with reputed and certified suppliers with standard recipes to maintain

uniformity across our multiplexes. Pricing with vendors are usually negotiated annually. We also do quarterly audit to check their safety, hygiene and sanitisation standards. We also do a regular quality control check.

Advertisement Business

We utilise our existing cinema infrastructure to display advertisements and provide both on-screen as well as off-screen cinema advertisement services. On-screen advertisements include film commercials and slides shown prior to the screening of a movie and during intervals. Off-screen advertisements include foyer displays, light box displays and popcorn boxes, wash room advertisements and exterior of cinema branding. Some of the brands that advertise in our cinemas include mobile phone manufacturers, fast moving consumer goods, banking and other financial services, fashion and lifestyle, e-commerce and automobile manufacturers. Our advertising platform offers a number of advantages, such as wide reach, targeting capabilities, and multiple language support. Our advertisement income comprised 9.35%, 10.35% and 10.19%, of our total income in Fiscal 2020, Fiscal 2019 and Fiscal 2018, respectively. Our advertisement income from ₹ 13,890.88 lakhs in Fiscal 2018 and ₹ 17,666.53 lakhs in Fiscal 2019 to ₹ 17,897.01 lakhs in Fiscal 2020.The following table provides selected details of the revenue from operations for the periods indicated:

Particulars	Fiscal		
	2020	2019	2018
	₹ in lakhs		
Box office revenues	1,10,459.02	97,538.28	80,219.57
Sale of food and beverages	49,719.45	43,592.55	30,602.30
Advertisement income	17,897.01	17,666.53	13,890.88
Convenience fee income	6,681.83	5,002.37	3,719.07

Marketing

The marketing of our brand, multiplexes and various screen formats is a key focus area for us. We undertake various marketing and promotional activities. We have a dedicated marketing team that develops and implements the marketing calendar, focused around occasions, movie based promotions, targeted customer promotions (children, women, youth and senior citizen), local area promotion to drive admits to a particular cinema, screen format promotions and curated events. To market our cinemas and movies, we advertise through online, offline and cinema media, such as radio, television, newspaper, e-mails and short messages.

We aim to increase the number of customers by increasing the occupancy rate at our existing cinemas through various marketing initiatives to increase the profile of movies played at our cinemas and through other initiatives such as bulk booking, gift cards, loyalty programmes and other customer engagement initiatives. We gather customer feedback, choices and scheduling to ensure convenient movie timings based on target customer movie watching habits. In addition, our programming department also participates and contributes towards customer engagement through speciality programming such as curating festivals and offering exclusive and alternate content.

Our Company has recently partnered with the Indian Olympic Association as one of the official sponsors of the Indian Olympic team to the Olympic Games Tokyo 2020. We believe that this sponsorship arrangement will provide greater visibility to our brand. In 20019, our Company entered into a marketing partnership with NBA which introduced numerous NBA elements in and around our multiplexes, including co-branded inflatables and popcorn buckets, NBA posters and NBA jersey wall displays. We host screening parties for select games throughout the NBA season, along with meet-and-greet sessions with former NBA players.

In 2019, we introduced a three tier cinema rewards loyalty program for our customers – INOX Rewards, offering various benefits such as free cancellation and free merchandises, and reward points accumulated with every transaction at INOX which could be redeemed for tickets and F&B purchase at our multiplexes.

Technology

We make extensive use of technology for the management of our business. We consider these technology based systems to be a strategic tool for us to improve our overall productivity and efficiency. Our information technology team has been instrumental in digital transformation and plays a vital role in introducing new and enhanced technology services that enables the business to operate effectively and efficiently, engage and grow. We currently use a combination of commercially available and custom developed software and hardware systems. We connect

all our multiplexes to the system, allowing us to effectively monitor and review performance on a real time basis as well as to monitor our fixed assets and payroll. We use SAP to integrate our back-end system and bring efficiency and streamline processes to target our consumers efficiently.

Competition

We operate in the movie exhibition industry, which is highly competitive. Motion picture exhibitors generally compete on the basis of the ability to secure movies with favourable licensing terms, seating capacity, location and reputation of their cinemas, quality of projection and sound system of their theatres, customer experience, and ability and willingness to promote the movies they are showing. Our competitors vary substantially in size, from small independent exhibitors to large national multiplex chains. As a result, our multiplexes are subject to varying degrees of competition in the regions in which they operate. The key multiplex operators in the Indian movie exhibition industry include INOX Leisure Limited, PVR Limited, Carnival Films Private Limited and Cinepolis India Private Limited (Source: CRISIL Report).

In F&B category, competition is primarily based on two factors i.e. product choice and its pricing. Product mix may differ based on the catchment and format of the screen. The array of F&B offerings in the industry is now evolving from pop-corn and cola to more of curated gourmet menus. In the advertising category, pricing is the key competition driver.

See "*Risk Factors – An inability to compete effectively in the competitive movie exhibition industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition, and future prospects*" on page 63.

Insurance

We maintain insurance policies for our operational multiplexes, customers, employees and other assets. We have comprehensive property insurance which cover the loss of property damage caused by a fire or other covered perils, machinery breakdown, electronic equipment failure, burglary. We also have money and marine insurance policies in place to cover any damage cause to assets in transit. We have fidelity and crime insurance to cover to mitigate the risk of potential frauds. Our terrorism insurance cover risks arising out of terrorism and damage to property and persons. In addition, we have obtained a commercial general liability policy to provide insurance cover against any third-party liability claims that may arise. We have also obtained a director's and officers' liability insurance. We have obtained cyber security insurance policy to address the potential loss due to cyber security breach or similar event. We maintain an employee group mediclaim policy, which covers all employees including their dependents, and also maintain employee group term life policy and group personal accidental policy. See "*Risk Factors –Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business and revenues*" on page 65.

Intellectual property rights

We own intellectual property primarily in the form of trademarks. Our Company's name and logo are registered trademarks. In addition, we have registered trademarks for some of our key business offerings such as INOX LASERPLEX, LASERPLEX, Kiddles, INOX Megaplex, INOX BIGPIX, INOX Black, INOX Blue, INOX REWARDS, INOX Delights. We have also applied for registration of trademark in respect of some of our key business offerings such as INSIGNIA and CLUB, which are pending grant as on date. See "*Risk Factors - We may be exposed to claims by third parties for infringement of their intellectual property rights. Further, we may not be able to adequately protect our intellectual property that is material to our business*" on page 62.

Employees

We believe and consider our human resource as a key asset for driving growth. As on September 30, 2020 we had 1,880 permanent employees. In addition, we contract with third party manpower agencies for the supply of manpower at our multiplexes, and as of September 30, 2020, we had 65 contractual employees. Our 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.

Awards

The following table sets forth information relating to certain key awards we have received:

Year	Award
2019	Awarded the 'Best Technology Adopter of the Year' at IMAX Big Cine Awards
2019	Awarded the 'Best Loyalty Program in Retail Industry' at ET Global Awards for Retail Excellence 2019
2019	Recognised as 'India's most trusted cinema' in TRAs Brand Trust Report 2019
2019	Awarded the 'Most Admired Marketing Campaign of the year' at the ET Global Awards for Retail Excellence 2019
2019	Recognised as 'The ET Best Brands – Best Brand 2018-19'
2019	Awarded the 'Times Retail ICON Popular Multiplex' by Times Retail ICONS 2018-19
2019	Awarded the 'India's top multiplex chain of the year' at IMAX Big Cine Awards 2019
2019	Awarded the 'National Best Employer Brand' at 13th Employer branding awards 2018-19
2019	Awarded the 'Most Admired multiplex of the year' at Global awards for retail excellence 2019
2018	Awarded the 'Best Technology Adopter of the Year' at IMAX Big Cine Awards
2018	Recognised 'For excellence in marketing' by the Kotler award for excellence 2018-19
2018	Awarded the 'Inox Insignia Highest Luxury standards' at International film business awards 2018-19

Properties

Our Registered Office is located at ABS Tower, Old Padra Road, Vadodara 390 007, which is a premises owned by our Promoter. Our Corporate office is located at 5th Floor, Viraj Towers, Western Express Highway, next to Andheri Flyover, Andheri (East), Mumbai 400 093, which is owned by us. As on date, we have 147 properties (including eight managed properties) with 626 screens. Most of our multiplexes are on leasehold/ licensed premises except for our multiplexes in INOX bund garden in Pune, INOX race course in Vadodara, CR2 mall in Mumbai, Vaibhav mall in Jaipur, INOX Swabhumi in Kolkata and INOX Anand in Anand, which are all freehold premises.

Corporate social responsibility ("CSR")

In accordance with Section 135 of the Companies Act, 2013, our Board has formed a CSR Committee. The CSR Committee has framed a CSR policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as amended. Our CSR activities are focused in the areas of health care and sanitation, education, ensuring environmental sustainability, women empowerment, conservation of natural resources, rural development and promotion and development of traditional arts and handicrafts. Our CSR spent Fiscal 2018, 2019 and 2020 were ₹ 64.01 lakhs, ₹ 186.73 lakhs and ₹ 118.83 lakhs, respectively.

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was incorporated as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated November 9, 1999 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company commenced its business on February 11, 2000, pursuant to a certificate of commencement of business issued the Registrar of Companies, National Capital Territory of Delhi and Haryana.

Changes in Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company:

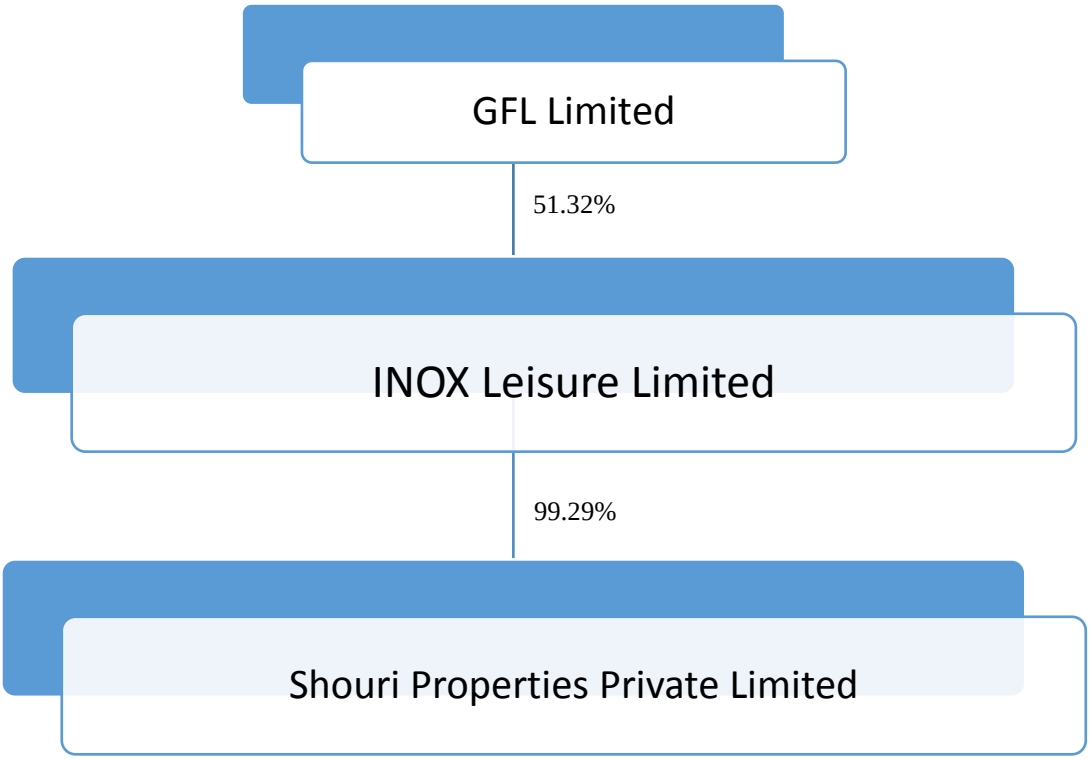
Effective change of registered office	Details of the address of registered office	Reasons for change
April 27, 2004	Our Company shifted its registered office from A/6 Connaught Place, New Delhi 110 001 to ABS Tower, Old Padra Road, Vadodara 390 007	Operational convenience and management of operations economically

Our Company is in the process of shifting its Registered Office from ABS Tower, Old Padra Road, Vadodara 390 007 to the jurisdiction of the state of Maharashtra and has filed the requisite form filings with the RoC. The approval from the regional director, Ahmedabad is currently pending.

Our Subsidiary

Shouri Properties Private Limited ("**SPPL**") was incorporated as a private limited company on January 1, 2002 with the Registrar of Companies, Maharashtra at Mumbai. The corporate identification number of SPPL is U45201MH2002PTC134393 and its registered office is situated at 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093. SPPL holds a license to operate a cinema for Korum Mall, Thane on behalf of our Company and is presently not undertaking any business activities.

The organisational structure of our Company as on this Placement Document is as follows:



BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and our Articles of Association. Our Articles of Association provide that the Board of Directors of our Company shall not have less than three and not more than 12 Directors. Our Company may appoint more than 12 Directors after passing a special resolution in a general meeting of our Shareholders.

As on the date of this Placement Document, we have seven Directors, which includes three Non-executive Directors and four Independent Directors (including a woman Independent Director).

The following table sets forth details of our Board as on the date of this Placement Document:

Name, Address, Occupation, Nationality, Term, and DIN	Age (in years)	Designation
Pavan Jain ***Address***: 31, Benzer Terrace, A. G. Khan Road, Worli, Mumbai 400 018 ***Occupation***: Business ***Nationality***: Indian ***Term***: Retire by rotation ***DIN:*** 00030098	69	Chairman and Non-executive Director
Vivek Jain ***Address***: 47, Golf Links, New Delhi 110 003 ***Occupation***: Business ***Nationality***: Indian ***Term***: Retire by rotation ***DIN:*** 00029968	65	Non-executive Director
Siddharth Jain ***Address***: 94, Worli Seaface, Benzer Terrace, Mumbai 400 018 ***Occupation***: Business ***Nationality***: Indian ***Term***: Retire by rotation ***DIN:*** 00030202	42	Non-executive Director
Haigreve Khaitan ***Address***: 1104, Sterling Seaface, Dr Annie Besant Road, Worli, Mumbai 400 018 ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years with effect from April 1, 2019 to March 31, 2024	50	Independent Director

Name, Address, Occupation, Nationality, Term, and DIN	Age (in years)	Designation
DIN: 00005290		
Amit Jatia ***Address***: Avanti, 67-A, Bhulabhai Desai Road, Mumbai 400 026 ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years with effect from April 1, 2019 to March 31, 2024 ***DIN:*** 00016871	53	Independent Director
Girija Balakrishnan ***Address***: Shabari Niwas, Row house D/4, Highland Park, Mulund Colony Road, Mulund West, Mumbai 400 082 ***Occupation***: Advocate ***Nationality***: Indian ***Term***: For a period of five years with effect from December 3, 2019 to December 2, 2024 ***DIN:*** 06841071	51	Independent Director
Vishesh Chandiok ***Address***: F-3, Anand Niketan, Near Ashoka Palace, New Delhi 110 021 ***Occupation***: Self employed ***Nationality***: Indian ***Term***: For a period of five years with effect from February 14, 2020 to February 13, 2025 ***DIN:*** 00016112	45	Independent Director

Brief profiles of our Directors

Pavan Jain is the Chairman and Non-executive Director of our Company. He has been a director on our Board since November 9, 1999. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi. He is currently on the board of directors of various companies including INOX Leasing and Financial Limited, INOX Air Products Private Limited, GFL Limited, INOX India Private Limited, INOX Renewables Limited, INOX Infrastructure Limited and Gujarat Fluorochemicals Limited.

Vivek Jain is a Non-executive Director of our Company. He has been a director on our Board since November 9, 1999. He holds a master's degree in management from Indian Institute of Management, Ahmedabad. He is currently on the board of directors of various companies including INOX Leasing and Financial Limited, INOX Air Products Private Limited, GFL Limited, INOX India Private Limited, INOX Renewables Limited, Gujarat Fluorochemicals Limited and INOX Wind Energy Limited.

Siddharth Jain is a Non-executive Director of our Company. He has been a director on our Board since April 2, 2004. He holds a bachelor's degree in mechanical engineering from University of Michigan and a master's degree in management from INSEAD. He is currently on the board of various companies including INOX Air Products Private Limited, INOX India Private Limited and INOX Leasing and Finance Limited.

Haigreve Khaitan is an Independent Director of our Company. He has been a director on our Board since October 22, 2007. He is registered as an advocate with the bar council of West Bengal since September 19, 1995. He is a senior partner and heads the corporate/ M&A and private equity practice at Khaitan & Co. He is on the board of directors of various companies including Jio Platforms Limited, Torrent Pharmaceuticals Limited, Mahindra & Mahindra Limited, CEAT Limited, JSW Steel Limited, Tech Mahindra Limited and Borosil Renewables Limited.

Amit Jatia is an Independent Director of our Company. He has been a director on our Board since May 26, 2011. He holds a bachelor's degree in business administration from University of Southern California. He is currently on the board of various companies including Westlife Development Limited, VIP Industries Limited, Saubhagya Impex Private Limited and Anand Veena Twisters Private Limited.

Girija Balakrishnan is an Independent Director of our Company. She has been a director on our Board since December 3, 2014. She holds a bachelor's degree in law from National Law School India University, Bangalore. She is registered as an advocate with the bar council of Karnataka since July 9, 1993. She is a partner in Malvi Ranchoddas & Company and is also on the board of Lingamaneni Land Marks Developers Private Limited.

Vishesh Chandiok is an Independent Director of our Company. He has been a director on our Board since February 14, 2020. He holds a master's degree in business administration from the University of Strathclyde, Glasgow. He is currently on the board of directors of various companies including Grant Thornton Advisory Private Limited, Chandiok's Adaptive Learning Solutions Private Limited, Walker Hotels Private Limited and GT Protec Consultants Private Limited.

Relationship between Directors

Pavan Jain and Vivek Jain are brothers, Pavan Jain is the father of Siddharth Jain and Vivek Jain is the uncle of Siddharth Jain. None of our other directors are related to each other.

Borrowing powers of our Board

Our Company has, pursuant to a special resolution passed by the Shareholders dated September 10, 2014 and subject to the provisions of our Articles of Association and applicable laws, authorised the Board to borrow, from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may at its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our Company's paid-up share capital and free reserves apart from temporary loans obtained or to be obtained from time to time from our Company's bankers/lenders in the ordinary course of business provided however that the sum borrowed and remaining outstanding on account of the principal amount shall not, at any time exceed ₹1,00,000 lakhs.

Shareholding of Directors

The following table sets forth details regarding the shareholding of the Directors as of the date of this Placement Document:

Name of the Director	Number of Equity Shares held	Percent of the issued and paid-up Equity Share capital (in %)
Pavan Jain	2,19,975	0.21
Siddharth Jain	6,19,965	0.60
Vivek Jain	6,40,445	0.62

Remuneration of the Directors

In accordance with applicable laws and the resolution of the Board dated August 12, 2013, our Company pays a sitting fee of ₹20,000 per meeting of the Board, ₹20,000 per meeting for each committee of the Board, to each of our Directors. The Directors may also be paid a commission as may be approved by the Board in each financial year.

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by the Company to the Directors during the last three Fiscals and the six month period ended September 30, 2020:

(in ₹ lakhs)

Name	From April 1, 2020, to September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
	Unaudited	Audited	Audited	Audited
Pavan Jain	0.60	1.60	186.40	1.00
Vivek Jain	0.20	0.60	0.60	0.20
Siddharth Jain	1.00	125.60	2.40	1.40
Haigreve Khaitan	1.20	2.00	2.60	1.80
Amit Jatia	0.20	3.40	2.60	1.60
Girija Balakrishnan	0.60	1.40	1.60	0.60
Vishesh Chandiok	0.80	-	-	-
Kishore Biyani	-	0.80	2.40	1.80
Deepak Asher	60.80	121.60	32.80	31.80

Key Management Personnel

The following are the Key Management Personnel of our Company:

Alok Tandon, aged 56 years, is the Chief Executive Officer of our Company. He joined our Company on June 6, 2001. He holds a bachelor's degree in engineering from the University of Dibrugarh. During Fiscal 2020, he received a remuneration of ₹148.43 lakhs from our Company.

Kailash B. Gupta, aged 47 years, is the Chief Financial Officer of our Company. He joined our Company on July 21, 2015. He is an associate member of the ICAI. During Fiscal 2020, he received a remuneration of ₹102.90 lakhs from our Company.

Parthasarathy Iyengar, aged 40 years, is the Company Secretary and Compliance Officer of our Company. He joined our Company on June 11, 2018. He holds a bachelor's degree in commerce from the University of Mumbai. He is a company secretary and an associate member of the Institute of Company Secretaries of India. During Fiscal 2020, he received a remuneration of ₹27.69 lakhs from our Company.

Relationship of Key Management Personnel

None of the key management personnel of our Company are related to each other.

Shareholding of Key Management Personnel

The following table includes the details regarding the shareholding of the key management personnel as of the date of this Placement Document:

Name	Designation	Number of Equity Shares held	Percent of the issued and paid-up Equity Share capital (in %)
Alok Tandon	Chief Executive Officer	25,736	0.03
Kailash B. Gupta	Chief Financial Officer	7,500	0.01

Interest of our Directors and Key Management Personnel

All our Directors may be deemed to be interested to the extent of their shareholding, remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

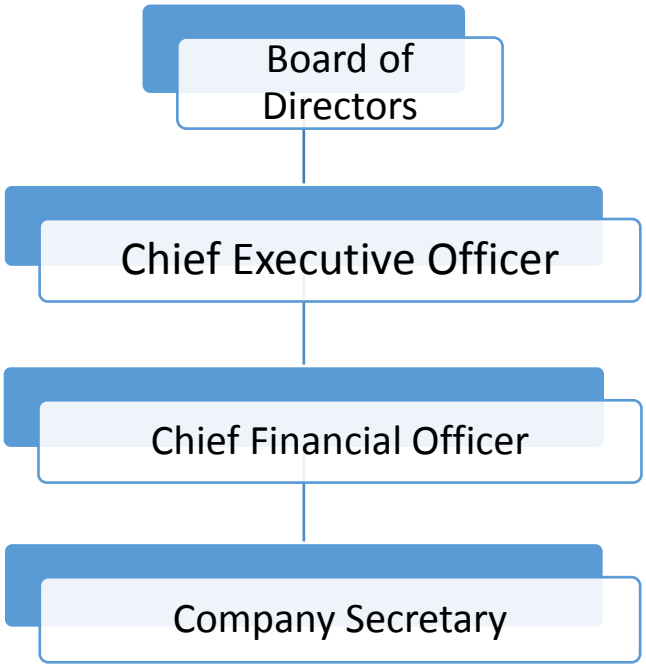
Except as provided in "*Related Party Transactions*" on page 81, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions, with our Directors during the last three Fiscals, see "*Related Party Transactions*" on page 81.

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Our Company does not have any bonus or profit-sharing plan with its Directors or Key Management Personnel.

Organisation structure

Following is our organisation structure:



Corporate governance

The Board of Directors presently consists of seven Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has four Independent Directors. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Haigreve Khaitan (*Chairman*); Amit Jatia; Siddharth Jain and Vishesh Chandiok
Compensation, Nomination and Remuneration Committee	Haigreve Khaitan (*Chairman*); Amit Jatia; and Siddharth Jain
Stakeholders' Relationship Committee	Siddharth Jain (*Chairman*); Pavan Jain; and Girija Balakrishnan

Committee	Members
Risk Management Committee	Pavan Jain (*Chairman*); Siddharth Jain; and Alok Tandon
Corporate Social Responsibility Committee	Pavan Jain (*Chairman*); Siddharth Jain and Haigreve Khaitan

Other confirmations

None of the Directors, Promoters or Key Management Personnel of our Company has any financial or other material interest in the Issue.

Our Promoters, Directors and Key Management Personnel will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter in the last ten years.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Parthasarathy Iyengar, our Company Secretary and Compliance Officer, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following tables present information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2020:

Summary statement showing the shareholding pattern of our Company

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of locked shares		Number of equity shares held in dematerialized form
							No.(a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	2	5,33,73,928	5,33,73,928	51.89	5,33,73,928	51.89	64,00,000	11.99	5,33,73,928
(B) Public	1,30,782	4,93,02,575	4,93,02,575	47.93	4,93,02,575	47.93	-	0.00	4,92,97,243
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	1	1,81,251	1,81,251	0.18	1,81,251	0.18	-	0.00	1,81,251
(C) Non Promoter-Non Public	1	1,81,251	1,81,251	0.18	1,81,251	0.18	-	0.00	1,81,251
Grand Total	**1,30,785**	**10,28,57,754**	**10,28,57,754**	**100.00**	**10,28,57,754**	**100.00**	**64,00,000**	**6.22**	**10,28,52,422**

***Note**: C=C1+C2*
Grand Total=A+B+C

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of locked shares		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held (b)	
A1) Indian				0.00		0.00	
Any Other (specify)	2	5,33,73,928	5,33,73,928	51.89	64,00,000	11.99	5,33,73,928
GFL LIMITED	1	5,27,86,467	5,27,86,467	51.32	64,00,000	12.12	5,27,86,467
INOX LEASING AND FINANCE LIMITED	1	5,87,461	5,87,461	0.57	-	0.00	5,87,461
Sub Total A1	2	5,33,73,928	5,33,73,928	51.89	64,00,000	11.99	5,33,73,928
A2) Foreign	-	-	-	0.00	-	0.00	-
A=A1+A2	**2**	**5,33,73,928**	**5,33,73,928**	**51.89**	**64,00,000**	**11.99**	**5,33,73,928**

Statement showing shareholding pattern of the public shareholder

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of locked shares		Number of equity shares held in dematerialized form (Not Applicable)
							No.(a)	As a % of total Shares held (b)	
B1) Institutions	0	0		0.00		0.00		0.00	
Mutual Funds/	12	2,11,68,847	2,11,68,847	20.58	2,11,68,847	20.58	-	0.00	2,11,68,847
ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	1	32,64,020	32,64,020	3.17	32,64,020	3.17	-	0.00	32,64,020
DSP SMALL CAP FUND	1	21,53,354	21,53,354	2.09	21,53,354	2.09	-	0.00	21,53,354
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	1	11,65,724	11,65,724	1.13	11,65,724	1.13	-	0.00	11,65,724
HDFC TRUSTEE COMPANY LTD. A/C	1	82,52,703	82,52,703	8.02	82,52,703	8.02	-	0.00	82,52,703
SUNDARAM MUTUAL FUND A/C	1	23,57,006	23,57,006	2.29	23,57,006	2.29	-	0.00	23,57,006
FRANKLIN INDIA SMALLER COMPANIES FUND	1	16,60,211	16,60,211	1.61	16,60,211	1.61	-	0.00	16,60,211
Alternate Investment Funds	**5**	**6,01,779**	**6,01,779**	**0.59**	**6,01,779**	**0.59**	**-**	**0.00**	**6,01,779**
Foreign Portfolio Investors	**63**	**1,11,74,861**	**1,11,74,861**	**10.86**	**1,11,74,861**	**10.86**	**-**	**0.00**	**1,11,74,861**
ABU DHABI INVESTMENT AUTHORITY - BEHAVE	1	22,69,543	22,69,543	2.21	22,69,543	2.21	-	0.00	22,69,543
TAIYO GREATER INDIA FUND LTD	1	21,18,505	21,18,505	2.06	21,18,505	2.06	-	0.00	21,18,505
SKALE MASTER FUND LTD	1	16,75,821	16,75,821	1.63	16,75,821	1.63	-	0.00	16,75,821
Financial Institutions/ Banks	**2**	**55**	**55**	**0.00**	**55**	**0.00**	**-**	**0.00**	**55**
Any Other (specify)	**1**	**1,704**	**1,704**	**0.00**	**1,704**	**0.00**	**-**	**0.00**	**1,704**
Qualified Institutional Buyer	1	1,704	1,704	0.00	1,704	0.00	-	0.00	1,704
Sub Total B1	83	3,29,47,246	3,29,47,246	32.03	3,29,47,246	32.03		0.00	3,29,47,246
B2) Central Government/ State Government(s)/ President of India	**0**	**0**		**0.00**		**0.00**		**0.00**	
B3) Non-Institutions	**0**	**0**		**0.00**		**0.00**		**0.00**	
Individual share capital upto ₹ 2 Lacs	**1,27,515**	**1,07,40,268**	**1,07,40,268**	**10.44**	**1,07,40,268**	**10.44**	**-**	**0.00**	**1,07,34,936**
Individual share capital in excess of ₹ 2 Lacs	**21**	**16,78,915**	**16,78,915**	**1.63**	**16,78,915**	**1.63**	**-**	**0.00**	**16,78,915**

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of locked shares		Number of equity shares held in dematerialized form (Not Applicable)
							No.(a)	As a % of total Shares held (b)	
Any Other (specify)	**3163**	**39,36,146**	**39,36,146**	**3.83**	**39,36,146**	**3.83**	**-**	**0.00**	**39,36,146**
Trusts	5	931	931	0.00	931	0.00	-	0.00	931
Non-Resident Indian (NRI)	966	3,16,798	3,16,798	0.31	3,16,798	0.31	-	0.00	3,16,798
Clearing Members	145	3,89,661	3,89,661	0.38	3,89,661	0.38	-	0.00	3,89,661
Director or Director's Relatives	4	15,05,385	15,05,385	1.46	15,05,385	1.46	-	0.00	15,05,385
NON RESIDENT INDIAN NON REPATRIABLE	471	1,35,111	1,35,111	0.13	1,35,111	0.13	-	0.00	1,35,111
Bodies Corporate	412	13,50,523	13,50,523	1.31	13,50,523	1.31	-	0.00	13,50,523
HUF	1,160	2,37,737	2,37,737	0.23	2,37,737	0.23	-	0.00	2,37,737
Sub Total B3	1,30,699	1,63,55,329	1,63,55,329	15.90	1,63,55,329	15.90	-	0.00	1,63,49,997
B=B1+B2+B3	**1,30,782**	**4,93,02,575**	**4,93,02,575**	**47.93**	**4,93,02,575**	**47.93**	**-**	**0.00**	**4,92,97,243**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(3) With reference to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Statement showing shareholding pattern of the non-promoter- non-public shareholder

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total No. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	No. of locked shares		Number of equity shares held in dematerialized form (XIV)(Not Applicable)
					No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0		0.00		0.00	
C2) Employee Benefit Trust	0	0	-	0.00	-	0.00	-
Employee Benefit Trust	1	181251	1,81,251	0.18	-	0.00	1,81,251
Sub Total C2	1	181251	1,81,251	0.18	-	0.00	1,81,251
C= C1+C2	1	181251	1,81,251	0.18	-	0.00	1,81,251

Note
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(3) With reference to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company

No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" on page 194.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has been made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, a listed company may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or

shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the promoters and directors of the issuer are not Fugitive Economic Offenders.

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated August 5, 2020 and our Shareholders through a special resolution on September 23, 2020, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you have not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and

- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Application Form – Bid Process*" on page 185.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on August 5, 2020 and our Shareholders through a special resolution passed at the annual general meeting on September 23, 2020.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. Our Company in consultation with the BRLMs have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form have been specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the serially numbered copies of the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. **The list of QIBs to whom the Preliminary Placement Document and Application Form have been delivered have been determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be**

withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
   - equity shares held by the Bidder in our Company prior to the Issue; and
   - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document.
   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund have been treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "***INOX Leisure Limited- QIP Escrow Account***" with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares were required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the

excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 190.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such application constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company has, in consultation with BRLMs determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs, on behalf of our Company, will send the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

8. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

15. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. FVCIs

were not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs;
- pension funds with minimum corpus of ₹2,500 lakhs;
- provident funds with minimum corpus of ₹2,500 lakhs;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- subject to such QIB not being excluded pursuant to Regulation 197(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant

to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 194.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document or this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder have deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*" and "*Selling Restrictions*" on pages 4, 7 and 194, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by an Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise

control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount was to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was to be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
ICICI Securities Limited	ICICI Center, H T Parekh Marg, Churchgate, Mumbai 400 020	Nidhi Wangnoo/ Sameer Purohit	www.icicisecurities.com and inox.qip@icicisecurities.com	+91 22 2288 2460
IIFL Securities Limited	10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013	Shirish Chikalge/ Nishita Mody	www.iiflcap.com and inox.qip@iiflcap.com	+91 22 4646 4600

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "***INOX Leisure Limited- QIP Escrow Account***" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "***INOX Leisure Limited- QIP Escrow Account***" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company has also offered a discount of ₹8.10 per Equity Share (3.08% of the Floor Price) in accordance with the approval of our Shareholders, accorded through their special resolution passed through a special resolution at our annual general meeting on September 23, 2020 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details is filing such document with the Stock Exchanges as this Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLMs.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 4 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated this Placement Document with the Issue details and is filing such document with the Stock Exchanges as this Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 185 and 190 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.
Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The BRLMs have entered into the Placement Agreement with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and the Placement Document have not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" on page 13.

From time to time, the Book Running Lead Managers, and their respective affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock up

The Company will not, for a period commencing from the date hereof and ending 180 days from the date of Allotment, without the prior written consent of the BRLMs, directly or indirectly: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Share; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of equity shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities; provided that, the foregoing restrictions do not apply to any sale, transfer

or disposition or issue of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) any transaction required by law or an order of a court of law or a statutory authority, or (B) an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by the Company.

Lock-up by Promoter

Our Promoter, GFL Limited and our Promoter Group entity INOX Leasing and Finance Limited agree that during the period commencing on the date of the Preliminary Placement Document and ending 90 days from the date of the filing of this Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. Any Equity Shares acquired by the Promoter and Promoter Group during the Lock-up Period, from inter-se transfer, shall constitute Lock-up Shares, and shall be subject to the restrictions contained herein.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document and this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document and this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 4 and 7, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Placement Document, and any offers made under this Placement Document, you represent to the Company and the Book Running Lead Managers that you will not provide this Placement Document or communicate any offers made under this Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian

Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "SIBL"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL.

Dubai International Financial Centre

This Placement Document may not be distributed into, or circulated in, the Dubai International Financial Centre (the "**DIFC**") other than as an "Exempt Offer" in accordance with the Markets Rules of the Dubai Financial Services Authority ("**DFSA**") Rulebook (the "**MKT Module**"). The DFSA has not approved this Placement Document or any associated documents nor taken any steps to verify the information set out in, and has no responsibility for, this Placement Document.

This Placement Document may only be provided to Professional Clients, as defined in the DFSA Rulebook Conduct of Business Module (the "**COB Module**"). The offer of the Equity Shares is not directed at Retail Clients as defined in the COB Module.

Accordingly, the Equity Shares will not be offered to any person in the DIFC unless such offer is:

(a) an Exempt Offer in accordance with the MKT Module; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the COB Module.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or the Book Running Lead Manager to publish a

prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The contents of this Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Equity Shares. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Placement Document has not been, and will not be, registered as a prospectus (as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**") in Hong Kong. This Placement Document has not been reviewed or approved for publication or distribution in Hong Kong by the Securities and Future Commission of Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). Accordingly, the Equity Shares may not be offered or sold in Hong Kong by means of this document or otherwise, and this document or any abridged version of this document must not be issued, circulated or distributed in Hong Kong, other than (a) to "professional investors" as defined in the SFO and any subsidiary legislation made under the SFO or (b) in other circumstances which do not result in this document or any other document being a "prospectus" as defined in the Companies (WUMP) Ordinance. In addition, no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, any member of the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to "professional investors" as defined in the SFO or any subsidiary legislation made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange

Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the Republic of Mauritius is not invited to subscribe for the interests offered hereby. This document relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The document is for the use only of the named addressee and should not be given or shown to any other person.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Qatar

This Placement Document is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Placement Document and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Placement Document by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion**") of this Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the

Promotion of this Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Placement Document and nor does any such entity accept any liability for the contents of this Placement Document.

United Kingdom

This document does not constitute an approved prospectus for the purposes of and as defined in section 85 of Financial Services and Markets Act 2000 ("**FSMA**"), has not been prepared in accordance with the prospectus rules issued by the Financial Conduct Authority ("**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA. The Equity Shares may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at (a) persons falling within the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**"), (b) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc.), or (c) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**").

This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document or any other marketing materials relating to the Equity Shares.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Equity Shares and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

If the recipient of this document is in any doubt about the investment to which this document relates, they should consult a person authorized under the FSMA who specializes in advising on investing in securities.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 201.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 194.

U.S. TRANSFER RESTRICTIONS

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

- Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is not located outside the United States (within the meaning of Regulation S).

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative

investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Placement Document and will be provided access to this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-

wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s)

of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following information relates to the Equity Shares, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹1,49,06,00,000 divided into 14,90,50,000 Equity Shares and 1,00,000 preference shares of ₹10 each. For further details, see "*Capital Structure*" on page 78.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at an AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act and remaining undistributed or out of both or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid-up share capital of our Company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by our Company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of our Company after such withdrawal shall not fall below 15% of the Company's paid-up share capital as per the most recent audited financial statement of the company.

Unclaimed and unpaid dividend shall not be forfeited by our Company unless the claim thereof becomes barred by law. Subject to applicable provisions of the Companies Act, if our Company has declared a dividend but which has not been paid or claimed or dividend warrant or such other instrument has not been posted within 30 days from the date of declaration to any member entitled to the payment of the dividend, our Company shall within seven days from the date of the expiry of the aforesaid 30 days period transfer the total amount of dividend which remains unpaid or unclaimed to a special bank account to be opened in that behalf in any scheduled bank and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

On recommendation from the Board of Directors dividends may be retained to settle a lien of the Company. Shareholders of our Company that have dues pending with our Company are not entitled to receive dividends. The Directors may, as deemed fit, set a side part of the profit as reserves before declaring dividends.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the Board of Directors of a company subject to approval of shareholders in a general meeting to issue fully paid-up bonus shares to its members out of (a) the free reserves of the company (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid-up bonus shares, provided: (a) it is authorised by articles, (b) it has been, on the recommendation of the Board of Directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus(e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the Board of Directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

Our Company, by a resolution passed in a general meeting of the shareholders, upon a recommendation by the Board, may resolve that such bonus be paid in whole by paying up any amount on a Share that is unpaid; or by issuing bonus Shares, to be allocated and distributed in the proportion; or by a combination of the two.

Pre-emptive rights and alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The Board is entitled to make private placement and preferential issue of Equity Shares, debentures, preference shares or any other instruments to such class of persons as the Board may deem fit which would be convertible or exchanged with Equity Shares, at a later date or such other securities as may be permissible to be issued by our Company under any law from time to time.

According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

The Articles of Association authorises our Board to increase our authorised capital by issuing new shares consisting of equity and/or preference shares, as our Company may determine in a general meeting. The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may consolidate, divide or sub-divide or cancel its share capital.

General meetings of shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company must hold its AGM in each Fiscal year, provided that not more than 15 months shall elapse between each AGM, unless extended by RoC at its request for any special reason. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid-up capital carrying a right to vote on such date.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached

to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI, by way of its Circular No. SEBI/ HO/CFD / CMD1/ CIR/P/2020/79 dated May 12, 2020, has permitted companies to hold meetings, including annual general meetings through video conferencing or other audio visual means, during the calendar year 2020.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, anyone of such persons may vote at any meeting either personally or by his proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, that the vote of the first named person of such joint holders in the register of members, who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of the other joint holders.

At a general meeting, every member holding shares is entitled to vote through e-voting process and has one vote for every one equity share held. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the shall be as provided under the Companies Act and rules framed thereunder. The Chairperson of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings. No proxy shall be entitled to vote on a show of hands unless such proxy is present on behalf of a company or corporation.

Registration of transfers and register of members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than twelve. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year; the debenture Directors, nominee Directors, corporation Directors and managing Directors are to be excluded from this number.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from India. The alternate Director shall vacate the office if and when the original Director returns to India and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

Further, the trustees holding debentures of our Company via a trust deed have the right to appoint a debenture Director to the Board of our Company, similarly any financing corporation or credit corporation or any other financing company or body that holds debentures or shares of our Company has the right to appoint whole time or non-whole time Directors as nominee Directors. The Articles also provide that our Promoter is entitled to appoint majority of the Directors, if it holds not less that forty percent of the issued shares. In case of absence of a Director from the State in which the meetings of the Board are ordinarily held for a period of more than three months, such Director may appoint an alternate Director to act on his behalf. Additionally, the Directors have the power to appoint persons to fill casual vacancies on the Board. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. of the issues shares.

Liquidation rights

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares held by them.

Buy back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 issued in connection therewith.

STATEMENT OF SPECIAL TAX BENEFITS

November 9, 2020

The Board of Directors
INOX Leisure Limited
Viraj Towers, 5th Floor,
Andheri (East),
Mumbai – 400093

Sub: Qualified Institutions Placement of equity shares of face value ₹ 10 each_("Equity Shares") of INOX Leisure Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013 (the "Issue").

We hereby confirm that the enclosed statement (the "**Annexure**") provides the possible tax benefits available to INOX Leisure Limited (the "**Company**") and the shareholders of the Company under the Income-tax Act, 1961 ("**the Act**") as amended, applicable for the financial year ended March 31, 2021 and relevant to the assessment year 2021-22, presently in force in India.

Several of these benefits are dependent on the Company and/or shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and/or shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and/or shareholders may or may not choose to fulfil.

The benefits discussed in the Annexure are not exhaustive. We are informed that this Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing taxation laws, each investor is advised to consult with his or her own taxation consultant with respect to the specific tax implications arising out of their participation in the Issue.

Neither are we suggesting nor are we advising the investor to invest money based on this Annexure.

We do not express any opinion or provide any assurance as to whether:

(i) the Company and/or shareholders will continue to obtain these tax benefits in future;

(ii) the conditions prescribed for availing the tax benefits, where applicable have been/would be met; or

(iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

The enclosed Annexure is issued in connection with the Issue and the contents of the Annexure, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue. This letter is to be treated as an integral part of the possible tax benefits set out in the enclosed Annexure.

For Kulkarni and Company
Chartered Accountants
Firm Registration Number: 140959W
UDIN: 20130432AAAABQ3606

A D Talavlikar
Partner
Membership Number: 130432

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF AN INVESTMENT IN THE SHARES BY THE INVESTORS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

The information provided below sets out the possible tax benefits, in a summary manner only, available to the Company and its shareholders under the Income-tax Act, 1961 ("the Act") presently in force in India, applicable for Financial Year ("FY") 2020-21 relevant to the assessment year ("AY") 2021-22).

A. Tax benefits available to the Company

1. Lower Corporate Tax Rate under section 115BAA of the Act

As per the newly inserted section 115BAA w.e.f. AY 2020-21 (FY 2019-20), an option has been granted to domestic companies to compute corporate tax at a reduced rate of 25.17% (comprising of tax at 22% plus surcharge of 10% and cess of 4% on tax plus surcharge). The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under section 115JB of the Act.

However, this benefit is subject to certain conditions viz. such companies do not avail specified exemptions/incentives (e.g. deduction under section 10AA, 32(1)(iia), 35(2AB), deductions under Chapter VI-A, other than the provisions of section 80JJAA and section 80M, etc.), as more particularly provided in the said section. Further, such companies will also not be able to avail credit of brought forward MAT credit under section 115JB of the Act.

The Company is eligible to exercise the above option.

2. Deduction under section 80JJAA of IT Act

The Company, being subjected to tax audit under section 44AB, is entitled to claim deduction equal to 30% of the additional employee cost incurred in the course of its business for three years from the year in which such additional employees are taken on board, subject to fulfilment of other conditions specified therein. The deduction under this section will continue to be available even if the option under section 115BAA is exercised by the Company.

3. Deduction under section 80M of the Act

As per the newly inserted section 80M w.e.f. AY 2021-22 (FY 2020-21), a deduction is allowed in respect of income by way of dividends received from any other domestic company or a foreign company or a business trust in computing the total income of Company. However, such deduction shall not exceed the amount of dividend distributed by it on or before the due date. Due date for the purpose of section 80M of the Act means the date one month prior to the date for furnishing the return of income under section 139(1) of the Act. The deduction under this section will continue to be available even if the option under section 115BAA is exercised by the Company.

B. Tax benefits available to the shareholders

1. On buy back of shares

As per section 10(34A) of the Act, any income arising to the shareholder, on account of buy back of shares by the Company as referred to in section 115QA of the Act will be exempt from tax in the hands of the shareholder. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability in case of corporate shareholders. As per Section 115QA, any amount of distributed income by the Company on buy-back of shares from a shareholder shall be charged to tax in the hands of the Company and the Company shall be liable to pay additional income-tax at the rate of twenty per cent on the distributed income (plus applicable surcharge and cess).

2. To resident shareholders

Taxation of dividend income and withholding taxes

(a) Effective from FY 2020-21, dividend income is taxable in the hands of shareholders at the applicable rate. The recipient shareholder shall be entitled to deduction of the interest expenditure incurred under section 57 of the Act, subject to the maximum limit of 20% of the dividend income or income from a mutual funds.

Effective from FY 2020-21, in case of corporate shareholder being a domestic company, benefit is available under section 80M of the Act, which allows deduction in respect of income by way of dividends received from any other domestic company or a foreign company or a business trust in computing the total income. However, such deduction cannot exceed the amount of dividend distributed by such corporate shareholder on or before the due date. Due date for the purpose of section 80M of the Act means the date one month prior to the date for furnishing the return of income under section 139(1) of the Act.

The Company will be liable to deduct tax at source ("TDS") at the rate of 10% (7.5% w.e.f. May 14, 2020 up to March 31, 2021) in case of resident shareholders. TDS will have to be deducted at a higher rate of 20% in case the permanent account number of the recipient is not available.

No TDS will be deducted in case of resident individual shareholder if:

(i) Dividend distributed or paid or likely to be distributed or paid does not exceeds or is not likely to exceed ₹ 5000/- during the financial year, or

(ii) A declaration in prescribed Form 15G or 15H (as may be applicable) is verified and submitted in prescribed manner and time by the shareholder.

Capital gains

(b) The characterization of gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors including clarifications/ instructions issued by the Central Government in this regard. The tax incidence on such gains would accordingly be different.

(c) Capital assets held as investment may be categorized into short-term capital assets or long-term capital assets based on its period of holding. Capital assets being securities listed in a recognized stock exchange in India held by an assessee for a period of more than 12 months are considered as long-term capital assets. Capital assets which are not long-term capital assets are short-term capital assets. Consequently, capital gains arising on sale of long-term capital assets is long-term capital gains (LTCG). Capital gains arising on sale of short-term capital assets is short-term capital gains (STCG)

(d) Long term capital gains (exceeding ₹ 1 lakh) arising to the shareholders of the Company on transfer of shares of the Company shall be taxed under section 112A of the Act at a concessional rate of 10% (plus applicable surcharge and cess), if securities transaction tax ("STT") has been paid on both acquisition and transfer in case of equity shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long-term capital gains taxable under section 112A of the Act.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified following transactions of acquisition of equity shares as exempt from the condition of payment of STT:

(i) share acquisitions undertaken prior to October 1, 2004

(ii) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

(e) Long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company, not covered under the section 112A of the Act, shall be taxed under section 112 of the Act, at the rate of 20% (plus applicable surcharge and cess) with indexation benefit i.e. after indexing the cost of

acquisition/ improvement or at the concessional rate of 10% (plus applicable surcharge and cess) without indexing benefit.

(f) In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the proviso to section 112A(1) and proviso to section 112(1) of the Act. Further, no deduction under Chapter VI-A would be allowed against LTCG subject to tax under section 112A and section 112 of the Act.

(g) Short-term capital gains arising to shareholders of the Company on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to securities transaction tax. If transaction is not subjected to STT, then short-term capital gains shall be chargeable at normal rates.

In case of an individual or HUF, being a resident, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to section 111A(1) of the Act. Further, no deduction under Chapter VI-A would be allowed against STCG subject to tax under section 111A of the Act.

(h) As per provisions of Section 54EE of the Act, long term capital gains arising to a shareholder on transfer of shares of the Company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced.

However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed ₹ 50 lakhs.

(i) As per the provisions of section 54F of the Act, any long-term capital gains arising to an shareholder who is an individual or HUF on transfer shares of the Company, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer in purchase of a new residential house, or three years after the date of transfer for construction of residential house. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the shareholder does not own more than one residential house (other than the new residential house referred above) at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of shares of the Company, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

(j) As per section 70 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set- off against short-term as well as long-term capital gains of the said year. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 71 of the Act, short-term capital loss or long-term capital loss for the year cannot be set-off against income under any other heads for the same year.

Further, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchased within a period of three months prior to the record date and sold/ transferred within three months after such date, is to be ignored to the extent of dividend income on such shares is claimed as exempt from tax. However, since the dividend income has become taxable w.e.f. FY 2020-21 (AY 2021-22), provisions of section 94(7) would not be applicable to such shares.

(k) In case shares are held as stock in trade, the income on transfer of shares would be taxed as business income or loss in accordance with and subject to the provisions of the Act.

(l) Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

However, no deduction of STT amount will be allowed in computing the income chargeable to tax as capital gains.

(m) No income tax is deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act.

3. To non-resident Indian shareholders ("NRIs")

(a) As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India.

(b) A non-resident Indian has an option to be governed by Chapter XII-A of the Act in respect of dividend income and long-term capital gains arising from shares of the Company acquired or purchased with or subscribed to in convertible foreign exchange. Provisions of Part IV applies in case of items of income not covered by this Chapter or in case non-resident does not opt to be governed by this Chapter. The provisions contained in Chapter XII-A are given in brief as under:

(i) As per section 115E of the Act, investment income (dividend income) from shares acquired or purchased with or subscribed to in convertible foreign exchange shall be taxed at 20%, whereas, long-term capital gains on transfer of such shares shall be taxed at 10% without indexation benefit.

(ii) As per section 115F of the Act, long-term capital gains arising to a non-resident Indian from transfer of shares acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the shares in any specified asset or in any saving certificates referred to in section 10(4B) of the Act in accordance with and subject to the provisions contained therein.

However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new assets are transferred or converted into money.

(c) The tax rates and consequent taxation mentioned above are further subject to benefits, if any, available under the Double Taxation Avoidance Agreement ("DTAA") between India and the country of residence of the shareholder. As per Section 90(2) of the Act, the provisions of the Act or the DTAA, whichever are more beneficial to the taxpayer, would be applicable. However, benefits under DTAA are subject to fulfilment of anti-abuse provisions under the respective DTAA and submission of tax residency certificate ("TRC") and other documents/declarations as required.

4. To Foreign Portfolio Investor ("FPIs")/ Foreign Institutional Investors ("FIIs")

(a) As per section 2(14) of the Act, transfer of any securities by FPIs/ FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as capital assets.

(b) In accordance with and subject to the provisions of section 115AD of the Act, LTCG on transfer of shares by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess). In case of LTCG arising on long term capital assets referred to in section 112A of the Act i.e. transfer of listed shares subject to securities transaction tax, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees. The benefit of cost indexation and foreign currency fluctuations is not available to FIIs/FPIs.

(c) In accordance with and subject to the provisions of section 115AD of the Act, STCG on transfer of shares by FIIs/FPIs are taxable at 30% (plus applicable surcharge and cess). However, STCG arising on transfer of listed shares are chargeable to tax at the rate of 15% (plus applicable surcharge and cess) if such transaction is chargeable to securities transaction tax under section 111A of the Act.

(d) As per section 196D of the Act:

(i) no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs/FPIs from the transfer of securities referred in section 115AD of the Act

(ii) dividend payment shall be subjected to withholding taxes at the rate 20% (plus applicable surcharge and cess). Beneficial tax rate under treaty is not available at the time of withholding tax on dividend payments to FIIs/FPIs.

(e) The Central Board of Direct Taxes has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the Act.

(f) The tax rates and consequent taxation mentioned above are further subject to benefits, if any, available under the Double Taxation Avoidance Agreement ("DTAA") between India and the country of residence of the shareholder. As per Section 90(2) of the Act, the provisions of the Act or the DTAA, whichever are more beneficial to the taxpayer, would be applicable. However, benefits under DTAA are subject to fulfilment of anti-abuse provisions under the respective DATAA and submission of TRC and other documents/declarations as required.

5. To non-resident shareholders, other than Foreign Portfolio Investor ("FPIs")/ Foreign Institutional Investors ("FIIs")

Taxation of dividend income and withholding tax

(a) Dividend income is taxable in the hands of non-resident shareholders at the normal rates w.e.f. April 1, 2020. The Company shall be responsible for withholding taxes at the rate 20% (plus applicable surcharge and cess) subject to tax treaty benefits, if any.

Taxation of capital gains

(b) The characterization of gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors including clarifications/ instructions issued by the Central Government in this regard. The tax incidence on such gains would accordingly be different.

(c) Capital assets held as investment may be categorized into short-term capital assets or long-term capital assets based on its period of holding. Capital assets being securities listed in a recognized stock exchange in India held by an assessee for a period of more than 12 months are considered as long-term capital assets. Capital assets which are not long-term capital assets are short-term capital assets. Consequently, capital gains arising on sale of long-term capital assets is long-term capital gains (LTCG). Capital gains arising on sale of short-term capital assets is short-term capital gains (STCG).

(d) Long term capital gains (exceeding ₹ 1 lakh) arising to the shareholders of the Company on transfer of shares of the Company shall be taxed under section 112A of the Act at a concessional rate of 10% (plus applicable surcharge and cess), if STT has been paid on both acquisition and transfer in case of equity shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long-term capital gains taxable under section 112A of the Act.

As per section 112A(4) of the Act read with Notification No. 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(i) share acquisitions undertaken prior to October 1, 2004

(ii) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

Further, no deduction under Chapter VI-A would be allowed against LTCG subject to tax under section 112A of the Act.

(e) Long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company, not covered under the section 112A of the Act, shall be taxed under section 112 of the Act as follows:

(i) Where the equity shares of the Company are acquired in Indian currency, long-term capital gains shall be taxed at the rate of 20% (plus applicable surcharge and cess) with indexation benefit i.e. after indexing the cost of acquisition/ improvement or at the concessional rate of 10% (plus applicable surcharge and cess) without indexation benefit.

(ii) Where the equity shares of the Company are acquired in convertible foreign exchange, the same taxed at the rate of 10% (plus applicable surcharge and cess) without indexation benefit on the amount of capital gains computed in a manner provided as under:

In accordance with, and subject to section 48 of the Act read with Rule 115A of the Income Tax Rules, 1962 capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

Further, no deduction under Chapter VI-A would be allowed against LTCG subject to tax under section 112 of the Act

(f) Short-term capital gains arising to shareholders of the Company on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to securities transaction tax. If transaction is not subjected to STT, then short-term capital gains shall be chargeable at normal rates. Further, no deduction under Chapter VI-A would be allowed against STCG subject to tax under section 111A of the Act.

(g) As per provisions of Section 54EE of the Act, long term capital gains arising to a shareholder on transfer of shares of the Company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced.

However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid

notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed ₹ 50 lakhs.

(h) As per the provisions of section 54F of the Act, any long-term capital gains arising to an shareholder who is an individual or HUF on transfer shares of the Company, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer in purchase of a new residential house, or three years after the date of transfer for construction of residential house. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the shareholder does not own more than one residential house (other than the new residential house referred above) at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of shares of the Company, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

(i) As per section 70 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set- off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 71 of the Act, short term capital loss or long-term capital loss for the year cannot be set-off against income under any other heads for the same year.

Further, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchased within a period of three months prior to the record date and sold/ transferred within three months after such date, is to be ignored to the extent of dividend income on such shares is claimed as exempt from tax. However, since the dividend income has become taxable w.e.f. FY 2020-21 (AY 2021-22), provisions of section 94(7) would not be applicable to such shares.

(j) In case shares are held as stock in trade, the income on transfer of shares would be taxed as business income or loss in accordance with and subject to the provisions of the Act.

(k) Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act. However, no deduction of STT amount will be allowed in computing the income chargeable to tax as capital gains.

(l) As per the provisions of section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws, subject to tax treaty benefits if any.

(m) The tax rates and consequent taxation mentioned above are further subject to benefits, if any, available under the Double Taxation Avoidance Agreement ("DTAA") between India and the country of residence of the shareholder. As per Section 90(2) of the Act, the provisions of the Act or the DTAA, whichever are more beneficial to the taxpayer, would be applicable. However, benefits under DTAA are subject to fulfilment of anti-abuse provisions under the respective DTAA and submission of TRC and other documents/declarations as required.

6. To Mutual Funds

(a) Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India is exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

(b) As per section 196 of the Act, no tax is required to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

7. To Venture Capital Funds / Company

(a) In terms of section 10(23FB) of the Act, income of:

(i) Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and
(ii) Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax,

(b) As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/ Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

8. To Investment Funds

(a) Income of an Investment Fund, being a trust, company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession', shall be exempt from tax under section 10(23FBA) of the Act.

(b) The income (other than income chargeable under the head 'profits and gains of business or profession') would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Investment Fund as per section 115UB(1) of the Act.

(c) The income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of the Investment Fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund, at the rate or rates as specified in the Finance Act of the relevant year where Investment Fund is company or a firm and at maximum marginal rates in any other case as per section 115UB(4) of the Act.

(d) Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year as per section 115UB(6) of the Act.

(e) Investment Funds have withholding tax obligation under section 194LBB of the Act while making distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is non-resident.

(f) Taxation of income of AIF Category III and its investors are governed by the other / normal provisions of the Act.

9. General Anti-Avoidance Rule

(a) The Government of India has made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). GAAR is effective from FY 2017-18 (AY 2018-19).

(b) Several of the above tax benefits are dependent on the security holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

Notes:

1. The above statement is not intended to be a substitute for professional advice.

2. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of investment in shares of the Company.

3. The possible tax benefits enumerated above is as per the current tax laws presently in force in India relevant for the assessment year 2021-22. Several of these benefits available are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. The above statement covers only certain relevant benefits under Income-tax Act, 1961 and does not cover any Indirect Tax Law benefits or benefits under any other law.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal proceedings, civil proceedings, consumer disputes and regulatory proceedings, which are pending before various adjudicating forums.

As on date of this Placement Document, our Subsidiary is not involved in any outstanding legal proceedings.

In terms of our Company's "Policy for determination of materiality of information or events" ("***Materiality Policy***") *framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings against our Company; (ii) all outstanding actions by statutory or regulatory authorities against our Company; (iii) outstanding civil and tax litigations involving our Company, where the amount involved in such proceeding exceeds ₹ 1,000 lakhs ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Company wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

There are no outstanding litigation involving our Directors and/ or Promoter, an adverse outcome of which could materially and adversely affect the business or operations of the Company or the director's ability to be on the Board. There are no litigation or legal action pending or taken against our Promoter by any Ministry or Department of the Government or any statutory authority in the last three years immediately preceding the year of circulation of this Placement Document and directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

It is clarified that for the purposes of the above, pre-litigation notices received by our Company from third parties (excluding show cause notices issued by statutory/regulatory/tax authorities) have not been disclosed in this Placement Document unless our Company is impleaded as defendant or respondent in a litigation proceeding before any judicial fora or arbitral tribunal.

Other than as disclosed herein (i) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiary nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company and our Subsidiary (ii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon (d) any loan obtained from any bank or financial institution and interest thereon by the Company, as of the date of this Placement Document; and (e) annual filings under the Companies Act or rules made thereunder (iii) there are no material frauds committed against our Company and our Subsidiary in the last three years.; and (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Criminal Proceedings involving our Company

1. Bata India Limited ("**Bata India**"), has filed a criminal complaint before the court of the Chief Metropolitan Magistrate, Saket District Court, New Delhi ("**Court**") against the producer, director and actors of a movie titled "Jolly LLB 2" ("**Movie**") and against several multiplexes, including our Company and other single screen theatres ("**Accused**") that exhibited the trailer of the Movie across India, being aggrieved by the content of the trailer and alleging defamation caused to Bata India by the trailer of the Movie ("**Criminal Compliant**"). Our Company filed a petition before the High Court of Delhi ("**High Court**") to quash the Criminal Complaint and the order of the Court summoning the Accused ("**Petition**"). Thereafter, the High

Court partially allowed the Petition and exempted our Company from appearing before the Court through counsel. The matter is currently pending.

2. A first information report was filed with the Sultan Bazar, Kachiguda, Hyderabad Police Station against our Company, pursuant to a complaint made by Vijay Gopal alleging that our Company has been playing commercials for over 30 minutes, which is in violation of the Andhra Pradesh Cinemas (Regulation) Act, 1955 and rules made thereunder. Our Company has filed a petition before the Andhra Pradesh High Court for quashing of the first information report. The Andhra Pradesh High Court by its order dated February 13, 2020 has issued a stay on the proceedings. The matter is currently pending.

3. Our Company has filed seven complaints for dishonour of cheques under the Negotiable Instruments Act, 1881 aggregating to ₹ 171.89 lakhs against various third parties who owe money to our Company and had issued cheque(s) to our Company. These third parties are primarily advertisers/ advertising agencies who owe money to our Company for advertising in multiplexes and other marketing activities. These matters are pending at various stages of adjudication before various adjudication forums.

Regulatory Proceedings involving our Company

1. The cinema license under the Karnataka Cinema Regulation Act of one of our multiplexes in Belagavi was suspended indefinitely pursuant to an order dated May 23, 2017 of the District Magistrate, Belagavi ("**District Magistrate**",) alleging *inter alia* sale of food and drinks at prices higher than the maximum retail price ("**Suspension**"). Our Company filed a writ petition before the High Court of Karnataka ("**High Court**") for quashing of the Suspension. The High Court by its order directed to stay the Suspension. Thereafter, our Company filed an application before the Regional Commissioner, Belagavi ("**Regional Commissioner**") to seek extension of the stay and quash the Suspension ("**Application**"). The Application was rejected by an order dated June 28, 2018 of the Regional Commissioner ("**Order**"). Subsequently, our Company filed a writ before the High Court against the Order and stay the operation of the Suspension. The matter is currently pending.

2. The Additional Collector, Mumbai pursuant to its order dated January 11, 2012 stated that our multiplex at Nariman Point, Mumbai has been exhibiting less Marathi shows and is in contravention of the provisions of the Mumbai Amusement Fees Act, 1923, and imposed fine of ₹ 2,000 per show amounting to ₹ 5,30,000 on our Company ("**Order**"). Our Company thereafter filed an appeal against the Order ("**Appeal**") before the Divisional Commissioner, Konkan Division, Mumbai ("**Division Commissioner**"), which was reject by the order dated October 3, 2012 of the Divisional Commissioner ("**Division Commissioner Order**"). Subsequently, our Company filed a revision application before the Government of Maharashtra, Revenue and Forest Department, Mantralaya, Mumbai against the Division Commissioner Order. The matter is currently pending.

3. There are nine cases that are pending against our Company in relation to, *inter alia*, on dual pricing of food and beverage items, irregular and illegible labelling, items sold above maximum retain price, irregular weight of items sold in our multiplexes, which are in violation of the Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977, as applicable. These matters are currently pending before various adjudication forums at various stages of adjudication.

Material civil proceedings involving our Company

1. Our Company is member of the Multiplex Association of India ("**MAI**"), which is a national body comprising of various multiplex chains operating in India. The Multiplex Association of India has filed a special leave petition before the Supreme Court of India challenging the order dated 18 July 2018 of the Hon'ble High Court of Jammu and Kashmir wherein, the court, among others, directed cinema hall owners in the state of Jammu and Kashmir to remove prohibition on cinemagoers from carrying their own food and water inside the theatre ("**SLP**"). Similar petitions had also been filed before various High Courts, wherein the prayer was to permit admits to bring their own food and water into the cinema halls. Subsequently, MAI filed transfer petitions before the Supreme Court of India and by an order dated September 7, 2018, the Supreme Court of India has stayed the matters pending before certain high courts and has also ordered for these matters to be heard along with the SLP. The matter is currently pending.

Tax Proceedings involving our Company

1. Our Company pursuant to its letter dated May 7, 2002, applied to the Collector, Pune District ("**Collector**") under the Bombay Entertainment Duty Act, 1923 seeking exemption from payment of entertainment duty in accordance with the provisions of Bombay Entertainment Duty (Amendment) Ordinance, 2001, which was issued by the Collector to our Company on June 14, 2002. The entertainment duty inspector raised a demand notice on December 8, 2017 ("**Notice**"), in relation to the entertainment-tax ("**E-tax**") exemption on the ground that even though our Company was enjoying E-tax exemption, the amount of E-tax has been shown in Daily Collection Registers ("**DCR**") which records the details about the tickets of the shows offered by our Company to its patrons, which includes the amount of gross E-tax that was leviable to our Company's patron. The Divisional Commissioner, Pune ("**Divisional Commissioner**") *vide* its order dated April 29, 2014, confirmed the Notice. Subsequently, our Company, filed an appeal on June 24, 2014 under Section 10 A(3) of the Maharashtra Entertainment Duty Act, before the State Government of Maharashtra, wherein our Company opposed the decision of the Divisional Commissioner regarding the payment of the entertainment duty to the government during the exempted period. On September 17, 2017 ("**Order**"), the Revenue Minister rejected the appeal and our Company was summoned to pay an amount of ₹2,201.36 lakh. Thereafter, our Company filed a writ petition before the Bombay High Court on December 15, 2017, challenging the Order and the Notice, which was subsequently set aside by the Bombay High Court *vide* its order dated December 21, 2017. The matter is currently pending.

2. Commercial Tax Officer, Jaipur ("**Commercial Tax Officer**") issued a notice on December 10, 2014 ("**Notice**") under Section 10(3)(b) of Entertainment Tax Act, 1957 for the multiplex situated at Crystal Palm, Jaipur. The Notice mentions that the benefits of Raj Investment Promotion Scheme – 2003 ("**RIPS**") has been allowed to Jaipur Need Nirman Private Limited ("**Mall Owner**"), whereas the benefit of the same is being taken by our Company. It has been argued that the exemption is qua Unit and not qua Company. Under the policy, it is usual and standard practice that the exemption is always sanctioned to the Mall Owner. The total demand is ₹ 1,306.11 lakhs and the bank guarantee and deposits placed from August 14 to July 16 is ₹ 582.43 lakh. For the period August 2014 – September 15, the hearing with the Revenue Board was held on January 8, 2020 and the order has been reserved. For the period October 15 – March 16, the appeal for penalty was accepted and the matter is remanded back to the Commercial Tax Officer for calculation of interest and additional tax. The Commercial Tax Officer has filed an appeal before the Rajasthan tax board against these remand orders. The matter is currently pending.

3. Commercial Tax Officer, Indore, *vide* its order dated June 25, 2013 ("**Order**") raised the demand of ₹ 1,176.23 lakhs for the period between the Financial Years 2006 to 2015 for our Company's multiplex's in Indore on the exemption availed by our Company, pursuant to Section 7 of the Madhya Pradesh Entertainment Duty and Advertisements Tax Act, 1936. Through its Order, the Commercial Tax Officer, Indore has contended that the exemption sought by our Company is qua the class of entertainment shown in the multiplex and not qua the showing of the entertainment by the owner of the building. Our Company subsequently filed an appeal against the Order before the Commercial Tax Appellate Board for the period between the Financial Years April 12 to March 15 , for our Company and between the Financial Years April 2013 to march 2015 for erstwhile Satyam Cineplex Limited ("**Satyam**") (which amalgamated into our Company as per Delhi High Court Order dated February 10, 2016). Further, our Company filed an appeal before the Deputy Commissioner, Indore which was rejected pursuant to which our Company filed an appeal before the Madhya Pradesh High Court, for the period between the Financial Years February 2006 to March 2011 and for Satyam for the period between the Financial Years April 2011 to March 2013. The matter is currently pending.

4. The Officer of Customs, Central Excise and Service Tax has issued show cause notices for various states alleging that our Company has evaded the payment of service tax amounting to ₹ 12,026.10 lakhs on the revenue earned by it pursuant to the revenue sharing arrangements entered into with various distributors and sub distributors, for the purpose of screening of films and providing other business support services. Further, the Office of the Commissioner of Central Goods and Services Tax and Central Excise has passed an order dated October 30, 2018 ("**Order**"), confirming the levy of the above mentioned service tax amount on our Company and ordering our Company to pay the same, along with a penalty of ₹ 2,344.85 lakhs along interest aggregating to a total demand of ₹ 14,370.95 lakhs. Our Company has filed an appeal on November 11, 2016 before the Customs, Excise and Service Tax Appellate Tribunal challenging the Order after depositing ₹ 723.19 lakhs. The matter is currently pending.

5. The Additional Director General, Directorate General of Central Excise Intelligence, Bangalore Zonal Unit and the Commissioner of Service Tax -V, Mumbai ("**Commissioners of Service Tax**") issued show cause notices to our Company, dated October 8, 2014, April 6, 2015 and April 13, 2016 and the Deputy Commissioner of CGST & Central Excise, DN. X, Mumbai issued a show cause cum demand notice on September 27, 2018 (together, "**Show Cause Notices**"), on the ground of non-payment of applicable service tax amounting to ₹ 5,297.97 lakhs for Fiscals 2013 to June 2017, on the supply of food and beverages by our Company in the theatres. Our Company had subsequently responded to the Show Cause Notices *vide* their letters, wherein they alleged the jurisdiction of the Show Cause Notice since it involved multi-locational premises of our Company. Our Company further claimed exclusion under Section 65B(44) of the Finance Act, 1994, whereby they claimed that there was only a supply of food and beverages by them which was outside the purview of the definition of service. The Commissioner of GST & Central Excise Mumbai East Commissionerate passed an order dated February 7, 2018 and January 22, 2019 ("**Orders**") directing our Company to pay the service tax demanded, along with penalty and interest amounting to ₹ 6,313.22 lakhs on the grounds, among others, that our Company evaded payment of service tax. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai on May 4, 2018 and April 23, 2019 challenging the Orders after depositing ₹ 397.34 lakhs. The matter is currently pending.

OUR STATUTORY AUDITORS

M/s. Kulkarni and Company, Chartered Accountants, our Statutory Auditors, as required by the Companies Act have been appointed pursuant to our Shareholders' resolution passed at the annual general meeting held on September 28, 2017, for a period of five years. M/s. Kulkarni and Company, Chartered Accountants, have performed a review of the Unaudited Consolidated Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by ICAI and have issued a review report dated November 5, 2020 on the Unaudited Consolidated Financial Results which is included in this Placement Document in "*Financial Statements*" on page 231.

M/s. Kulkarni and Company, Chartered Accountants, have also audited the Audited Consolidated Financial Statements, and their audit reports on those financial statements are included in this Placement Document in "*Financial Statements*" on page 231.

M/s. Kulkarni and Company, Chartered Accountants, held a certificate issued by the peer review board of the ICAI, which was valid till March 16, 2020. The validity of the certificate was automatically extended to March 16, 2021 pursuant to the announcement dated March 30, 2020 by ICAI, whereby validity of the peer review certificate of any chartered accountant that has expired during the period from April 1, 2019 till March 24, 2020 or is set to expire during the period of lockdown, is extended by one year from the date of validity of the last issued certificate, subject to the submission of the final clean report.

The ICAI has now issued a new peer review certificate which shall be effective from March 17, 2021 and shall be valid till March 31, 2024.

GENERAL INFORMATION

1. Our Company was incorporated as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated November 9, 1999 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company commenced its business on February 11, 2000, pursuant to a certificate of commencement of business issued the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registration number of our Company is 044045 and our CIN is L92199GJ1999PLC044045. The Registered Office of our Company is situated at ABS Tower, Old Padra Road, Vadodara 390 007 and our Corporate Office is situated at 5th Floor, Viraj Towers, Western Express Highway, Next to Andheri Flyover, Andheri (East), Mumbai 400 093. Our Company is in the process of shifting its Registered Office from ABS Tower, Old Padra Road, Vadodara 390 007 to the jurisdiction of the state of Maharashtra. In this regard our Company has made requisite form filings with the RoC. The approval from the regional director, Ahmedabad is currently pending. The website of our Company is www.inoxmovies.com.

2. The Issue was approved by the resolution of the Board in its meeting on August 5, 2020. The Shareholders have authorised and approved the Issue by way of a special resolution dated September 23, 2020.

3. The Equity Shares are listed on BSE and NSE.

4. Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations from both BSE and NSE on November 9, 2020. We will apply to the Stock Exchanges for the final listing and trading approvals of the Equity Shares on the Stock Exchanges.

5. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 11:00 am to 1:00 pm on any weekday (except public holidays) during the Bid/Issue Period at the Registered Office and Corporate Office.

6. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with the Issue.

7. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 222.

8. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

9. Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since the date of the Unaudited Consolidated Financial Results, which has been included in this Placement Document.

10. Our Company confirms that it is in compliance with the requirement of minimum public shareholding requirements as required in terms of the SEBI Listing Regulations, SCRA and SCRR.

11. The Floor Price for the Equity Shares under the Issue is ₹ 263.10 per Equity Share which has been calculated in accordance with provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has also offered a discount of ₹8.10 per Equity Share (3.08% of the Floor Price), accordance with the approval of the shareholders accorded through their special resolution passed in their annual general meeting held on September 23, 2020 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

12. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

13. Details of the Company Secretary and Compliance Officer of our Company:

Parthasarathy Iyengar
5th Floor, Viraj Towers, Western Express Highway
Next to Andheri Flyover, Andheri (East), Mumbai 400 093
Telephone: +91 22 4062 6900
E-mail: parthasarathy.iyengar@inoxmovies.com

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company is set forth below.

No.	Name of the proposed Allottees	Percentage of post-Issue paid-up Equity Share capital
1.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND - SERIES 1	1.34
2.	ICICI PRUDENTIAL TECHNOLOGY FUND	0.23
3.	ICICI PRUDENTIAL DIVIDEND YIELD EQUITY FUND	0.12
4.	ICICI PRUDENTIAL VALUE FUND - SERIES 20	0.35
5.	ICICIPRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS	1.13
6.	ICICI PRUDENTIAL SMALLCAP FUND	1.65
7.	EASTSPRING INVESTMENTS INDIA CONSUMER EQUITY OPEN LIMITED	0.22
8.	KUWAIT INVESTMENT AUTHORITY FUND 225	1.52
9.	ABU DHABI INVESTMENT AUTHORITY - BEHAVE	2.54
10.	DSP INDIA T.I.G.E.R FUND	0.08
11.	DSP EQUITY OPPORTUNITIES FUND	0.41
12.	NIPPON LIFE INDIA TRUSTEE LTDA/C NIPPON INDIA CAPITAL BUILDER FUND IV - SERIES C	0.05
13.	NIPPON LIFE INDIA TRUSTEE LTDA/C NIPPON INDIA CAPITAL BUILDER FUND IV SERIES D	0.10
14.	NIPPON LIFE INDIA TRUSTEE LTDA/C NIPPON INDIA TAX SAVER (ELSS) FUND	0.33
15.	IIFL FOCUSED EQUITY FUND	0.49
16.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	0.17
17.	SAMSUNG INDIA SECURITIES MASTER INVESTMENT TRUST EQUITY	0.62
18.	BARODA MULTI CAP FUND	0.09
19.	INTEGRATED CORE STRATEGIES ASIA PTE LTD	0.01
20.	GOLDMAN SACHS (SINGAPORE) PTE - ODI	0.09
21.	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LIMITED	0.09
22.	NOMURA SINGAPORE LIMITED ODI	0.07
23.	SUNDARAM EMERGING SMALL CAP - SERIES I	0.12
24.	SUNDARAM EMERGING SMALL CAP - SERIES II	0.12
25.	SUNDARAM EMERGING SMALL CAP - SERIES III	0.12
26.	SUNDARAM EMERGING SMALL CAP - SERIES IV	0.08
27.	SUNDARAM EMERGING SMALL CAP - SERIES V	0.03
28.	SUNDARAM EMERGING SMALL CAP - SERIES VI	0.02
29.	SUNDARAM EMERGING SMALL CAP - SERIES VII	0.05
30.	SUNDARAM SELECT MICROCAP SERIES X	0.04
31.	SUNDARAM SELECT MICRO CAP SERIES-XI	0.16
32.	SUNDARAM SELECT MICRO CAP SERIES - XII	0.09
33.	SUNDARAM SELECT MICRO CAP SERIES - XIV	0.09
34.	SUNDARAM SELECT MICRO CAP SERIES - XV	0.08
35.	SUNDARAM SELECT MICRO CAP SERIES - XVI	0.06
36.	SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - III	0.04
37.	SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - IV	0.02
38.	SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES III	0.07
39.	SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES IV	0.03
40.	SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES V	0.03
41.	SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES - VI	0.03
42.	IDBI EQUITY ADVANTAGE FUND	0.14
43.	BNP PARIBAS MUTUAL FUND A/C - BNP PARIBAS MULTI CAP FUND	0.08
44.	BNP PARIBAS LONG TERM EQUITY FUND	0.16
45.	SOCIETE GENERALE - ODI	0.06
46.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C - ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 6	0.40

No.	Name of the proposed Allottees	Percentage of post-Issue paid-up Equity Share capital
47.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C - ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 7	0.09
48.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C - ADITYA BIRLA SUN LIFE DIGITAL INDIA FUND	0.35
	Total	**14.26**

FINANCIAL STATEMENTS

Kulkarni and Company
Chartered Accountants

Flat No.3, First Floor, Shree Vishnu Complex, S.No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune - 411030
Contact: +91 9850898715 **email :** nmk@kulkarnico.com

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited consolidated results of Inox Leisure Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Inox Leisure Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Inox Leisure Limited** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group") for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (the "Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 on 'Interim Financial Reporting' (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of Inox Leisure Limited and of the following entities:
   Subsidiaries: Shouri Properties Private Limited, INOX Benefit Trust, Inox Leisure Limited - Employees' Welfare Trust.

Kulkarni And Company
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Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to following matter

   a) As described in the Note 2 to the Statement, 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 the Statement.

   b) As described in Note 4 to the Statement, the Group has invoked the 'force majeure' clause under various lease agreements for its multiplex premises, contending that rent and CAM charges for the shutdown period on account of COVID-19 pandemic are not payable. The amount of reduction in rent and CAM charges which is yet to be settled, for the quarter and half year ended 30 September 2020 is Rs. 4,991 lakhs and Rs. 9,880 lakhs respectively. Cumulative amount upto 30 September 2020 is Rs. 10,609 lakhs.

   Our conclusion is not modified in respect of these matters.

7. We did not review the interim financial result of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect the Group's share in total assets of Rs. 1,584 Lakhs as on 30 September 2020 and total revenue of Nil and Nil, total net profit /(loss) after tax of Rs. (0.10) lakhs and 0.16 lakhs and total comprehensive income of Rs. (0.10) lakhs and Rs. 0.16 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and net cash outflow of Rs. 10 Lakhs for the period from 1 April 2020 to 30 September 2020, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matter.

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

Kulkarni And Company Chartered Accountants
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune-411030

A D Talavlikar
Partner
Mem. No. 130432
Place: Pune
Date: 05 November 2020
UDIN: 20130432AAAABI8500

INOX LEISURE LIMITED
Registered Office: ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat. Tel: (91 265) 6198111 Fax: (91 265) 2310312
Email: contact@inoxmovies.com | Website: www.inoxmovies.com
CIN: L92199GJ1999PLC044045

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(Rs. in Lakhs)

Sr. No	Particulars	Quarter ended			Half year ended		Year ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations	36	25	51,994	61	1,01,295	1,89,744
	(b) Other income	430	272	440	702	752	1,717
	Total Income (a + b)	**466**	**297**	**52,434**	**763**	**1,02,047**	**1,91,461**
2	**Expenses**						
	a) Cost of food and beverages consumed	-	-	3,454	-	6,783	12,622
	b) Exhibition cost	-	-	13,914	-	26,903	49,646
	c) Employee benefits expense	1,523	2,430	3,732	3,953	7,241	14,207
	d) Finance costs	6,407	6,328	5,422	12,735	10,510	22,124
	e) Depreciation and amortization expense	7,142	7,075	6,451	14,217	12,531	26,419
	f) Rent concessions (see note no. 3)	(7,233)	(6,927)	-	(14,160)	-	(1,561)
	g) Other expenses	1,690	1,183	14,118	2,873	28,582	55,146
	Total expenses (a) to (g)	**9,529**	**10,089**	**47,091**	**19,618**	**92,550**	**1,78,603**
3	**Profit/(loss) before tax (1-2)**	**(9,063)**	**(9,792)**	**5,343**	**(18,855)**	**9,497**	**12,858**
4	**Tax expense:** (see note no. 7)						
	Current tax	-	-	2,621	-	4,811	7,290
	Deferred tax	(2,273)	(2,428)	(748)	(4,701)	(1,485)	(2,761)
	Impact of deferred tax asset remeasurement on account of change in tax rate	-	-	-	-	-	6,886
	Taxation pertaining to earlier years	(7)	-	(43)	(7)	(43)	(58)
5	**Profit/(loss) for the period/year (3-4)**	**(6,783)**	**(7,364)**	**3,513**	**(14,147)**	**6,214**	**1,501**

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(Rs. in Lakhs)

Sr. No	Particulars	Quarter ended			Half year ended		Year ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
6	**Other comprehensive Income**						
	Items that will not be reclassified to Profit & Loss						
	Actuarial gain/(loss) on employee defined benefit plan	76	60	2	136	(170)	(199)
	Tax on above	(19)	(15)	(1)	(34)	60	70
	Total Other Comprehensive Income	**57**	**45**	**1**	**102**	**(110)**	**(129)**
7	**Total Comprehensive Income for the period/year comprising Profit/loss for the period/year & Other Comprehensive Income (5+6)**	**(6,726)**	**(7,319)**	**3,514**	**(14,045)**	**6,104**	**1,372**
8	**Profit/loss for the year attributable to :**						
	- Owners of the Company	**(6,783)**	**(7,364)**	**3,513**	**(14,147)**	**6,214**	**1,501**
	- Non-Controlling interest	**	**	**	**	**	**
9	Other comprehensive income for the year attributable to						
	- Owners of the Company	**57**	**45**	**1**	**102**	**(110)**	**(129)**
	- Non-Controlling interest	-	-	-	-	-	-
10	Total comprehensive income for the year attributable to:						
	- Owners of the Company	**(6,726)**	**(7,319)**	**3,514**	**(14,045)**	**6,104**	**1,372**
	- Non-Controlling interest	**	**	**	**	**	**
11	Paid-up equity share capital (face value Rs. 10 per share)	10,268	10,265	10,264	10,268	10,264	10,265
12	Reserves excluding revaluation reserves -net of Interest in Inox Benefit Trust (see note no. 6)						51,923
13	Earnings/(loss) Per Share of Rs. 10 each– (see note no. 6)						
	(a) Basic (Rs.)	(6.74)*	(7.49)*	3.57*	(14.23)*	6.32*	1.53
	(b) Diluted (Rs.)	(6.74)*	(7.49)*	3.57*	(14.23)*	6.32*	1.53

(**) Amount below Rs. 1 lakh
(*) not annualised

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UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2020

(Rs. in Lakhs)

Particulars	As at 30-09-2020 (Unaudited)	As at 31-03-2020 (Audited)
Assets		
(1) Non-current assets		
(a) Property, plant & equipment	92,325	97,539
(b) Capital work-in-progress	9,679	8,535
(c) Right-of-use assets	2,05,225	2,14,183
(d) Goodwill	1,751	1,751
(e) Other intangible assets	671	841
(f) Financial Assets		
(i) Other investments	16	16
(ii) Loans	10,713	10,164
(iii) Other financial assets	9,283	9,506
(g) Deferred tax assets (net)	22,394	17,728
(h) Income tax assets (net)	345	737
(i) Other non-current assets	3,078	3,114
Total non-current assets	**3,55,480**	**3,64,114**
(2) Current assets		
(a) Inventories	1,192	1,365
(b) Financial assets		
(i) Other investments	42	101
(ii) Trade receivables	734	6,275
(iii) Cash & cash equivalents	6,737	4,022
(iv) Bank balances other than (iii) above	1,989	448
(v) Loans	30	884
(vi) Other financial assets	21	27
(c) Other current assets	4,316	4,305
Total current assets	**15,061**	**17,427**
Total assets	**3,70,541**	**3,81,541**

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(Rs. in Lakhs)

Particulars	As at 30-09-2020 (Unaudited)	As at 31-03-2020 (Audited)
Equity & Liabilities		
(1) Equity		
(a) Equity share capital	10,268	10,265
(b) Other equity	47,948	55,190
(c) Interest in Inox Benefit Trust	-	(3,267)
Equity attributable to owners of the Company	**58,216**	**62,188**
Non-Controlling Interest	1	1
Total Equity	**58,217**	**62,189**
(2) Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,305	2,000
(ii) Lease liabilities	2,55,402	2,59,220
(iii) Other financial liabilities	751	749
(b) Provisions	1,633	1,789
(c) Other non-current liabilities	6,023	6,648
Total non-current liabilities	**2,70,114**	**2,70,406**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,924	10,264
(ii) Lease Liabilities	7,630	6,965
(iii) Trade payables		
a. total outstanding dues of micro enterprises and small enterprises	1,641	1,660
b. total outstanding dues of creditors other than micro enterprises and small enterprises	5,620	11,291
(iv) Other financial liabilities	11,845	11,486
(b) Other current liabilities	5,448	5,062
(c) Provisions	1,971	1,951
(d) Income tax liabilities (net)	131	267
Total current liabilities	**42,210**	**48,946**
Total liabilities	**3,12,324**	**3,19,352**
Total equity & liabilities	**3,70,541**	**3,81,541**

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CIN: L92199GJ1999PLC044045

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

(Rs in lakhs)

Particulars	Period ended 30-09-2020 (Unaudited)	Period ended 30-09-2019 (Unaudited)
Cash flows from operating activities		
Profit/(loss) for the period after tax	(14,147)	6,214
Adjustments for:		
Income tax expense	(4,708)	3,283
Finance costs	12,735	10,510
Interest income recognised in profit or loss	(362)	(332)
Deferred revenue	-	(451)
Gain on investments measured at fair value through profit or loss	(1)	(46)
Deferred rent expenses	-	321
Loss on disposal of property, plant and equipment (net)	7	220
Liabilities and provisions, no longer required, written back	(202)	(274)
ESOP charge	3	36
Bad debt & remissions	1	3
Inventories written off	106	-
Allowance for doubtful trade receivables and expected credit losses	126	55
Depreciation and amortisation expense	14,217	12,531
Rent concessions	(14,160)	-
Unrealised exchange loss/(gain)	20	**
	(6,365)	**32,070**
Movements in working capital:		
(Increase)/decrease in trade receivables	5,413	1,326
(Increase)/decrease in inventories	67	(133)
(Increase)/decrease in loans	588	(96)
(Increase)/decrease in other financial assets	143	(365)
(Increase)/decrease in other assets	(343)	(1,871)
Increase/(decrease) in trade payables	(5,690)	(4,054)
Increase/(decrease) in provisions	**	418
Increase/(decrease) in other financial liabilities	355	206
Increase/(decrease) in other liabilities	(239)	2,964
Cash generated from/(used in) operations	**(6,071)**	**30,465**
Income taxes refund/(paid) net	264	(3,106)
Net cash generated from/(used in) operating activities	**(5,807)**	**27,359**

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(Rs in lakhs)

Particulars	Period ended 30-09-2020 (Unaudited)	Period ended 30-09-2019 (Unaudited)
Cash flows from investing activities		
Payments for purchase of property, plant and equipment (including changes in capital work in progress and capital advances & capital creditors)	(2,382)	(10,340)
Payments for acquiring intangible assets	-	(206)
Proceeds from disposal of property, plant and equipment	-	7
Interest received	97	72
Maturity of Government securities	41	17
Purchase of current investments	-	(25,270)
Sale/redemption of current investments	-	23,788
Movement in other bank balances	(1,455)	(191)
Net cash used in investing activities	**(3,699)**	**(12,123)**
Cash flows from financing activities		
Proceeds from issue of Treasury Shares (net of expenses) – see note no. 6	10,066	-
Shares issued under ESOP	4	5
Proceeds from borrowings - non current	7,500	-
Repayment of borrowings - non current	(2,028)	(1,750)
Net movement in current borrowings	(2,340)	(500)
Repayment of lease liabilities	-	(12,505)
Finance costs	(981)	(493)
Net cash generated from/(used in) financing activities	**12,221**	**(15,243)**
Net increase/(decrease) in cash and cash equivalents	**2,715**	**(7)**
Cash and cash equivalents at the beginning of the year	4,022	1,179
Cash and cash equivalents at the end of the period	**6,737**	**1,172**

(**) Amount below Rs. 1 lakh.
Note: The unaudited consolidated statement of Cash Flows has been prepared in accordance with "indirect method" as set out in Ind AS - 7 "Statement of Cash Flows".

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Notes:

1. The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 5 November 2020. The Statutory Auditors of the Group have carried out Limited Review of the above results and have issued unmodified review report.

2. The COVID-19 pandemic and the resultant lockdown declared by the Government of India in March 2020 has impacted the entire entertainment industry and consequently the business activities of the Group are also adversely affected. The cinema exhibition sector has now started to commence operations in a phased manner from mid-October onwards. The Group has taken effective steps to reduce its operational costs in all areas. In developing the assumptions relating to possible future uncertainties, the Group has considered all relevant internal and external information available upto the date of approval of these financial results and the Group has used the principles of prudence in applying judgement, estimates and assumptions. 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 results, which will require the impact assessment on the Group's operations to be continuously monitored.

3. The Group has recognised rent concessions aggregating to Rs. 7,233 lakhs/Rs. 14,160 lakhs for the quarter/half year ended 30 September 2020 (Rs. 6,927 lakhs for the quarter ended 30th June 2020). The Group has applied the practical expedient to all COVID-19 related rent concessions that meet the conditions in paragraph 46B of the Ind AS 116: Leases, as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2020 and elected not to assess whether such rent concession is a lease modification. In accordance with principles of fair presentation, the amount of rent concessions has been disclosed as a separate line item in the financial results.

4. Amongst the steps taken to reduce operational costs, the Group has invoked the force majeure clause under various lease agreements for its multiplex premises, contending that rent and CAM charges for the shutdown period on account of COVID-19 pandemic are not payable. The Group has already settled the matter with some lessors and expects to settle with the balance lessors in due course. The amount of reduction in rent and CAM charges which is yet to be settled, for the quarter and half year ended 30 September 2020, is Rs. 4,991 lakhs and Rs. 9,880 lakhs respectively. Cumulative amount upto 30 September 2020 is Rs. 10,609 lakhs (upto 30 June 2020 Rs. 9,845 lakhs).

5. The Group has allotted 28,750/28,750 equity shares of Rs. 10/- each during the quarter/half year ended 30 September 2020, pursuant to the exercise of options under the Company's Employees Stock Option Scheme.

6. 43,50,092 Equity Shares of the Group, held by Inox Benefit Trust (the Trust), represented Treasury Shares, issued pursuant to the Composite Scheme of Amalgamation of Company's erstwhile subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with the Group. These shares were sold during the quarter ended 30 September 2020 and the gain of Rs. 6,799 lakhs arising from sale of such treasury shares, net of expenses, is recognized in 'Other Equity'. These shares were excluded while computing the Earnings/(loss) per share for quarter ended 30 June 2020/30 September 2019, half year ended 30 September 2019 and year ended 31 March 2020.

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7. After the evaluation carried out during the year ended 31 March 2020, the Group proposes to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 from the current financial year viz. w.e.f. 1 April 2020. Consequently, the net deferred tax asset as at 31 March 2020 was remeasured on the basis of the tax rate prescribed in the said section and the impact of this remeasurement of Rs. 6,886 lakhs was charged to the Statement of Profit and Loss for the year ended 31 March 2020. The tax expense for the quarter and half year ended 30 September 2020 is computed accordingly.

   Deferred tax during the quarter/half year ended 30 September 2020 includes Rs. 830 lakhs/Rs. 1,780 lakhs in respect of business loss as per the Income-tax Act, 1961.

8. The Group operates in a single operating segment - Theatrical Exhibition.

On behalf of the Board of Directors
For INOX Leisure Limited

Siddharth Jain
Director

Place: Mumbai
Date: 05 November 2020

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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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

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.

Sr.	Key Audit Matter	Auditor's Response

1	**Adoption of Ind AS 116: Leases**
	
	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 Rs. 1,66,301.16 Lakhs and lease liabilities of Rs. 2,19,223.77 Lakhs. Significant judgement is also involved in transition to and application of this accounting standard.
	
	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.
		To address this key audit matter, our audit procedures included the following:
		
		• 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:
		  ○ 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:
		  ○ 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	**Claims and exposure relating to indirect taxation** The Group has disclosed in Note 47 the contingent liabilities as at 31 March 2020 which includes amount of Rs. 25,326.20 Lakhs in respect of indirect tax matters viz. entertainment tax and service tax. 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. 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.	To address this key audit matter, our audit procedures included the following: • 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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

3	**Carrying amount of goodwill, right-of-use assets and property, plant & equipment** As at 31 March 2020, the carrying amount of goodwill, right-of-use assets (ROU) and property, plant & equipment (PPE) is Rs. 1,750.97 Lakhs, Rs. 2,14,182.77 lakhs and Rs. 97,538.77 Lakhs respectively. 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. 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. 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.	To address this key audit matter, our audit procedures included the following: • 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 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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

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

Other Matter

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 1,633.14 lakhs as at 31 March 2020, total revenues of Rs. 111.75 lakhs, total net profit after tax of Rs. 5.74 lakhs and total comprehensive income of Rs. 5.74 lakhs and net cash inflow amounting to Rs. 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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

- 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.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2020 *(continued)*

(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 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:

   i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

   ii. The Group did not have any material foreseeable losses on long term contracts, including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

A.D Talavlikar
Partner
Membership No. 130432
UDIN: 20130432AAAAAO2475

Kulkarni And Company Chartered Accountants
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Place: Pune
Date: 08 June 2020

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.

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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 *(continued)*

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.

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.

Kulkarni And Company
Flat No.3,
First Floor,
Shree Vishnu Complex,
S. No. 120A/120B
Plot No. 545/6
Sinhgad Road,
Pune-411030
Chartered Accountants

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 *(continued)*

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

A.D Talavlikar
Partner
Membership No. 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 08 June 2020

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2020

(Rs. 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
	(f) Deferred tax assets (net)	11	17,727.98	5,285.34
	(g) Income tax assets (net)	12	737.38	877.53
	(h) 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

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2020 - continued

(Rs. in Lakhs)

	Particulars	Notes	As at 31 March 2020	As at 31 March 2019
	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**

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2020 - continued

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-

A.D.Talavlikar
Partner
Mem No: 130432

Place: Pune
Date: 08 June 2020

For and on behalf of the Board of Directors

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: Mumbai
Date: 08 June 2020

Inox Leisure Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(Rs. 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 = IV)		**12,858.19**	**20,409.85**
Exceptional items (V)	49	-	499.69
Profit before tax (IV-V = VI)		**12,858.19**	**19,910.16**
Tax expense: (VII)	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 (VI - VII = VIII)		**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 (IX)			
(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 (VIII + IX = X) (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 Rs.)			
1) Basic	39	1.53	14.20
2) Diluted	39	1.53	14.19

Kulkarni And Company Chartered Accountants Flat No.3, First Floor, Shree Vishnu Complex, S No 120A/120B Plot No 545/6 Sinhgad Road, Pune-411030

Inox Leisure Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020 - continued

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 08 June 2020

For and on behalf of the Board of Directors

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: Mumbai
Date: 08 June 2020

Inox Leisure Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2020

(Rs. 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
Investments in Government securities		-
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)**

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2020 - continued

(Rs. 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

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

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 16.
3. The accompanying notes are an integral part of the consolidated financial statements.

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company Chartered Accountants
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030

Place: Pune
Date: 08 June 2020

For and on behalf of the Board of Directors

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: Mumbai
Date: 08 June 2020

Inox Leisure Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

(Rs. in Lakhs)

A. Equity share capital

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

(Rs. 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

Kulkarni And Company Chartered Accountants Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No 5436 Sinhgad Road, Pune-411030

Inox Leisure Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020 - continued

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 08 June 2020

For and on behalf of the Board of Directors

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: Mumbai
Date: 08 June 2020

Inox Leisure Limited
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 lock-downs 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.

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

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.

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.

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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 3.8 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:

- 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

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3. Basis of Consolidation and Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the members of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the 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 losses 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

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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 3.12); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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.

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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:
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 is case of sale of products is satisfied at a point in time i.e. at the point of sale.

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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 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

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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,

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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.

3.9 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);

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- 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.

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

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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.

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.

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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 3.9).

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.

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

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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.

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

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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 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.

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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 FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI.

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

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

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

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in 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.

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f) Impairment of financial assets:

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

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

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

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

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

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

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

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

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

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

B] Financial liabilities and equity instruments

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

<u>i. Equity instruments:</u>

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.

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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 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.

3.21 Earnings Per Share

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

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

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

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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.

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

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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 3.15 & 3.16 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.

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.

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g) 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.

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Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

5. Property, plant and equipment

(Rs. 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.

(Rs. 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:

(Rs. 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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

5A. Property, plant and equipment

(Rs. 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

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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: Rs. 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).

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5C. Capital work in progress

(Rs. 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:

(Rs. 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**

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6. Goodwill

(Rs. 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.

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6. Goodwill - continued

Impairment testing:

a) In respect of goowill 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 calculations use 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 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 goowill 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 in 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.

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7. Other intangible assets

(Rs. 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

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 31March 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 31March 2020	1,327.26	46.00	-	1,373.26

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

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8. Other investments

(Rs. 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 Rs. 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	-	-

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.

(Rs. 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

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9. Loans

(Rs. 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

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10. Other financial assets

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
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.

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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: (Rs. 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

Year ended 31 March 2019
Deferred tax assets/(liabilities) in relation to: (Rs. 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 (Rs. 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.

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12. Income tax assets and Income tax liabilities

(Rs. 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**	-

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13. Other non-current and current assets

(Rs. 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)

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14. Inventories

(at lower of cost and net realisable value)

(Rs. 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 Rs. 149.61 Lakhs.

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15. Trade receivables

(Rs. 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 company in which a director of the Company is a director (see Note 44)	0.64	0.33

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16. Cash and cash equivalents

(Rs. 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

(Rs. 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:

(Rs. 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

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18. Share capital

(Rs. 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 Rs. 10/- each	14,905.00	14,605.00
10,000 (31 March 2019: 10,000) preference shares of Rs 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 Rs. 10 each	10,285.78	10,285.78
Less: **2,10,001** (31 March 2019: 2,51,876) equity shares of Rs. 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)

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18. Share capital - continued

(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 (Rs. in Lakhs)	No. of shares	Amount (Rs. 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 Rs. 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 (Rs. in Lakhs)	No. of shares	Amount (Rs. 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	Amount (Rs. 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.

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Note 19. Other equity

(Rs. in Lakhs)

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

General reserve

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.

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Note 19. Other equity - continued

Share options outstanding account

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

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 Rs. 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 Rs. 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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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 Rs. 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of Rs. 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 (Rs. in lakhs)	No. of shares	Amount (Rs. 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.

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21: Non-controlling interests

(Rs. in Lakhs)

Particulars	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.

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22. Non current borrowings

(Rs. in Lakhs)

Particulars	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

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22: Non Current Borrowings - continued

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

As at 31 March 2020

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	1,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 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 Rs. 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 Rs. 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 Rs. 125 lakhs beginning from 26 June 2018.	8.53%

As at 31 March 2019

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	2,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 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 Rs. 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 Rs. 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 Rs. 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.

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

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23. Other financial liabilities

(Rs. 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
Business combination consideration payable	-	-
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

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24. Provisions

(Rs. 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

(Rs. 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) (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.

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25. Other non-current liabilities

(Rs. 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:

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

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26. Current borrowings

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

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

As at 31 March 2020:

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

As at 31 March 2019

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
UnSecured			
Short term working capital demand loan	2,000.00	Repayable in bullet instalments of Rs. 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 parripasu 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.

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27. Trade Payables

(Rs. 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

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28. Other current liabilities

(Rs. 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

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29. Revenue from operations

(Rs. 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

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**

Contract balances:

(Rs. 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 Rs. 2,216.99 Lakhs (Previous Year Rs 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:

(Rs. 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

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30. Other income

(Rs. 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
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

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31. Cost of materials consumed

(Rs. 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

(Rs. 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

(Rs. 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

(Rs. 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 liabilties (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**

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35. Depreciation and amortisation expense

(Rs. 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

(Rs. 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
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 Rs. 32 lakhs - previous year Rs. 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 Rs. 217.12 lakhs (previous year Rs. 39.98 lakhs)

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

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iii) Legal and professional fees and expense includes:

(Rs. 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 Rs. Nil (previous year Rs. 5.07 lakhs), towards share issue expenses and adjusted in security premium)	257.06	223.37

Note - All above amounts are exclusive of GST

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37.1 Income tax recognised in profit or loss

(Rs. 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**

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

(Rs. 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.

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37.2 Income tax recognised in other comprehensive income

(Rs. 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 pertaning to earlier years is as under:

(Rs. 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.

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.

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38. Segment Information

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

Information about major products and services

(Rs. in Lakhs)

Particulars	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.

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39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year attributable to owners of the Group (Rs. 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 (Rs.)	10.00	10.00
Basic earnings per share (Rs.)	1.53	14.20

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 (Rs. 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 (Rs.)	10.00	10.00
Diluted earnings per share (Rs.)	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

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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	

a) Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.
b) Inox Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited.
c) Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited.

The financial year of 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.

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.

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 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:

(Rs. 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:

(Rs. 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**

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41. Employee benefits - continued

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.

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

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

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

(Rs. 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)

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41. Employee benefits - continued

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

Particulars	Rs. 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 Rs. 140.43 lakhs (previous year Rs 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

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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: (Rs. in Lakhs)

Particulars	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 (Rs. in Lakhs)

Particulars	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**

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42. Financial Instruments - continued

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

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.

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42. Financial Instruments - continued

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-USD	11.83	2.02
Other payable	3.51	-

Note: There are no foreign currency denominated monetary assets.

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

(Rs. 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.

(Rs. 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.

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42. Financial Instruments - continued

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.

(Rs. 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.

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 Rs. 3,663.75 lakhs (as at 31 March 2019 of Rs. 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.

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42. Financial Instruments - continued

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:

(Rs. in Lakhs)

Particulars	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 calculated at lifetime expected credit losses	77.65	14.88
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.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2020

(Rs. 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.

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42. Financial Instruments - continued

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

(Rs. 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

(Rs. in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31 March 2020	31 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.

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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 Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of Rs. 75.00 Lakh to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of Rs. 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:

Particular	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%

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43. Share-based payments - continued

Movements in share options during the year

Particular	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	Rs. 15	Rs. 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 Rs. 53.19 Lakhs (previous year Rs. 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 (Rs.)	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 (Rs.)	15	15

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44. 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

(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 Group and related parties are disclosed below.

The Group has entered into the following trading transactions with related parties:

(Rs. 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**

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Notes to the consolidated financial statements for the year ended 31 March 2020

44. Related Party Transactions - continued

The Group has entered into other transactions with related parties as under:

(Rs. 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 :

(Rs. 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	-

(Rs. 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

a. Sales of movie tickets, F&B and Advertising services and purchases are made at the arms length price.

b. 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

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44. Related Party Transactions - continued

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

(Rs. 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
	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 Rs.7.19 lakhs (previous year Rs. 5.59 lakhs) .

B. Share options exercised under ESOP of Rs. 15.25 Lakhs (previous year Rs. 12.14 lakhs)

Particulars of interim dividend paid to related parties:

(Rs. in Lakhs)

Particulars	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**

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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.

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:

(Rs. 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

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 Rs. 9,925.93 Lakhs (Increase in depreciation expense by Rs. 15,640.63 Lakhs and finance cost by Rs. 20,962.93 Lakhs respectively with corresponding decrease in rent and common facility expense by Rs. 26,677.63 Lakhs) and decrease in the profit after tax by Rs. 12,601.48 Lakhs. Further, the basic and diluted earnings per share are lower by Rs. 12.82 and Rs. 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 Rs. 25,749.60 Lakhs each.

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45 Leases - continued

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

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

(Rs. 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

(Rs. 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 (Rs. 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:

(Rs. 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

(Rs. 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

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 Rs 311.26 lakhs (31 March 2019: Rs 395.36 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

(Rs. 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**

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Notes to the consolidated financial statements for the year ended 31 March 2020

46. Commitments

(Rs. 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

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47. Contingent liabilities

(Rs. 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 :	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 Rs. 116.36 Lakh towards rent for the lock in period. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.		
b. 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
ii 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 Rs 578.43 Lakhs (previous year Rs. 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 Rs 976.55 Lakhs (previous year Rs. 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

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47. Contingent liabilities - continued

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
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.

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 Rs. 3,631.96 lakhs as at 31 March 2020 (previous year Rs. 3,716.48 lakhs).

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Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

49. Exceptional items

(Rs. 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 Rs 410.00 lakhs towards entertainment tax exemption recognized, alongwith interest of Rs. 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 Rs. 337.19 Lakhs (previous year Rs 314.69 lakhs) is included under 'Other current liabilities' as a separate line item.	-	499.69
Total	-	499.69

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Notes to the consolidated financial statements for the year ended 31 March 2020

50. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2020

(Rs. 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	99.45%	1,494.47	100.00%	(129.72)	99.40%	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 Employees welfare trust	0.03%	16.51	0.17%	2.53	-	-	0.18%	2.53
INOX Benefit Trust	0.00%	0.93	-	-	-	-	-	-
Non-controlling Interest in subsidiaries	0.00%	0.62	0.00%	0.04	-	-	0.003%	0.04
Consolidation eliminations / adjustments	-0.16%	(99.15)	0.00%	(0.02)	-	-	-0.001%	(0.02)
Total	100.00%	62,188.97	100.00%	1,502.76	100.00%	(129.72)	100.00%	1,373.04

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Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

50. Disclosure of additional information as required by the Schedule III: - continued

(b) As at and for the year ended 31 March 2019

(Rs. in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
Inox Leisure Limited	100.01%	96,385.83	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	-0.11%	(102.68)	0.00%	(0.02)	-	-	0.000%	(0.02)
Total	**100.00%**	**96,378.73**	**100.00%**	**13,349.11**	**100.00%**	**5.92**	**100.00%**	**13,355.03**

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

A. D. Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 08 June 2020

For and on behalf of the Board of Directors

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: Mumbai
Date: 08 June 2020

Kulkarni and Company
Chartered Accountants

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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 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

Sr.	Key Audit Matter	Auditor's Response
1	**Claims and exposure relating to indirect taxation** The Group has disclosed in Note 47 the contingent liabilities as at 31 March 2019 which includes amount of Rs. 24,165.67 Lakhs in respect of indirect tax matters viz. entertainment tax and service tax. 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. 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.	To address this key audit matter, our audit procedures included the following: • Obtained the summary of all pending indirect tax matters of the Group and assessed the management's position through discussion with the Head of Legal, CEO and CFO, on both the probability of success and the amounts involved. • Inspected external legal opinions (where considered necessary) and other evidence to corroborate management's assessment with respect to these issues. • Assessed the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the potential exposures and in accordance with Ind AS 37. We are satisfied that the treatment in respect of the potential indirect tax matters is appropriate based on our procedures performed and we conclude that the related disclosures are appropriately presented in the financial statements.
2	**Carrying amount of goodwill and property, plant & equipment** As at 31 March 2019, the carrying amount of goodwill is Rs. 1,750.97 lakhs and the carrying amount of property, plant & equipment (PPE) is Rs. 89,385.12 lakhs. The goodwill is in respect of the acquisition of one of a multiplexes and goodwill on consolidation of a subsidiary. The Group is required to annually assess the carrying amount of goodwill by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). As a result of performing value in use calculations, there is no impairment of the goodwill, in current year and Rs 0.60 Lakhs in preceding year. The Group has also reviewed the carrying amounts of the PPE to determine whether the recoverable amount of a CGU is estimated to be less than its carrying amount by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). For this purpose, each multiplex of the Group is treated as a separate CGU. Based on this analysis, net impairment loss of Rs. 82.00 lakhs is recognised during the year (Rs. 309.55 lakhs in the preceding year). 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.	To address this key audit matter, our audit procedures included the following: • In case of PPE, we evaluated the appropriateness of the parameters used to identify whether any indication of impairment existed for the purpose of identification of CGUs to be tested • Obtained an external valuation report in respect of the goodwill. • For all CGUs identified for impairment testing and the CGU with goodwill, we obtained the discounted cash flow forecasts prepared by the management. • We evaluated the appropriateness of management's model used for the impairment assessment and considered the reasonableness of the cash flow forecast, judgments and assumptions used in the calculations. • For each CGU identified for impairment testing, we have checked the mathematical accuracy of the calculations. On performing the above procedures, we concluded that no impairment is required in case of goodwill and the impairment loss recognised by the Group in respect of PPE is appropriate and we conclude that the related disclosures are appropriately presented in the financial statements.

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

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

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

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

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

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

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 234.72 lakhs as at 31 March 2019, total revenues of Rs. 354.12 lakhs, total net profit after tax of Rs. 1.64 lakhs and total comprehensive income of Rs. 1.64 Lakhs and net cash outflows amounting to Rs. 1.44 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Kulkarni And Company
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Pune-411030
Chartered Accountants

Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

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.

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Chartered Accountants

Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

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

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

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

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

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Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

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

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Chartered Accountants

Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 *(continued)*

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statement of subsidiary companies as noted in the 'Other matters' paragraph:

i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. The Group did not have any material foreseeable losses on long term contracts, including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

A.D Talavlikar
Partner
Membership No. 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 5&6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

Annexure to Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

In conjunction with our audit of the consolidated financial statements of **Inox Leisure Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Kulkarni And Company
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Chartered Accountants

Annexure to Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date *(continued)*

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal controls over financial reporting criteria established by the Holding Company, its subsidiary companies and its associate companies, considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

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Chartered Accountants

Annexure to Independent auditor's report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2019 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date *(continued)*

Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

A.D Talavlikar
Partner
Membership No. 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S No 120A/129B Plot No 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2019

(Rs. in Lakhs)

	Particulars	Notes	As at 31 March 2019	As at 31 March 2018
	ASSETS			
1	**Non - current assets**			
	(a) Property, plant and equipment	5A	89,385.12	74,270.89
	(b) Capital work-in-progress	5B	6,372.71	5,394.78
	(c) Goodwill	6	1,750.97	1,750.97
	(d) Other intangible assets	7	1,105.43	1,154.66
	(e) Financial assets			
	(i) Other investments	8	61.38	121.27
	(ii) Loans	9	8,922.16	7,417.53
	(iii) Other financial assets	10	8,596.21	6,752.68
	(f) Deferred tax assets (net)	11	5,285.34	8,112.40
	(g) Income tax assets (net)	12	877.53	912.87
	(h) Other non-current assets	13	10,390.75	8,268.24
	Total Non - current assets		1,32,747.60	1,14,156.29
2	**Current assets**			
	(a) Inventories	14	1,218.75	939.91
	(b) Financial assets			
	(i) Other investments	8	61.49	1,238.98
	(ii) Trade receivables	15	8,824.01	7,590.83
	(iii) Cash and cash equivalents	16	1,178.34	1,334.03
	(iv) Bank balances other than (iii) above	17	186.97	168.84
	(v) Loans	9	518.31	590.31
	(vi) Other financial assets	10	22.12	18.42
	(c) Income tax assets (net)	12	455.13	-
	(d) Other current assets	13	2,666.39	2,463.17
	Total Current assets		15,131.51	14,344.49
	Total Assets (1+2)		**1,47,879.11**	**1,28,500.78**

Kulkarni And Company
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Chartered Accountants

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2019 - Continued

(Rs. in Lakhs)

	Particulars	Notes	As at 31 March 2019	As at 31 March 2018
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity share capital	18	10,260.59	9,616.28
	(b) Other equity	19	89,387.54	60,612.06
	(c) Interest in Inox Benefit Trust	20	(3,266.98)	(3,266.98)
	Equity attributable to owners of the Company		96,381.15	66,961.36
	Non-controlling interests	21	0.58	0.56
	Total equity		**96,381.73**	**66,961.92**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22	5,500.00	25,240.23
	(ii) Other financial liabilities	23	895.54	312.84
	(b) Provisions	24	1,266.97	1,009.79
	(c) Other non-current liabilities	25	6,904.20	7,565.72
	Total Non - current liabilities		**14,566.71**	**34,128.58**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	26	2,000.00	-
	(ii) Trade payables			
	a. total outstanding dues of micro enterprises and small enterprises	27	1.43	5.33
	b. total outstanding dues of creditors other than micro enterprises and small enterprises	27	15,959.69	11,315.54
	(iii) Other financial liabilities	23	12,036.35	10,573.37
	(b) Other current liabilities	28	4,751.75	3,823.37
	(c) Provisions	24	1,440.84	1,478.32
	(d) Income tax liabilities (Net)	12	740.61	214.35
	Total Current liabilities		**36,930.67**	**27,410.28**
	Total Equity and Liabilities (1+2+3)		**1,47,879.11**	**1,28,500.78**

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2019 - Continued

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S No 120A/120B Plot No 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

For and on behalf of the Board of Directors

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: Mumbai
Date: 13 May 2019

Inox Leisure Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(Rs. In Lakhs)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	29	1,69,218.47	1,34,811.83
Other income	30	1,491.82	1,446.53
Total Income (I)		**1,70,710.29**	**1,36,258.36**
Expenses			
Cost of materials consumed	31	11,249.51	7,435.80
Exhibition cost	32	44,420.91	36,731.79
Employee benefits expense	33	11,516.77	9,635.56
Finance costs	34	2,367.36	2,889.63
Depreciation and amortisation expense	35	9,549.07	8,669.89
Impairment losses (net)	5 / 6	82.00	309.55
Other expenses	36	71,114.82	59,964.19
Total expenses (II)		**1,50,300.44**	**1,25,636.41**
Profit before share of loss of a joint venture and exceptional items		20,409.85	10,621.95
Share of loss of joint ventures (III)	8A	-	(3.43)
Profit before exceptional items and tax (I - II + III = IV)		**20,409.85**	**10,618.52**
Exceptional items (V)	49	499.69	854.16
Profit before tax (IV-V = VI)		**19,910.16**	**9,764.36**
Tax expense: (VII)	37		
Current tax		6,010.70	3,251.61
Deferred tax		1,005.84	420.28
Taxation pertaining to earlier years		(455.50)	(5,370.47)
		6,561.04	(1,698.58)
Profit for the year (VI - VII = VIII)		**13,349.12**	**11,462.94**
Profit for the year attributable to:			
Equity holders of the Parent		13,349.10	11,462.92
Non-controlling interests		0.02	0.02
		13,349.12	11,462.94
Other Comprehensive Income (IX)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		9.10	100.21
(ii) Tax on above	37	(3.18)	(35.02)
Total other comprehensive Income (i-ii)		**5.92**	**65.19**
Total Comprehensive income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)		**13,355.04**	**11,528.13**
Other comprehensive income for the year attributable to			
- Owners of the Company		5.92	65.19
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		13,355.02	11,528.11
- Non-controlling interests		0.02	0.02
		13,355.04	**11,528.13**
Earnings per equity share (in Rs.)			
1) Basic	39	14.20	12.49
2) Diluted	39	14.19	12.48

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S No 120A+120B Plot Nd 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019 - continued

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S No 120A/120B Plot No 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

For and on behalf of the Board of Directors

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: Mumbai
Date: 13 May 2019

Inox Leisure Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit for the year after tax	13,349.12	11,462.94
Adjustments for:		
Income tax expense	6,561.04	(1,698.58)
Finance costs	2,367.36	2,889.63
Share of loss of a joint venture	-	3.43
Interest income recognised in profit or loss	(787.06)	(705.14)
Government grants - deferred revenue	(1,051.85)	(1,387.99)
Gain on investments measured at fair value through profit or loss	(88.90)	(372.06)
Deferred rent expenses	542.33	616.77
Loss on disposal of property, plant and equipment (net)	479.86	1,085.22
Liabilities and provisions, no longer required, written back	(473.05)	(281.44)
Expense on ESOP	126.10	179.49
Bad debt & remissions	41.40	13.98
Deposits and advances written off	5.00	63.61
Allowance for doubtful advances and deposits	29.22	113.96
Allowance for doubtful trade receivables and expected credit losses(net)	46.01	-
Allowance for amount recoverable towards claims	-	854.16
Impairment loss on goodwill	-	0.60
Impairment loss on property, plant and equipment (net)	82.00	308.95
Depreciation and amortisation expense	9,549.07	8,669.89
Unrealised exchange loss/(gain)	(3.16)	10.32
	30,774.49	**21,827.74**
Movements in working capital:		
(Increase)/decrease in trade receivables	(1,320.59)	(2,963.62)
(Increase)/decrease in inventories	(278.84)	(31.15)
(Increase)/decrease in loans	(928.78)	(261.38)
(Increase)/decrease in other financial assets	(1,717.93)	477.94
(Increase)/decrease in other assets	(2,860.22)	(1,458.78)
Increase/(decrease) in trade payables	4,640.25	2,479.00
Increase/(decrease) in provisions	228.80	147.83
Increase /(decrease) in other financial liabilities	1,324.28	1,494.80
Increase /(decrease) in other liabilities	1,791.76	1,165.85
Cash generated from operations	**31,653.22**	**22,878.23**
Income taxes paid	(3,685.69)	(1,766.75)
Net cash generated by operating activities	**27,967.53**	**21,111.48**

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 120A/120B Plot No. 545/6 Sinhgad Road, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019 - continued

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(24,650.44)	(15,857.32)
Payments for other intangible assets	(308.88)	(231.50)
Proceeds from disposal of property, plant and equipment and intangible assets	40.32	170.52
Interest received	318.10	182.83
Investments in Government securities	-	(8.13)
Maturity of Government securities	41.30	-
Purchase of current investments	(35,000.00)	(54,700.00)
Sale/redemption of current investments	36,272.40	54,912.26
Investment in subsidiary company	-	(3.00)
Payments towards business combination consideration payable	(72.24)	(5.32)
Movement in other bank balances	(203.97)	154.12
Net cash used in investing activities	**(23,563.41)**	**(15,385.54)**
Cash flows from financing activities		
Proceeds from issue of preferential equity shares to holding company	16,000.00	-
Share issue expenses	(67.79)	-
Shares issued under ESOP	6.47	-
Repayment of borrowings - non current	(20,193.00)	(2,503.40)
Net movement in current borrowings	2,000.00	-
Finance costs	(2,305.49)	(2,897.21)
Net cash used in financing activities	**(4,559.81)**	**(5,400.61)**
Net increase/(decrease) in cash and cash equivalents	**(155.69)**	**325.33**
Cash and cash equivalents at the beginning of the year	1,334.03	980.96
Add: Cash and cash equivalents on acquisition of subsidiary	-	27.74
Cash and cash equivalents at the end of the year	**1,178.34**	**1,334.03**

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

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

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Inox Leisure Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019 - continued

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

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company Chartered Accountants
Flat No.3, First Floor, Shree Vishnu Complex, S No 126A/120B Plot No 545 6 Sinhgad Road, Pune-411030

Place: Pune
Date: 13 May 2019

For and on behalf of the Board of Directors

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: Mumbai
Date: 13 May 2019

Inox Leisure Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2019

(Rs. in Lakhs)

A. Equity share capital

Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
9,616.28	644.31	10,260.59

B. Other equity

(Rs. 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 2017	**0.10**	**28,092.61**	**2,782.55**	**5.27**	**18,023.93**	**0.54**	**48,905.00**
Additions during the year:							
Profit for the year	-	-	-	-	11,462.92	0.02	11,462.94
Other comprehensive income for the year, net of tax (*)	-	-	-	-	65.19	-	65.19
Total comprehensive income for the year	-	-	-	-	11,528.11	0.02	11,528.13
On account of stock options (see Note 43)	-	-	-	179.49	-	-	179.49
Balance as at 31 March 2018	**0.10**	**28,092.61**	**2,782.55**	**184.76**	**29,552.04**	**0.56**	**60,612.62**
Additions during the year:							
Profit for the year	-	-	-	-	13,349.10	0.02	13,349.12
Other comprehensive income for the year, net of tax (*)	-	-	-	-	5.92		5.92
Total comprehensive income for the year	-	-	-	-	13,355.02	0.02	13,355.04
On account of stock options (see Note 43)	-	113.05	-	15.20	-	-	128.25
On preferential issue of equity shares	-	15,360.00	-	-	-	-	15,360.00
Share issue expenses	-	(67.79)	-	-	-	-	(67.79)
Balance as at 31 March 2019	**0.10**	**43,497.87**	**2,782.55**	**199.96**	**42,907.06**	**0.58**	**89,388.12**

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

Inox Leisure Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2019 - continued

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
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Plot No 546-6
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Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

For and on behalf of the Board of Directors

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: Mumbai
Date: 13 May 2019

Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2019

1. Group information

Inox Leisure Limited ("the Company") is a public limited company incorporated in India. These Consolidated Financial Statements ("these CFS") relate to the Company and its subsidiaries (collectively referred to as the "Group"). The Group is engaged in operating & managing multiplexes and cinema theatres in India. The Company's holding company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

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

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

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

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

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

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

2.3 Basis of Preparation and Presentation

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

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

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

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115: Revenue from Contracts with Customers, on 28 March 2018, which is effective for accounting periods beginning on or after 1 April 2018 using cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The Group has transitioned to Ind AS 115 with effect from 1 April 2018. The Group had to change its accounting policies following the adoption of Ind AS 115. However, in view of the nature of the revenue streams of the Group, the adoption of Ind AS 115 did not have any impact on the revenue recognition and measurement in respect of its revenue from operations. Additional disclosures required by Ind AS 115 are given in Note no. 29.

b) Amendments to existing accounting standards applicable to the Group

- Amendments to Ind AS 12: Recognition of deferred tax assets for unrealized losses
  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Group as the Group does not have any deductible temporary differences or assets that are in the scope of the amendments.

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

- Appendix B: Foreign Currency Transactions and Advance Consideration to Ind AS 21
  The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's financial statements.

- Amendments to Ind AS 38: Intangible asset acquired free of charge
  The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies

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that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

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

These CFS have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

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

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

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

3. Basis of Consolidation and Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the members of the Group to bring their accounting policies in line with the Group's accounting policies.

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All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the 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 losses control of a subsidiary, gain or loss is recognized in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3.2 Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see Note 3.12); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed

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to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (See Note 3.2 above) less accumulated impairment losses, if any.

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

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

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

The Group's policy for goodwill arising on the acquisition of a joint venture is described in note 3.4 below.

3.4 Investments in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in an a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group

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reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.5 Revenue recognition

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

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

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

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

Contract balances:
The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

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3.6 Other Income

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

3.7 Government Grants

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

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

3.8 Leasing

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

The Group as lessee-

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

3.9 Foreign currency transactions and translation

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as permitted by para D13AA of Ind AS 101, the Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to

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the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

3.10 Borrowing costs

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

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

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

3.11 Employee benefits

Retirement benefit costs and termination benefits

Recognition and measurement of defined contribution plans:

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

Recognition and measurement of defined benefit plans:

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

3.12 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 43.

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

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

3.13 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 20), equity shares of the Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by the Company at the time of amalgamation. These shares are recognised as Interest in INOX Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by INOX Benefit Trust are akin to treasury shares and are presented as a deduction in total equity. Difference between the cost and the amount received at the time sale of shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

3.14 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits

will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an deferred tax assets in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

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

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

Presentation of current and deferred tax

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

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

3.15 Property, plant and equipment

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

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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 3.9).

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.
Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

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

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 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 Intangible assets

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

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

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

Estimated useful lives of the intangible assets are as 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.

3.17 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3.18 Inventories

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

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3.19 Provisions and contingencies

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

3.20 Financial instruments

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

A] Financial assets

a) Initial recognition and measurement

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

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

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective

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interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

c) Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:
i. The Group's business model for managing the financial asset and
ii. The contractual cash flow characteristics of the financial asset.

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

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:
a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:
a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

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d) Foreign exchange gains and losses

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

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

e) Derecognition:

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

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

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

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

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

f) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortized cost
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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.

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

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

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

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

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

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

B] Financial liabilities and equity instruments

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

i. Equity instruments:-

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

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

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.

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c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

d) Derecognition of financial liabilities:

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

3.21 Earnings Per Share

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

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

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

3.22 Recent accounting pronouncements

a) New Accounting Standard - Ind AS 116 Leases:

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

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

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

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

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

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

Certain practical expedients are available under both the methods.

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

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

b) Amendments to existing accounting standards applicable to the Group

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

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

- Amendment to Ind AS 12: Income Taxes

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

- Amendment to Ind AS 19: Employee Benefits

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

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- Amendment to Ind AS 23: Borrowing Costs

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

4. Critical accounting judgements and use of estimates

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

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

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

a) In respect of Government Grants

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

b) In respect of assets taken on operating lease

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

c) Leasehold land

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

d) Impairment of property, plant and equipment:

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

Further, it is not possible to measure fair value less cost of disposal of a CGU (viz. a multiplex or a cinema theatre) because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell such CGU would take place between the market participant at the measurement date in case of such operating CGUs.

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Hence the asset's value in use is used as recoverable amount of such CGUs in determining the extent of impairment loss, if any.

e) In respect of Inox Employee Welfare Trust and Inox Benefit Trust

Inox Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited and Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited. Inox Leisure Limited is the Settlor for both these trusts. As a settlor, the Company has the power to remove the trustees as it may deem necessary. Hence, the directors of the Company have concluded that the Group has control over these trusts and the same has been consolidated in these CFS.

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

a) Impairment of goodwill:

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

The carrying amount of goodwill as at 31 March 2019 was Rs. 1,740.97 (as at 31 March 2018: Rs. 1,750.97 lakhs) after an impairment loss of Rs. Nil (previous year Rs. 0.60 lakhs) was recognized during the current year. Details of impairment loss calculations are set out in Note 6.

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

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.15 & 3.16 above. The Group reviews the estimated useful lives of PPE & intangible assets (other than goodwill) at the end of each reporting period.

c) Fair value measurements and valuation processes

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 42.

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

- Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 12
- Measurement of defined benefit obligations and other long-term employee benefits – see Note 41
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 24 and Note 47
- Impairment of financial assets – see Note 42

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5. Property, plant and equipment

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

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5. Property, plant and equipment - continued

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

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

The net impairment loss is recognised in the Statement of Profit and Loss. It is not possible to measure fair value, less cost of disposal, of a multiplex theatre and hence the value in use is used as recoverable amount. The discount rate used in measuring the value in use is 12% per annum.

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5A. Property, plant and equipment

(Rs. 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 2017	**2,669.66**	**12,069.47**	**23,002.76**	**32,140.67**	**8,314.65**	**98.78**	**4,384.64**	**82,680.63**
Additions	-	247.50	5,830.30	6,817.17	2,663.35	17.06	1,272.16	16,847.54
Disposals	-	(7.48)	(1,130.48)	(1,733.62)	(325.53)	-	(143.50)	(3,340.61)
Borrowing cost	-	-	22.84	25.10	7.91	-	-	55.85
Balance as at 31 March 2018	**2,669.66**	**12,309.49**	**27,725.42**	**37,249.32**	**10,660.38**	**115.84**	**5,513.30**	**96,243.41**
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**
Accumulated depreciation and impairment								
Balance as at 1 April 2017	-	**466.86**	**4,136.88**	**6,527.30**	**2,477.37**	**45.18**	**1,744.48**	**15,398.07**
Depreciation expense for the year	-	264.23	2,114.76	3,547.05	1,366.06	22.43	1,036.45	8,350.98
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52	308.95
Eliminated on disposal of assets	-	(16.29)	(459.30)	(1,234.36)	(261.82)	-	(113.71)	(2,085.48)
Balance as at 31 March 2018	-	**714.80**	**5,910.30**	**9,014.53**	**3,592.54**	**67.61**	**2,672.74**	**21,972.52**
Depreciation expense for the year	-	249.12	2,361.47	3,842.26	1,513.78	24.54	1,200.83	9,192.00
Impairment losses recognised in profit or loss	-	-	39.39	52.66	6.41	-	4.54	103.00
Reversal of Impairment Loss	-	-	(0.14)	(18.57)	(1.42)	-	(0.87)	(21.00)
Eliminated on disposal of assets	-	-	(570.37)	(286.64)	(201.72)	(58.17)	(43.57)	(1,160.47)
Balance as at 31 March 2019	-	**963.92**	**7,740.65**	**12,604.24**	**4,909.59**	**33.98**	**3,833.67**	**30,086.05**

(Rs. in Lakhs)

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 March 2018	2,669.66	11,594.69	21,815.12	28,234.79	7,067.84	48.23	2,840.56	74,270.89
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

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5B. Capital work in progress

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

Capital work in progress includes amount of Rs. Nil (as at 31 March 2018: Rs. 649.60 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (see Note 22). The Group is not allowed to hypothecate these assets as security for other borrowings or to sell them to another entity.

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6. Goodwill

(Rs. in Lakhs)

Description of Assets	As at 31 March 2019	As at 31 March 2018
Cost or deemed Cost		
Balance at beginning of year	1,750.97	1,750.97
Add: on acquisition of subsidiary	-	0.60
Less: impairment loss	-	(0.60)
Balance at end of the year	**1,750.97**	**1,750.97**
Accumulated impairment losses		
Balance at beginning of year	(41.48)	(40.88)
Impairment losses recognised in the year	-	(0.60)
Balance at end of the year	(41.48)	(41.48)

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

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6A. Allocation of goodwill to cash generating units:

Goodwill is in respect of one of the multiplexes of the Group acquired through business combination and on consolidation of subsidiary companies.
Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

(Rs. in Lakhs)

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

Multiplex Theatre
The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cash flow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2018. 12%

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

Budgeted Footfalls : Budgeted footfalls are expected to grow by 5%. The values assigned to the assumption are based on the increased focus on these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Average Ticket Price (ATP): Budgeted ATP is expected to grow by 10%. The values assigned to the assumption are based on the rebranding of these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Spend per head (SPH) Budgeted SPH is expected to grow by 9%. The values assigned to the assumption are based on the rebranding of these operations.

Shouri Properties Private Limited (SPPL)
The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cash flow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2018: 12% p.a.)

Budgeted Rental income: Budgeted revenue of SPPL from rental income is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Budgeted Rental expense: Budgeted rental expense of SPPL is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Based on above, no impairment loss has been recognised during the year ended 31 March 2019 (previous year: Nil).

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6A. Allocation of goodwill to cash generating units - continued

Swanston Multiplex Cinemas Private Limited (SMCPL)

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cash flow projections covering a ten year period and a discount rate of 12% p.a.

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

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

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7. Other intangible assets

(Rs. in Lakhs)

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

7A. Other intangible assets

(Rs. in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 2017	**1,535.35**	**46.00**	**54.43**	**1,635.78**
Additions	231.50	-	-	231.50
Disposals	(7.14)	-	-	(7.14)
Balance as at 31 March 2018	**1,759.71**	**46.00**	**54.43**	**1,860.14**
Additions	308.88	-	-	308.88
Disposals	(3.05)	-	(54.43)	(57.48)
Balance as at 31 March 2019	**2,065.54**	**46.00**	**-**	**2,111.54**
Accumulated amortisation				
Balance as at 1 April 2017	**319.60**	**19.08**	**54.43**	**393.11**
Amortisation expense for the year	309.37	9.54	-	318.91
Eliminated on disposal of assets	(6.54)	-	-	(6.54)
Balance as at 31 March 2018	**622.43**	**28.62**	**54.43**	**705.48**
Amortisation expense for the year	347.53	9.54	-	357.07
Eliminated on disposal of assets	(2.01)	-	(54.43)	(56.44)
Balance as at 31 March 2019	**967.95**	**38.16**	**-**	**1,006.11**

(Rs. in Lakhs)

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

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8. Other investments

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificates	114.48	168.36
Less: Current portion	(53.10)	(47.09)
Total Non-current investments	**61.38**	**121.27**
Current		
Unquoted investments (all fully paid)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - Nil units (31 March 2018: 416,839.61) (face value Rs. 100)	-	1,159.79
ICICI Prudential Liquid Plan-Growth-Regular Plan - 3,046.37 units (31 March 2018: 12,518.31) (face value Rs. 100)	8.39	32.10
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	53.10	47.09
Investment in National Savings Certificate		
Total Current investments	**61.49**	**1,238.98**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	122.87	1,360.25
Aggregate amount of impairment in value of investments	-	-

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

(Rs. in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2019	As at 31 March 2018
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL - Mutual funds	8.39	1,191.89
Financial assets measured at amortised cost		
National Savings Certificates	114.48	168.36
	122.87	**1,360.25**

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9. Loans

(Rs. in Lakhs)

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

The above financial assets are carried at amortised cost

Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS.	5,121.43	4,813.41

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10. Other financial assets

(Rs. in Lakhs)

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

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

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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 2019

(Rs. in Lakhs)

Deferred tax assets/(liabilities) in relation to:

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

Year ended 31 March 2018

(Rs. in Lakhs)

Deferred tax assets/(liabilities) in relation to:

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

As at 31 March 2019, the Group has following unused tax losses and unused tax credit under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss or tax credit	Financial Year	Gross amount (Rs. in Lakhs)	Expiry date
Business loss	2014-15	11.00	31 March 2023
Business loss	2015-16	13.76	31 March 2024
MAT credit entitlement	2016-17	1.25	31 March 2027
MAT credit entitlement	2017-18	0.64	31 March 2033
MAT credit entitlement	2018-19	0.09	31 March 2034
Unabsorbed Depreciation	Various	124.60	No Limit

The subsidiaries do not have undistributed profits.

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12. Income tax assets and Income tax liabilities

(Rs. in Lakhs)

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

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13. Other non-current and current assets

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Capital advances	592.83	584.99
Security deposits	1,554.93	1,294.21
Deferred rent expense	5,777.03	4,437.96
Prepayments - leasehold land	273.75	280.71
Prepayments - others	2,192.21	1,670.37
Total	**10,390.75**	**8,268.24**
Current		
Advances to suppliers	631.08	544.59
Other advances for expense	57.75	48.79
Balances with government authorities	133.06	588.26
- GST credit available		
Deferred rent expense	614.91	494.50
Prepayments - leasehold land	6.96	6.96
Prepayments - others	1,140.92	760.26
Unbilled revenue	81.71	19.81
Total	**2,666.39**	**2,463.17**

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14. Inventories
(at lower of cost and net realisable value)

(Rs. in Lakhs)

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

The mode of valuation of inventories is stated in Note 3.18

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15. Trade receivables

(Rs. in Lakhs)

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

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16. Cash and cash equivalents

(Rs. in Lakhs)

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

17. Other bank balances

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

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18. Share capital

(Rs. in Lakhs)

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

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18A. Share capital

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
At the beginning of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28
Add: Issued during the year under ESOP	43,125	4.31	-	-
Add: Issued during the year under preferential allotment	64,00,000	640.00	-	-
Shares outstanding at the end of the year	**10,26,05,878**	**10,260.59**	**9,61,62,753**	**9,616.28**

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

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Gujarat Fluorochemicals Limited (holding company)	5,27,86,467	5,278.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	5,87,461	58.75
TOTAL	**5,33,73,928**	**5,337.40**	**4,69,73,928**	**4,697.40**

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

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18A. Share capital

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

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

(v) Shares reserved for issue under option

For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Company, see Note 43.

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

During the year ended 31 March 2014, 3,45,62,206 Equity shares of Rs.10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares allotted to INOX Benefit Trust (see Note 20).

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Note 19. Other equity

(Rs. in Lakhs)

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

Capital redemption reserve

(Rs. in Lakhs)

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

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

Securities premium

(Rs. in Lakhs)

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

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

General reserve

(Rs. in Lakhs)

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

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

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Note 19. Other equity - continued

Share options outstanding account

(Rs. in Lakhs)

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

The above reserve relates to share option granted by the Group to its employees/employees of the holding company under the employee share option plan. Further information about share based payment to employees is set out in Note 43.

Retained earnings

(Rs. in Lakhs)

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

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

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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 Rs. 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of Rs. 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 2019		As at 31 March 2018	
No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. 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.

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21: Non-controlling interests

(Rs. in Lakhs)

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

During the F.Y. 2014-15, the Company had acquired 93.75% of the equity shares in Shouri Properties Private Limited ("SPPL") and consequently SPPL had become a subsidiary of the Company with effect from 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.

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22. Non current borrowings

(Rs. in Lakhs)

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

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22: Non Current Borrowings - continued

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

As at 31 March 2019

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	2,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 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 Rs. 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 Rs. 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 Rs. 125 lakhs beginning from 26 June 2018.	8.53% to 8.60%

As at 31 March 2018

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	444.00	Repayable in 16 equal quarterly instalments of Rs. 250.00 Lakh each beginning from 1 October 2018.	8.75% to 9.40%
HDFC Bank Ltd	3,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 250 Lakhs beginning from 4 June 2017.	8.85% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	4,687.50	The loan is repayable in 16 equal quarterly instalments of Rs. 312.50 Lakhs beginning from 7 February 2018.	8.40% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,812.50	The loan is repayable in 16 equal quarterly instalments of Rs. 187.50 Lakhs beginning from 29 March 2018.	8.60% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 125 lakhs beginning from 26 June 2018.	8.60%

(ii) Securities provided for secured loans

Axis Bank Ltd
Term loan from Axis Bank was secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of some multiplexes financed by the said term loans and escrow of entire cash flows relating to such multiplexes. The entire loan has been repaid during the current financial Year.

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

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

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

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

Kulkarni And Company Chartered Accountants Flat No.3, First Floor, Shree Vishnu Complex, S No 120A/120B Plot No 545/6 Sinhgad Road, Pune-411030

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23. Other financial liabilities

(Rs. in Lakhs)

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

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24. Provisions

(Rs. in Lakhs)

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

Other provisions

(Rs. in Lakhs)

	Service Tax	Municipal Tax	Other indirect taxes	Total
Balance as at 1 April 2017	1,042.44	185.61	-	**1,228.05**
Provided during the year	-	283.38	87.18	370.56
Paid during the year	7.42	353.04	-	360.46
Balance as at 31 March 2018	**1,035.02**	**115.95**	**87.18**	**1,238.15**
Provided during the year	-	224.00	126.93	350.93
Paid during the year	-	339.95	-	339.95
Balance as at 31 March 2019	**1,035.02**	**-**	**214.11**	**1,249.13**

(i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.

(ii) Provision for municipal tax was in respect of disputed amount pertaining to one of the Group's multiplexes. The entire amount is paid during the current year.

(iii) Provision for other indirect taxes is in respect of matters contested by the Group at appropriate levels against the demands raised by the respective tax authorities.

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25. Other non-current liabilities

(Rs. in Lakhs)

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

Movement in deferred revenue arising from government grant

(Rs. in Lakhs)

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

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26. Current borrowings

(Rs. in Lakhs)

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

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

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27. Trade Payables

(Rs. in Lakhs)

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

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S. No 120A/120B
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28. Other current liabilities

(Rs. in Lakhs)

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

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29. Revenue from operations

(Rs. in Lakhs)

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

Disaggregated revenue information

(Rs. in Lakhs)

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

Contract balances

(Rs. in Lakhs)

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

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

29. Revenue from operations - continued

Performance obligations

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

(Rs. in Lakhs)

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

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

Additional disclosure on transition to Ind AS 115

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

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30. Other Income

(Rs. in Lakhs)

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

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31. Cost of materials consumed

(Rs. in Lakhs)

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

32. Exhibition cost

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Distributors' share	43,678.88	36,122.48
Other exhibition cost	742.03	609.31
Total	**44,420.91**	**36,731.79**

33. Employee benefits expense

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	9,849.80	8,188.06
Contribution to provident and other funds	666.55	570.31
Expense on ESOP	115.57	159.40
Gratuity	260.42	240.50
Staff welfare expenses	624.43	477.29
Total	**11,516.77**	**9,635.56**

34. Finance costs

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,135.20	1,624.90
- other borrowings	1,105.38	1,286.55
	2,240.58	2,911.45
b) Other Interest		
Interest on income tax	55.00	-
Other Interest expense - see note 2 below	39.53	9.12
	94.53	
Total interest	2,335.11	2,920.57
Less: amount included in the cost of qualifying assets	-	(55.86)
	2,335.11	2,864.71
Other borrowing costs	32.25	24.92
Total	**2,367.36**	**2,889.63**

Note:

1. The weighted average capitalisation rate of funds borrowed is Nil (previous year 8.73% p.a.)
2. Excluding interest of Rs. 89.69 lakhs included in exceptional item (see Note 49).

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35. Depreciation and amortisation expense

(Rs. in Lakhs)

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

36. Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	10,707.28	9,531.96
Rent and common facility charges	31,863.80	26,415.53
Repairs to :		
- Buildings	353.11	316.89
- Plant and equipment	2,503.01	2,358.87
- Others	700.18	575.05
Rates and taxes	1,190.56	1,062.28
Expenditure on corporate social responsibility (CSR)	186.74	64.01
Directors' sitting fees	16.40	10.20
Commission to non-executive director	185.00	-
Allowance for doubtful trade receivables and expected credit losses	46.01	-
Allowance for doubtful advances and deposits	29.22	113.96
Bad debts & remissions - Note (i) below	41.40	13.98
Deposits and advances written off Note (ii) below	5.00	63.61
GST & Service tax	2,906.23	2,188.26
Net loss on foreign currency transactions and translations	53.90	23.43
Legal and professional fees and expense	1,722.51	1,373.69
Advertisement & sales promotion	2,308.70	1,633.65
Travelling & Conveyance expenses	1,043.58	869.37
Housekeeping expenses	3,115.55	2,578.68
Security charges	2,700.79	2,251.16
Outsourced personnel cost	6,510.42	5,326.50
Loss on sale / disposal of property, plant and equipment (net of impairment loss adjusted of Rs. Nil - previous year Rs. 312.41 lakhs)	479.86	1,085.22
Miscellaneous expenses	2,445.57	2,107.89
Total	**71,114.82**	**59,964.19**

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

(ii) Deposits and advances written off are net of provision for doubtful deposits and advances adjusted of Rs. 63.37 lakhs (previous year Rs. 6.29 lakhs)

iii) Legal and professional fees and expense includes:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Professional fees paid to one of the non-executive directors	30.00	30.00
b) Legal fees to firms/LLPs in which some of the non-executive directors are partners (excluding amount of Rs. 5.07 lakhs (previous year Rs. Nil), towards share issue expenses and adjusted in security premium)	223.37	330.25

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37.1 Income tax recognised in profit or loss

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
In respect of the current year	6,010.70	3,251.61
In respect of earlier years	(305.68)	(232.32)
	5,705.02	**3,019.29**
Deferred tax		
In respect of the current year	1,005.84	420.28
In respect of earlier years	(149.82)	(5,138.15)
	856.02	**(4,717.87)**
Total income tax expense recognised in the current year	**6,561.04**	**(1,698.58)**

Reconciliation of tax expense and the accounting profit for the year is as under:

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	19,910.16	9,764.36
Income tax expense calculated at 34.944% (previous year 34.608%)	6,957.41	3,379.25
Effect of provision for doubtful deposits and claims	10.21	335.05
Effect of expenses/items that are not deductible in determining taxable profit	86.79	36.06
Tax incentives	(37.87)	(34.57)
Effect of change in tax rate for computation of deferred tax	-	(44.58)
Others pertaining to SPPL	-	0.68
	7,016.54	**3,671.89**
Taxation in respect of earlier years	(455.50)	(5,370.47)
Income tax expense recognised in profit or loss	**6,561.04**	**(1,698.58)**

The tax rate used for the year 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

37.2 Income tax recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	(3.18)	(35.02)
Total income tax recognised in other comprehensive income	**(3.18)**	**(35.02)**

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37.3 In respect of taxation matters

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

In view of the assessment and appellate orders received during the current year and previous year, accepting certain claims of the Group, the tax liability (including deferred tax) for earlier years, is recomputed and consequential reduction in taxation for earlier years is recognised in the Statement of Profit and Loss as under:

(Rs. in Lakhs)

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

38. Segment Information

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

Information about major products and services

(Rs. in Lakhs)

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

Information about major customers:
There is no single customer contributing more than 10% of the Company's revenue.

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39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to owners of the Group (Rs. in Lakhs)	13,349.12	11,462.94
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,39,78,140	9,18,12,661
Nominal value of each share (Rs.)	10.00	10.00
Basic earnings per share (Rs.)	14.20	12.49

Diluted earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Earnings used in the calculation of diluted earnings per share (Rs. in Lakhs)	13,349.12	11,462.94
Weighted average number of equity shares for the purpose of diluted earnings per shares (nos.)	9,40,55,088	9,18,76,160
Nominal value of each share (Rs.)	10.00	10.00
Diluted earnings per share (Rs.)	14.19	12.48

Note: The shares of the Company held by Inox Benefit Trust (see Note 20) are excluded while computing the weighted average number of shares.

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,39,78,140	9,18,12,661
Add: Effect of dilutive equivalent equity shares- share options outstanding	76,948	63,499
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,40,55,088	9,18,76,160

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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 2019	As at 31 March 2018
Shouri Properties Private Limited	India	99.29%	99.29%
Swanston Multiplex Cinemas Private Limited	India	100.00%	100.00%
Inox Leisure Limited - Employees Welfare Trust	India	Controlled by Inox Leisure Limited	
Inox Benefit Trust	India	Controlled by Inox Leisure Limited	

a) Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.
b) SMCPL was engaged in the business of operating a multiplex and has ceased its operations since July 2012.
b) Inox Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited.
c) Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited.

The financial year of the above entities is 1 April to 31 March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

Change in the Group's ownership interest in the subsidiary
During the previous year, the Group has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Group with effect from 5 March 2018.

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2019 by Mr. G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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

(Rs. in Lakhs)

Particulars	Gratuity	
	31 March 2019	31 March 2018
Opening defined benefit obligation	865.13	809.28
Current service cost	197.44	189.19
Interest cost	62.98	51.31
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Benefits paid	(68.60)	(84.44)
Closing defined benefit obligation	**1,047.85**	**865.13**

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

(Rs. in Lakhs)

Particulars	Gratuity	
	31 March 2019	31 March 2018
Current service cost	197.44	189.19
Interest expense	62.98	51.31
Amount recognised in profit or loss	**260.42**	**240.50**
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Amount recognised in other comprehensive income	**(9.10)**	**(100.21)**
Total	**251.32**	**140.29**

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41. Employee benefits - continued

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

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

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

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

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

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

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

(Rs. in Lakhs)

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

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

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

The average duration of the defined obligation as at 31 March 2019 is 6.56 years (previous year 7.82 years)

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41. Employee benefits - continued

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

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

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31 March 2019 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by Rs. 43.11 lakhs (previous year Rs 5.29 lakhs) which is included in the employee benefits in the Statement of Profit and Loss.

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

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

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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:

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total debt	11,015.64	29,201.77
Cash & Bank balances (not subject to lien)	(1,178.34)	(1,334.03)
Net debt	**9,837.30**	**27,867.74**
Total Equity	**96,381.73**	**66,961.92**
Net debt to equity ratio	**10.21%**	**41.62%**

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

(ii) Cash & Bank balances includes Cash and cash equivalents (Note 16), other bank balances (Note 17) not subject to lien.

(ii) Categories of financial instruments

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	8.39	1,191.89
Measured at amortised cost		
(a) Cash and bank balances	1,782.71	1,729.67
(b) Other financial assets at amortised cost		
(i) Investments in NSC	114.48	168.36
(ii) Trade Receivables	8,824.01	7,590.83
(iii) Loans	9,440.47	8,007.84
(iv) Other financial assets	8,200.93	6,544.30
Sub total	**28,362.60**	**24,041.00**
Total financial assets	**28,370.99**	**25,232.89**
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	11,015.64	29,201.77
(ii) Trade Payables	15,961.12	11,320.87
(iii) Other financial liabilities	9,416.25	6,924.67
Total financial liabilities	**36,393.01**	**47,447.31**

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

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42. Financial Instruments - continued

(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 2019	As at 31 March 2018
Liabilities		
Capital Creditors	2.02	10.95

Note: There are no foreign currency denominated monetary assets.

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

(Rs. in Lakhs)

Particulars	Liabilities as at	
	As at 31 March 2019	As at 31 March 2018
Liabilities		
Capital Creditors	139.34	713.00

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

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42. Financial Instruments - continued

(Rs. in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2019	As at 31 March 2018
Increase by 10%	(9.06)	(46.62)
Decrease by 10%	9.06	46.62

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk mainly on account of its borrowing from banks, which have both fixed and floating interest rates. Bank overdrafts are subject to variable rate of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

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.

(Rs. in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2019	As at 31 March 2018
Increase by 50 basis points	(29.28)	(72.82)
Decrease by 50 basis points	29.28	72.82

(iii) Other price risks

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

(b) Credit risk management

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

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

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

Customers who represents more than 5% of the total balance of trade receivable as at 31 March 2019 is Rs. 3,685.08 Lakhs (as at 31 March 2018 of Rs. 1,766.96 lakhs) are due from 5 major customers who are reputed parties and having long association.

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

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42. Financial Instruments - continued

Ageing	Expected credit loss (%)
Upto 1 year	0%
Above 1 year	25%
Above 2 years	50%
Above 3 years	100%

Movement in the expected credit loss allowance

(Rs. in Lakhs)

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

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

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

(Rs. in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	15,961.12	-	-	15,961.12
Borrowings	5,500.00	5,500.00	-	11,000.00
Other financial liabilities	8,536.35	876.52	19.02	9,431.89
Total	**29,997.47**	**6,376.52**	**19.02**	**36,393.01**

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42. Financial instruments - continued

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2018

(Rs. in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	11,320.87	-	-	11,320.87
Borrowings	3,952.77	25,240.23	-	29,193.00
Other financial liabilities	6,620.60	291.54	21.30	6,933.44
Total	**21,894.24**	**25,531.77**	**21.30**	**47,447.31**

The above liabilities will be met by the Group from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Group also has unutilised financing facilities.

(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

(Rs. in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key
	31 March 2019	31 March 2018		
Investments in Mutual Funds (Note 8)	8.39	1,191.89	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3.

Financial instrument measured at Amortised Cost
The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different than the values that will be eventually received or paid.

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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 Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of Rs. 75.00 Lakh to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of Rs. 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:

Particular	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%

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43. Share-based payments - continued

Movements in share options during the year

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

* During the financial year 2017-18 5000 stock options were exercised but the allotment of the same was made during the financial year 2018-19.

Method used for accounting of share based payment plan:
The Company has used fair value method to account for the compensation cost of stock options granted to its employees and the employee of holding company. The compensation cost of Rs. 126.10 Lakhs (previous year Rs. 179.49 Lakhs) is recognised in the Statement of Profit and Loss.

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

For Options granted on 5 January 2017:

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

For Options granted on 23 June 2017:

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

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44. Related Party Transactions

(i) Where Control Exists
a. Gujarat Fluorochemicals Limited – holding company
b. Inox Leasing & Finance Limited – ultimate holding company

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

Joint Venture
Swanston Multiplex Cinemas Private Limited - Joint venture company upto 4 March 2018

Key Management Personnel (KMP)
a. Mr. Pavan Kumar Jain – Director
b. Mr. Vivek Kumar Jain – Director
c. Mr. Siddharth Jain – Director
d. Mr. Deepak Asher – Director
e. Mr. Amit Jatia – Director
f. Ms. Girija Balkrishnan – Director
g. Mr. Haigreve Khaitan – Director
h. Mr. Kishore Biyani – Director
i. Mr. Alok Tandon – Chief Executive Officer

Enterprises over which a KMP, or his relative, has significant influence
a. Inox India Private Limited
b. Inox FMCG Private Limited

Details of transactions between the Group and related parties are disclosed below.

The Group has entered into the following trading transactions with related parties:

(Rs. in Lakhs)

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

The Group has entered into other transactions with related parties as under:

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Transactions with the holding company:		
Gujarat Fluorochemicals Limited		
(a) Interest paid:	1,135.20	1,624.90
(b) Reimbursement of expenses paid	7.15	12.36
(c) Rent paid	29.69	32.51
(d) Repayment of ICD	16,249.00	-
(e) Preferential allotment of equity shares (including share premium)	16,000.00	-

The above amounts are exclusive of taxes, wherever applicable.

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44. Related Party Transactions - continued

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

(Rs. in Lakhs)

Particulars	Amounts owed to related parties	
	As at 31 March 2019	As at 31 March 2018
Trade payables		
a) Transactions with the holding company:		
Gujarat Fluorochemicals Limited	0 58	4.03
b) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox FMCG Private Limited	-	1.86

(Rs. in Lakhs)

Particulars	Amounts owed by related parties	
	As at 31 March 2019	As at 31 March 2018
Trade receivables		
a) Transactions with the holding company:		
Gujarat Fluorochemicals Limited	0.03	-
b) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox India Private Limited	0.33	-

Loans from related parties (Rs. in Lakhs)

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

a. Sales of movie tickets, F&B and Advertising services and purchases are made at the arms length price.
b. 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.
c. The Group has been provided Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans were unsecured and entire loan has been repaid during the year

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44. Related Party Transactions - continued

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

(Rs. in Lakhs)

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

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company as a whole, the amount pertaining to KMP are not included above.

The amount of remuneration reported above includes:

A. Contribution to Provided Fund (defined contribution plan) is Rs.5.99 lakhs (previous year Rs. 5.56 lakhs) .

B. Share options exercised under ESOP of Rs. 12.14 Lakhs (previous year Nil)

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45. Operating lease arrangements

The Group as a lessee

a) Leasing arrangements for multiplexes
The Group is operating some of the multiplexes under operating leases. These arrangements are for an initial period of 3-30 years with a minimum lock-in period of 2-15 years and the agreements provide for escalation after pre-determined periods. The Group does not have an option to purchase the leased premises at the expiry of the lease periods.

Lease payments recognised as an expense

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
In the Statement of Profit and Loss	24,373.17	19,841.82
In Pre-operative expenses	323.75	-
Total	**24,696.92**	**19,841.82**

Operating lease commitments

(Rs. in Lakhs)

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

b) Interest in land taken on lease and classified as operating lease:

The leasehold land are taken for the period of 20 to 57 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in 'Rent and Common Facility Charges' in Note 36 to the Statement of Profit and Loss and the balance remaining amount to be amortised is included in Balance Sheet as "Prepayments Leasehold land".

c) Other leasing arrangements:

In respect of operating leases for office premises/godowns: The arrangements range between 11 months to 36 months and are cancellable. Lease payments of Rs. 10.92 Lakh (previous year Rs. 23.31 Lakh) are included in "Rent and Common Facility Charges" in Note 36 to the Statement of Profit and Loss.

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46. Commitments

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,465.57	5,018.37
(b) Other commitments Commitments for the operating multiplexes for minimum period of operations in terms of respective State Government policies equivalent to the exemption availed from commencement till reporting date (see Note below)	6,571.70	10,049.04
Note: This includes amount of entertainment tax disputes pertaining to exemption period reported under Note 46(c) - Rs. 502.78 Lakhs (previous year Rs. 1,237.91 Lakhs)		

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47. Contingent liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
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 Rs. 116.36 Lakh towards rent for the lock in period. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.	116.36	116.36
b. Property Tax matters The quantum of property tax levied in case of one multiplex is disputed and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. Estimated provision for this was made by the Company – see Note 24. The management has reviewed the position and pending settlement of dispute, has decided to pay the entire demand and the same is charged as expense during the year.	-	224.00
c. Entertainment Tax matters: This includes	3,625.48	4,083.87
i Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	3,523.16	3,246.41
ii In respect of one multiplex where the eligibility for exemption from payment of entertainment tax was rejected and the matter is decided in favour of the Company by the Hon'ble High Court.	-	735.14
iii Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	102.32
The Company has paid Rs 586.46 Lakhs (previous year Rs. 282.57 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		
d. Service Tax matters This includes	20,540.19	19,001.48
i In respect of levy of service tax on film distributor's' share paid by the Company and the matter is being contested by way of appeal / representation before the appropriate authorities.	14,226.97	16,641.03
ii In respect of levy of service tax on sale of food and beverages in multiplex premises and the matter is being contested by way of appeal before the appropriate authorities.	6,313.22	2,360.45
The Company has paid Rs 756.94 Lakhs (previous year Rs. 900.23 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		
e. Stamp duty matter Authority has raised the demand for non-payment of stamp duty on Leave & License Agreement in respect of one of the multiplexes, holding the same as lease transaction. Stay has been granted and the matter is pending before Board of Revenue.	263.81	263.81

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47. Contingent liabilities - continued

Particulars	As at 31 March 2019	As at 31 March 2018
f. Custom duty matter in respect of import of projectors In addition to this matter, the Company had also received a show cause cum demand notice from customs on import of cinematographic films, the amount of duty is yet to be quantified.	4.36	4.36
g. VAT demand During the year, the Company has opted to settle the entire liability under the amnesty scheme and accordingly the amount payable under the amnesty scheme is charged to the Statement of Profit and Loss.	-	261.87
h. Income-tax matters. During the year, the various issues are settled by the appellate authorities in favour of the Company	-	283.41
i The Company may be required to charge additional cost towards electricity from 1 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 favour of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83	389.83
j In respect of the Supreme Court judgement dated 28 February 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability, if any, in respect of earlier period cannot be ascertained. The Company has made a provision on a prospective basis from the date of the said order.		

In respect of above matters, no additional provision is considered necessary as the Group expects favourable outcome. Further, it is not possible for the Group to estimate the timing and amount of the further cash outflow, if any, in respect of these matters.

48. In respect of Entertainment-tax exemption claimed and its treatment in these accounts:

The Entertainment tax exemption in respect of some of the multiplexes of the Group has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final orders yet to be received from respective authorities. Accordingly, the Group has recognized Rs. Nil lakh during the year ended 31 March 2019 (previous year Rs. 160.55 lakh) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31 March 2019 is Rs. 3,716.48 lakhs (previous year Rs. 4,075.77 lakhs).

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49. Exceptional items

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a. During the year, in respect of one of the multiplexes of the Group, the jurisdictional High Court has passed an order against the Group in respect of grant of entertainment tax exemption. Even though the Group is taking further legal steps in this regard, the amount of entertainment tax exemption of Rs. 410.00 Lakhs recognized earlier, along with interest of Rs. 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 Rs. 314.69 Lakhs is included under 'Other current liabilities' as a separate line item	499.69	-
b. The Group had issued termination notice for one of its proposed multiplex seeking refund of security deposit and reimbursement of cost of fit outs incurred by the Group aggregating to Rs 914.16 Lakhs which was carried forward as amount recoverable towards claim in Note 11 "Other financial assets". During the previous year the Group had received Arbitration Award and the claim of the Group towards reimbursement of cost of fit outs is decided against the Group. Even though the Group has taken further legal steps in this regard, provision of Rs. 854.16 Lakhs was made towards this claim.	-	854.16
Total	**499.69**	**854.16**

50. Preferential issue of equity shares

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

Utilisation of funds received through preferential issue of Equity Shares

(Rs. in Lakhs)

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

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51. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2019

(Rs. in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	96,385.49	99.99%	13,347.33	100.00%	5.92	99.99%	13,353.25
Subsidiaries (Group's share)								
Indian								
Shouri Properties Private Limited	0.08%	80.14	0.02%	2.89	-	-	0.02%	2.89
Swanston Multiplex Cinemas Private Limited	0.00%	3.34	-0.01%	(1.25)			-0.01%	(1.25)
Inox Leisure Limited Employees welfare trust	0.02%	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	-	-	0.000%	0.02
Consolidation eliminations / adjustments	-0.11%	(102.68)	0.00%	(0.02)	-	-	0.000%	(0.02)
Total	100.00%	96,381.73	100.00%	13,349.11	100.00%	5.92	100.00%	13,355.03

Kulkarni And Company
Flat No.3,
First Floor,
Shree Vishnu Complex,
S. No. 12/A+12/B
Flat No. 1+4+6
Sinhgad Road,
Pune-411030
Chartered Accountants

Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2019

51. Disclosure of additional information as required by the Schedule III: - continued

(b) As at and for the year ended 31 March 2018

(Rs. in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	66,967.47	100.00%	11,464.19	100.00%	65.19	100.01%	11,529.38
Subsidiaries (Group's share)								
Indian								
Shourl Properties Private Limited	0.12%	77.25	0.02%	2.56	-	-	0.02%	2.56
Swanston Multiplex Cinemas Private Limited	0.01%	4.59	0.00%	(0.19)			0.00%	(0.19)
Inox Leisure Limited Employees welfare trust	0.02%	13.82	0.00%	0.50	-	-	0.00%	0.50
INOX Benefit Trust	0.001%	0.91	-	(0.09)	-	-	-	(0.09)
Non-controlling Interest in subsidiaries	0.001%	0.56	0.000%	0.02	-	-	0.00%	0.02
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited	0.00%	2.39	-0.03%	(3.43)	-	-	-0.03%	(3.43)
Consolidation eliminations / adjustments	-0.16%	(105.07)	-0.01%	(0.62)	-	-	-0.005%	(0.62)
Total	**100.00%**	**66,961.92**	**100.00%**	**11,462.94**	**100.00%**	**65.19**	**100.00%**	**11,528.13**

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

A.D.Talavlikar
Partner
Mem No: 130432

Kulkarni And Company
Flat No.3, First Floor, Shree Vishnu Complex, S. No. 27/A/1/2/3 Plot No. 54/6 Sinhgad Road, Pune-411030
Chartered Accountants

Place: Pune
Date: 13 May 2019

For and on behalf of the Board of Directors

Siddhartth 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: Mumbai
Date: 13 May 2019

Kulkarni and Company
Chartered Accountants

Plot No.9, Anand Baug, Co.op. Hsg. Society, 999, Navi Peth, Pune 411030
Contact: +91 9850898715 **email :** nmk@kulkarnico.com

Independent Auditor's Report to the members of Inox Leisure Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Inox Leisure Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and a jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

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

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

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
Chartered Accountants

Independent Auditor's Report to the members of Inox Leisure Limited on the consolidated Ind AS financial statements for the year ended 31 March 2018 *(continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group and its jointly controlled entity as at 31 March 2018, their consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflects total assets of Rs 273.61 Lakhs as at 31 March 2018, total revenues of Rs 304.41 Lakhs, total net profit after tax of Rs 2.36 Lakhs and total comprehensive income of Rs. 2.36 Lakhs and net cash inflows amounting to Rs 2.56 Lakhs. Further, we also did not audit the financial statements of a jointly controlled entity (which became subsidiary from 5 March 2018) which reflects groups share in net Loss of Rs. 3.43 Lakhs for the year ended on 31 March 2018. These financial statements have been audited by other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a jointly controlled company is based solely on the reports of the other auditor. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Further, the consolidated financial statements of the Group and its jointly controlled entity for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 2 May 2017.

Kulkarni and Company
Plot No.9,
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Hsg. Society,
999, Navi Peth,
Pune-411030
Chartered Accountants

Independent Auditor's Report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31 March 2018 *(continued)*

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditor of its subsidiaries and jointly controlled entity, none of the directors of the Group and jointly controlled entity are disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in Annexure.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate Ind AS financial statement of associate companies, as noted in the 'Other matters' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – see Note 47 to the consolidated Ind AS financial statements;

   ii. The Group and its jointly controlled entity did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by Holding Company, its subsidiaries and the jointly controlled entity.

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

A.D Talavlikar
Partner
Membership No. 130432

Kulkarni and Company Chartered Accountants
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030

Place: Vadodara
Date:7 May 2018

Annexure II to Independent auditor's report to the members of Inox Leisure Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Inox Leisure Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Kulkarni and Company
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999, Navi Peth,
Pune-411030
Chartered Accountants

Annexure II to Independent auditor's report to the members of Inox Leisure Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018 *(continued)*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, its subsidiary companies' and its jointly controlled entity's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies and its jointly controlled entity, considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

Kulkarni and Company
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999, Navi Peth,
Pune-411030
Chartered Accountants

Annexure II to Independent auditor's report to the members of Inox Leisure Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018 *(continued)*

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries and jointly controlled entity (which became subsidiary from 5 March 2018), which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies.

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

A.D Talavlikar
Partner
Membership No. 130432

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
Chartered Accountants

Place: Vadodara
Date: 7 May 2018

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2018

(Rs.in Lakhs)

		Notes	As at 31 March 2018	As at 31 March 2017
	ASSETS			
1	**Non - current assets**			
	(a) Property, plant and equipment	5A	74,270.89	67,282.56
	(b) Capital work-in-progress	5B	5,394.78	6,255.36
	(c) Goodwill	6	1,750.97	1,750.97
	(d) Other intangible assets	7	1,154.66	1,242.66
	(e) Investments accounted for using the equity method	8	-	5.81
	(f) Financial assets			
	(i) Other investments	9	121.27	118.74
	(ii) Loans	10	7,417.53	6,900.01
	(iii) Other financial assets	11	6,752.68	7,178.80
	(g) Deferred tax assets (net)	12	8,112.40	4,828.55
	(h) Income tax assets (net)	13	912.87	553.32
	(i) Other non-current assets	14	8,268.24	7,763.02
	Total Non - current assets		1,14,156.29	1,03,879.80
2	**Current assets**			
	(a) Inventories	15	939.91	908.76
	(b) Financial assets			
	(i) Other investments	9	1,238.98	1,069.91
	(ii) Trade receivables	16	7,610.64	4,661.00
	(iii) Cash and cash equivalents	17	1,334.03	980.96
	(iv) Bank balances other than (iii) above	18	168.84	338.26
	(v) Loans	10	590.31	441.99
	(vi) Other financial assets	11	18.42	30.35
	(c) Other current assets	14	2,443.36	2,096.48
	Total Current assets		14,344.49	10,527.71
	Total Assets (1+2)		**1,28,500.78**	**1,14,407.51**

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
Chartered Accountants

Inox Leisure Limited
Consolidated Balance Sheet as at 31 March 2018

(Rs.in Lakhs)

		Notes	As at 31 March 2018	As at 31 March 2017
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity share capital	19	9,616.28	9,616.28
	(b) Other equity	20	60,612.06	48,904.46
	(c) Interest in Inox Benefit Trust	21	(3,266.98)	(3,266.98)
	Equity attributable to owners of the Company		66,961.36	55,253.76
	Non-controlling interests	22	0.56	0.54
	Total equity		**66,961.92**	**55,254.30**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	23	25,240.23	29,193.00
	(ii) Other financial liabilities	24	312.84	307.81
	(b) Provisions	25	1,009.79	1,001.45
	(c) Other non-current liabilities	26	7,565.72	8,292.85
	Total Non - current liabilities		**34,128.58**	**38,795.11**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	27	11,320.87	8,841.50
	(ii) Other financial liabilities	24	10,573.37	6,476.49
	(b) Other current liabilities	28	3,823.37	3,599.82
	(c) Provisions	25	1,478.32	1,439.04
	(d) Income tax liabilities (Net)	13	214.35	1.25
	Total Current liabilities		**27,410.28**	**20,358.10**
	Total Equity and Liabilities (1+2+3)		**1,28,500.78**	**1,14,407.51**

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

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

A.D.Talavlikar
Partner

Kulkarni and Company Chartered Accountants
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030

Place: Vadodara
Date: 7 May 2018

For and on behalf of the Board of Directo

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
CEO

Kailash B Gupta
CFO

Place: Mumbai
Date: 7 May 2018

Inox Leisure Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(Rs.in Lakhs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	29	1,34,811.83	1,22,071.41
Other income	30	1,446.53	911.55
Total Income (I)		**1,36,258.36**	**1,22,982.96**
Expenses			
Cost of materials consumed	31	7,435.80	6,806.71
Exhibition cost	32	36,731.79	34,532.57
Employee benefits expense	33	9,635.56	8,639.10
Finance costs	34	2,889.63	2,528.11
Depreciation and amortisation expense	35	8,669.89	8,407.04
Impairment losses	5A / 6	309.55	129.34
Other expenses	36	59,964.19	57,485.29
Total expenses (II)		**1,25,636.41**	**1,18,528.16**
Profit before share of profit of a joint venture and exceptional items		10,621.95	4,454.80
Share of profit of joint ventures (III)	8A	(3.43)	8.12
Profit before exceptional items and tax (I - II + III = IV)		**10,618.52**	**4,462.92**
Exceptional Items (V)	49	854.16	-
Profit before tax (IV-V = VI)		**9,764.36**	**4,462.92**
Tax expense: (VII)	37		
Current tax		3,251.61	1,474.25
Deferred tax		420.28	85.72
Taxation pertaining to earlier years		(5,370.47)	(158.54)
		(1,698.58)	1,401.43
Profit for the year (VI - VII = VIII)		**11,462.94**	**3,061.49**
Profit for the year attributable to:			
Equity holders of the Parent		11,462.92	3,061.45
Non-controlling Interests		0.02	0.04
		11,462.94	3,061.49
Other Comprehensive Income (IX)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		100.21	(61.77)
(ii) Tax on above	37	(35.02)	21.38
Total other comprehensive income (I-II)		**65.19**	**(40.39)**
Total Comprehensive Income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)		**11,528.13**	**3,021.10**
Other comprehensive income for the year attributable to			
- Owners of the Company		65.19	(40.39)
-Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		11,528.11	3,021.06
- Non-controlling interests		0.02	0.04
		11,528.13	**3,021.10**
Earnings per equity share (in Rs.)			
1) Basic	39	12.49	3.33
2) Diluted	39	12.48	3.33

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

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

A.D.Talavlikar
Partner

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
Chartered Accountants

Place: Vadodara
Date: 7 May 2018

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
CEO

Kailash B Gupta
CFO

Place: Mumbai
Date: 7 May 2018

Inox Leisure Limited
Consolidated Statement of Cashflows for the year ended 31 March 2018

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit for the year after tax	11,462.94	3,061.49
Adjustments for:		
Income tax expense	(1,698.58)	1,401.43
Finance costs	2,889.63	2,528.11
Share of (profit)/loss of a joint venture	3.43	(8.12)
Interest income	(705.14)	(524.50)
Government grants - deferred revenue	(1,303.47)	(1,702.64)
Gain on investments measured at fair value through profit or loss	(372.06)	(234.74)
Deferred rent expenses	616.77	520.05
Loss on disposal of property, plant and equipment (net)	1,085.22	429.24
Liabilities and provisions, no longer required, written back	(281.44)	(95.83)
Expense on ESOP	179.49	5.27
Bad debt & remissions	13.98	148.53
Deposits and advances written off	63.61	-
Allowance for doubtful advances and deposits	113.96	35.00
Allowance for doubtful trade receivables (net)	(84.77)	5.12
Allowance for amount recoverable towards claim written off	854.16	-
Impairment loss on goodwill	0.60	40.88
Impairment loss on property, plant and equipment	308.95	88.46
Depreciation and amortisation expense	8,669.89	8,407.04
Unrealised exchange loss	10.32	-
	21,827.49	**14,104.79**
Movements in working capital:		
(Increase)/decrease in trade receivables	(2,878.85)	344.88
(Increase)/decrease in inventories	(31.15)	(221.49)
(Increase)/decrease in loans	(261.38)	(1,070.82)
(Increase)/decrease in other financial assets	477.94	(1,595.07)
(Increase)/decrease in other assets	(1,458.78)	(3,282.48)
Increase/(decrease) in trade payables	2,479.00	1,511.91
Increase/(decrease) in provisions	147.83	166.93
Increase /(decrease) in other financial liabilities	1,494.80	575.88
Increase /(decrease) in other liabilities	1,081.33	1,319.04
Cash generated from operations	**22,878.23**	**11,853.57**
Income taxes paid	(1,766.75)	(1,050.73)
Net cash generated by operating activities	**21,111.48**	**10,802.84**
Cash flows from investing activities		
Payments for property, plant and equipment (including changes in capital work in progress and capital advances)	(15,857.31)	(15,278.55)
Payments for other intangible assets	(231.50)	(306.64)
Proceeds from disposal of property, plant and equipment	170.52	268.81
Interest received	182.83	296.93
Investments in Government securities	(8.13)	(12.50)
Maturity of Government securities	-	7.40
Purchase of current investments	(54,699.44)	(20,272.05)
Sale/redemption of current investments	54,911.69	20,983.71
Investment in subsidiary company	(3.00)	-
Payments towards business combination consideration payable	(5.32)	(286.36)
Movement in other bank balances	154.12	67.25
Net cash used in investing activities	**(15,385.54)**	**(14,532.00)**

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
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Inox Leisure Limited
Consolidated Statement of Cashflows for the year ended 31 March 2018

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from financing activities		
Proceeds from borrowings - non current	-	10,000.00
Repayment of borrowings - non current	(2,503.40)	(2,498.56)
Net movement in current borrowings	-	(2,512.65)
Finance cost	(2,897.21)	(2,549.45)
Net cash (used)/generated from financing activities	**(5,400.61)**	**2,439.34**
Net increase/(decrease) in cash and cash equivalents	**325.33**	**(1,289.82)**
Cash and cash equivalents at the beginning of the year	980.96	2,270.78
Add: Cash and cash equivalents on acquisition of subsidiary	27.74	-
Cash and cash equivalents at the end of the year	**1,334.03**	**980.96**

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

(Rs. in Lakhs)

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

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

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

A.D.Talavlikar
Partner

Kulkarni and Company
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030
Chartered Accountants

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May 2018

Place: Mumbai
Date: 7 May 2018

Inox Leisure Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2018

(Rs.in Lakhs)

A. Equity share capital

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

B. Other equity

(Rs.in Lakhs)

Particulars	ATTRIBUTABLE TO OWNERS OF THE COMPANY					Non controlling interests	Total
	Reserves and surplus						
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Shares options outstanding account	Retained Earnings		
Balance as at 1 April 2016	**0.10**	**28,092.61**	**2,782.55**	**-**	**15,002.87**	**0.50**	**45,878.63**
Additions during the year:							
Profit for the year	-	-	-	-	3,061.45	0.04	3,061.49
Other comprehensive income for the year, net of tax (*)	-	-	-	-	(40.39)	-	(40.39)
Total comprehensive income for the year	-	-	-	-	3,021.06	0.04	3,021.10
On account of stock options granted (see Note 43)	-	-	-	5.27	-	-	5.27
Balance as at 31 March 2017	**0.10**	**28,092.61**	**2,782.55**	**5.27**	**18,023.93**	**0.54**	**48,905.00**
Additions during the year:							
Profit for the year	-	-	-	-	11,462.92	0.02	11,462.94
Other comprehensive income for the year, net of tax (*)	-	-	-	-	65.19		65.19
Total comprehensive income for the year	-	-	-	-	11,528.11	0.02	11,528.13
On account of stock options granted (see Note 43)	-	-	-	179.49	-	-	179.49
Balance as at 31 March 2018	**0.10**	**28,092.61**	**2,782.55**	**184.76**	**29,552.04**	**0.56**	**60,612.62**

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

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

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

A.D.Talavlikar
Partner

Kulkarni and Company ★ Chartered Accountants ★
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030

Place: Vadodara
Date: 7 May 2018

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

Alok Vandon
CEO

Kailash B Gupta
CFO

Place: Mumbai
Date: 7 May 2018

1. Group information

Inox Leisure Limited ("the Company") is a public limited company incorporated in India. These Consolidated Financial Statements ("these CFS") relate to the Company, its subsidiaries (collectively referred to as the "Group") and the Group's interest in a joint venture. The Group is engaged in operating & managing multiplexes and cinema theatres in India. The Company's holding company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

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

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

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

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

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

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

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2.3 Basis of Preparation and Presentation

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

These CFS have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

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

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

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

3. Basis of Consolidation and Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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When necessary, adjustments are made to the financial statements of the members of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.1.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, gain or loss is recognized in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3.2 Business combinations

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

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

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

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

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reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (See Note 3.2 above) less accumulated impairment losses, if any.

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

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

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carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

The Group's policy for goodwill arising on the acquisition of a joint venture is described in note 3.4 below.

3.4 Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in an a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition,

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the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.5 Revenue recognition

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

3.5.1 Rendering of services

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

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

3.5.2 Sale of goods

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

3.5.3 Dividend and interest income

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

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3.6 Government Grants

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

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

3.7 Leasing

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

The Group as lessee-

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

3.8 Foreign currency transactions and translation

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

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

3.9 Borrowing costs

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

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

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

3.10 Employee benefits

3.10.1 Retirement benefit costs and termination benefits

Recognition and measurement of defined contribution plans:

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

Recognition and measurement of defined benefit plans:

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

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

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

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

3.10.2 Short-term and other long-term employee benefits

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

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

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

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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 profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account in other equity.

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

3.12 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 21), equity shares of the Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by the Company at the time of amalgamation. These shares are recognised as Interest in INOX Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by INOX Benefit Trust are akin to treasury shares and are presented as a deduction in total equity. Difference between the cost and the amount received at the time sale of shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

3.13 Taxation

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

3.13.1 Current tax

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

3.13.2 Deferred tax

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

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Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an deferred tax assets in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

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

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

3.13.3 Presentation of current and deferred tax

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

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

3.14 Property, plant and equipment

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

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

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible

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PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. (see Note 3.8).

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

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

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

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

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

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

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

3.15 Intangible assets

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

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.

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

Estimated useful lives of the intangible assets are as follows:

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

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

3.16 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3.17 Inventories

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

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3.18 Provisions and contingencies

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

3.19 Financial instruments

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

A] Financial assets

a) Initial recognition and measurement

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

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

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the

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effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

c) Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:
i. The Group's business model for managing the financial asset and
ii. The contractual cash flow characteristics of the financial asset.

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

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:
a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:
a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

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d) Foreign exchange gains and losses

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

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

e) Derecognition:

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

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

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

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

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

f) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortized cost
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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.

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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 Company are recognised at the proceeds received, net of direct issue costs.

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

ii. Financial Liabilities:-

a) Initial recognition and measurement

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

b) Subsequent measurement

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

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

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

d) Derecognition of financial liabilities:

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

3.22 Earnings Per Share

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

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

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

3.23 Recent accounting pronouncements

a) On 28 March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Group from 1 April 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect on the financial statements is being evaluated by the Group.

b) On 28 March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment has no impact on the financial statements of the Group.

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4. Critical accounting judgements and use of estimates

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

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

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

a) In respect of Government Grants

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

b) In respect of assets taken on operating lease

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

c) Leasehold land

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

d) Impairment of property, plant and equipment:

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

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

e) In respect of Inox Employee Welfare Trust and Inox Benefit Trust

Inox Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited and Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited. Inox Leisure Limited is the Settlor for both these trusts.

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As a settlor, the Company has the power to remove the trustees as it may deem necessary. Hence, the directors of the Company have concluded that the Group has control over these trusts and the same has been consolidated in these CFS.

f) In respect of Swanston Multiplex Cinemas Private Limited (SMCPL), a joint venture:

SMCPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the company itself. However, considering the joint arrangement, inspite of the fact that the entity's interest is reduced to zero, additional losses are provided for and a liability is recognized as a liability for constructive obligation.

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

a) Impairment of goodwill:

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

The carrying amount of goodwill as at 31 March 2018 was Rs. 1750.97 lakhs (as at 31 March 2017: Rs. 1750.97 lakhs) after an impairment loss of Rs. 0.60 lakhs (previous year Rs. 40.88 lakhs) was recognized during the year 2017-2018. Details of impairment loss calculations are set out in Note 6.

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

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.14 & 3.15 above. The Group reviews the estimated useful lives of PPE & intangible assets (other than goodwill)at the end of each reporting period.

c) Fair value measurements and valuation processes

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 42.

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

- Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 12
- Measurement of defined benefit obligations and other long-term employee benefits – see Note 41
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 25 and Note 47
- Impairment of financial assets – see Note 42

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5. Property, plant and equipment

(Rs.in Lakhs)

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

(i) Details of freehold land and buildings that are mortgaged to secure borrowings of the Group (see Note 23) are as under. The Group is not allowed to mortgage these assets as security for other borrowings .

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Freehold Land	1,743.99	1,743.99
Buildings	4,413.95	4,505.20
Total	**6,157.94**	**6,249.19**

(ii) Details of leasehold improvements, plant and equipment, office equipment and furniture and fixtures that are hypothecated to secure loans from banks (see Note 23) are as under. The Group is not allowed to pledge these assets as security for other borrowings.

(Rs.in Lakhs)

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

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

(Rs.in Lakhs)

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

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

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5A. Property , plant and equipment

(Rs.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 2016	**2,669.66**	**11,705.83**	**19,274.90**	**26,109.54**	**6,481.53**	**109.86**	**3,194.57**	**69,545.89**
Additions	-	539.63	3,796.63	6,382.89	2,259.14	-	1,312.09	14,290.38
Disposals	-	(175.99)	(100.26)	(378.41)	(434.54)	(11.08)	(122.02)	(1,222.30)
Effects of foreign currency exchange differences	-	-	-	2.23	-	-	-	2.23
Borrowing cost	-	-	31.49	24.42	8.52	-	-	64.43
Balance as at 31 March 2017	**2,669.66**	**12,069.47**	**23,002.76**	**32,140.67**	**8,314.65**	**98.78**	**4,384.64**	**82,680.63**
Additions	-	247.50	5,830.30	6,817.17	2,663.35	17.06	1,272.16	16,847.54
Disposals	-	(7.48)	(1,130.48)	(1,733.62)	(325.53)	-	(143.50)	(3,340.61)
Borrowing cost	-	-	22.84	25.10	7.91	-	-	55.85
Balance as at 31 March 2018	**2,669.66**	**12,309.49**	**27,725.42**	**37,249.32**	**10,660.38**	**115.84**	**5,513.30**	**96,243.41**
Accumulated depreciation and impairment								
Balance as at 1 April 2016	-	**233.64**	**2,043.69**	**3,190.99**	**1,272.53**	**24.58**	**973.71**	**7,739.14**
Depreciation expense for the year	-	239.91	2,121.87	3,461.09	1,371.48	23.06	879.27	8,096.68
Impairment losses recognised in profit or loss	-	-	11.13	71.07	2.53	-	3.73	88.46
Eliminated on disposal of assets	-	(6.69)	(39.81)	(195.85)	(169.17)	(2.46)	(112.23)	(526.21)
Balance as at 31 March 2017	-	**466.86**	**4,136.88**	**6,527.30**	**2,477.37**	**45.18**	**1,744.48**	**15,398.07**
Depreciation expense for the year	-	264.23	2,114.75	3,547.05	1,366.06	22.43	1,036.45	8,350.97
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52	308.95
Eliminated on disposal of assets	-	(16.29)	(459.29)	(1,234.36)	(261.82)	-	(113.71)	(2,085.47)
Balance as at 31 March 2018	-	**714.80**	**5,910.30**	**9,014.53**	**3,592.54**	**67.61**	**2,672.74**	**21,972.52**

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 March 2017	2,669.66	11,602.61	18,865.88	25,613.37	5,837.28	53.60	2,640.16	67,282.56
As at 31 March 2018	2,669.66	11,594.69	21,815.12	28,234.79	7,067.84	48.23	2,840.56	74,270.89

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5B. Capital work in progress

(Rs.in Lakhs)

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

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

(Rs. in Lakhs)

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

Capital work in progress includes amount of Rs. 649.60 lakhs (as at 31 March 2017: Rs. 3,362.53 lakhs) in respect of multiplex premises under constructon which have been hypothecated to secure loans from banks (see Note 23). The Group is not allowed to hypothecate these assets as security for other borrowings or to sell them to another entity.

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6. Goodwill

(Rs.in Lakhs)

Description of Assets	As at 31 March 2018	As at 31 March 2017
Cost or deemed Cost		
Balance at beginning of year	1,750.97	1,791.85
Add: on acquisition of subsidiary	0.60	-
Less: impairment loss	(0.60)	(40.88)
Balance at end of the year	**1,750.97**	**1,750.97**
Accumulated impairement losses		
Balance at beginning of year	(40.88)	-
Impairement losses recognised in the year	(0.60)	(40.88)
Balance at end of the year	(41.48)	(40.88)

(i) During the year, the Group carried out a review of the recoverable amount of goodwill on consolidation. The review led to recognition of an impairment loss of Rs.0.60 lakhs (previous year Rs. 40.88 lakhs) which had been recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to Rs.Nil as at 31 March 2018 (previous year 0.97 lakhs). The discount rate used in measuring the value in use was 12% per annum.

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6A. Allocation of goodwill to cash generating units:

Goodwill is in respect of one of the multiplexes of the Group acquired through business combination and on consolidation of subsidiary companies.

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

(Rs.in Lakhs)

Cash generating units	As at 31 March 2018	As at 31 March 2017
Multiplex theatre	1,750.00	1,750.00
Shouri Properties Private Limited	41.85	41.85
Swanston Multiplex Cinemas Private Limited	0.60	-
Total	**1,792.45**	**1,791.85**

Multiplex Theatre

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2017: 12% p.a.). The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

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

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

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

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

Shouri Properties Private Limited

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

Budgeted Rental income: Budgeted revenue of SPPL from rental income is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Budgeted Rental expense: Budgeted rental expense of SPPL is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Based on above, no impairment loss has been recognised during the year ended 31 March 2018 (previous year: Rs. 40.88 lakhs).

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6A. Allocation of goodwill to cash generating units:

Swanston Multiplex Cinemas Private Limited

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

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

Based on above, impairment loss of Rs.0.60 lakhs has been recognised during the year ended 31 March 2018.

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7. Other intangible assets

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Computer software	1,137.28	1,215.74
Website	17.38	26.92
	1,154.66	**1,242.66**

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7A. Other intangible assets

(Rs.in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 2016	**1,244.95**	**46.00**	**54.43**	**1,345.38**
Additions	306.64	-	-	306.64
Disposal	(16.24)	-	-	(16.24)
Balance as at 31 March 2017	**1,535.35**	**46.00**	**54.43**	**1,635.78**
Additions	231.50	-	-	231.50
Disposal	(7.14)	-	-	(7.14)
Balance as at 31 March 2018	**1,759.71**	**46.00**	**54.43**	**1,860.14**
Accumulated amortisation and impairment				
Balance as at 1 April 2016	**55.08**	**9.54**	**32.41**	**97.03**
Amortisation expense for the year	278.79	9.54	22.02	310.35
Disposal	(14.26)	-	-	(14.26)
Balance as at 31 March 2017	**319.61**	**19.08**	**54.43**	**393.12**
Amortisation expense for the year	309.37	9.54	-	318.91
Disposal	(6.54)			(6.54)
Balance as at 31 March 2018	**622.44**	**28.62**	**54.43**	**705.49**

Carrying amounts	Computer software	Website	Movie script	Total
As at 31 March 2017	1,215.74	26.92	-	1,242.66
As at 31 March 2018	1,137.27	17.38	-	1,154.65

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8. Investments accounted for using the equity method

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
In equity instruments (unquoted, fully paid up)		
Swanston Multiplex Cinemas Private Limited - 10,15,000 equity shares	-	279.52
Less: share in accumulated loss	-	(273.71)
Carrying amount	**-**	**5.81**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	-	5.81
Aggregate amount of impairment in value of investments	-	-

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

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8A. Details and financial information of joint venture

Details of the Group's joint venture at the end of the reporting period are as follows:

(Rs.in Lakhs)

Name of Joint Venture	Proportion of ownership interest and voting rights held by the Group	
	As at 31 March 2018	As at 31 March 2017
Swanston Multiplex Cinemas Private Limited (SMCPL)	-	50%

SMCPL is incorporated in India and was engaged in the business of operating a multiplex and has ceased its operations since July 2012.

SMCPL has become a subsidiary of the company w.e.f. 5 March 2018 which was accounted using the equity method in these consolidated financial statements till 4 March 2018.

(Rs.in Lakhs)

Particulars	For the period 1 April 2017 to 4 March 2018	Year ended 31 March 2017
The Group's share of profit/(loss)	(3.43)	8.12
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(3.43)	8.12

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amount of the Group's interests in this joint venture	-	5.81

There are no restrictions on the ability of joint venture to transfer funds to the Group in the form of cash dividend or to repay loans or advances made by the Group.

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9. Other investments

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificates	168.36	156.57
Less: Current portion	(47.09)	(37.83)
Total Non-current investments	**121.27**	**118.74**
Current		
Unquoted investments (all fully paid)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - 416839.61 units (31 March 2017: Nil) (face value Rs. 100)	1,159.79	-
ICICI Prudential Liquid Plan-Growth - Nil units (31 March 2017: 417237) (face value Rs. 100)	-	1,002.02
ICICI Prudential Liquid Plan-Growth-Regular Plan -12518.31 (31 March 2017: 12518.31) (face value Rs. 100)	32.10	30.06
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	47.09	37.83
Total Current investments	**1,238.98**	**1,069.91**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,360.25	1,188.65
Aggregate amount of impairment in value of investments	-	-

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

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2018	As at 31 March 2017
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL - Mutual funds	1,191.89	1,032.08
Financial assets measured at amortised cost		
National Savings Certificates	168.36	156.57
	1,360.25	1,188.65

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10. Loans

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits		
Unsecured, considered good	7,417.53	6,900.01
Unsecured, considered doubtful	205.47	91.51
	7,623.00	6,991.52
Allowance for doubtful deposits	(205.47)	(91.51)
Total	**7,417.53**	**6,900.01**
Current		
Security deposits		
Unsecured, considered good	590.31	441.99
Total	**590.31**	**441.99**

The above financial assets are carried at amortised cost

Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS	4,813.41	4,406.03

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11. Other financial assets

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Entertainment tax refunds claimed	2,633.97	3,701.70
Electricity charges refund claimed	389.83	389.83
Non-current bank balances (from Note 19)	226.80	211.50
Amount recoverable towards claims		
considered good	147.97	914.16
considered doubtful	854.16	
	1,002.13	914.16
Less: Allowance for doubtful claims (see Note 49)	(854.16)	-
Amount recoverable towards claim	147.97	914.16
Other advances (*)		
considered good	3,354.11	1,961.61
considered doubtful	58.64	58.64
	3,412.75	2,020.25
Less: Allowance for doubtful advances	(58.64)	(58.64)
	3,354.11	1,961.61
Total	**6,752.68**	**7,178.80**
Current		
Interest accrued - others	18.42	18.19
Claims and receivables	-	12.16
Total	**18.42**	**30.35**

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

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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 2018
Deferred tax (liabilities)/assets in relation to:

(Rs.in Lakhs)

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

Year ended 31 March 2017
Deferred tax (liabilities)/assets in relation to:

(Rs.in Lakhs)

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

As at 31 March 2018, the Group has following unused tax losses and unused tax credit under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss or tax credit	Financial Year	Gross amount (Rs. in lakhs)	Expiry date
Business loss	2014-15	11.98	31 March 2023
Business loss	2015-16	13.76	31 March 2024
MAT credit entitlement	2016-17	1.25	31 March 2027
MAT credit entitlement	2017-18	0.64	31 March 2033
Unabsorbed depreciation	Various	114.06	No limit

The subsidiaries do not have undistributed profits.

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13. Income tax assets and Income tax liabilities

(Rs.in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non current	Current	Non current
Income tax assets (net)				
Income tax paid (net of provisions)	-	912.87	-	553.32
Total		**912.87**		**553.32**
Income tax liabilities (net)				
Provision for income tax (net of payments)	214.35	-	1.25	-
Total	**214.35**	-	**1.25**	-

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14. Other non-current and current assets

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Capital advances	584.99	574.90
Security deposits with government authorities	1,294.21	1,246.76
Deferred rent expense	4,437.96	5,547.72
Prepayments - leasehold land	280.71	287.57
Prepayments - others	1,670.37	106.07
Total	**8,268.24**	**7,763.02**
Current		
Advances to suppliers		
considered good	544.59	557.91
considered doubtful	-	35.81
	544.59	593.72
Less: allowance for doubtful advances	-	(35.81)
	544.59	557.91
Advances for expense	48.79	39.69
Balances with government authorities	588.26	333.90
- GST/Service Tax/VAT, etc		
Prepayments - leasehold land	6.96	7.06
Deferred rent expense	494.50	609.75
Prepayments - others	760.26	548.17
Total	**2,443.36**	**2,096.48**

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15. Inventories
(at lower of cost and net realisable value)

(Rs.in Lakhs)

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

The mode of valuation of inventories is stated in Note 3.17.

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16. Trade receivables

(Rs.in Lakhs)

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

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17. Cash and cash equivalents

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks	872.69	731.52
Cash on hand	461.34	249.44
Total	**1,334.03**	**980.96**

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18. Other bank balances

(Rs.in Lakhs)

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

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

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

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19. Share capital

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Authorised capital		
14,60,50,000 (31 March 2017: 14,60,50,000) equity shares of Rs. 10/- each	14,605.00	14,605.00
10,000 (31 March 2017: 10,000) preference shares of Rs 10 each	1.00	1.00
Issued, subscribed and fully paid up		
9,64,57,754 (31 March 2017: 9,64,57,754) equity shares of Rs. 10 each	9,645.78	9,645.78
Less: 2,95,001 (31 March 2017: 2,95,001) equity shares of Rs. 10 each, issued to ESOP Trust but not allotted to employees (see Note 43)	(29.50)	(29.50)
	9,616.28	**9,616.28**

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19. Share capital (continued)

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

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

(ii) Rights, preferences and restrictions attached to equity shares
The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	5,87,461	58.75
TOTAL	**4,69,73,928**	**4,697.40**	**4,69,73,928**	**4,697.40**

The shareholders of the Company have passed a resolution at the Annual General Meeting held on 23 August 2013 amending the Articles of Association of the Company entitling Gujarat Fluorochemicals Limited (GFL) to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of the Company. Accordingly, GFL is having control over the Company and hence the Company is a subsidiary of GFL.

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19. Share capital (continued)

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

Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% of holding	Number of shares held	% of holding
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%

(v) Shares reserved for issue under option
For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Company, see Note 43

(vi) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:
During the year ended 31 March 2014, 3,45,62,206 equity shares of Rs.10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares alloted to INOX Benefit Trust (see Note 21).

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Note 20. Other equity

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital redemption reserve	0.10	0.10
Securities premium reserve	28,092.61	28,092.61
General reserve	2,782.55	2,782.55
Shares option outstanding account	184.76	5.27
Retained earnings	29,552.04	18,023.93
	60,612.06	**48,904.46**

Capital redemption reserve (Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	0.10	0.10
Movement during the year	-	-
Balance at end of year	**0.10**	**0.10**

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

Securities premium reserve (Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	28,092.61	28,092.61
Movement during the year	-	-
Balance at end of year	**28,092.61**	**28,092.61**

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

General reserve (Rs.in Lakhs)

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

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

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Note 20. Other equity

Share options outstanding account (Rs.in Lakhs)

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

The above reserve relates to share option granted by the Group to its employees/employees of the holding company under the employee share option plan. Further information about share based payment to employees is set out in Note 43. Movement during the year is on account of share options granted.

Retained earnings (Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	18,023.93	15,002.87
Profit attributable to owners of the Company	11,462.92	3,061.45
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	65.19	(40.39)
On account of changes in non-controlling interest	-	-
Balance at end of year	**29,552.04**	**18,023.93**

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

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21. TREASURY SHARES

Pursuant to the Composite Scheme of Amalgamation of Company's subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with the Company, which was operative from 1 April 2012, the Company had allotted fully paid-up 3,45,62,206 equity shares of Rs. 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of Rs. 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

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

As at 31 March 2018		As at 31 March 2017	
No. of shares	Cost (Rs. in lakhs)	No. of shares	Cost (Rs. 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.

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22: Non-controlling interests

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	0.54	0.50
Share of profit for the year	0.02	0.04
Balance at end of year	**0.56**	**0.54**

During the F.Y. 2014-15, the Company had acquired 93.75% of the equity shares in Shouri Properties Private Limited ("SPPL") and consequently SPPL had become a subsidiary of the Company with effect from 24 November 2014. SPPL holds a license to operate a multiplex cinema which is operated by the Company. During the F.Y. 2015-16, the Company has further subscribed to 12,50,000 equity shares of SPPL. On allotment of these shares, the Company now holds 99.29% Equity Shares of SPPL.

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23. Non current borrowings

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Secured		
(i) Term loans - From banks	12,952.77	15,463.75
Unsecured		
(i) Inter-corporate deposits - from holding company	16,249.00	16,249.00
Total borrowings	**29,201.77**	**31,712.75**
Less: Current maturities disclosed under Note 24 "Other current financial liabilities"	(3,952.77)	(2,503.40)
Interest accrued	(8.77)	(16.35)
Total	**25,240.23**	**29,193.00**

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23: Non Current Borrowings - continued

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

As at 31 March 2018

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	444.00	Repayable in 16 equal quarterly instalments of Rs. 250.00 Lakh each beginning from 31 Dec 2014.	8.75% to 9.40%
HDFC Bank Ltd	3,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 250 Lakhs beginning from 4 June 2017.	8.85% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	4,687.50	The loan is repayable in 16 equal quarterly instalments of Rs. 312.50 Lakhs beginning from 7 February 2018.	8.40% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,812.50	The loan is repayable in 16 equal quarterly instalments of Rs. 187.50 Lakhs beginning from 29 March 2018.	8.60% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.00	The loan is repayable in 16 equal quarterly instalments of Rs. 125 lakhs beginning from 26 June 2018.	8.60%

As at 31 March 2017

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

(ii) Securities provided for secured loans

Axis Bank Ltd
Term loan from Axis Bank are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of some multiplexes financed by the said term loans and escrow of entire cash flows relating to such multiplexes.

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

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

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

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

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24. Other financial liabilities

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits	146.54	113.83
Retention money	166.30	193.98
	312.84	**307.81**
Current		
Current maturities of long-term debt	3,952.77	2,503.40
Interest accrued	8.77	16.35
Security deposits	157.92	176.08
Creditors for capital expenditure	2,850.19	1,702.15
Retention money	469.32	318.01
Business combination consideration payable	72.24	77.56
Employee dues	575.43	264.84
Expenses Payable	2,486.73	1,418.10
	10,573.37	**6,476.49**
Total	**10,886.21**	**6,784.30**

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25. Provisions

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Employee benefits (see Note 41)		
a) Gratuity	865.13	809.28
b) Leave benefits	384.83	403.16
	1,249.96	1,212.44
Other provisions (see below)	1,238.15	1,228.05
Total	**2,488.11**	**2,440.49**
Non-current	1,009.79	1,001.45
Current	1,478.32	1,439.04
Total Provisions	**2,488.11**	**2,440.49**

Other provisions

(Rs.in Lakhs)

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

(i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.

(ii) Provision for municipal tax is in respect of disputed amount pertaining to one of the Group's multiplexes.

(iii) Provision for other indirect taxes is in respect of matters contested by the Group at appropriate levels aginst the demands raised by the respective tax authorities.

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26. Other non-current liabilities

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred revenue arising from Government grant	8,532.55	9,439.97
Less: Current portion disclosed under Note 28 "Other current liabilities"	(966.83)	(1,147.12)
Total	**7,565.72**	**8,292.85**

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27. Trade Payables

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Dues to micro, small and medium enterprises	5.33	5.10
- Dues to others	11,315.54	8,836.40
Total	**11,320.87**	**8,841.50**

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

Particulars	As at 31 March 2018	As at 31 March 2017
a) Principal amount due to suppliers under MSMED Act at the year end	5.33	5.10
b) Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.04	0.46
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	25.65	22.95
d) Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
e) Interest due and payable to suppliers under MSMED Act for payments already made	0.74	1.01
f) Interest accrued and remaining unpaid at the end of the year to supplier under MSMED Act	8.65	7.87

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

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28. Other current liabilities

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances received from customers	395.34	391.43
Income received in advance	1,177.82	959.74
Deferred revenue arising from Government grant (from Note 26)	966.83	1,147.12
Statutory dues		
- Taxes payable (other than income taxes)	1,179.60	1,001.83
- Employee recoveries and employer contributions	103.78	99.70
Total	**3,823.37**	**3,599.82**

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29. Revenue from operations

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services	96,126.00	86,569.45
Sale of products	30,606.28	28,411.49
Other operating income	8,079.55	7,090.47
Total	**1,34,811.83**	**1,22,071.41**

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30. Other income

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	35.22	46.52
On long term investments	11.79	11.94
On security deposits	518.42	383.64
	565.43	442.10
Other interest income		
Interest on income tax refund	107.38	49.88
Others	32.33	32.52
	139.71	82.40
	705.14	524.50
B) Other non-operating income		
Liabilities and provisions no longer required, written back	281.44	95.83
Miscellaneous income	87.89	56.48
Total other non-operating income	369.33	152.31
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	372.06	234.74
Total	**1,446.53**	**911.55**

Note: Realised gains in respect of mutual funds	360.82	239.93

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31. Cost of materials consumed

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cost of food & beverages consumed	7,435.80	6,806.71
Total	**7,435.80**	**6,806.71**

32. Exhibition cost

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Distributors' share	36,122.48	33,508.79
Other exhibition cost	609.31	1,023.78
Total	**36,731.79**	**34,532.57**

33. Employee benefits expense

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	8,188.06	7,516.65
Contribution to provident and other funds	570.31	521.88
Expense on ESOP	159.40	-
Gratuity	240.50	180.24
Staff welfare expenses	477.29	420.33
Total	**9,635.56**	**8,639.10**

34. Finance costs

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,624.90	1,624.90
- other borrowings	1,286.55	921.73
- deferred credit	-	3.59
	2,911.45	2,550.22
b) Other Interest	9.12	15.35
	2,920.57	2,565.57
Less: amount included in the cost of qualifying assets	(55.86)	(82.41)
	2,864.71	2,483.16
Other borrowing costs	24.92	44.95
Total	**2,889.63**	**2,528.11**

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

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35. Depreciation and amortisation expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	8,350.98	8,096.69
Amortisation of intangible assets	318.91	310.35
Total	**8,669.89**	**8,407.04**

36. Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	9,531.96	9,063.47
Rent and common facility charges	26,415.53	24,023.36
Repairs to :		
- Buildings	316.89	200.71
- Plant and equipment	2,358.87	2,270.35
- Others	575.05	470.28
Rates and taxes	1,062.28	1,037.26
Expenditure on corporate social responsibility (CSR)-Note (i) below	64.01	103.38
Directors' sitting fees	10.20	12.20
Allowance for doubtful trade receivables and expected credit losses	-	5.12
Allowance for doubtful advances and deposits	113.96	35.00
Bad debts & remissions - Note (iii) below	13.98	148.53
Deposits and advances written off (net of provision adjusted Rs. 6.29 lakhs - previous year Rs. 281.50 lakhs)	63.61	-
GST & Service tax	2,188.26	5,113.72
Net loss on foreign currency transactions and translations	23.43	21.32
Legal and professional fees and expense	1,373.69	1,069.55
Advertisement & sales promotion	1,633.65	1,407.12
Travelling & Conveyance expenses	869.37	805.21
House Keeping expenses	2,578.68	2,261.15
Security charges	2,251.16	2,236.20
Outsourced personnel cost	5,326.50	4,563.99
Loss on sale / disposal of property, plant and equipment (net of impairement loss adjusted of Rs. 312.41 - previous year Rs. Nil)	1,085.22	429.24
Miscellaneous expenses	2,107.89	2,208.13
Total	**59,964.19**	**57,485.29**

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i) Corporate Social Responsibility (CSR)

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

(b) Amount spent during the year on:

(Rs.in Lakhs)

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

ii) Donation to political party

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

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

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37.1 Income tax recognised in profit or loss

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
In respect of the current year	3,251.61	1,474.25
In respect of earlier years	(232.32)	(285.34)
	3,019.29	**1,188.91**
Deferred tax		
In respect of the current year	420.28	85.72
In respect of earlier years	(5,138.15)	126.80
	(4,717.87)	**212.52**
Total income tax expense recognised in the current year	**(1,698.58)**	**1,401.43**

Reconcilliation of tax expense and the accounting profit for the year is as under:

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	9,764.36	4,462.92
Income tax expense calculated at 34.608%	3,379.25	1,544.53
Effect of provision for doubtful deposits and claims	335.05	-
Effect of expenses/items that are not deductible in determining taxable profit	36.06	58.22
Effect of set-off of brought forward losses on which deferred tax asset was not recognised	-	(4.01)
Tax incentives	(34.57)	(38.77)
Effect of change in tax rate for computation of deferred tax	(44.58)	-
Others pertaining to SPPL	0.68	
	3,671.89	**1,559.97**
Taxation in respect of earlier years	(5,370.47)	(158.54)
Income tax expense recognised in profit or loss	**(1,698.58)**	**1,401.43**

The tax rate used for the 2017-2018 and 2016-2017 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.
The increase in corporate tax rate applicable to the Company from 34.608% to 34.944% (on account of increase in cess) was substantially enacted before 31 March 2018 and will be effective from 1 April 2018. As a result, the deferred tax balances have been remeasured and the effect of the same is reflected in the above reconciliation.

37.2 Income tax recognised in other comprehensive income

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	(35.02)	21.38
Total income tax recognised in other comprehensive income	**(35.02)**	**21.38**

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37.3 In respect of taxation matters

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

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

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
MAT credit entitlement	(2,924.48)	126.80
Income Tax	(232.32)	(285.34)
Deferred tax	(2,213.67)	-
Net credit	**(5,370.47)**	**(158.54)**

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38. Segment Information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment viz. theatrical exhibition. All activities of the Group are in India and hence there are no geographical segments.

Information about products and services (Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Details of sale of services		
Revenue from box office	80,219.57	74,814.19
Conducting fee income	1,593.47	1,766.93
Revenue from advertising income	13,890.88	9,619.74
Others	422.08	368.59
Sub-total	**96,126.00**	**86,569.45**
Details of sale of products		
Revenue from food & beverages	30,602.29	28,406.54
Sale of power	3.99	4.95
Sub-total	**30,606.28**	**28,411.49**
Details of Other operating income		
Virtual print fee	2,463.96	2,406.29
Convenience fees	3,488.56	1,539.45
Government grants-deferred revenue	1,387.99	2,110.88
Others	739.04	1,033.85
Sub-total	**8,079.55**	**7,090.47**
Grand total	**1,34,811.83**	**1,22,071.41**

Information about major customers:
There is no single customer contributing more than 10% of the Group's total revenue.

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39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year attributable to owners of the Group (Rs. in Lakhs)	11,462.94	3,061.49
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,18,12,661	9,18,12,661
Nominal value of each share (Rs.)	10.00	10.00
Basic earnings per share (Rs.)	12.49	3.33

Diluted earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Earnings used in the calculation of diluted earnings per share (Rs. in Lakhs)	11,462.94	3,061.49
Weighted average number of equity shares for the purpose of diluted earnings per shares (nos.)	9,18,76,160	9,18,15,515
Nominal value of each share (Rs.)	10.00	10.00
Diluted earnings per share (Rs.)	12.48	3.33

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

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40. Details of subsidiaries

Details of the Group's subsidiaries are as follows.

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2018	As at 31 March 2017
Shouri Properties Private Limited	India	99.29%	99.29%
Swanston Multiplex Cinemas Private Limited	India	100.00%	50.00%
Inox Leisure Limited - Employees Welfare Trust	India	Controlled by Inox Leisure Limited	
Inox Benefit Trust	India	Controlled by Inox Leisure Limited	

a) Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.
b) SMCPL was engaged in the business of operating a multiplex and has ceased its operations since July 2012.
b) Inox Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited.
c) Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited.

The financial year of the above entities is 1 April to 31 March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

Change in the Group's ownership interest in the subsidiary
During the year, the Group has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Group with effect from 5th March 2018.

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41. Employee benefits

A. Defined contribution plan:
The Group contributes to the Government managed provident and pension fund for all qualifying employees. Contribution to provident and pension fund of Rs. 496.18 Lakhs (previous year Rs. 475.31 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and Rs. 29.70 Lakhs (previous year Rs. 26.21 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 2018 by Mr. G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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

(Rs.in Lakhs)

Particulars	Gratuity	
	31 March 2018	31 March 2017
Opening defined benefit obligation	809.28	633.19
Current service cost	189.18	134.02
Interest cost	51.31	46.22
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Benefits paid	(84.43)	(65.92)
Closing defined benefit obligation	**865.13**	**809.28**

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

(Rs.in Lakhs)

Particulars	Gratuity	
	31 March 2018	31 March 2017
Current service cost	189.18	134.02
Interest expense	51.31	46.22
Amount recognised in profit or loss	**240.49**	**180.24**
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Amount recognised in other comprehensive income	**(100.21)**	**61.77**
Total	**140.28**	**242.01**

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41. Employee benefits

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

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

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

This plan typically exposes the Group to actuarial risks such as interest rate risk and salary risk.
a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
b) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of 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.

(Rs.in Lakhs)

Particulars	Gratuity	
	31 March 2018	31 March 2017
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(54.59)	(55.05)
If discount rate is decreased by 1%	61.60	62.54
If salary escalation rate is increased by 1%	58.11	58.63
If salary escalation rate is decreased by 1%	(52.44)	(52.61)

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

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

The average duration of the defined obligation as at 31 March 2018 is 7.82 years (previous year 7.87 years)

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41. Employee benefits

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

Particulars	Rs in Lakhs
Expected outflow in 1st Year	116.85
Expected outflow in 2nd Year	119.09
Expected outflow in 3rd Year	131.66
Expected outflow in 4th Year	164.06
Expected outflow in 5th Year	115.74
Expected outflow in 6th to 10th Year	559.80

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected accrued benefit method resulted in decrease in liability by Rs.18.33 lakhs(previous year increase by Rs 102.80 lakhs) which is included in the employee benefits in the Statement of Profit and Loss.

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

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

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42. Financial Instruments

(i) Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt and total equity. The Group is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the Group. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Gearing ratio
The gearing ratio at the end of the year was as follows: (Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Total debt	29,201.77	31,712.75
Cash & Bank balances (not subject to lien)	(1,334.03)	(980.96)
Net debt	**27,867.74**	**30,731.79**
Total Equity	**66,961.92**	**55,254.30**
Net debt to equity ratio	**41.62%**	**55.62%**

(i) Debt is defined as long-term and current maturities of long term debt as described in Notes 23 and 24.

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

(ii) Categories of financial instruments (Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	**1,191.89**	**1,032.08**
Measured at amortised cost		
(a) Cash and bank balances	1,502.87	1,319.22
(b) Other financial assets at amortised cost		
(i) Investments in NSC	168.36	156.57
(ii) Trade Receivables	7,610.64	4,661.00
(iii) Loans	8,007.84	7,342.00
(iv) Other financial assets	6,771.10	7,209.15
Sub total	**24,060.81**	**20,687.94**
Total financial assets	**25,252.70**	**21,720.02**
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	29,201.77	31,712.75
(ii) Trade Payables	11,320.87	8,841.50
(iii) Other financial liabilities	6,924.67	4,264.55
Total financial liabilities	**47,447.31**	**44,818.80**

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

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42. Financial Instruments

(iii) Financial risk management

The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations including acquiring of PPE. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Group also holds FVTPL investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group does not enters into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market Risk

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

(i) Foreign Currency risk management

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

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

(USD in Lakhs)

Particulars	Liabilities as at	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	10.95	-
Trade payables	-	7.28

Note: There are no foreign currency denominated monetary assets.

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

(Rs.in Lakhs)

Particulars	Liabilities as at	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	713.00	-
Trade payables	-	471.17

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

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

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(Rs.in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 10%	(46.62)	(30.81)
Decrease by 10%	46.62	30.81

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The Group is exposed to interest rate risk mainly on account of its borrowing from banks and inter corporate deposits, which have both fixed and floating interest rates. Bank overdrafts are subject to variable rate of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year.

(Rs. in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 50 basis points	(72.82)	(28.92)
Decrease by 50 basis points	72.82	28.92

(iii) Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments in joint venture are held for strategic rather than trading purposes. The entity does not actively trade in these investments. The Group's investment in mutual funds are in debt funds. Hence the Group's exposure to equity price risk is minimal.

(b) Credit risk management

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

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

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

Customers who represents more than 5% of the total balance of trade receivable as at 31 March 2018 is Rs. 1,766.96 lakhs (as at 31 March 2017 of Rs.2,712.91 lakhs) are due from 4 major customers who are reputed parties and having long term contract.

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

Ageing	Expected credit loss (%)
Upto 1 year	0%
Above 1 year	25%
Above 2 years	50%
Above 3 years	100%

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42. Financial Instruments

Age of receivables (Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Upto 1 year	7,568.27	4,336.98
Above 1 year	71.30	539.07
Above 2 years	409.09	167.42
Above 3 years	18.24	65.13
Gross trade receivables	**8,066.90**	**5,108.60**

Movement in the expected credit loss allowance (Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	148.49	190.30
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(46.18)	(41.81)
Balance at end of the year	102.31	148.49

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. As per note given below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2018

(Rs. in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	11,320.87	-	-	11,320.87
Borrowings	3,952.77	25,240.23	-	29,193.00
Other financial liabilities	6,620.60	291.54	21.30	6,933.44
Total	**21,894.24**	**25,531.77**	**21.30**	**47,447.31**

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42. Financial Instruments

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2017

(Rs. in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	8,841.50	-	-	8,841.50
Borrowings	2,503.40	29,193.00	-	31,696.40
Other financial liabilities	3,973.09	249.07	58.74	4,280.90
Total	**15,317.99**	**29,442.07**	**58.74**	**44,818.80**

The above liabilities will be met by the Group from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Group also has unutilised financing facilities.

(iv) Fair value measurement
The following table provides the fair value measurement hierarchy of the Group's financial asset and liability that are measured at fair value

(Rs. in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s)
	31 March 2018	31 March 2017		
Investments in Mutual Funds (Note 9)	1,191.89	1,032.08	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3.

Financial instrument measured at Amortised Cost
The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different than the values that will be eventually received or paid.

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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 administred through Inox Leisure Limited - Employees Welfare Trust.

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

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

On 23 June 2017, stock options of 1,67,500 shares have been granted to employees and during the previous year, on 5 January 2017, stock options of 20,000 shares have been granted to an employee of holding company. The vesting period for these equity settled options is between one to four years from the date of the respective grants. The options are exercisable within one year from the date of vesting.

The compensation costs of stock options granted to employees are accounted using the fair value method.

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. 269.10 (previous year Rs. 217.56) in respect of growth options vesting in one to four years. The fair value has been calculated using the Black Scholes Options Pricing Model. The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option. The significant assumptions made in this regard are as under:

Particular	Options granted	
Date of grant	23 June 2017	5 January 2017
No of share options granted	1,67,500	20,000
Grant date share price	281.50	230.00
Exercise price	15	15
Expected volatility	33.53% to 39.82%	38.53% to 41.80%
Option life	1.5 to 4.5 years	1.5 to 4.5 years
Dividend yield	0	0
Risk free interest rate	6.25% to 6.53%	6.09% to 6.47%

Kulkarni and Company Chartered Accountants Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030

Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2018

43. Share-based payments

Movements in share options during the year

Particular	2017-2018	2016-2017
Balance at beginning of year	20,000	NIL
Granted during the year	1,67,500	20,000
Forfeited during the year	20,000	NIL
Exercised during the year *	5,000	NIL
Balance at end of year	1,62,500	20,000
Exercisable as on 31st March 2018	NIL	NIL
Weighted average exercise price of all stock options	Rs. 15	Rs. 15

* During the year employee of holding company has exercised 5000 stock options, allotment of the same is pending as on 31 March 2018

Method used for accounting of share based payment plan:
The Company has used fair value method to account for the compensation cost of stock options granted to its employees and the employee of holding company. The compensation cost of Rs. 179.48 Lakhs (previous year Rs. 5.27 Lakhs) is recognised in the Statement of Profit and Loss.

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

For Options granted on 5 January 2017	2017-2018	2016-2017
Number of options outstanding	15000	20000
Weighted Average Remaining Contractual Life (in years)	3.77	4.77
Weighted Average Exercise Price (Rs.)	15	15

For Options granted on 23 June 2017:	2017-2018
Number of options outstanding	147500
Weighted Average Remaining Contractual Life (in years)	4.23
Weighted Average Exercise Price (Rs.)	15

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Notes to the consolidated financial statements for the year ended 31 March 2018

44. Related Party Transactions

(i) Where Control Exists
a. Gujarat Fluorochemicals Limited – holding company
b. Inox Leasing & Finance Limited – ultimate holding company

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

Fellow subsidiaries
a. Inox Wind Limited – subsidiary of Gujarat Fluorochemicals Limited
Joint Venture
a. Swanston Multiplex Cinemas Private Limited - Joint venture company upto 4 March 2018
Key Management Personnel (KMP)
a. Mr. Pavan Kumar Jain – Director
b. Mr. Vivek Kumar Jain – Director
c. Mr. Siddharth Jain – Director
d. Mr. Deepak Asher – Director
e. Mr. Amit Jatia – Director
f. Ms. Girija Balkrishnan – Director
g. Mr. Haigreve Khaitan – Director
h. Mr. Kishore Biyani – Director
i. Mr. Alok Tandon – Chief Executive Officer
Enterprises over which a KMP, or his relative, has significant influence
a. Inox India Private Limited (earlier Inox India Limited)
b. 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:

Particulars	Sales and services		Purchases of goods	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
a) Transactions with the holding company:				
Gujarat Flurochemicals Limited	**5.43**	**4.76**	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
Inox India Private Limited	2.44	1.98	-	-
Inox FMCG Private Limited	3.72	40.70	118.90	147.97
Sub-total	**6.16**	**42.68**	**118.90**	**147.97**
Total	**11.59**	**47.44**	**118.90**	**147.97**

The Group has entered into other transactions with related parties as under:

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Transactions with the holding company:		
Gujarat Flurochemicals Limited		
(a) Interest paid:	1,624.90	1,624.90
(b) Reimbursement of expenses paid	12.36	20.79
(c) Rent paid	32.51	71.38

The above amounts are exclusive of taxes, wherever applicable.

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Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2018

44. Related Party Transactions

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

Particulars	Amounts owed to related parties	
	As at 31 March 2018	As at 31 March 2017
Trade payables		
a) Transactions with the holding company:		
Gujarat Flurochemicals Limited	4.03	4.27
b) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox FMCG Private Limited	1.86	28.50
Total	**5.89**	**32.77**

Particulars	Amounts owed by related parties	
	As at 31 March 2018	As at 31 March 2017
Trade receivables		
a) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox FMCG Private Limited	-	1.24
Total	-	**1.24**

Loans from related parties (Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Inter-corporate deposit payable - Gujarat Fluorochemicals Limited	16,249.00	16,249.00

a. Sales of movie tickets, F&B and Advertising services and purchases are made at the arms length price.

b. 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.

c. The Group has been provided Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans are unsecured.

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Notes to the consolidated financial statements for the year ended 31 March 2018

44. Related Party Transactions

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

(Rs.in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration paid to Mr. Alok Tandon	107.35	97.43
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Sitting fees paid to directors	10.20	12.20
	147.55	**139.63**

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company as a whole, the amount pertaining to KMP are not included above. Contribution to Providend Fund (defined contribution plan) is Rs.5.56 lakhs (previous year Rs. 5.28 lakhs) included in the amount of remuneration reported above.

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45. Operating lease arrangements

The Group as a lessee

a) Leasing arrangements for multiplexes
The Group is operating some of the multiplexes under operating lease/ business conducting arrangement. These arrangements are for an initial period of 3-25 years with a minimum lock-in period of 3-13 years and the agreements provide for escalation after pre-determined periods. The Group does not have an option to purchase the leased premises at the expiry of the lease periods.

Lease payments recognised as expenses in the Statement of Profit and Loss is Rs. 19,841.82 Lakhs (previous year RS. 18,041.74 Lakhs) in respect of such lease arrangements.

Non-cancellable operating lease commitments

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	20,281.93	18,036.75
Later than 1 year and not later than 5 years	82,404.51	72,923.31
Later than 5 years	1,59,605.39	1,69,971.72
Total	**2,62,291.83**	**2,60,931.78**

b) Interest in land taken on lease and classified as operating lease:
The leasehold land are taken for the period of 20 to 57 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in "Rent" in Statement of Profit and Loss and the balance remaining amount to be amortised is included in Balance Sheet as "Prepayments - Leasehold land".

c) Other leasing arrangements:
In respect of operating leases for office premises/godowns: The arrangements range between 11 months to 36 months and are cancellable. Lease payments of Rs. 23.31 Lakh (previous year Rs. 101.58 Lakh) are included in 'Property Rent and Conducting Fees' in Note 36 to the Statement of Profit and Loss.

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46. Commitments

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,018.37	2,723.36
(b) Other commitments Commitments for the operating multiplexes for minimum period of operations in terms of respective State Government policies equivalent to the exemption availed from commencement till reporting date (see Note below)	10,049.04	11,842.08
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 47c	1,237.91	1,195.85

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Notes to the consolidated financial statements for the year ended 31 March 2018

47. Contingent liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
a. Claims against the Group not acknowledged as debt :	116.36	7,059.80
This includes		
i The Company had issued termination notice for one of its proposed multiplexes seeking refund of security deposit and reimbursement of the cost of fit-outs incurred by the Company, aggregating to Rs. 914.16 Lakh. As per the arbitration award received during the year, Company's claim has been retained to the extent of Rs. 60 lakhs towards deposit and the claim of Rs. 854.16 lakhs towards the cost of fit-outs has been decided against the company, for which provision is made during the year (see Note 49). The counter-claim made by the party towards rent for lock in period and other costs amounting to Rs. 6943.44 lakhs has been rejected by the arbitrator.	-	6,943.44
ii In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay Rs. 116.36 Lakh towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.	116.36	116.36
b. Property Tax matters The quantum of property tax levied in case of one multiplex is disputed and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. Estimated provision for the same is made by the Company – see Note 25.	224.00	569.73
c. Entertainment Tax matters:	4,083.87	3,180.85
This includes		
i Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	3,246.41	2,385.46
ii Demand in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the same is contested by way of appeal before appropriate authorities.	735.14	693.07
iii Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	102.32
d. Service Tax matters	19,001.48	19,001.48
This includes		
i In respect of levy of service tax on film distributor's' share paid by the Company and the matter is being contested by way of appeal / representation before the appropriate authorities.The Company has paid Rs 657.45 Lakhs to the respective authorities under protest (which is included in 'Other non current assets')	16,641.03	16,641.03
ii The Company has received an order from Commissioner of GST & Central Excise regarding levy of service tax on sale of food and beverages in multiplex premises.	2,360.45	2,360.45
e. Stamp duty matter Authority has raised the demand for non-payment of stamp duty on Leave & License Agreement in respect of one of the multiplexes, holding the same as lease transaction. Stay has been granted and the matter is pending before Board of Revenue.	263.81	263.81

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47. Contingent liabilities - continued

Particulars	As at 31 March 2018	As at 31 March 2017
f. Custom duty matter in respect of import of projectors In addition to this matter, the Company had also received a show cause cum demand notice from customs on import of cinematographic films, the amount of duty is yet to be quantified.	4.36	4.36
g. VAT demand	261.87	261.87
This includes Demand pursuant to reassessment order for the year 2008-09. The Company has filed an appeal and stay is granted on payment of Rs. 2 Lakh.	237.06	237.06
h. Income-tax matters.	283.41	611.42
This includes		
Assessment dues for assessment year 2013-14	216.16	216.16
Reassessment dues for assessment year 2011-12	-	183.19
Penalty levied for assessment year 2011-12	-	200.00
Penalty levied for assessment year 2010-11	43.25	-
Assessment dues for assessment year 2014-15	11.93	-
i The Company may be required to charge additional cost towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current assets')	389.83	389.83

In respect of above matters, no additional provision is considered necessary as the 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.

48. In respect of Entertainment-tax exemption claimed and its treatment in these accounts:

The Entertainment tax exemption in respect of some of the Multiplexes of the Group has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final orders yet to be received from respective authorities. Accordingly, the Group has recognized Rs. 160.55 lakh during the year ended 31 March 2018 (previous year Rs. 880.00 lakh) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31 March 2018 is Rs. 4,075.77 lakhs (previous year Rs. 5,206.27 lakhs).

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Inox Leisure Limited
Notes to the consolidated financial statements for the year ended 31 March 2018

49. Exceptional Items

(Rs.in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
The Company had issued termination notice for one of its proposed multiplex seeking refund of security deposit and reimbursement of cost of fit outs incurred by the Company aggregating to Rs 914.16 lakhs which was carried forward as amount recoverable towards claim in Note 11 "Other financial assets". During the year Company has received Arbitration Award and the claim of the Company towards reimbursement of cost of fit outs is decided against the Company. Even though the Company is taking further legal steps in this regard, provision of Rs. 854.16 lakhs is made towards this claim.	854.16	-
Total	**854.16**	-

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50. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2018

(Rs.in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	66,967.47	100.00%	11,464.19	100.00%	65.19	100.01%	11,529.38
Subsidiaries (Group's share)								
Indian								
Shouri Properties Pvt Ltd.	0.12%	77.25	0.02%	2.56	-	-	0.02%	2.56
Swanston Multiplex Cinemas Private Limited	0.01%	4.59	0.00%	(0.19)				(0.19)
Inox Leisure Limited Employees welfare trust	0.02%	13.82	0.00%	0.50	-	-	0.00%	0.50
INOX Benefit Trust	0.001%	0.91	-	(0.09)	-	-	-	(0.09)
Non-controlling Interest in subsidiaries	0.001%	0.56	0.000%	0.02	-	-	0.000%	0.02
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited	0.00%	2.39	-0.03%	(3.43)	-	-	-0.03%	(3.43)
Consolidation eliminations / adjustments	-0.16%	(105.07)	-0.01%	(0.62)	-	-	-0.005%	(0.62)
Total	100.00%	66,961.92	100.00%	11,462.94	100.00%	65.19	100.00%	11,528.13

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50. Disclosure of additional information as required by the Schedule III:

(b) As at and for the year ended 31 March 2017

(Rs.in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	55,258.61	99.54%	3,047.71	100.00%	(40.39)	99.54%	3,007.32
Subsidiaries (Group's share)								
Indian								
Shouri Properties Pvt Ltd.	0.14%	74.70	0.17%	5.15	-	-	0.17%	5.15
Inox Leisure Limited Employees welfare trust	0.02%	13.32	0.02%	0.52	-	-	0.02%	0.52
INOX Benefit Trust	0.002%	0.91	-	-	-	-	-	-
Non-controlling Interest in subsidiaries	0.001%	0.54	0.001%	0.04	-	-	0.001%	0.04
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited (see (ii) below)	0.011%	5.82	0.27%	8.12	-	-	0.27%	8.12
f Consolidation eliminations / adjustments	-0.18%	(99.60)	0.00%	(0.05)	-	-	-0.002%	(0.05)
Total	**100.00%**	**55,254.30**	**100.00%**	**3,061.49**	**100.00%**	**(40.39)**	**100.00%**	**3,021.10**

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

A.D.Talavlikar
Partner

Kulkarni and Company Chartered Accountants
Plot No.9, Anand Baug Co-op. Hsg. Society, 999, Navi Peth, Pune-411030

Place: Vadodara
Date: 7 May 2018

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
CEO

Kailash B Gupta
CFO

Place: Mumbai
Date: 7 May 2018

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

SIDDHARTH JAIN
Non-executive Director

Date: **12th November 2020**
Place: Mumbai, Maharashtra

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

SIDDHARTH JAIN
Non-executive Director

Date: **12th November 2020**
Place: Mumbai, Maharashtra

I am authorized by the ILL Committee of the Board of Directors for Operations of the Board of Directors of the Company, vide resolution dated **12th November 2020**, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

SIDDHARTH JAIN
Non-executive Director

Date: **12th November 2020**
Place: Mumbai, Maharashtra

INOX LEISURE LIMITED

Registered Office
ABS Tower, Old Padra Road, Vadodara 390 007
Website: www.inoxmovies.com
CIN: L92199GJ1999PLC044045

Company Secretary and Compliance Officer: Parthasarathy Iyengar
5th Floor, Viraj Towers, Western Express Highway, Next to Andheri Flyover, Andheri (East), Mumbai 400 093
Telephone: +91 22 4062 6900
E-mail: parthasarathy.iyengar@inoxmovies.com

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Center, H T Parekh Marg, Churchgate
Mumbai 400 020

IIFL Securities Limited
10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013

STATUTORY AUDITORS OF OUR COMPANY

M/s. Kulkarni and Company, Chartered Accountants
Flat no. 3, First Floor Shree Vishnu Complex S.No. 120A/120B,
Plot no. 545/6 Sinhgad Road, Pune 411 030
Telephone: +91 9881231636
E-mail: adt@kulkarnico.com

INDIAN LEGAL COUNSEL TO THE ISSUE

Khaitan & Co
One World Centre
10th and 13th Floor, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

SQUIRE PATTON BOGGS SINGAPORE LLP
1 Marina Boulevard
#21-01 One Marina Boulevard
Singapore 018989
Republic of Singapore

APPLICATION FORM

An indicative format of the Application Form is set forth below:

INOX LEISURE LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated November 9, 1999 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company commenced its business on February 11, 2000, pursuant to a certificate of commencement of business issued the Registrar of Companies, National Capital Territory of Delhi and Haryana

APPLICATION FORM

Name of Bidder: _____

Form No: _____

Date: _____

INOX LEISURE LIMITED
Registered Office: ABS Tower, Old Padra Road, Vadodara 390 007 | **Corporate Office**: 5th Floor, Viraj Towers, Western Express Highway, Next to Andheri Flyover, Andheri (East), Mumbai 400 093
Telephone: +91 265 6198 111 | **E-mail:** investors@inoxmovies.com;
Website: www.inoxmovies.com | **CIN:** L92199GJ1999PLC044045

QUALIFIED INSTITUTIONS PLACEMENT OF 98,03,921 EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹255 PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹245 PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹25,000 LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY INOX LEISURE LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 263.10 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined hereinbelow) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the accompanying preliminary placement document dated November 9, 2020 (the "PPD").

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
INOX LEISURE LIMITED
ABS Tower, Old Padra Road
Vadodara - 390 007

Dear Sirs,

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors*	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _____ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with ICICI Securities Limited and IIFL Securities Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from

a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure" and "Selling Restrictions" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an 'offshore transaction' (as defined in Regulation S of the U.S. Securities Act) in reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.**

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL			
FOR FPIs	**Registration Number:**	**For AIFs/MFs/VCFs/SI-NBFCs/ICs/IFs**	**Registration Number:**

*Name should exactly match with the name in which the beneficiary account is held. Any discrepancy in the name as mentioned in this Application Form with the depository records would render the Application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form.
In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.
Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such

information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER	
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 2:00 P.M. NOVEMBER 12, 2020	
Name of the Account	
Name of the Bank	
Address of the Branch of the Bank	
Account Type	
Account Number	
IFSC	
Phone number	

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "*INOX Leisure Limited- QIP Escrow Account*". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS																												
Depository Name(Please ✓)	National Security Depository Limited									Central Depository Services (India) Limited																		
Depository Participant Name																												
DP – ID	I	N																										
Beneficiary Account Number										(16 digit beneficiary account. No. to be mentioned above)																		
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**																												

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**BID AMOUNT PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN**	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIRC
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of Power of Attorney
☐ Other, please specify

**The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.*

***It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

Note: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.