9th June, 2020

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

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

Stock Code: 532706

Dear Sir / Madam,

Sub: Disclosure of material impact of COVID–19 pandemic on the Company.
Ref.: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 and in continuation with to our previous communication dated 24th March, 2020, please find enclosed herewith as Annexure-A, additional disclosure of Impact of COVID-19 pandemic on the Company.

Kindly take the same on record.

Thanking You.

Yours faithfully,
For INOX Leisure Limited

Parthasarathy Iyengar
Company Secretary

Encl.: As above
Additional Disclosure of material impact of COVID–19 pandemic on the Company.

In the last month of Financial Year 2020, the COVID-19 pandemic developed rapidly into a global crisis, compelling governments to enforce lock-down of all economic activities. The Company’s operations were hence shut down in line with the Government directives with effect from 23rd March, 2020.

A. Impact of the COVID-19 pandemic on the business;

Due to the lockdown announced by the Government of India, the cinema halls of the Company are also closed during this period.

There have been no changes in the controls and processes which are key to the ability to run the Company’s operations without disruption.

The financial impact of COVID-19 pandemic on the financial statements shall be disclosed along with the Financial Statements under Regulation 33 of LODR to the extent possible.

B. Ability to maintain operations including the factories/units/office spaces functioning and closed down;

The Company has adhered to all recommended precautions/guidelines in its operations, which includes sanitization and hygiene, providing work from home facility to all employees, maximizing audio & video-conferencing and minimizing contact, closing employee travel and following all government directions on the subject.

However, once the lockdown ends, the Company will be able to open all its offices, cinema halls adhering to the guidelines as specified by the Government of India or respective State Government authorities and will comply with all safety measures to safeguard its’ stakeholders from COVID-19 disease.

C. Schedule, if any, for restarting the operations;

The resumption of operations depends on the directives as may be issued by the Central / State Governments.

D. Steps taken to ensure smooth functioning of operations;

We have taken the following steps to ensure smooth functioning of operations:

- Cut costs across all the functions and departments.
- Engagement with our business partner viz., Developers and Distributors/Producers.
- Representation to State and Central Government for support.
- Planning to utilise its resources better post opening / resumption of operations.
- Increased liquidity by adding additional lines of funding through short/long term debts.

The Company’s management believes that the aforementioned measures ensure that the Company has sufficient liquidity to fund the business operations for at least the next 6 months and will further add liquidity by the additional term debts from the banks. As the Government has been announcing phased lifting of lock down, the management believes that normalcy could be gradually restored during the financial year ending 31 March, 2021 and consequently the Company will be in a position to resume and continue its operations for the foreseeable future, thereby realize its assets and discharge its liabilities as they fall due for payment in the normal course of business.
The above measures have helped the Company in significantly reducing its monthly cash burn. The Company also has treasury shares which can be enchased to add additional liquidity, if need be.

E. **Estimation of the future impact of COVID-19 on its operations;**

While the Company strongly believes that the normalcy in business operations will gradually be restored during the financial year ending 31st March, 2021, the impact on future revenue streams could come from:

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

F. **Details of impact of COVID-19 on the Company;**

<table>
<thead>
<tr>
<th>Capital and financial resources</th>
<th>Captured in Para A to D above.</th>
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<tbody>
<tr>
<td>Profitability</td>
<td>Captured in Para A to D above.</td>
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<tr>
<td>Liquidity Position</td>
<td>Currently, the Company has enough liquidity to continue its operations and does not expect that it will face any liquidity crunch.</td>
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<tr>
<td>Ability to service debt and other financing arrangements</td>
<td>The Company has enough liquidity to service debt.</td>
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<tr>
<td>Assets</td>
<td>In assessing the recoverability of the right to use assets, receivables, tangible and intangible assets and other financial and non-financial assets, the Company has considered internal and external information including economic forecasts available and has used the principles of prudence in applying judgements, estimates and assumption including sensitivity analysis. The Company has performed sensitivity analysis on the assumptions used and based on such information and assessment, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions.</td>
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**Internal financial reporting and control**

- No impact

**Supply chain**

- Not Applicable

**Demand for its products/services**

- Since all the cinema halls are temporarily closed, there is presently no demand for our products / services. We expect there may be pent-up demand for our products/services but we cannot estimate the same.

**Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity’s business:** We don't expect this to have significant impact on the business of the Company.

**G. Other relevant material updates about the listed entity’s business;**

Apart from above, the Company have no other material updates to disclose.