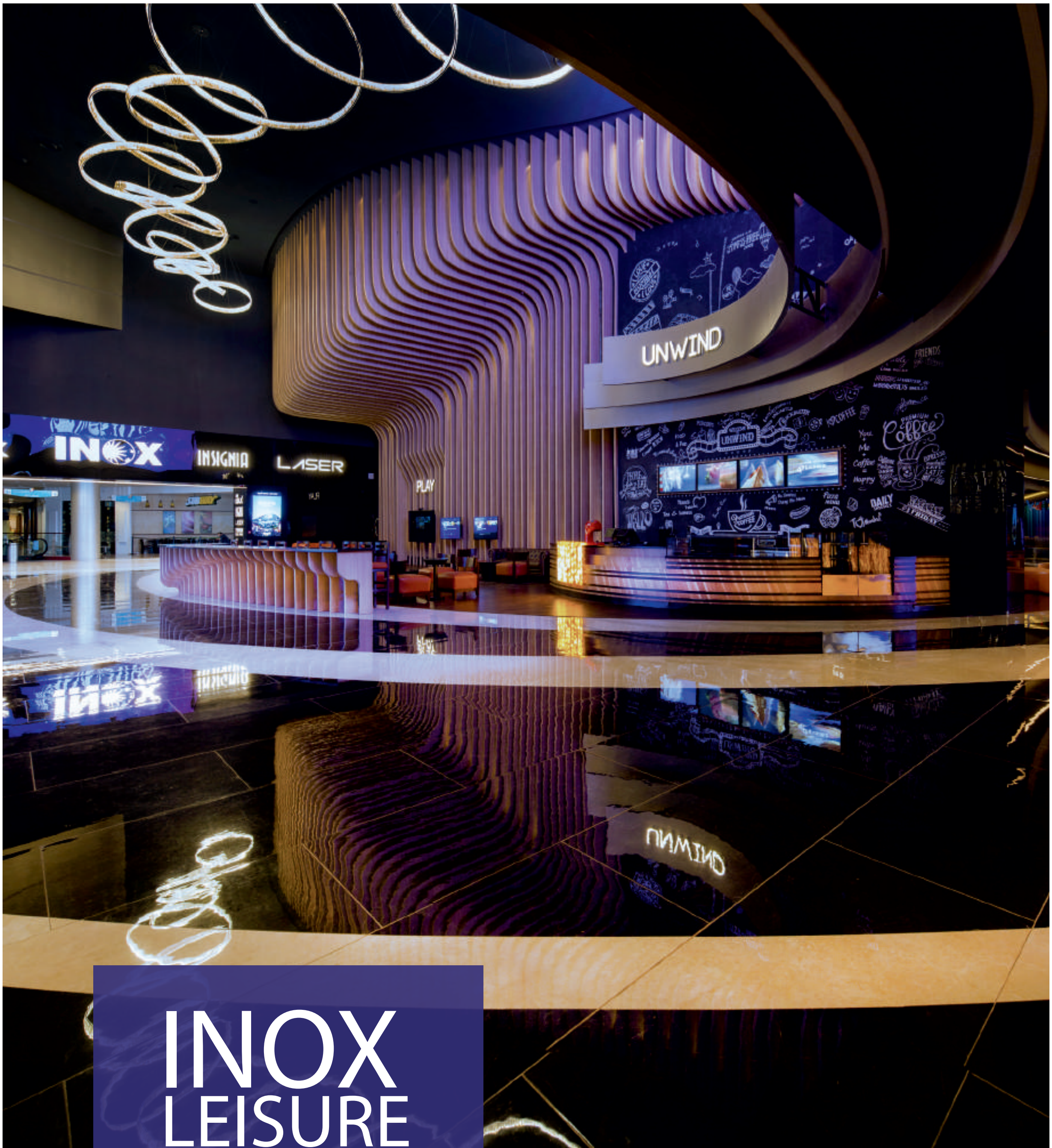
2016-17 | ANNUAL REPORT



INOX LEISURE LIMITED

Delivering a Superior and a Premium Entertainment Experience

INOX

LIVE *the* MOVIE


INOX
LIVE the MOVIE

What's Inside

Our premium multiplex properties, state-of-the-art technology, unmatched service and ambience gives us a competitive edge in the market.

Delivering a Superior and a Premium ENTERTAINMENT EXPERIENCE

At INOX Leisure Limited (ILL), we look back at an incredibly exciting year that saw the big screen entertain billions of people around the world. Cinema exhibition across territories continued to be a vibrant market for films. India attracted an ever-growing and diverse audience to enjoy films together on the big screen. We are one of the largest multiplex operators in India with 119 properties, 476 screens and 119,395 seats in 58 cities and 19 states. Our premium multiplex properties, state-of-the-art technology, unmatched service and ambience, along with strong partnership with leading brands gives us a competitive edge in the marketplace.

During FY2017, we added 11 properties, 48 screens and 10,279 seats. Amidst challenging times due to demonetisation, we maintained our occupancy rate and footfalls. Average Ticket Price at ILL moved up by 5%. Revenues from operations increased by 5%, driven by a 7% increase in Food & Beverages (F&B), 5% increase in net box-office collections and 6% increase in advertising. The increase in non box office revenue showcases us getting a better control of our patrons' wallet share.

We continue to strengthen our reach and impact by adding an average of 3 screens every month over the last decade. We have raised the bar for cinema viewing experiences with the launch of INSIGNIA (INOX's signature experience), new IMAX screens, laser projection technology and introducing path-breaking 3D technology. We also lay emphasis on regularly refurbishing our existing screens to maintain a premium experience for our guests.

We are poised to travel to our next phase of growth with higher footfalls, Average Ticket Price and Spend Per Head improving year on year, driven by screen additions, higher contribution from 3D movies and better performing content. We have an organic growth pipeline for FY2018 adding 11 new properties with 48 screens and 8,462 seats. We will continue to leverage our potential to grow aggressively without any stress on the balance sheet.

At a GLANCE

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

A portfolio comprising 119 multiplexes having 476 screens in 58 cities with a seating capacity of 119,395 makes us a truly pan-India multiplex chain.

A mix of organic and inorganic expansion has enabled us to have an entrenched position in the domestic multiplex industry and emerge as one of the largest multiplex players in India with approximately 8% market share in domestic box office collections.

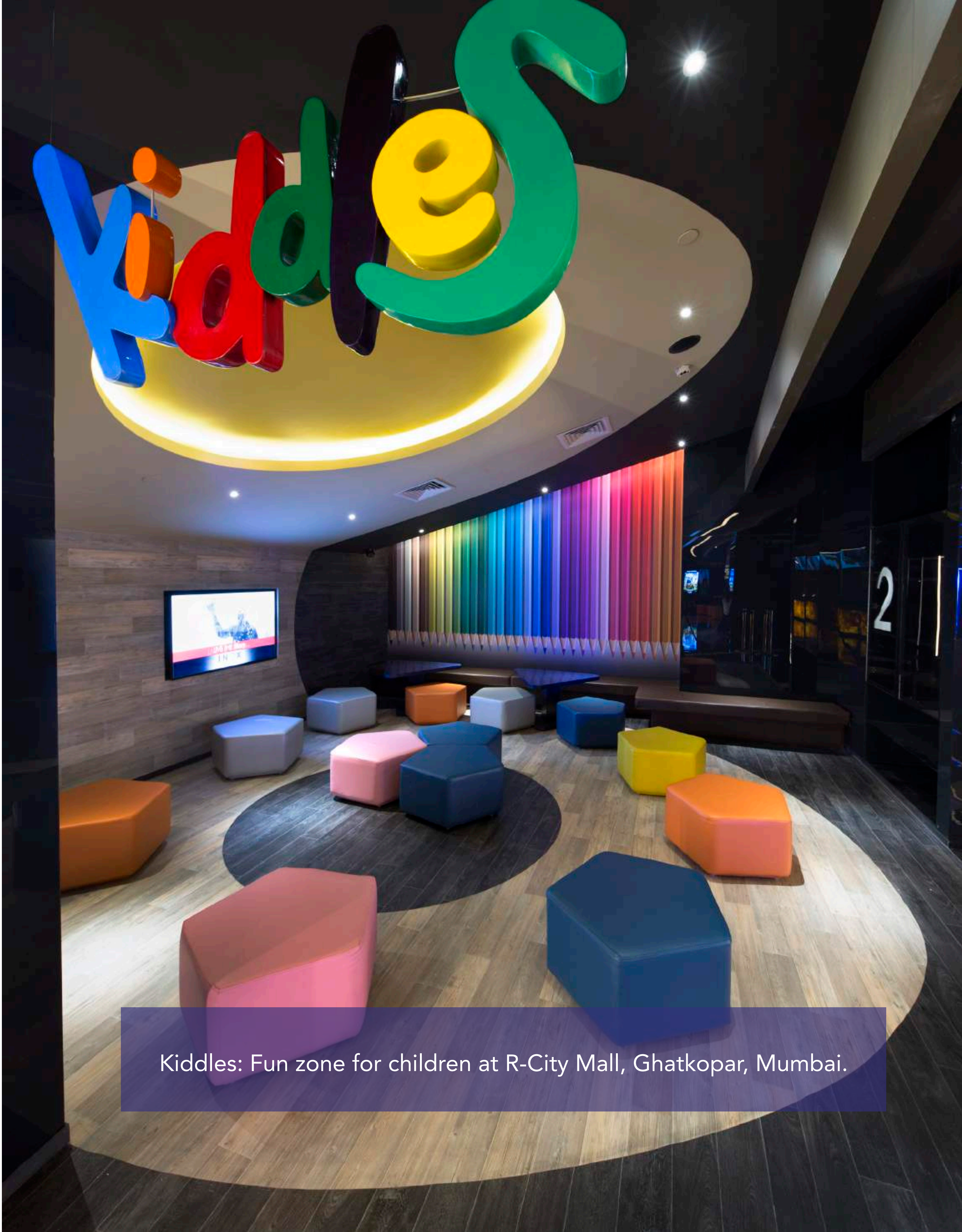
INOX Leisure – In a Nutshell

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

Our Service Levels

- 7 star experience with unmatched service and ambience
- High level of hygiene
- Curated and wide variety of F&B
- Interactive & paperless ticketing
- Interactive menus
- Butler on Call
- Kiddles: Fun zone for children
- Plush ergonomic recliners with USB charging port and ample leg space
- Consistently high service standards

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



Kiddles: Fun zone for children at R-City Mall, Ghatkopar, Mumbai.

₹ 27.7 Billion

Market Capitalisation
(As on March 31, 2017)
(Source: BSE Website)

₹ 12,207 Million

Revenue from Operations

₹ 306 Million

Profit After Tax

53.7+ Million

NUMBER OF PATRONS

119

PROPERTIES

119,395

NUMBER OF SEATS

58

CITIES

476

SCREENS

19

STATES

India's first Laserplex and 7-star movie experience at CR-2, Nariman Point, Mumbai.

Our Pride of PARENTAGE

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

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

It employs more than 9,000 people at more than 150 business units in India and has a distribution network that is spread across more than 50 countries across the globe.

The Group includes three public-listed companies – Gujarat Fluorochemicals Limited, INOX Leisure Limited and INOX Wind Limited. Gujarat Fluorochemicals is a pioneer of carbon credits in India and is among the largest generators of carbon credits globally.

Part of the US$ 3 Billion INOX Group with Diversified Businesses	90 year track record of ethical business growth
22 companies (3 listed, 7 international subsidiaries, 5 joint ventures)	Diversified, professionally managed group
10 different businesses	More than 150 business units across India, employing more than 9,000 people

INOX GROUP COMPANIES

INOX LEISURE LIMITED

- One of the largest multiplex chains in India
- In the business of setting up, operating and managing a national chain of multiplexes under the brand name 'INOX'
- Currently, present in 58 cities with 119 multiplexes and 476 screens

GUJARAT FLUORO-CHEMICALS LIMITED

- Largest producer (by volume) of chloromethanes, refrigerants and Polytetrafluoroe-thylene in India

INOX WIND LIMITED

- One of the largest manufacturers of Wind Turbine Generators (WTG) in India.
- Manufacturers of key components of WTG, Power
- 300 MW Order Book from diversified customers including large IPPs, Utilities, PSUs, Corporates and Retail

INOX AIR PRODUCTS PRIVATE LIMITED

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

INOX INDIA PRIVATE LIMITED

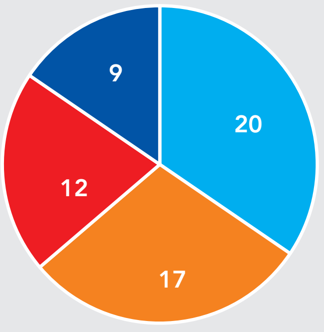
- Manufacturer of cryogenic liquid storage and transport tanks in India
- Offers comprehensive solutions in cryogenic storage, vaporization and distribution engineering
- Has operations in India, USA, Canada, The Netherlands and Brazil

INOX RENEWABLES LIMITED

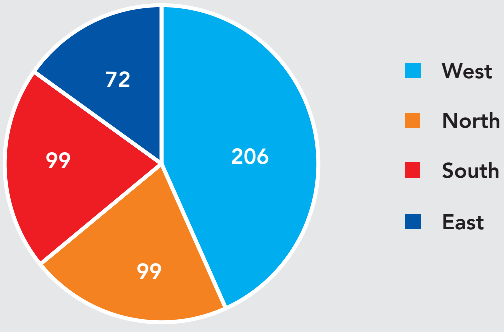
- Engaged in the business of setting up and operating of wind farms
- 233 MW operational capacity located across 3 Indian States

Our Operating METRICS

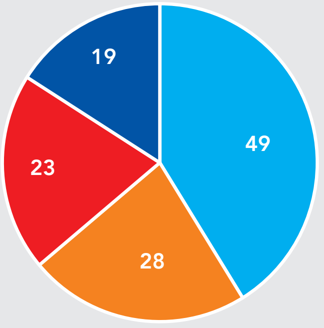
58 Cities



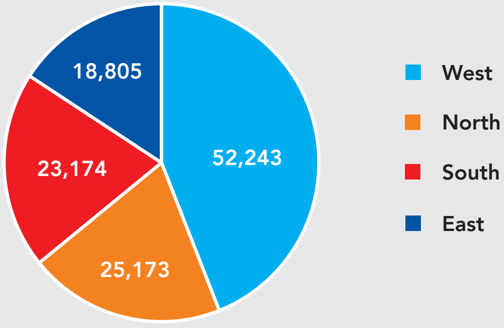
476 Screens



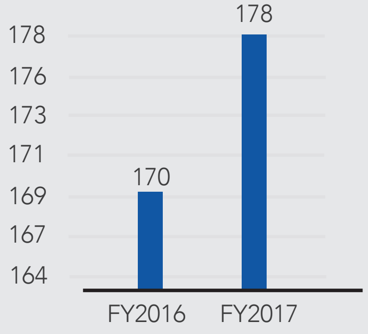
119 Properties



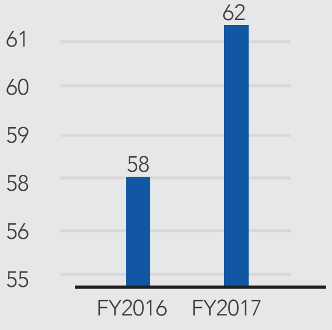
119,395 Seats



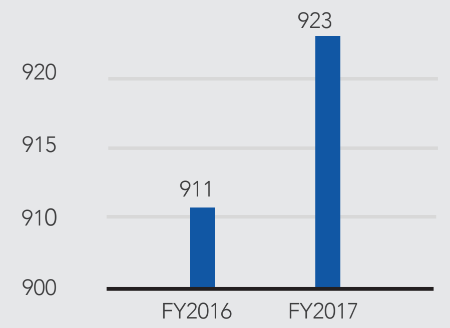
Average Ticket Price (₹) Up 5%



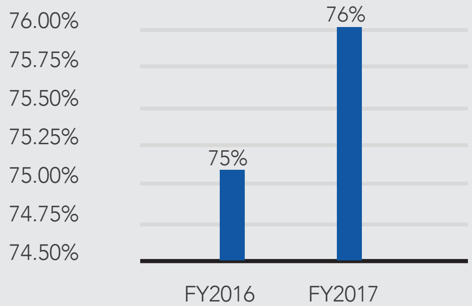
Spend Per Head (₹) Up 7%



Other Operating Revenue (₹ Million) Up 1.3%



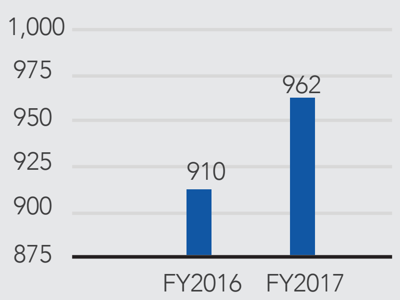
Food & Beverages Net Contribution to Revenue



7%

Rise in Spend Per Head in FY2017

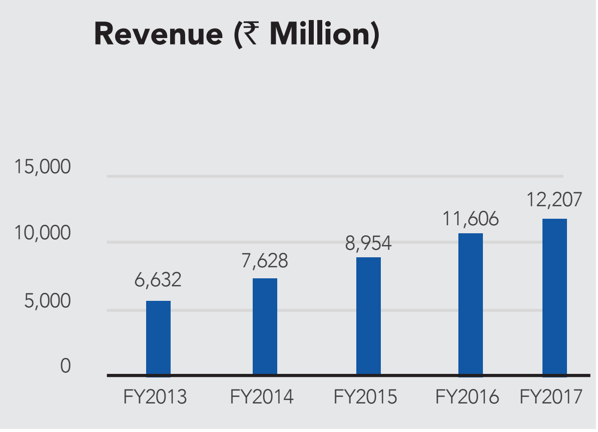
Advertising Revenue (₹ Million) Up 6%

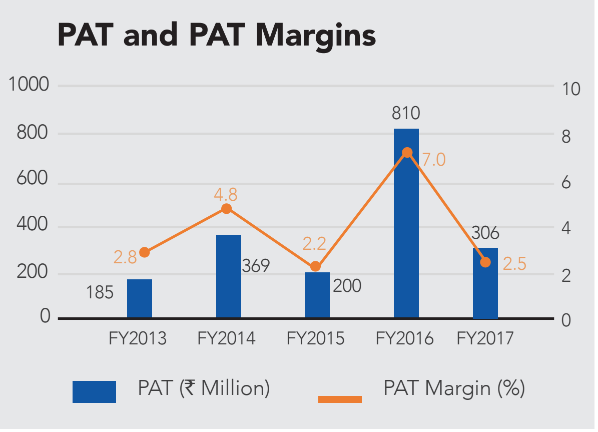


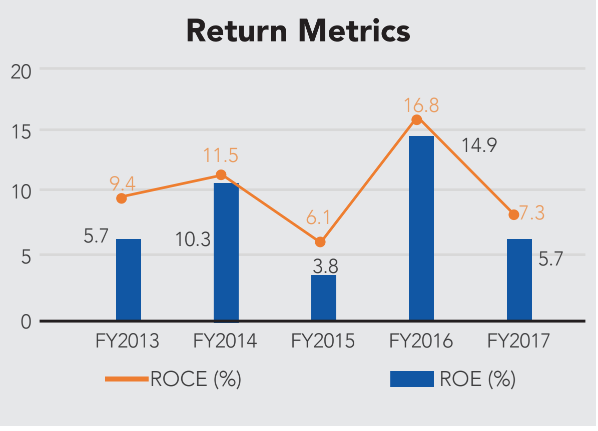
Our Report
CARD

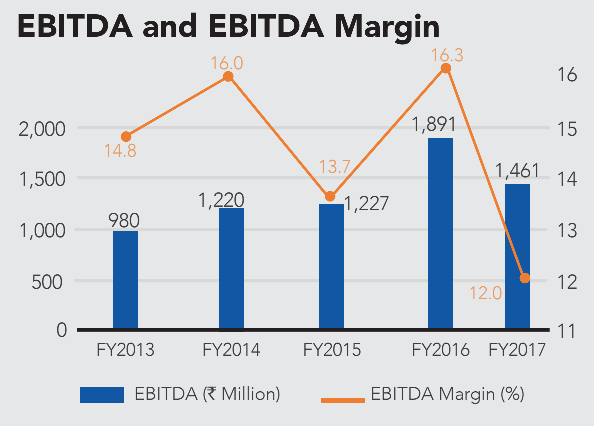
Our growth in high quality cinema properties and emphasis on excellent customer service are the key factors that have propelled positive operating results for us over the long term. Our standing as one of the leading multiplex players in the country is backed by high quality venues, excellent operational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

Financial Highlights:







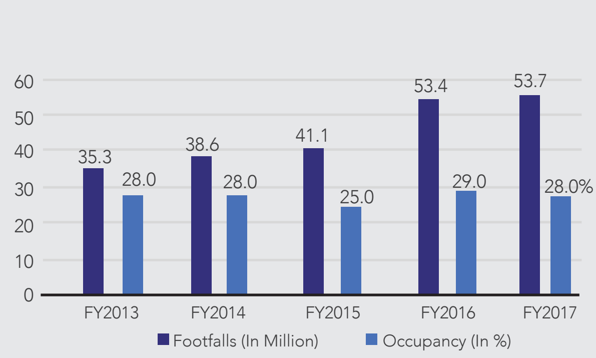


The focus has been on consistent and profitable growth as well as effective execution of strategy. This has led to delivering a sustainable financial performance, while navigating a challenging business environment over the year.

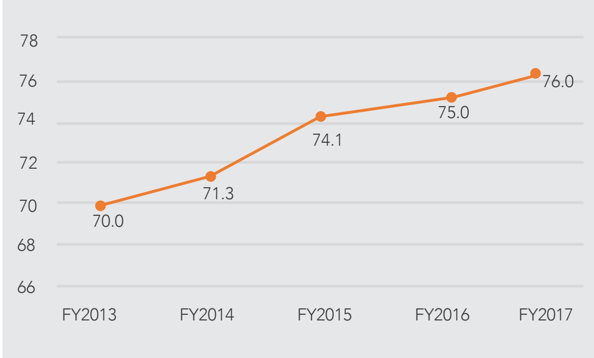
550 sq ft LED Video Wall at R-City, Ghatkopar, Mumbai.

Operational Highlights:

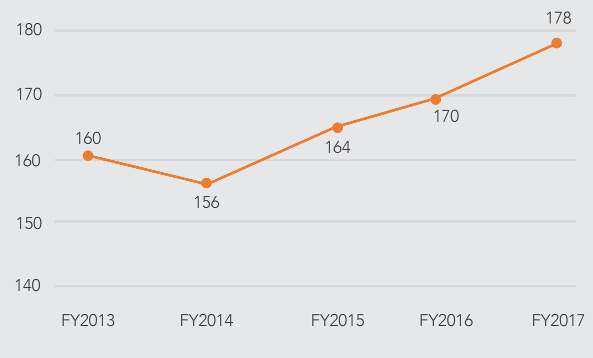
Footfalls and Occupancy



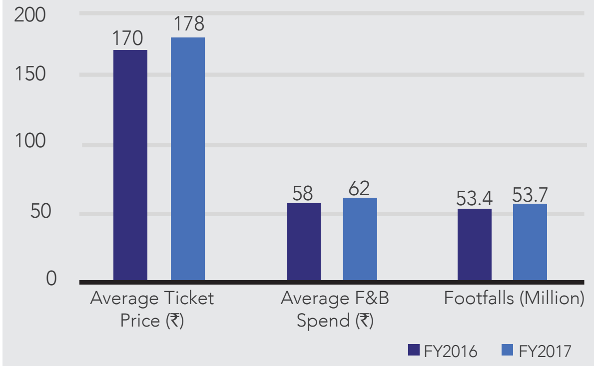
F&B Net Contribution (%)



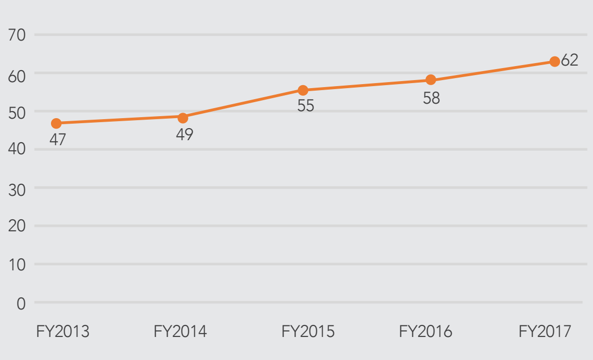
Average Ticket Price (₹)



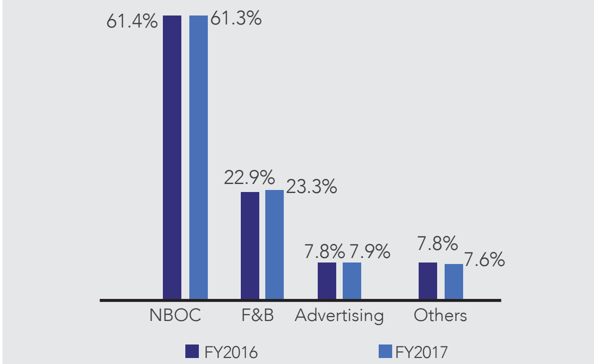
Key Metrics Performance YoY

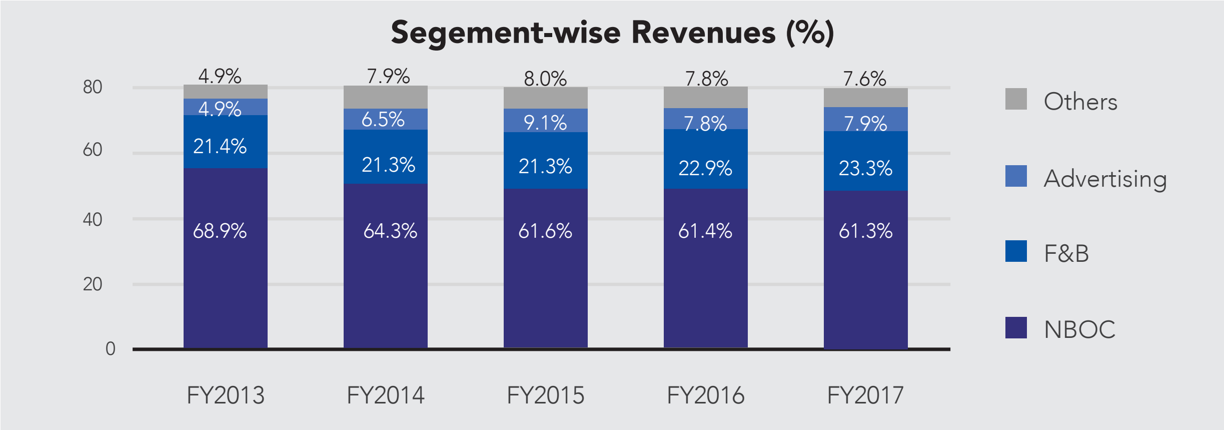


F&B Spend Per Head (₹)



Segment wise Revenues (%)

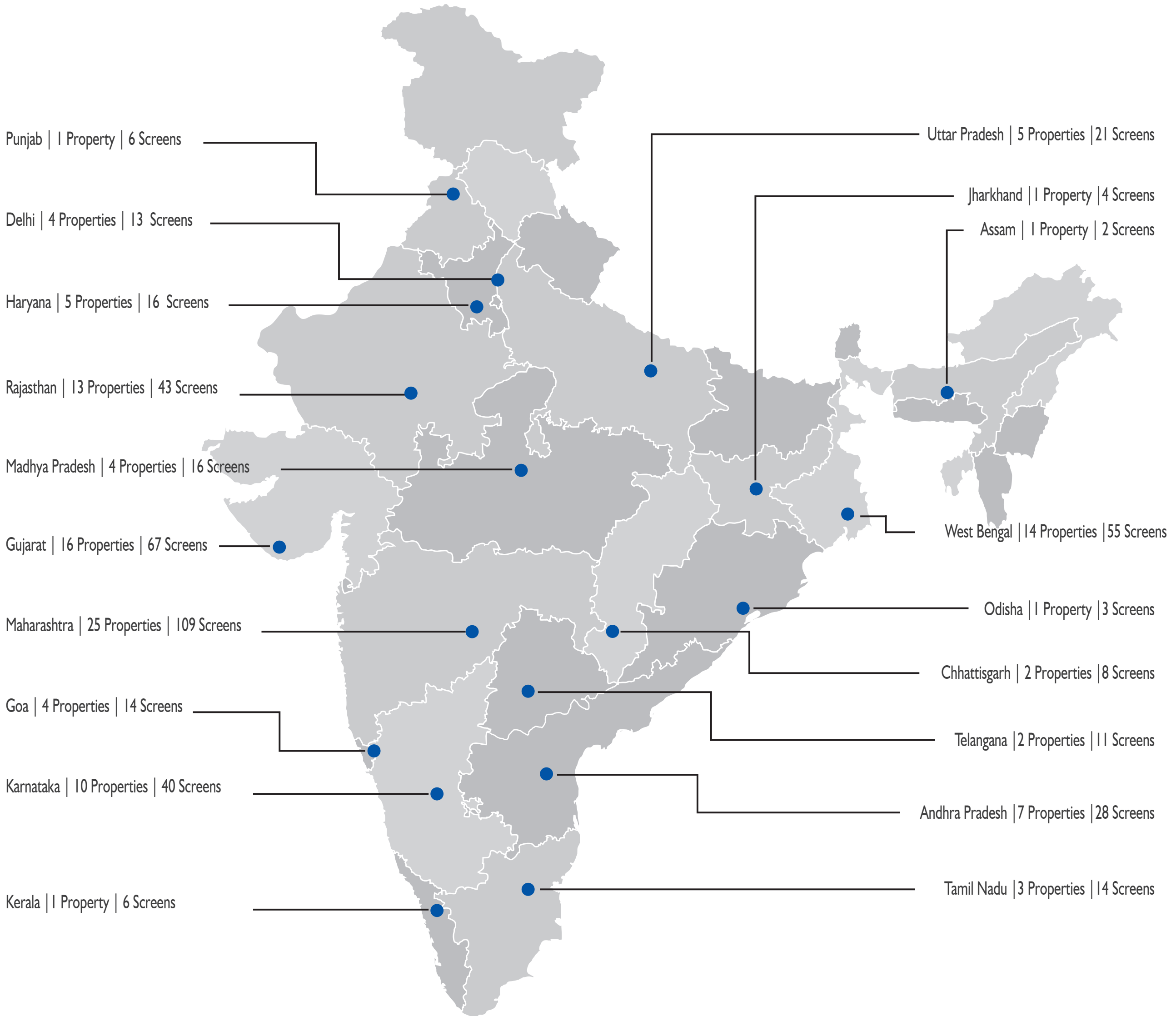




Revenues from operations increased by 5%, driven by 7% increase in Food & Beverages (F&B), 5% increase in net box-office collections and 6% increase in advertising. The increase in non-box office revenue showcases us getting a better control of our patrons' wallet share.

Our Presence
ACROSS INDIA

Our widespread network of properties makes us a truly national multiplex chain. We are aiming to drive footfall growth with an increase in properties throughout the country.



Our Brand
PARTNERSHIPS

BFSI | FMCG | CONSUMER DURABLES | AUTOMOBILES | GEC | ECOMMERCE &TELECOMM. | OTHERS

Board Of DIRECTORS

Mr. Pavan Jain
Chairman

Mr. Pavan Jain, Chairman of the INOX Group, is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 40 years of experience. With over 30 years of experience as the Managing Director of INOX Air Products Private Limited, Mr. Jain has steered the company's growth from a single plant business to one of the leading domestic players in the Industrial Gases business. In addition, Mr Jain has been instrumental in diversifying the INOX Group into various industries such as Refrigerant Gases, Chemicals, Cryogenic Engineering, Entertainment and Renewable Energy.

Mr. Vivek Jain
Director

Mr. Vivek Jain has graduated in Economics from St. Stephens, New Delhi, and did his post-graduation in business administration from IIM, Ahmedabad, where he specialized in Finance. He has over 35 years of business experience and is currently the Managing Director of Gujarat Fluorochemicals Limited.

Mr. Deepak Asher
Director

Mr. Deepak Asher, in addition to being a Commerce and Law graduate, is an eminent Chartered Accountant and Cost and Works Accountant with more than 32 years' of rich experience in the field of strategic business planning, formulation and implementation of various growth strategies as well as financial planning and management. He is a Director and Group Head (Corporate Finance) of the INOX Group of Companies, comprising of three listed companies and three international joint ventures. He has been instrumental in setting up various businesses for the INOX Group including the cinema exhibition business, the renewable energy business and the path-breaking carbon credit business. He is a founder president of Multiplex Association of India and a member of the FICCI Entertainment Committee.

Mr. Siddharth Jain
Director

Mr Siddharth Jain earned a Bachelor's Degree in Mechanical Engineering at The University of Michigan, USA and an MBA from INSEAD, France. Mr Jain is currently a Whole-Time Director of INOX Air Products Private Limited, and also holds Directorship in other Group Companies as well. He has over 16 years of experience in working with various Business Units across the Group.

Mr. Amit Jatia
Director

Mr. Amit Jatia holds a degree in Business Administration from the University of Southern California, Los Angeles. Mr. Amit Jatia has over 25 years of experience in the QSR industry. He has been instrumental in putting in place the building blocks of McDonald's in India and thereby creating the essential organizational infrastructure to develop and run the chain of McDonald's restaurants in West and South India.

Mr. Haigreve Khaitan
Director

Mr. Haigreve Khaitan is a Senior Partner of Khaitan & Co, one of India's oldest, largest and most prestigious full service law firms. Haigreve started his career in litigation at the Firm's Calcutta office and co-founded the Mumbai office, which is now its largest, in 2001. Over the years, Haigreve has been involved in some of the most significant and complex M&A and private equity transactions in India. He also spends substantial time on strategic advisory and private client matters. Haigreve's clientele comprises of a range of Indian conglomerates, promoters, global private equity funds and multinational clients across sectors.

Mr. Kishore Biyani
Director

Mr. Kishore Biyani is a Commerce Graduate from the University of Mumbai and post graduate diploma in Marketing Management from the University of Mumbai. He is the founder of the Future Group of Companies and is considered as a pioneer of modern retail in India. He has been regularly ranked among India's most admired CEOs and he is the author of the book 'It Happened in India'.

Ms. Girija Balakrishnan
Director

Ms. Girija Balakrishnan has graduated from the prestigious National Law School of India University in 1993. She is a Member of the Bar Council of Karnataka. She is a partner of Malvi Ranchoddas & Co. and specializes in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures and Foreign Collaboration.

CHIEF EXECUTIVE OFFICER

Mr. Alok Tandon

Mr. Alok Tandon is a Graduate in Mechanical Engineering with over 29 years of experience across Entertainment, Hospitality and Pharmaceutical industries. Mr. Tandon has been part of the start-up team of the Company and has helped build and develop the Company since its inception. He played a very active role in all the three Merger & Acquisitions made by the Company viz. Calcutta Cine Pvt. Ltd. in 2007, Fame India Ltd, in 2010 and Satyam Cineplexes Ltd. in August 2014. Spearheading the Company's expansion and consolidation, Mr. Tandon, has been successfully steering the growth momentum of INOX over the years and by being true to its motto of 'LIVE THE MOVIE'.

Our Strategies In
PLAY

To Strengthen Our Position as the Premiere Movie Chain By Providing High Quality Experience to our Guests

We are committed to deliver an all-encompassing and world-class experience to strengthen our position as the premiere movie chain for our patrons. Our offerings to customers include the ease of booking, variety of movies, pleasant ambience, curated F&B offerings and a luxurious cinema viewing experience. We are ideating new audience engagement strategies with an over-arching objective to better serve our audiences.

Being one of the largest multiplex chains in India, we are reinventing our concept of "value" and "entertainment" for our 53.7 million plus patrons. In addition to providing a pleasant ambience, we offer differentiated content and wider release across digital screens. Additionally, specialised F&B Menu and personalised services make our cinema theatres "ideal entertainment centres" for all.

Enhancing Customer Delight

We are constantly taking our services a notch higher to give our patrons more than what they expect. We are taking steps to strengthen our emotional connect with customers and making cinema-going a delightful experience – in terms of ease of booking, F&B and exhibition technology, and provide the best movie viewing experience to our guests. Going forward, our key strategy is to reach our customers in newer ways to maximize the revenue per patron and increase the frequency of movie-watching.

Key Initiatives during FY2017:

a. **Enhancing Movie Viewing Experience**

We strive to deliver superior movie viewing experience to our guests. We converted our Nariman Point Multiplex into India's first Laserplex by installing state-of-the-art laser projectors in all screens, additionally converting two screens into luxurious INSIGNIA screens.

b. **Aiming at Customer Convenience**

The customer convenience at our multiplexes has been improved with the use of technology and innovative features. These include the first-ever touchscreen Food Kiosk and in-application food ordering feature. Our guests enjoy the convenience of ordering on a customer-facing touchscreen at Point-of-Sale (POS) counters and the Q-buster feature at key properties. This reduces time spent by our guests in queues, allowing them to enjoy the movie experience. We have also increased our online engagement with customers by collaborating with online aggregators such as Bookmyshow, PayTM and Ticket New.

c. **Other Attractions**

We have also introduced Paperless Entry and contactless card payments. Our friendly and stylish staff provide impeccable service to guests in uniforms exclusively crafted by celebrity designer Mr. Arjun Khanna.

Being the favorite Cinema Chain:

- Excellent screening and sound systems
- Strong digital engagement
- Magnificient lobby space with premium lounges
- Curated gourmet food with butler-on-call
- Plush ergonomic leather recliner seats with micro adjustable neck rests

Providing an Out-of-the-World Experience

INSIGNIA, at INOX Laserplex, Nariman Point, Mumbai, is a signature experience designed by us. The property has taken a big leap in making movie experience more luxurious. We have collaborated with celebrity chef, Mr. Vicky Ratnani, who launched the menu especially curated by him, made out of local produce re-imagining global flavours.

Our Strategies In
PLAY

Leveraging Technology and Innovation to Deliver A Great Cinematic Experience

Our endeavour has been to enhance the movie-watching experience and deliver customer convenience using technology and innovations. These have helped us in attracting more patrons and maximising our revenues.

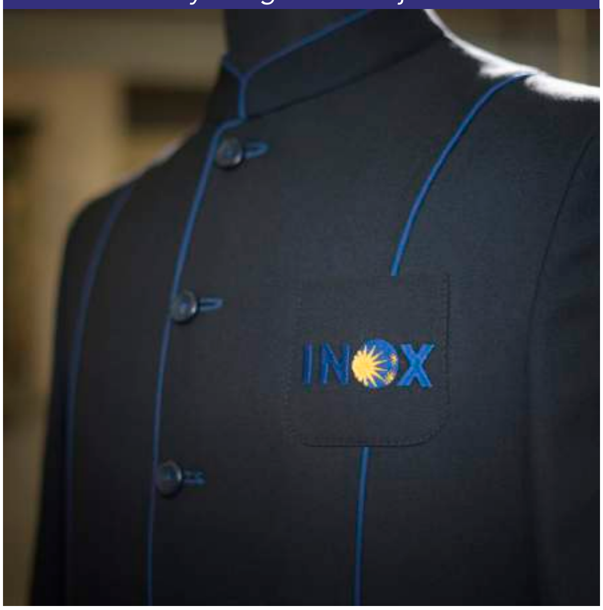
Firsts from INOX Leisure Limited:

- 7-star movie experience with Laser projection at CR2, Nariman Point, Mumbai, R-City, Ghatkopar in Mumbai and Mantri Square, Malleshwaram in Bangalore
- Deployment of SAP HANA onto our back-end for improving efficiency and steam-lining processes
- An enthralling 350 square feet Curved LED Wall, largest in any theatre at R-City, Ghatkopar
- Interactive touch-screens at Box Office and F&B POS counters
- First ever in-cinema touch-screen kiosk for tickets and F&B
- PLAY the touch-screen gaming zone
- In-App food ordering feature, allowing customers to get food delivered to their seats

Innovations from INOX Leisure Limited

- INSIGNIA Lounge with gourmet cuisine by Master Chef Mr. Vicky Ratnani and attire by designer Mr. Arjun Khanna
- Kiddles - A fun zone for kids
- IMAX screens launched
- 4K projection, Volfoni 3D technology and Dolby ATMOS at key properties
- Q Buster to reduce F&B ordering time taken by guests

Uniform by designer Mr. Arjun Khanna



First ever touchscreen food kiosk at INOX Laserplex, Nariman Point, Mumbai.

Corporate Information

BOARD OF DIRECTORS

Mr. Pavan Jain
Chairman

Mr. Vivek Jain
Non-Executive Director

Mr. Deepak Asher
Non-Executive Director

Mr. Siddharth Jain
Non-Executive Director

Mr. Haigreve Khaitan
Independent Director

Mr. Amit Jatia
Independent Director

Mr. Kishore Biyani
Independent Director

Ms. Girija Balakrishnan
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Alok Tandon

CHIEF FINANCIAL OFFICER

Mr. Kailash B. Gupta

VICE PRESIDENT - LEGAL & COMPANY SECRETARY

Mr. Dhanraj Mulki

AUDITORS

M/s. Patankar & Associates
Chartered Accountants
Firm Reg.No. 107628W
Office No.19 to 23, 4th Floor, Gold Wings,
S. No. 118/A, Plot No. 543, Sinhgad Road,
Parvati Nagar, Pune – 411 030,
Maharashtra, India.
Tel: +91 20 2425 2117
Fax: +91 20 24252118

REGISTRARS & TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

REGISTERED OFFICE

ABS Towers, Old Padra Road,
Vadodara - 390 007

CORPORATE OFFICE

5th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (E), Mumbai - 400 093

WEBSITE ADDRESS

www.inoxmovies.com

EMAIL ID FOR INVESTORS

investors@inoxmovies.com

CORPORATE IDENTIFICATION NUMBER (CIN)

L92199GJ1999PLC044045

BOARD LEVEL COMMITTEES:

ILL Committee of the Board for Operations

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

Audit Committee

Mr. Haigreve Khaitan, Chairman
Mr. Amit Jatia, Member
Mr. Kishore Biyani, Member
Mr. Deepak Asher, Member

Compensation, Nomination & Remuneration Committee

Mr. Haigreve Khaitan, Chairman
Mr. Amit Jatia, Member
Mr. Siddharth Jain, Member

Stakeholders' Relationship Committee

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

Corporate Social Responsibility (CSR) Committee

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

Business Responsibility Report Committee

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

Notice

INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)
Regd. Office: ABS Towers, Old Padra Road, Vadodara – 390 007.
Telephone: 0265 6198111 | **Fax:** 0265 2310312
Website: www.inoxmovies.com | **Email ID:** contact@inoxmovies.com

Notice is hereby given to the Members of **INOX Leisure Limited** that the Eighteenth ANNUAL GENERAL MEETING of the Company will be held on Thursday, 28th September, 2017 at 12:00 noon at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements.**

   To consider and adopt

   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the report of the Auditors thereon.

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

   To appoint a Director in place of Mr. Pavan Jain (DIN: 00030098), who retires by rotation and being eligible, offers himself for re-appointment.

3. **To consider and approve appointment of Independent Auditors and to authorize the Board of Directors of the Company to fix their remuneration.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification, variation or re-enactment thereof), and pursuant to the recommendations of the Audit Committee, approval of the Members of the Company be and is hereby accorded for appointment of M/s. Kulkarni and Company, Chartered Accountants (Firm Registration No. 140959W), as independent auditors of the Company, in place of retiring auditors M/s. Patankar & Associates, Chartered Accountants (Firm Registration No. 107628W), to hold office for a period of five years from the conclusion of 18th Annual General Meeting (AGM) until the conclusion of the 23rd AGM, subject to ratification by the Members every year, as applicable, for audit of financial statements and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration, based on the recommendation of Audit Committee, including reimbursement of actual out of pocket expenses."

By Order of the Board of Directors
For INOX Leisure Limited

Dhanraj Mulki
Vice President – Legal
& Company Secretary

Place: Mumbai
Date: 26th July, 2017

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself/herself and a proxy need not be a Member. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as a Proxy for any other person or Member.
3. Though not mandatory, an explanatory statement in respect of Item No. 3 of the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th September, 2017 to Thursday, 28th September, 2017 (both days inclusive).
5. **Re-appointment of Director:**

   The information required to be provided under the Secretarial Standard – 2 / Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015 (Listing Regulations) in respect of Director being re-appointed is given herein below and also in the Corporate Governance Report:

Name of the Director	**Mr. Pavan Jain**
Date of Birth	17th May, 1951
Age	66 Years
Date of first Appointment on the Board	9th November, 1999
Directors Identification Number	00030098
Qualification	Chemical Engineer from IIT, New Delhi
Experience / Expertise in Specific Functional Area	Mr. Pavan Jain, Chairman of the INOX Group, is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 40 years of experience. With over 30 years of experience as the Managing Director of INOX Air Products Private Limited, Mr. Jain has steered the company's growth from a single plant business to one of the leading domestic players in the Industrial Gases business. In addition, Mr Jain has been instrumental in diversifying the INOX Group into various industries such as Refrigerant Gases, Chemicals, Cryogenic Engineering, Entertainment and Renewable Energy.
Directorships held in other Companies	1. INOX Air Products Private Limited 2. INOX Leasing & Finance Private Limited 3. INOX India Private Limited 4. Gujarat Fluorochemicals Limited 5. INOX Renewables Limited 6. Devansh Gases Private Limited 7. Rajni Farms Private Limited 8. INOX Infrastructure Private Limited

Name of the Director	Mr. Pavan Jain
Membership / Chairmanship of Committees of other Companies	**1. Gujarat Fluorochemicals Limited** Member – Stakeholders Relationship Committee **2. INOX Leasing and Finance Limited** Chairman – Share Transfer and Stakeholders Relationship Committee and Chairman – Audit Committee **3. INOX Air Products Private Limited** Chairman – Share Transfer and Stakeholders Relationship Committee and Chairman – Audit Committee
The number of Meetings of the Board attended during the year	5
Remuneration last drawn	₹ 1,40,000 towards sitting fees.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Mr. Vivek Jain and Mr. Siddharth Jain
Shareholding in the Company	2,19,975 Equity Shares of ₹ 10 each.

6. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Annual Report for Financial Year 2016- 2017 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their email address registered with the Registrar and Share Transfer Agents.

7. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide e-voting facility to all Members which has been provided through the e-voting platform of CDSL. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e-voting on the resolutions placed by the Company on the e-voting system. Instructions and manner of e-voting process can be downloaded from the link https://www.evotingindia.com. **E-voting is optional**. The e-voting rights of the Members /beneficial owners shall be reckoned on the equity shares held by them as on Saturday, 16th September, 2017.

   The instructions for shareholders voting electronically are as under:

   In case of Members receiving e-mail:

   (i) The voting period begins on Monday, 25th September, 2017 at 09:00 a.m. and ends on Wednesday, 27th September, 2017 at 5:00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 16th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   (iii) The members should log on to the e-voting website www.evotingindia.com

   (iv) Click on "Shareholders/Members" tab.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

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

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

A. The voting rights of Members shall be in proportion to their shares of the Paid - Up Equity Share Capital of the Company as on the cut-off date of Saturday, 16th September, 2017. For all others who are not holding shares as on Saturday, 16th September, 2017 and receive the Annual Report of the Company, the same is for their information.

B. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

C. M/s. Samdani Shah & Kabra (erstwhile Samdani Shah & Asso.), Practicing Company Secretaries have been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

D. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

E. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.inoxmovies.com and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited.

(xxii) Member may address their grievances connected with the e-voting to Mr. Dhanraj Mulki, Vice President – Legal & Company Secretary, 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093, Email ID – dhanraj.mulki@inoxmovies.com, Phone Number – 022 40626900.

8. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. Karvy Computershare Private Limited, Unit: INOX Leisure Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.

9. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance at its Registered Office, so as to enable the Company to keep the information ready.

10. Members / Proxies are requested to bring their filled in Attendance Slip and their copy of Annual Report to the Meeting.

11. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.

12. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

13. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for inspection by the Members of the Company at the Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 01.00 p.m. upto the date of this Meeting and copies thereof shall also be available for inspection in physical form at the Corporate Office of the Company situated at 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093 and also at the Meeting.

14. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

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

Though not mandatory, below explanatory statement is provided for reference.

Pursuant to provision of Section 139 (2) of the Companies Act, 2013 (the Act), a listed Company shall not appoint an audit firm as auditor for more than two terms of five consecutive years.

As per third proviso to Section 139(2) of the Act, a transition period of three years from the commencement of the Act (1st April 2014), was provided to the Companies to comply with the provisions of Section 139 (2) where the existing auditors have completed more than ten years as auditors with the Company.

M/s. Patankar & Associates, Chartered Accountants, had completed more than 10 years as Auditors of the Company as of 1st April 2014. In terms of third proviso to Section 139 (2) of the Act, they were appointed as auditors of the Company at 16th AGM held on 28th September 2015 for a period from conclusion of 16th AGM until the conclusion of the 18th AGM of the Company.

In compliance with the aforesaid requirements of the Act, M/s. Patankar & Associates, Chartered Accountants will retire at the forthcoming AGM of the Company.

Based on recommendation of the Audit Committee, the Board of Directors of the Company proposes to appoint M/s. Kulkarni and Company, Chartered Accountants (Firm Registration No. 140959W) as independent auditors for a period of 5 years, commencing from the conclusion of 18th AGM till the conclusion of the 23rd AGM, subject to ratification by Members at every AGM, as may be applicable.

Brief Profile of M/s. Kulkarni And Company:

M/s. Kulkarni and Company, Chartered Accountants, was established by CA Nikhil Kulkarni and CA Aditya Talavlikar who have experience of statutory audit, tax audit and internal audit assignments of various entities. The partners have experience in the Ind AS requirements and implementation. M/s. Kulkarni and Company holds Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s. Kulkarni and Company, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as independent auditors in terms of the provisions of the Section 139 and Section 141 of the Act read with the provisions of the Companies (Audit and Auditors) Rules, 2014. Further, M/s. Kulkarni and Company, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution set out at item No. 3 of the notice.

The Board recommends the Resolution set forth in item No. 3 of the notice for approval of the Members.

By Order of the Board of Directors
For INOX Leisure Limited

Dhanraj Mulki
Vice President – Legal
& Company Secretary

Place: Mumbai
Date: 26th July, 2017

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

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BOARD'S REPORT

To the Members of

INOX LEISURE LIMITED

Your Directors take pleasure in presenting to you their Eighteenth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2017.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Income				
Revenue from operations (net of taxes)	114,980.94	109,319.73	114,980.94	109,319.73
Other operating Income	7,090.47	6,736.97	7,090.47	6,736.97
Total Income from Operations	**122,071.41**	**116,056.70**	**122,071.41**	**116,056.70**
Less: Total Expenses	116,000.05	105,058.45	116,001.03	105,059.33
Profit from operations before Other Income and Finance Cost and Exceptional Items	**6,071.36**	**10,998.25**	**6,070.38**	**10,997.37**
Add: Other Income	911.55	783.96	905.42	783.46
Profit from operations after Other Income and before Finance Cost and Exceptional Items	**6,982.91**	**11,782.21**	**6,975.80**	**11,780.83**
Less: Finance Cost	2,528.11	2,449.11	2,528.09	2,433.73
Profit from ordinary activities after finance cost but before exceptional items and share of profit of a joint ventures	**4,454.80**	**9,333.10**	**4,447.71**	**9,347.10**
Share of profit of joint ventures	8.12	2.53	-	-
Profit before exceptional items and tax	**4,462.92**	**9,335.63**	**4,447.71**	**9,347.10**
Add/(Less): Exceptional items	-	(496.02)	-	(496.02)
Profit from ordinary activity before Taxation	**4,462.92**	**8,839.61**	**4,447.71**	**8,851.08**
Add/(Less): Provision for Taxation				
For the year	(1,559.97)	(3,123.74)	(1,558.72)	(3,123.74)
Earlier Years	158.54	2,388.33	158.70	2,388.33
Net Profit for the year	**3,061.49**	**8,104.20**	**3,047.69**	**8,115.67**
Profit for the year attributable to:				
Equity holders of the Parent	3,061.45	8,104.30	-	-
Non-controlling interests	0.04	(0.10)	-	-
	3,061.49	**8,104.20**	**-**	**-**
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Actuarial gain/(loss) on employee defined benefit plan	(61.77)	(25.06)	(61.77)	(25.06)
(ii) Tax on above	21.38	8.67	21.38	8.67
Total Other Comprehensive Income	**(40.39)**	**(16.39)**	**(40.39)**	**(16.39)**
Total Comprehensive Income for the year comprising Net Profit for the period & Other Comprehensive Income/(expense)	**3,021.10**	**8,087.81**	**3,007.30**	**8,099.28**
Profit brought forward form earlier year/s	15,002.87	6,918.12	15,021.45	6,922.17
On account of change in non-controlling interest	-	(3.16)	-	-
Balance Carried forward to Balance Sheet	**18,023.93**	**15,002.87**	**18,028.75**	**15,021.45**

During the year under review, 11 Multiplex Cinema Theatres with 48 screens were added. Accordingly, the tally of Multiplex Cinema Theatres of your Company stands at 118 Multiplexes with 468 screens and 118,285 seats as on 31st March, 2017.

Detailed analysis of the Financial Performance of the Company has been given in the Management Discussion and Analysis annexed to this Report.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements prepared in accordance with the requirements of the Companies Act, 2013, SEBI (Disclosure and Listing Obligations Requirements) Regulations, 2015 (Listing Regulations) and Indian Accounting Standard (Ind-AS) - 27 on Consolidated and Separate Financial Statements for the Financial Year 2016-17 forms part of this Annual Report. The Audited Standalone and Consolidated Financial Statements for the Financial Year 2016-17 shall be laid before the Annual General Meeting for approval of the Members of the Company.

3. DIVIDEND

With a view to finance the Company's ongoing projects and considering future expansion plans, no Dividend has been recommended by the Board of Directors for the Financial Year ended 31st March, 2017.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and details of the same have been uploaded on the Company's website www.inoxmovies.com.

4. TRANSFER TO RESERVES

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

5. DIRECTORS

Mr. Pavan Jain (DIN: 00030098) retires by rotation and being eligible, offers himself for re-appointment.

Necessary resolution in respect of Director seeking re-appointment and his brief Resume pursuant to Regulation 36(3) of the Listing Regulations are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

6. NOMINATION & REMUNERATION POLICY

The Board of Directors of the Company has, on recommendation of the Compensation, Nomination & Remuneration Committee, framed and adopted policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration. The Nomination & Remuneration Policy of the Company is annexed to this Report as **Annexure A**.

7. DECLARATION OF INDEPENDENCE

Pursuant to provision of Section 149 (7) of the Act, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

9. BOARD EVALUATION

All Independent Directors, at their Meeting held on 21st January, 2017, had evaluated performance of Non-Independent Directors, Chairman of the Company and Board as a whole including Committees of Board, in accordance with evaluation mechanism for performance approved by the Compensation, Nomination and Remuneration Committee at their Meeting held on 21st January, 2017. Further, the Board of Directors at its Meeting held on 24th January, 2017 have evaluated performance of Independent Directors in accordance with the evaluation mechanism for performance approved by the Compensation, Nomination and Remuneration Committee at their Meeting held on 21st January, 2017. These evaluations were done as per the Guidance Note given in SEBI Circular no SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017. The performance of Directors was evaluated based on the parameters such as Qualifications, Experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution, integrity, independence, etc. The performance of the Board was evaluated based on the parameters such as Structure of the Board, Meetings of the Board, Functions of the Board, Board and Management and Professional Development. The Committees of the Board were evaluated based on the parameters such as Mandate and composition, Effectiveness of the Committee, Structure of the Committee and Meetings, Independence of the Committee from the Board and Contribution to decisions of the Board. A structured questionnaire covering the above areas of competencies was given to each Director. Feedback received from the Directors reflected highly satisfactory performance.

10. MEETINGS OF THE BOARD

During the year, the Board met Five (5) times and details of Board Meetings held are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the time limit prescribed under Section 173 of the Act read with Regulation 17 (2) of the Listing Regulations.

11. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Act:

i. in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and there are no departures from the requirements of the Accounting Standards;

ii. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the Profit of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis;

v. the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. CHANGE IN KEY MANAGERIAL PERSONNEL OF THE COMPANY

During the year under review, Mr. Upen Shah, Chief Financial Officer has retired with effect from 18th August 2016 and Mr. Kailash B. Gupta was appointed as a Chief Financial Officer and designated as a Key Managerial Person of the Company with effect from 19th August, 2016.

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

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the Recipient are provided in the Standalone Financial Statements of the Company. Please refer to Notes no. 9, 10, 11 and 53 to the Standalone Financial Statements of the Company.

14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Contracts / Arrangements / Transactions entered by the Company during the year under review with Related Parties are approved by the Audit Committee and/or Board, as per the provisions of Section 188 of the Act read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations. During the year under review, the Company had not entered into any Contract / Arrangement / Transaction with Related Parties which could be considered material in accordance with the Policy of the Company on Materiality of Related Party Transactions.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's Website at the link https://www.inoxmovies.com/Corporate.aspx?Section=3.

All transactions entered with Related Parties for the year under review were on arm's length basis. Further, there are no material related party transactions during the year under review with any Related Party. Hence, disclosure in Form AOC-2 is not required to be annexed to this Report.

15. DEPOSITS

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

16. SUBSIDIARY COMPANY INCLUDING JOINT VENTURE

The Company has following Subsidiary / Joint Ventures.

A. SHOURI PROPERTIES PRIVATE LIMITED

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

B. SWANSTON MULTIPLEX CINEMAS PRIVATE LIMITED

Swanston Multiplex Cinemas Private Limited (SMCPL) is a Joint-venture of the Company with Reliance Mediaworks Limited (RML) where the Company and RML are holding 50% Equity Shares each of SMCPL.

The Report on the highlights of performance and financial position of each of the Subsidiary and Joint Venture Company of the Company in Form no. AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 along with the contribution of the Subsidiary and Joint Venture Company to overall performance of the Company during the year in terms of Rule 8 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure B**.

The Audited Financial Statements of the subsidiary company are placed on the website of the Company and a copy will be provided to the Shareholders on request as per the provisions of Section 136 of the Act.

17. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls commensurate with its size and nature of its business. The Board has reviewed internal financial controls of the Company and the Audit Committee monitors the same in consultation with Internal Auditors of the Company.

18. INDEPENDENT AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks in the Independent Auditor's Report. The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 134 (3) (f) of the Act.

19. INDEPENDENT AUDITORS

Pursuant to provision of Section 139 (2) of the Companies Act, 2013 read with Rule 5 of the Companies (Audit and Auditors) Rules, 2014, the term of the Company's Independent Auditors M/s. Patankar & Associates, Chartered Accountants (Firm Registration No.107628W) comes to an end with the conclusion of Audit for the Financial Year 2016-17.

The Board places on record, its appreciation for the contribution of M/s. Patankar & Associates, Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

Based on the recommendation of Audit Committee of the Board, the Board has approved the proposal for placing at the Eighteenth Annual General Meeting, the matter of appointment of M/s. Kulkarni And Company, Chartered Accountants (Firm Registration No.140959W) as Independent Auditors of the Company for a term of 5 years from the Financial Year 2017-18 on such terms and conditions and remuneration as may be recommended by the Audit Committee and approved by the Board.

M/s. Kulkarni And Company, Chartered Accountants (Firm Registration No.: 140959W) have confirmed that their appointment, if approved, will be in accordance with Section 139 of the Act read with Rule 4 of the Companies

(Audit and Auditors) Rules, 2014 and they satisfy criteria laid down in Section 141 of the Act. Further, M/s. Kulkarni And Company, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

20. COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to include Cost Accounting Records in its books of accounts in respect of generation of electricity by Wind Mills of the Company since the Wind Mills of the Company satisfy the criteria of Captive Generating Plant as defined in Rule 3 of The Electricity Rules, 2005. Accordingly, the Company is not required to appoint Cost Auditor for Financial Year 2016 – 17.

21. SECRETARIAL AUDIT REPORT

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

There is no qualification in the Secretarial Report submitted by M/s. Samdani Shah and Associates to the Company.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of the Listing Regulations is presented in a separate Section forming part of this Annual Report.

23. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of the Listing Regulations, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed with this report.

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

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

24. BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company www.inoxmovies.com.

25. EXTRACT OF ANNUAL RETURN

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

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this Report at **Annexure – E**.

27. EMPLOYEE STOCK OPTION SCHEME

During the year under review 20,000 options were granted to Employee of the Holding Company. However, no shares were allotted pursuant to the grant in the current year. There are no changes in the Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefit) Regulations, 2014.

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

28. PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report at **Annexure - F**.

In accordance with the provisions of Section 197 (12) of the Act, read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the aforesaid rule forms part of this Report. However, in terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

29. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Act read with relevant Rules made thereunder, the Board of Directors at its Meeting held on 27th May, 2014, has constituted a Corporate Social Responsibility Committee.

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

30. INSURANCE

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

31. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of sexual harassment at the workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed Internal Complaints Committee to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the year 2016-17.

Number of complaints received	11
Number of complaints disposed off	10

32. RISK MANAGEMENT

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures to review key elements of risks viz. Regulatory and Legal, Competition and Financial involved and measures taken to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company. For further details, please refer to the Management Discussion and Analysis Report forming part of this Annual Report.

33. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the company to which the Financial Statements relate and the date of this Report.

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

35. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By Order of the Board of Directors

Date: Mumbai
Place: 26th July, 2017

Pavan Jain
Chairman
(DIN: 00030098)

Annexure – A

Nomination and Remuneration Policy:

1. **Preface:**

   a. The present Human Resource Policy of the Company considers human resources as its invaluable assets and has as its objective the payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.

   b. This Nomination and Remuneration Policy (NR Policy) has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of Inox Leisure Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

2. **Objectives of this Nomination and Remuneration Policy:**

   a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by CNR Committee and recommend to the Board their appointment and removal.

   b. To lay down criteria to carry out evaluation of every Director's performance.

   c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

   d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

3. **Definitions:**

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

   b. "Directors" means the Directors of the Company.

   c. "CNR Committee" means the Compensation, Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

   d. "Company" means Inox Leisure Limited.

   e. "Key Managerial Personnel"(KMP) means
      - Managing Director; or Chief Executive Officer; or Manager and in their absence, a Whole-time Director;
      - Company Secretary;
      - Chief Financial Officer

   f. "Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management on level below the Executive Directors including the functional heads.

   g. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

4. Nomination and Remuneration Policy

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

I. Qualifications

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

a. Directors

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

b. Independent Directors

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

c. Senior Management Personnel and KMP and Other Employees

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

II. Remuneration

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

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

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

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

Fixed Component		
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

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

i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of theBoard of Directors.

ii. Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.

iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.

iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

v. Remuneration by way of professional fees to the non-executive Directors who, in the opinion of the CNR Committee, possesses the requisite qualifications for the practice of the profession, for providing professional services to the Company.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

III. Evaluation

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

C. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

5. Communication of this Policy

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

6. Amendment

Any change in the Policy shall, on recommendation of CNR Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

The Nomination and Remuneration Policy is placed on the website of the Company and web link is https://www.inoxmovies.com/Corporate.aspx?Section=3.

Annexure – B

FORM AOC- 1

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

Part A – Subsidiaries

(₹ in Lakh)

	Name of Subsidiary Company
	Shouri Properties Private Limited
The date of acquisition of subsidiary	24th November, 2014
Reporting period, if different from the holding Company	Not Applicable
Reporting currency and exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries	Not Applicable
Share Capital	141.00
Reserves and Surplus	(66.29)
Total Assets	176.01
Total Liabilities	101.30
Investments	30.06
Turnover	317.35
Profit /(Loss) before taxation	6.56
Provision for taxation	(1.41)
Profit / (Loss) after taxation	5.15
Proposed Dividend	Nil
% of Shareholding	99.29%
Name of subsidiaries which are yet to commence operations:	Nil
Names of subsidiaries which have been liquidated or sold during the year:	Nil

Part B – Associates and Joint Ventures

Statement related to Joint Venture Company

Sr. No.	Particulars	Swanston Multiplex Cinemas Private Limited (SMCPL)
1	Latest Audited Balance Sheet date	31/03/2017
2	Date on which the Associate or Joint Venture was associated or acquired	1st April, 2012
3	**Shares of Associates/Joint Ventures held by the Company on the year end**	
	Number	10,15,000
	Amount of investment in Associates/ Joint Venture	₹ 279.52 Lakhs
	Extent of holding %	50.00%
4	Description of how there is significant influence	Company holds 50% Equity Shares in SMCPL
5	Reason why the associate/joint venture is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest balance sheet	₹ 5.82 Lakh
	Profit/Loss for the year	
	Considered in consolidation	₹ 8.12 Lakh
	Not considered in consolidation	Nil
Name of associates or joint ventures which are yet to commence operations		Nil
Names of associates or joint ventures which have been liquidated or sold during the year		Nil

For Patankar & Associates **Chartered Accountants**		**For INOX Leisure Limited**
Sanjay Agrawal **Partner**	**Siddharth Jain** **Director**	**Deepak Asher** **Director**
	Alok Tandon **Chief Executive Officer**	**Kailash B. Gupta** **Chief Financial Officer**
	Dhanraj Mulki **Vice President – Legal** **& Company Secretary**	
Place: Pune **Date:** 26th July, 2017	**Place:** Mumbai **Date:** 26th July, 2017	

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

	Name of Subsidiary Company/ Joint Venture Company	
	Subsidiary Company	**Joint Venture Company**
Particulars	Shouri Properties Private Limited	Swanston Multiplex Cinemas Private Limited (SMCPL)
Total Revenues contribution (%)	Nil	Nil
EBIDTA contribution (%)	(0.01)	Nil
Net Profit Contribution (%)	0.17	0.27
Gross Block contribution (%)	Nil	Nil
Net Worth contribution (%)	0.14	0.01

Annexure – C

Secretarial Audit Report

for the Financial Year ended March 31, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INOX Leisure Limited (hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Other sector specific laws as follows:

 (a) The Cinematograph Act, 1952;

 (b) The Cinema Regulations Act as applicable in each state along with the necessary Rules;

 (c) Entertainment Tax Laws as applicable in each state along with the necessary Rules.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: April 11, 2017

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

Appendix A

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

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

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

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: April 11, 2017

Annexure – D

FORM MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i.	Corporate Identification Number	:	L92199GJ1999PLC044045
ii.	Registration Date	:	9th November, 1999
iii.	Name of the Company	:	INOX Leisure Limited
iv.	Category/Sub-Category of the Company	:	Public Limited Company /Company Ltd. by Shares
v.	Address of the Registered Office and Contact Details	:	ABS Towers, Old Padra Road, Vadodara – 390 007, Gujarat Phone No.: 0265 6198 111 Fax No.: 0265 2310312
vi.	Whether listed Company	:	Yes
vii.	Name, Address and Contact Details of Registrar and Share Transfer Agents, if any	:	Karvy Computershare Private Limited Karvy Selenium Tower No. B, Plot No. 31 - 32, Gachibowli, Financial District Nanakramguda Hyderabad – 500 032 Phone No.: 040 6716 2222 Fax No.: 040 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more the total turnover of the Company shall be stated:

Sr. No	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Operating Multiplex Cinema Theatres	59141	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name	CIN/GIN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1	Gujarat Fluorochemicals Limited Survey No. 16/3, 26 & 27, Ranjitnagar – 389 380, Taluka Ghoghamba, District Panchmahal, Gujarat	L24110GJ1987PLC009362	Holding	48.09	2 (46)
2	Shouri Properties Private Limited 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U45201MH2002PTC134393	Subsidiary	99.29	2 (87)
3	Swanston Multiplex Cinemas Private Limited 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U92132MH2001PTC133639	Joint Venture Company	50.00	2 (6)

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

i). Category-wise Shareholding

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (1st April, 2016)				No of shares held at the end of the year (31st March, 2017)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter and Promoter Group**									
1	**Indian**									
	a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
	b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corp.	46973928	0	46973928	48.70	46973928	0	46973928	48.70	0.00
	e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (1)	**46973928**	**0**	**46973928**	**48.70**	**46973928**	**0**	**46973928**	**48.70**	**0.00**
2.	**Foreign**									
	a) Individuals (NRIs /fForeign ind)	0	0	0	0.00	0	0	0	0.00	0.00
	b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	e) Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter (A)=A (1) + A (2)	**46973928**	**0**	**46973928**	**48.70**	**46973928**	**0**	**46973928**	**48.70**	**0.00**
B.	**Public Share Holding**									
1	**Institutions**									
	a) Mutual Funds /UTI	7663131	0	7663131	7.94	16830992	0	16830992	17.45	9.51
	b) Financial Institutions /Banks	41819	0	41819	0.04	33364	0	33364	0.03	(0.01)
	c) Central Government /State Government(s)	0	0	0	0.00	0	0	0	0.00	0
	d Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
	e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
	f) Foreign Institutional Investors	22528638	0	22528638	23.36	14350115	0	14350115	14.88	(8.48)
	g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
	h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
	i) Others	0	0	0	0.00	0	0	0	0.00	0
	Sub Total (B) (1)	**30233588**	**0**	**30233588**	**31.34**	**31214471**	**0**	**31214471**	**32.36**	**1.02**
2	**Non Institutions**									
	a) Bodies Corporate									
	i. Indian	2996733	0	2996733	3.11	2951638	0	2951638	3.06	(0.05)
	ii. Overseas	0	0	0	0.00	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	5836644	7173	5843817	6.06	5151879	7473	5159352	5.35	(0.71)
	ii)Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	3735794	0	3735794	3.87	3280190	0	3280190	3.40	(0.47)
	c) Others									
	Clearing Members	92925	0	92925	0.10	809486	0	809486	0.84	0.74
	Directors	1625445	0	1625445	1.69	1105385	0	1105385	1.15	(0.54)
	Non Resident Indians	297004	0	297004	0.31	249333	0	249333	0.26	(0.05)
	Non Resident Indians (NON-REPATRIATION)	0	0	0	0	48644	0	48644	0.05	0.05
	NBFC	12026	0	12026	0.01	19409	0	19409	0.02	0.01
	Trusts	4351493	295001	4646494	4.82	4350917	295001	4645918	4.82	0
	Sub Total B2	**18948064**	**302174**	**19250238**	**19.96**	**17966881**	**302474**	**18269355**	**18.94**	**(1.02)**
	Total Public Shareholding B=B(1) + B(2)	**49181652**	**302174**	**49483826**	**51.30**	**49181352**	**302474**	**49483826**	**51.30**	**0.00**
	Total (A+B)	**96155580**	**302174**	**96457754**	**100.00**	**96155280**	**302474**	**96457754**	**100.00**	**0.00**
C.	**Shares held by Custodians, against which Depository Recipes have been issued**									
	1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	2) Public	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	**96155580**	**302174**	**96457754**	**100.00**	**96155280**	**302474**	**96457754**	**100.00**	**0.00**

(ii). Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2016)			Shareholding at the end of the year (31st March, 2017)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Gujarat Fluorochemicals Limited	46386467	48.09	0	46386467	48.09	0	0.00
2	Inox Leasing and Finance Limited	587461	0.61	0	587461	0.61	0	0.00
	Total	**46973928**	**48.70**	**0**	**46973928**	**48.70**	**0**	**0.00**

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

There is no change in the Promoters' Shareholding during Financial Year 2016-17.

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	**DSP BLACKROCK BALANCED FUND**	**0**	**0.00**	**01/04/2016**				
				08/07/2016	1366113	Purchase	1366113	1.42
				15/07/2016	199871	Purchase	1565984	1.62
				12/08/2016	733718	Purchase	2299702	2.38
				26/08/2016	120609	Purchase	2420311	2.51
				02/09/2016	31827	Purchase	2452138	2.54
				09/09/2016	134389	Purchase	2586527	2.68
				30/09/2016	39841	Purchase	2626368	2.72
				04/11/2016	(4128)	Sale	2622240	2.72
				11/11/2016	93209	Purchase	2715449	2.82
				18/11/2016	796348	Purchase	3511797	3.64
				16/12/2016	606539	Purchase	4118336	4.27
				23/12/2016	259010	Purchase	4377346	4.54
				30/12/2016	105159	Purchase	4482505	4.65
				06/01/2017	49112	Purchase	4531617	4.70
				13/01/2017	52556	Purchase	4584173	4.75
				10/02/2017	207772	Purchase	4791945	4.97
				17/02/2017	84077	Purchase	4876022	5.06
				03/03/2017	217857	Purchase	5093879	5.28
		5093879	**5.28**	**31/03/2017**				
2.	**Goldman Sachs India Fund Limited**	**4574412**	**4.74**	**01/04/2016**				
				31/03/2017	5990	Purchase	4580402	4.75
		4580402	**4.75**	**31/03/2017**				
3.	**Pavan Kumar Jain, Vivek Kumar Jain & Deepak Asher -Trustee of Inox Benefit Trust**	**4350092**	**4.51**	**01/04/2016**	**No Movement during the year.**			
		4350092	**4.51**	**31/03/2017**				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	**Kuwait Investment Authority - Fund No. 208**	**3951517**	**4.10**	**01/04/2016**				
				20/05/2016	(186892)	Sale	3764625	3.90
				27/05/2016	(285227)	Sale	3479398	3.61
				31/03/2017	(155948)	Sale	3323450	3.45
		3323450	**3.45**	**31/03/2017**				
5.	**Birla Sun Life Trustee Company Private Limited**	**0**	**0**	**01/04/2016**				
				20/05/2016	21000	Purchase	21000	0.02
				03/06/2016	4500	Purchase	25500	0.03
				30/06/2016	35300	Purchase	60800	0.06
				15/07/2016	8181	Purchase	68981	0.07
				22/07/2016	24119	Purchase	93100	0.10
				29/07/2016	50700	Purchase	143800	0.15
				05/08/2016	8000	Purchase	151800	0.16
				12/08/2016	502000	Purchase	653800	0.68
				19/08/2016	110910	Purchase	764710	0.79
				26/08/2016	68600	Purchase	833310	0.86
				02/09/2016	188846	Purchase	1022156	1.06
				09/09/2016	117244	Purchase	1139400	1.18
				30/09/2016	15000	Purchase	1154400	1.20
				21/10/2016	1424500	Purchase	2578900	2.67
				04/11/2016	30000	Purchase	2608900	2.70
				18/11/2016	(11900)	Sale	2597000	2.69
				30/12/2016	90000	Purchase	2687000	2.79
				06/01/2017	10000	Purchase	2697000	2.80
				27/01/2017	20600	Purchase	2717600	2.82
				17/02/2017	40090	Purchase	2757690	2.86
				24/02/2017	27910	Purchase	2785600	2.89
				17/03/2017	220000	Purchase	3005600	3.12
				31/03/2017	50000	Purchase	3055600	3.17
		3055600	**3.17**	**31/03/2017**				
6.	**Macquarie Fund Solutions a/c Macquarie Fund Solutions - Macquarie Asia New Stars Fund**	**2768417**	**2.87**	**01/04/2016**				
				15/04/2016	(280000)	Sale	2488417	2.58
				08/07/2016	(1186593)	Sale	1301824	1.35
				21/10/2016	(1301824)	Sale	0	0.00
		0	**0.00**	**31/03/2017**				
7.	**TATA Trustee Co. Ltd a/c TATA Mutual Fund**	**2705500**	**2.80**	**01/04/2016**				
				08/04/2016	5000	Purchase	2710500	2.81
				12/08/2016	50000	Purchase	2760500	2.86
				19/08/2016	75000	Purchase	2835500	2.94
				02/09/2016	40000	Purchase	2875500	2.98
				16/12/2016	(389500)	Sale	2486000	2.58
				23/12/2016	(330000)	Sale	2156000	2.24
				30/12/2016	(122000)	Sale	2034000	2.11
				20/01/2017	(200000)	Sale	1834000	1.90

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				03/02/2017	(570100)	Sale	1263900	1.31
				10/02/2017	(135400)	Sale	1128500	1.17
		1128500	**1.17**	**31/03/2017**				
8.	**Government Pension Fund Global**	**2400000**	**2.49**	**01/04/2016**				
				12/08/2016	(2400000)	Sale	0	0.00
		0	**0**	**31/03/2017**				
9.	**ICICI Prudential Exports And Other Services Fund**	**1896616**	**1.97**	**01/04/2016**				
				15/04/2016	(543512)	Sale	1353104	1.40
				22/04/2016	1434394	Purchase	2787498	2.89
				22/04/2016	(1007341)	Sale	1780157	1.85
				30/06/2016	2414	Purchase	1782571	1.85
				29/07/2016	(68519)	Sale	1714052	1.78
				05/08/2016	(57864)	Sale	1656188	1.72
				09/09/2016	(46607)	Sale	1609581	1.67
				07/10/2016	(44560)	Sale	1565021	1.62
				14/10/2016	(23327)	Sale	1541694	1.60
				04/11/2016	105468	Purchase	1647162	1.71
				11/11/2016	42875	Purchase	1690037	1.75
				06/01/2017	(94387)	Sale	1595650	1.65
				13/01/2017	(155024)	Sale	1440626	1.49
				20/01/2017	(216528)	Sale	1224098	1.27
				03/02/2017	53090	Purchase	1277188	1.32
				10/02/2017	204940	Purchase	1482128	1.54
				17/02/2017	176846	Purchase	1658974	1.72
				24/03/2017	498593	Purchase	2157567	2.24
		2157567	**2.24**	**31/03/2017**				
10.	**Aperios Emerging Connectivity Master Fund Limited**	**1804483**	**1.87**	**01/04/2016**				
				22/04/2016	(83891)	Sale	1720592	1.78
				29/04/2016	(112909)	Sale	1607683	1.67
				06/05/2016	(23200)	Sale	1584483	1.64
				13/05/2016	(44720)	Sale	1539763	1.60
				03/06/2016	(22200)	Sale	1517563	1.57
				10/06/2016	(27800)	Sale	1489763	1.54
				17/06/2016	(200000)	Sale	1289763	1.34
				30/06/2016	(50000)	Sale	1239763	1.29
				22/07/2016	(266426)	Sale	973337	1.01
				29/07/2016	(197955)	Sale	775382	0.80
				05/08/2016	(300000)	Sale	475382	0.49
				19/08/2016	(100000)	Sale	375382	0.39
				26/08/2016	(50000)	Sale	325382	0.34
				09/09/2016	(50000)	Sale	275382	0.29
				16/09/2016	(15248)	Sale	260134	0.27
				23/09/2016	(260134)	Sale	0	0.00
		0	**0**	**31/03/2017**				
11.	**Reliance Capital Trustee Co Ltd.**	**1768747**	**1.83**	**01/04/2016**				
				22/04/2016	49400	Purchase	1818147	1.88
				06/05/2016	(60000)	Sale	1758147	1.82

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				10/06/2016	82071	Purchase	1840218	1.91
				01/07/2016	20635	Purchase	1860853	1.93
				08/07/2016	36016	Purchase	1896869	1.97
				22/07/2016	(38000)	Sale	1858869	1.93
				09/09/2016	(30000)	Sale	1828869	1.90
				23/12/2016	158600	Purchase	1987469	2.06
				13/01/2017	30000	Purchase	2017469	2.09
				27/01/2017	50000	Purchase	2067469	2.14
				10/02/2017	535000	Purchase	2602469	2.70
		2602469	**2.70**	**31/03/2017**				
12.	**Morgan Stanley SICAV (Mauritius) Limited**	**1568176**	**1.63**	**01/04/2016**				
				27/05/2016	246149	Purchase	1814325	1.88
				23/09/2016	(36433)	Sale	1777892	1.84
				30/09/2016	(32143)	Sale	1745749	1.81
				07/10/2016	(50547)	Sale	1695202	1.76
				14/10/2016	(14230)	Sale	1680972	1.74
				17/02/2017	57251	Purchase	1738223	1.80
				24/02/2017	19309	Purchase	1757532	1.82
				17/03/2017	54056	Purchase	1811588	1.88
				31/03/2017	(19771)	Sale	1791817	1.86
		1791817	**1.86**	**31/03/2017**				
13.	**Aadi Financial Advisors LLP**	**1436395**	**1.49**	**01/04/2016**	**No Movement during the year.**			
		1436395	**1.49**	**31/03/2017**				
14.	**SBI Magnum Multiplier Fund**	**0**	**0**	**01/04/2016**				
				12/08/2016	1018710	Purchase	1018710	1.06
				26/08/2016	141290	Purchase	1160000	1.20
		1160000	**1.20**	**31/03/2017**				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	Directors							
1	Mr. Pavan Jain	350000	0.36	01/04/2016				
				27/03/2017	219975	Purchase	569975	0.59
				28/03/2017	(210000)	Sale	359975	0.37
				29/03/2017	(60000)	Sale	299975	0.31
				30/03/2017	(40000)	Sale	259975	0.27
				31/03/2017	(40000)	Sale	219975	0.23
		219975	0.23	31/03/2017				

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April, 2016)/ End of the Year (31st March, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
2	Mr. Vivek Jain	650445	0.67	01/04/2016				
				27/03/2017	(650000)	Sale	445	0
				28/03/2017	210000	Purchase	210445	0.22
				29/03/2017	230000	Purchase	440445	0.46
				31/03/2017	200000	Purchase	640445	0.66
		640445	0.66	31/03/2017				
3	Mr. Siddharth Jain	600000	0.62	01/04/2016				
				27/03/2017	219925	Purchase	819925	0.85
				28/03/2017	(199990)	Sale	619935	0.64
				28/03/2017	200000	Purchase	819935	0.85
				29/03/2017	(199970)	Sale	619965	0.64
				30/03/2017	200000	Purchase	819965	0.85
				31/03/2017	(200000)	Sale	619965	0.64
		619965	0.64	31/03/2017				
4	Mr. Deepak Asher	25000	0.03	01/04/2016	No Movement during the year.			
		25000	0.03	31/03/2017				
5	Mr. Haigreve Khaitan	0	0.00	01/04/2016	No Movement during the year.			
				31/03/2017				
6	Mr. Amit Jatia	0	0.00	01/04/2016	No Movement during the year.			
				31/03/2017				
7	Mr. Kishore Biyani	0	0.00	01/04/2016	No Movement during the year.			
				31/03/2017				
8	Ms. Girija Balakrishnan	0	0.00	01/04/2016	No Movement during the year.			
				31/03/2017				
	KMP							
1	Mr. Alok Tandon, Chief Executive Officer	28236	0.03	01/04/2016	No Movement during the year.			
		28236	0.03	31/03/2017				
2	Mr. Upen Shah, Chief Finance Officer	225	0.00	01/04/2016	No Movement during the year.			
		225	0.00	18/08/2016*				
3	Mr. Kailash B. Gupta – Chief Financial Officer	0	0.00	19/08/2016#	No Movement during the year.			
		0	0.00	31/03/2017				
4	Mr. Dhanraj Mulki – Vice President – Legal & Company Secretary	40	0.00	01/04/2016	No Movement during the year.			
		40	0.00	31/03/2017				

* Mr. Upen Shah has retired as a Chief Financial Officer with effect from 18th August 2016.

Mr. Kailash B. Gupta has been appointed as a Chief Financial Officer and has been designated as a Key Managerial Person with effect from 19th August 2016.

V. INDEBTEDNESS

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

(Amount ₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	10455.20	16249.00	Nil	26704.20
ii. Interest due but not paid	38.48	--	--	38.48
iii. Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	**10493.68**	**16249.00**	**Nil**	**26742.68**
Change in Indebtedness during the Financial Year				
· Addition	10019.76	--	Nil	10019.76
· Reduction	(5049.68)	--	--	(5049.68)
Net Change	**4970.08**	**--**	**--**	**4970.08**
Indebtedness at the end of the Financial Year				
i. Principal Amount	15447.40	16249.00	Nil	31696.40
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	16.36	--	--	16.36
Total (i+ii+iii)	**15463.76**	**16249.00**	**Nil**	**31712.76**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager
1.	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify…	
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	**-**

B. Remuneration to Other Directors

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Haigreve Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani	Ms. Girija Balakrishnan	
	Fee for attending Board/ Committee Meetings	2.00	1.80	1.60	0.80	6.20
	Commission	0	0	0	0	0
	Others	0	0	0	0	0
	Total (1)	**2.00**	**1.80**	**1.60**	**0.80**	**6.20**
2	Other Non-Executive Directors	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Deepak Asher	Mr. Siddharth Jain	-

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Fee for attending Board/ Committee Meetings	1.40	0.40	2.20	2.00	6.00
	Commission	0	0	0	0	0
	Others (Professional Fees)	0	0	30.00	0	30.00
	Total (2)	**1.40**	**0.40**	**32.20**	**2.00**	**36.00**
	Total of B = (1+2)					**42.20**
	Total Managerial Remuneration (A+B)					**42.20**
	Overall Ceiling as per the Act					**143.39**

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

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO***	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97.43	52.21	36.28	185.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify…	Nil	Nil	Nil	Nil
5.	Others, please specify (Employer's Contribution to Provident Fund)	5.83	2.83	2.22	10.88
	Total	**103.26**	**55.04**	**38.50**	**196.80**

* Mr. Kailash B. Gupta has been appointed as a Chief Financial Officer and has been designated as a Key Managerial Person with effect from 19th August 2016.

The Remuneration paid to Mr. Upen Shah, erstwhile Chief Financial Officer of the Company, for the period from 1st April 2016 to 18th August 2016 was ₹ 32.93 Lakh.

VI. Penalties /Punishments / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			**Nil**		
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

Annexure – E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has taken the following energy conservation measures:

- LED Retrofitting has been done at all the new multiplex cinema theatres of the Company as well as at the time of major renovation of existing multiplex cinema theatre which helps in reducing energy consumption.
- The Company has installed the Harmonic Filters in main power supply at Pune and Chennai to reduce the Electronic Harmonic Distortions which will give clean power to equipment & will result in reduction of electricity consumption.
- Auto Voltage Regulator (AVR) is installed at Pune & Lucknow which is maintaining constant Voltage in the said unit irrespective of any voltage fluctuation from the electricity board. In effect the rate of failure of bulbs, tubes and other components has been reduced considerably.
- Power factor is being maintained with the use of capacitor banks and auto power factor correction meter. These banks are used to neutralize the inductive current by providing capacitive current. As a result, the power factor improves and the Company gets rebate as may be applicable on energy bills from electricity distribution companies. The overall current consumption from the equipment has also reduced which leads to increase life cycle of the equipments like Motors and Heaters.
- All multiplexes have implemented Planned Preventive Maintenance (PPM) program where the schedule for all the engineering and projection equipments are chalked out in advance with the PPM chart. A benefit of the PPM program is to improve the efficiency of the machines and minimizing breakdowns. As a part of PPM program the air conditioning system gets overhauled and chemical dosing is used to recover the loss of ageing plus wear and tear. As a result, the electrical current required for getting the desired result has reduced.
- The operation timing of HVAC (Heat Ventilation and Air Conditioning) system and temperature is controlled with the help of Building Management System software (BMS) at some of the units of the Company. Company has done complete chiller revamp and screw compressor retrofit for the old Reciprocating chillers at Nariman Point Property. These will help in reducing energy consumption.
- Eco-friendly source of electricity generated by the wind mill for the multiplex at Vadodara, Anand and Bharuch is used partially.
- Eco-friendly source of electricity generated through Mini hydro power plant for the Multiplex at Vijayawada is used partially.
- Timers are being used to optimize the operational hours of lighting including other load within the premises. We have started energy conservation meeting for all the units so as to create awareness about the energy conservation. The units like Vijayawada, Lucknow, Hyderabad, Thane, Malleshwaram (Bangalore), Rajarhat, Central Mall (Indore) have installed these Timers for common area lightings and Signages. Digital Timers are also installed for the AHU (Air Handling Units) which can precisely control the operation hours of AHU according to the schedule of the movies. Same process is being standardized for all upcoming multiplexes.
- The Company has successfully installed Variable Frequency Drive (VFD) for Audi AHU motors in most of the Multiplexes. This helps us to control the speed of Aircon motor as per the temperature and the occupancy. It helps to optimize energy consumption for Air conditioning system.
- Introduced movement sensor in toilets and back-office areas. This sensor functions upon the physical movement which helps to reduce electrical energy. This is being standardized for all upcoming multiplexes.
- The Company has been using urinal flush sensors which help in reducing water consumption.

The Company continues to use the latest technology for giving high quality movie viewing experience to its valued guests.

The foreign exchange earnings and outgo is as follows:

(₹ in Lakh)

		Current Year	Previous Year
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outgo		
	- CIF value of Capital Goods imported	3260.11	459.92
	- CIF Value of materials purchased	430.40	441.03
	- Travelling expenses	40.60	39.50
	- Interest on deferred credit	1.72	68.10
	Total	**3,732.83**	**1,008.55**

Annexure – F

(i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for FY 2016-17 (₹ In Lakh)	% increase in remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
1.	Pavan Jain, Chairman & Non-executive Director	*	*	*
2.	Vivek Jain, Non-executive Director	*	*	*
3.	Deepak Asher, Non-executive Director #	30.00	Not Applicable	9.58:1
4.	Siddharth Jain, Non-executive Director	*	*	*
5.	Haigreve Khaitan, Independent Director	*	*	*
6.	Amit Jatia, Independent Director	*	*	*
7.	Kishore Biyani, Independent Director	*	*	*
8.	Girija Balakrishnan, Independent Director	*	*	*
9.	Alok Tandon, Chief Executive Officer	103.26	4%	Not Applicable
10.	Upen Shah, Chief Finance Officer $	32.93	-	
11.	Kailash B. Gupta, Chief Financial Officer $	38.50	7%	
12.	Dhanraj Mulki, Company Secretary	55.04	7%	

* For this purpose, Sitting Fees paid to the Director have not been considered as Remuneration.

Mr. Deepak Asher is being paid Professional Fees of ₹ 30.00 Lakh p.a. with effect from 1st April 2014 for his professional services for strategic business planning, formulation and implementation of various growth strategies for the Company as well as financial planning and management of the Company.

$ Mr. Upen Shah has retired as a Chief Financial Officer with effect from 18th August 2016 and Mr. Kailash B. Gupta has been appointed as a Chief Financial Officer and has been designated as a Key Managerial Person with effect from 19th August 2016.

(ii) Percentage increase in the median remuneration of employees in the Financial Year is 3%.

(iii) The number of permanent employees on the rolls of company as on 31st March 2017 was 1751.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in the salaries of employees other than the managerial personnel in the last Financial Year is 5% and percentile increase in the managerial remuneration is 5%.

(v) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars required to be provided in accordance with the provisions of Section 197 (12) of the Act, read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This statement is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Annexure – G

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

Sr. No.	Particulars	Compliance
1.	A brief outline of CSR Policy including outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and project or programmes	CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on website of the Company at https://www.inoxmovies.com/Corporate.aspx?Section=3
2.	The Composition of CSR Committee	Mr. Haigreve Khaitan, Independent Director Mr. Pavan Jain, Non-Independent Director Mr. Deepak Asher, Non-Independent Director
3.	Average net profit of the Company for last three Financial Years	₹ 5347.92 Lakh
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above.)	₹ 106.96 Lakh
5.	Details of CSR spent during the Financial Year	
	a. Total amount to be spent for the Financial Year	₹ 103.38 Lakh
	b. Amount unspent, if any	₹ 3.58 Lakh
	c. Manner in which the amount spent during Financial Year is detailed below	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered – Schedule VII**	**Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken**	**Amount outlay (budget project or programme wise)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent Direct or through implementing agency**
1.	Contribution to Inox Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting education	Vadodara, Gujarat	1,12,500	1,12,500	1,12,500	Through Inox Group CSR Trust
2.	Contribution to Corpus Fund of Inox Group CSR Trust	NA	Expenditure on CSR build capacity through implementing agency	50,00,000	50,00,000	50,00,000	Through Inox Group CSR Trust
3.	Contribution to Inox Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting education	Vadodara, Gujarat	1,12,500	1,12,500	1,12,500	Through Inox Group CSR Trust

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered – Schedule VII**	**Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken**	**Amount outlay (budget project or programme wise)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent Direct or through implementing agency**
4.	Contribution to Go Sports Foundation for Paraolymapians - Empowering Indias Future Olympians	Promoting Paralympic Sports	Mumbai	5,00,000	5,00,000	5,00,000	Through trust
5.	Contribution to Inox Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting education	Vadodara, Gujarat	1,12,500	1,12,500	1,12,500	Through Inox Group CSR Trust
6.	Contribution to Corpus Fund of Inox Group CSR Trust	NA	Expenditure on CSR build capacity through implementing agency	25,00,000	25,00,000	25,00,000	Through Inox Group CSR Trust
7.	Donation to "HN SAFAL FOUNDATION"	Promoting education and uplifting poor	Ahmedabad, Gujarat	20,00,000	20,00,000	20,00,000	Through trust
				1,03,37,500	1,03,37,500	1,03,37,500	

6	In case the Company has failed to spend the two percent of the average net profit of last three Financial Years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report.	During the year, the Company has spent ₹ 103.38 Lakh on CSR and there is unspent amount of ₹ 3.58 Lakh. The Company is obtaining advisory services for identification of CSR Projects for its CSR activities and will spend the amount on identification of CSR Projects.
7	A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-
Alok Tandon
Chief Executive Officer
Mumbai

26th July, 2017

Sd/-
Mr. Haigreve Khaitan
Chairman - CSR Committee
Mumbai

26th July, 2017

INOX LIVE the MOVIE

CERTIFICATE

To the Members of **INOX Leisure Limited**

We have examined the compliance of conditions of Corporate Governance by INOX Leisure Limited, for the Financial Year ended on 31st March 2017, as stipulated in Clause E of Schedule V of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

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

For and on behalf of
Patankar & Associates
Chartered Accountants
Firm Registration no 107628W

Pune
26th July, 2017

S.S. Agrawal
Membership No 049051
Partner

Management DISCUSSION & ANALYSIS

Industry Overview

India Media & Entertainment Industry

The calendar year 2016 was a mixed bag for the Indian Media and Entertainment (M&E) industry. The Indian M&E industry grew by 9.1%, according to the KPMG-FICCI Report on the Indian M&E sector. This success was on the back of a 11.2% growth in advertising and was aided by strong fundamentals, in addition to a steady growth in consumption.

The future of the M&E industry revolves around digital platforms and innovation. With a continuous push by the Government around digital consumption and payments, the adoption of technology should be the way forward. However, this brings with itself challenges for every section of the industry and calls for innovation, change management and the evolution of business models. All eyes will be on the M&E industry's existing stakeholders' ability to harness the potential of this innovation and move towards a digitally driven business model.

Film Exhibition Industry – India

Compared to international markets such as the United States and China, India has a low penetration level of multiplexes with a potential to have almost 7,500-10,000 multiplex screens across India.[1] Currently, India has close to 2,500 multiplex screens and over 6,000 single screens.[2] The multiplex screen count grew from 925 in 2009 to about 2,500 in 2017. Single screen cinemas continued to struggle, leading to closures or conversion into multiplexes due to operational challenges.[2] High entertainment taxes, increase in distributors' shares, relatively lower ticket prices, non-viable running costs on a standalone basis and comparatively lower occupancy rates are a few examples of the operational challenges for single screens.

Players in the film exhibition segment have grown not only through organic screen additions, but also through the acquisition of multiplexes and single screens. Consolidation of the multiplex segment has resulted in the top four cinema operators controlling almost 70% of the market.[1] We kicked off the consolidation phase by acquiring Calcutta Cine Private Limited in 2007 and then followed it by Fame India Limited in 2012 and Satyam Cineplexes Limited in 2014.

Indian Film Industry

The film industry in India contributed ₹ 142 billion of the total Media & Entertainment (M&E) industry of ₹ 1,262 billion in FY2016.[2] With the growing Mergers and Acquisitions, opportunities to acquire single screens as well as the growing number of films in regional languages increasing, the film industry is estimated to grow at a 7.7% CAGR – from ₹ 142 billion in FY2016 to ₹ 207 billion in 2021, while the entire M&E industry is expected to touch a size of ₹ 2,419 billion by 2021.[2]

Performance of Film Segment

Hollywood and Regional films witnessed a growth in contribution to the industry in 2016. Movies in Malayalam, Marathi, Punjabi and Gujarati markets performed exceptionally well.[2] The Indian film industry is expected to grow in FY 2018 due to good content pipeline.

Impact of Demonetisation

Demonetisation had adversely affected revenues of exhibitors, especially single screen theatres and especially those in tier 2 cities. Lack of support for digital payments resulted in poor ticket sales and show cancellations. The occupancy rate fell down to 5-7% and revenue was hit by 20-25% in first week post demonetization. Thereafter, the effect of demonetization gradually diminished.

Demonetization also adversely impacted advertisement growth in the last quarter. Immediately post demonization, there was a visible shrinking of advertising by key advertisers.

Key Growth Drivers

Growing Market Opportunity

Of the estimated 8,500 screens in India, about 2,500 screens are in multiplex format and the rest are single screens, which enhances growth prospectus for multiplexes.[2] Watching movies in a theatre is the leading entertainment option for most Indians. The nation is one of the world's largest film markets, with over 2 billion footfalls annually.[1] The multiplex segment is highly organised and largely dominated by four key players who account for a combined screen count of over 1,600.[2]

Opportunity to capitalise on low screen density

India's challenge of low screen density (8 screens per million per people) is an opportunity that Indian multiplexes have been leveraging. In calendar year 2016, the multiplexes together added approximately 200 screens across India. Industry discussions indicate that the industry is likely to continue to grow at a similar pace – adding 150-200 screens every year. If regulatory hurdles are eased at a state and local level, the Indian film exhibition industry is poised to be a material player on the world stage in terms of its market size.[2]

Our footprint across India has been growing with new screens additions. We have added an average of 53 screens per annum over the last 3 financial years. We foresee a strong pipeline of new screens to be added in the near future, backed by signed agreements. We are targeting adding ~50-60 screens per annum, which will contribute to a growth in footfall.

Planned Additions in FY2018	11 Properties	48 Screens	8,462 Seats
Projected Capacity at the end of FY2018	128 Properties	515 Screens	125,972 Seats

Improving Comfort and Experience by Multiplexes

Innovation, supported by technology, has become a key growth driver for the film exhibition industry. Exhibitors are introducing disruptive innovations such as IMAX, 4DX, Atmos Sound, Laser projection and state-of-art recliners which are driven by technology. These are providing movie goers with a 'wow' experience. Old properties are being renovated to standardise the experience across multiplex chain which in turn is helping in increasing revenues.

In FY2017, we have:

- Launched IMAX screens in R-City, Ghatkopar, Mumbai and Mantri Square, Malleshwaram, Bengaluru
- Launched India's first laser plex at CR2, Nariman Point, Mumbai – All screens with laser projection
- Introduced laser projection screens at R-City, Ghatkopar, Mumbai and Mantri Square, Malleshwaram, Bengaluru
- Launched INSIGNIA, (INOX's signature experience) at CR2, Nariman Point, Mumbai
- Refurbished INSIGINIA Screens of R-City, Ghatkopar, Mumbai and Mantri Square,

Malleshwaram, Bengaluru

- Introduced staff uniforms designed by Arjun Khanna, crafted to compliment the movie experience at INSIGNIA screens

Ancillary Revenue Streams

Ancillary revenue streams witnessed a growth of 51% from ₹ 10.2 Billion in 2015 to ₹ 15.5 Billion in 2016 and became the second largest contributor to the overall film industry's revenue.[2] Apart from adding screens, film exhibitors are actively focusing on various other channels to boost ancillary revenues. These include more culinary options on the menu, in-cinema advertising and other value-added services which include butler-on-call, café within the cinema premises and branded Food & Beverage kiosks.

The F&B operations of the Company are managed by an in-house team, delivering net contribution of ~76%. We have taken various initiatives to curate and upgrade our menu to improve our F&B revenues. Our highly qualified in-house specialty chefs change our menu on a regular basis across the country, so that menu fatigue doesn't set in. Innovations in the F&B Menu include customizations based on movies playing. We have appointed Celebrity Master Chef Mr. Vicky Ratnani to enhance our INSIGNIA menu. We foresee growth in this segment, led by expansion and increased footfalls into F&B sales at our properties.

Advertising revenue of the Company has registered a drastic improvement over the years. It has increased from ₹ 292 million in FY2012 to ₹ 962 million in FY2017. Increase in our advertising rates, on the back of strong content, has led to an increase in advertising revenues.

Enhancing the Movie Going Experience

Besides enhancing the movie and food experience, we improve our guests' experience with the use of technology, features and services. Some of these are:

a. **Interactive Food ordering Kiosk:**

Committed to putting customers at the heart of everything we do, we introduced an interactive Food ordering Kiosk for the first time in the multiplex industry. Positioned strategically in the lobby, it enables customers to order and pay using touch screens and get their orders ready to be picked up from a special counter (named Fast Forward) or delivered to their seats. It gives guests the convenience of personalization while placing their order. With this, guests can skip the queues and get food straight from the counter right at their seats. We aim to add many more kiosks across our properties in the near future.

b. **Butler on Call:**

A single tap of a button gets our guests personalised service at our INSIGNIA screens. Whether it is refreshments or a blanket, they just need to sit back and relax, while it is served at their seats. While it was introduced at our multiplexes of CR2, Nariman Point and R-City, Ghatkopar in Mumbai and Mantri Square in Malleshwaram, this service will be continued to be rolled out in INSIGNIA screens across the country.

c. **In-App Food Ordering:**

Guests can now order food from their seats by using the innovative and first-of-its-kind food ordering feature on the INOX Mobile App.

d. **State-of-the-Art 3D Technology:**

In alignment to the rising trend of more 3D movie releases, we have introduced Volfoni's SmartCrystal™ Diamond Solution to deliver a vibrant and clear 3D experience to our guests.

e. **Centralised Monitoring for a Superior movie viewing experience:**

Technology has helped improve our efficiency in managing the movie experience for our guests. With the introduction of a revolutionary Network Operating Center (NOC), we are able to monitor the quality of sound and projection systems in auditoriums across our network. The system also allows advertisers to monitor advertising content directly on a real time basis thereby giving a boost to advertising revenues. The NOC has helped us deliver a superior and consistent experience to our guests.

f. **New Payment Methods :**

Guests can now pay through the Contactless Credit/Debit Cards or NFC Enabled Payment Systems. This helps in faster and quicker checkouts at the Box-Office and F&B Counters.

Key Threats & Concerns

a. **Regulated Ticket Pricing and Show Timings**

Ticket pricing and show timings are regulated in some States. The industry is hoping that State Governments will relax regulations that limit the number of shows and cap ticket pricing, and allow exhibitors to fix admission rates and show timings, according to demand and supply. Flexible pricing and show timings will help optimise occupancies and grow tax collections.

b. **High taxation restrains sector's growth**

High tax rates are an impediment to growth of the film exhibition industry. Taxes in India have increased further, surpassing most comparable economies despite the recent introduction of GST.

c. **Timely execution of expansion plans**

We plan to open new properties in various upcoming malls. Any delay in construction and completion of these malls will impact the execution of our roll-out plans.

d. **Quality of film releases**

Superior quality content is the key driver of footfalls in multiplexes.

e. **Online Piracy**

Piracy continues to be one of the major issues affecting the Indian film industry with an annual loss of substantial revenues to the tune of ₹ 180 Billion every year. Over time, movie piracy has shifted from use of CDs and DVDs to online platforms.[2]

Management Outlook for FY2018

We maintain our position as one of the leading multiplex players in India. Amidst a consolidation phase in India's multiplex business, we have an ability to establish a strong position with an under-leveraged balance sheet and robust promoter group support. We have aggressively scaled up during the last decade by way of screen additions and acquisitions. From 2 properties and 8 screens in FY2003, we have grown to 118 properties and 468 screens as of FY2017, virtually adding an average of 3 screens every month for more than a decade. We expect the momentum to continue on the back of an optimistic film release pipeline.

We have an encouraging outlook for capacity expansion which is substantiated with signed agreements for new screens. We are working to add 11 properties with 48 screens and 8462 seats during FY2018. Our key focus areas during FY2018 will be to further improve our Average Ticket Price (ATP) and Spend Per Head (SPH). With a growing number of high-quality cinemas and our emphasis on customer service excellence, we aim to generate positive operating results over the long term and enhance the value for our shareholders.

Risk Management & Internal Controls

We believe that sound internal controls and systems are driven by good governance and should be exercised within a framework of proper checks and balances. Accordingly, the Company has devised and implemented such internal control systems as required in its business processes. The adequacy of these is being commented upon by the Statutory Auditors in their report. The Company remains committed to ensuring a reasonably effective internal control environment that provides assurance on the operations and safeguarding of its assets. The internal controls have been designed to provide assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorisation and ensuring compliance with corporate policies.

Financial and Operational Review during FY2017

Income from Operations

Income from Operations was positive with a 5% growth, from ₹ 11,606 million in FY2016 to ₹ 12,207 million in FY2017. The rise in revenues was driven by increase in Box Office, Food & Beverage and Advertising revenues. This was on the back of increasing Average Ticket Price and Spend Per Head, which grew by 5% and 7%, respectively. Footfalls has increased marginally from 53.4 million in FY2016 to 53.7 million in FY2017. The occupancy rate dropped marginally from 29% in FY2016 to 28% in FY2017.

Earnings before Interest Tax Depreciation and Amortisation (EBITDA)

EBITDA decreased by 23% from ₹ 1,891 million in FY2016 to ₹ 1,461 million in FY2017. EBITDA margin this year decreased from 16% in FY2016, to 12% in FY2017 due to indifferent content.

Profit after Tax

PAT decreased by 62% - from ₹ 810 million in FY2016 to ₹ 306 million in FY2016 due to lower operating performance.

Human Resources

Our organisational culture fosters growth of both, the Company and our employees. Employee strength of 7,307 employees (including outsourced employees) propels us further in achieving our plans and targets. We are encouraging our workforce to innovate and achieve our short-term and long-term objectives.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of INOX Leisure Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Inox Leisure Limited's Annual Report, FY2017.

Source:

1. Deloitte – Indywood The India Film Industry Report, September 2016
2. KPMG-FICCI 2017

Business **Responsibility Report**

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

Preface

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015) read with SEBI circular dated 4th November, 2015 and its amendment dated 22nd December, 2015 had mandated that with effect from the Financial Year 2016-17, the annual report of top 500 listed companies should include a Business Responsibility Report (BRR) in the format prescribed by SEBI. Since INOX Leisure Limited (hereinafter referred to as ILL or the Company) is a part of top 500 listed companies (based on market capitalisation as on 31st March, 2017) as per the list hosted on the websites of the BSE and NSE, it is required to publish a BRR in its Annual Report for Financial Year 2016-17. This report serves as the BRR for ILL, to which the said requirement became applicable for the first time in Financial Year 2016-17. It is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The BRR of the Company in the format prescribed at Annexure I of the said circular is given hereunder and it describes initiatives taken by the Company during the Financial Year 2016-17:

Section A	**General Information about the Company**	
1	Corporate Identification Number	L92199GJ1999PLC044045
2	Name of the Company	INOX Leisure Limited
3	Registered Address	ABS Towers, Old Padra Road, Vadodara- 390007
4	Website	www.inoxmovies.com
5	Email Address	investors@inoxmovies.com
6	Financial year reported	2016-17
7	Sector(s) that the Company is engaged in	Motion picture projection activities (NIC code 59141)
8	3 key products/services manufactured/provided by the Company	Cinema exhibition
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	None
(b)	Number of National Locations	118 Locations
10	Markets served by the Company	National
Section B	**Financial details of the Company**	
1	Paid up capital (INR)	₹ 96,45,77,540/-
2	Total turnover (INR)	₹ 122,071 Lakhs
3	Total profit after tax (INR)	₹ 3,047.69 Lakhs
4	Total spending on CSR as percentage of PAT (%)	₹ 103.38 Lakhs i.e. 3.39% of PAT for FY 2016-17.
5	List of the activities in which expenditure in 4 above has been incurred	Activities related to promotion of education, healthcare, sports and environment conservation

Section C	Other details				
1	Does the Company have any Subsidiary Company/ Companies?	Yes			
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No			
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No			
Section D	**BR information**				
1	Details of Director(s) responsible for BR				
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies:				
1	DIN Number	00030098	00029968	00030202	00035371
2	Name	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Siddharth Jain	Mr. Deepak Asher
3	Designation	Chairman	Director	Director	Director
(b)	Details of the BR head:				
1	DIN Number (if applicable)			N.A.	
2	Name	Mr. Kailash B. Gupta			
3	Designation	Chief Financial Officer			
4	Telephone number	022 4062 6900			
5	e-mail id	kailash.gupta@inoxmovies.com			

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	N	N	Y	N	N	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y			Y				Y	
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y			Y				Y	
4.	Has the policy being approved by the Board?	Y			Y				Y	
	Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y			Y				Y	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y			Y				Y	
6.	Indicate the link for the policy to be viewed online?	#			#				#	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y			Y				Y	

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8.	Does the company have in-house structure to implement the policy/policies.	Y			Y				Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	N			N				N	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N			N				N	

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)		1	2		2	3	4		5

1) While the Company does not have a specific policy for this principle, it has a detailed Fire & Security Standard Operating Procedure (SOP) that contains guidelines for dealing with different kinds of safety emergencies.

2) While the Company does not have a specific policy for this principle, it has an HR Operations Manual that provides guidance for governing various aspects related to its employees, including employee grievance redressal.

3) As a cinema exhibition company, with no manufacturing activities, we do not have a specific policy for this principle. However, we make conscious efforts to minimize or environmental footprint.

4) As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy.

5) While the Company does not have a specific policy for this principle, it has a well-defined Customer Relationship Management SOP.

3.	Governance related to BR:	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The business responsibility performance of the Company is assessed annually by the BRR Committee constituted by the Board of Directors of the Company at its Meeting held on 27th April, 2016.
b)	Does the Company publish BR or Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?	The requirement of publishing BRR is made applicable to the Company from the Financial Year 2016-17. BRR of Financial Year 2016-17 is placed on the website of the Company: www.inoxmovies.com/corporate

Section E: Principle-wise performance

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

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

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

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

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

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

   None.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Please indicate the Total number of employees.

   The Company has a total of 7307 employees (including outsourced employees).

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

   A total of 5447 employees have been hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.

   The Company has 94 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities

   The Company currently does not have any permanent employee with disabilities.

5. Do you have an employee association that is recognized by management?

   The Company does not have any em ployee association that is recognized by the management.

6. What percentage of your permanent employees is members of this recognized employee association?

   Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	11	1
3.	Discriminatory employment	Nil	Nil

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

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

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

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

1. Has the company mapped its internal and external stakeholders?

   ILL takes into account the wellbeing of all individuals directly or indirectly associated with it, though a formal mapping of the internal and external stakeholders has not been conducted.

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

   While there has not been any formal identification of the disadvantaged stakeholders, the Company's primary welfare activities are focussed on children, women, students and patients from socially & economically backward groups in the geographies that have been selected.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.

   Some of the initiatives undertaken by the Company include:

   - Monetary assistance for managing balwadis
   - Monetary assistance to students from economically disadvantaged backgrounds
   - Monetary assistance for construction of a hospital for the poor
   - Monetary assistance for Para-Olympians

Principle 5: Businesses should respect and promote human rights

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

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   The policy extends to Contract Labour, Vendors and all other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No stakeholder complaint has been received in the past financial year and none are pending as on 31st March 2017.

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

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   The Company currently does not have a stated policy on this principle.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   In its effort to address the climate change, the Company has adopted a number of initiatives to decrease its energy consumption and enhance energy efficiency at its properties, thereby reducing its greenhouse gas emissions.

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

   As a cinema exhibition company with no manufacturing activities, ILL does not conduct a formal environmental risk assessment. However, the Company incorporates environment friendly practices in its day to day activities.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   No, the Company currently does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company undertakes regular energy audits across all its properties which helps in the identification of areas where there is scope for improvement. It has taken a number of initiatives like retrofitting of chillers, installation of variable frequency drives and LED lighting, which have helped the Company to decrease electricity consumption. The Company has also installed 2 windmills in Mothisindhodi, Kutch, Gujarat with a cumulative capacity of 1.2 MWh. In FY 2016-17, these windmills generated more than 2 lac units of electricity which was consumed by 3 of ILL's properties, INOX Vadodara Race Course, INOX Bharuch Shree Rang and INOX Anand City Pulse.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   As a cinema exhibition company, ILL does not have any manufacturing operations and hence this question is not applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause/ legal notices from CPCB/SPCB are pending as on 31st March 2017.

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

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   INOX Leisure Limited is a member of Multiplex Association of India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No. The Company has not advocated/lobbied through above associations.

Principle 8: Businesses should support inclusive growth and equitable development

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

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof

   Some of the initiatives undertaken by the Company include:

   - Monetary assistance for managing balwadis
   - Monetary assistance to students from economically disadvantaged backgrounds
   - Contribution to a fund for Para-Olympians
   - Construction of a hospital for the poor

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programmes are undertaken through in-house teams as well as through NGOs.

3. Have you done any impact assessment of your initiative?

   The Company follows a systematic five step approach towards releasing funds for a project. The fifth step in this process includes a provision for seeking information regarding the impact of money spent, on the life of the beneficiary.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Details are provided under the Board Report on the CSR Activities of the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

   The Company regularly engages with the local communities in the areas chosen for CSR program implementation through its own CSR teams and partner NGOs. Through these interactions it ensures that its CSR initiatives are adopted by the local community and fulfil the needs of the target population.

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

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

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   During the year 2016-17, 8 cases were filed, while 18 cases are pending as on 31st March 2017.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N. A. /Remarks(additional information)

   Since the Company does not manufacture any product, this question is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There was no pending stakeholder case against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March 2017.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company seeks regular feedback from its customers in order to get clear and detailed insights into their satisfaction levels. For patrons purchasing tickets online, feedback is sought via emails, while those visiting the box-office can get a copy of the feedback form at the ticketing counters. Every feedback received is forwarded to the respective unit manager and the central customer relationship team for necessary action as required.

Corporate Governance Report

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

1. A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is the system by which Companies are directed and controlled by the Management in the best interest of the Shareholders and others, ensuring greater transparency as well as better and timely financial reporting. Corporate Governance, therefore, generates long term economic value for its Stakeholders.

INOX Leisure Limited believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with Corporate Governance.

2. BOARD OF DIRECTORS:

(a) Composition and Category of Directors

As at the Financial Year ended 31st March, 2017, the Board consisted of Eight Directors and all of them are Non-Executive Directors having considerable experience in their respective fields. The Board of Directors consisted of 4 Non-Independent Directors and 4 Independent Directors, including one woman Director.

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

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the Financial Year 2016-17, the Board met 5 (Five) times on the following dates namely, 27th April, 2016, 8th August, 2016, 27th October, 2016, 9th January, 2017 and 24th January, 2017.

The following table gives details of Directors, details of attendance of Directors at Board Meetings, at the Annual General Meeting, Number of Memberships held by the Directors in the Board / Committees of various Companies, Disclosure of Relationship between Directors inter-se and Number of Shares held by Non-Executive Directors as on 31st March, 2017.

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last Annual General Meeting	Relationship between Directors inter-se	Number of Shares held by Non-Executive Directors
Mr. Pavan Jain	Chairman, Non-Executive – Non Independent	5	No	Brother of Mr. Vivek Jain and Father of Mr. Siddharth Jain	2,19,975
Mr. Vivek Jain	Non-Executive – non Independent	2	No	Brother of Mr. Pavan Jain	640,445
Mr. Deepak Asher	Non-Executive – non Independent	5	Yes	No inter-se relationship between Directors	25,000
Mr. Siddharth Jain	Non-Executive – non Independent	5	No	Son of Mr. Pavan Jain	6,19,965
Mr. Haigreve Khaitan	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0
Mr. Amit Jatia	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0
Mr. Kishore Biyani	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0
Ms. Girija Balakrishnan	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0

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

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

Mr. Pavan Jain holds 295,001 equity shares as a trustee of "Inox Leisure Limited- Employees Welfare Trust" (ESOP Trust).

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

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

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

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

None of the Directors are Directors in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Directors act as a Member of more than 10 Committees or act as a Chairman of more than 5 Committees across all Public Limited Listed Companies.

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

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

(e) INDEPENDENT DIRECTORS

Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 21st January, 2017 during the Financial Year 2016-17, with the following agenda:

- to review performance of Non-Independent Directors and the Board as a whole;
- to review the performance of the Chairperson of the Company, taking into account the views of the Non-Executive Directors of the Company;
- to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- familiarization of independent directors with the company, their roles, rights, responsibilities in the company, nature of industries in which the company operates, business model of the company.

3. AUDIT COMMITTEE

(a) Terms of Reference of the Audit Committee:

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

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions; and
    g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

During the Financial Year 2016-17, the Audit Committee met 4 (Four) times on the following dates, namely, 27th April, 2016, 8th August, 2016, 27th October, 2016 and 19th January, 2017.

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

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

Mr. Haigreve Khaitan, Chairman of the Audit Committee was unable to attend the previous Annual General Meeting of the Company held on 24th September, 2016, as he was travelling abroad.

4. COMPENSATION, NOMINATION & REMUNERATION COMMITTEE

(a) Brief description of Terms of Reference:

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

The brief description of Terms of Reference is given below:

a) Implementation, administration and superintendence of the ESOP Scheme and formulate the detailed Terms & Conditions of the ESOP Scheme.

b) To frame suitable policies and system to ensure that there is no violation of SEBI (Insider Trading) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 by any employee.

c) To exercise roles, powers and duties as vested under Schedule V to the Companies Act, 2013 and Listing Regulations and to take decisions about remuneration payable to managerial personnel from time to time.

d) Lay down the Criteria for identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.

e) Carry out evaluation of every director's performance.

f) Formulate the criteria for determining qualifications, positive attributes and independence of a director

g) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

h) Devising a policy on Board diversity;

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2016-17:

The composition of Compensation, Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing

Regulations. During the Financial Year 2016-17, the Compensation, Nomination and Remuneration Committee met 4 (Four) times on following dates namely, 8th August, 2016, 5th January, 2017, 21st January, 2017 and 6th March, 2017.

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

Name of Director	Position	Number of Meetings Attended
Mr. Haigreve Khaitan, Independent Director	Chairman	4
Mr. Amit Jatia, Independent Director	Member	3
Mr. Siddharth Jain, Non-Executive Director	Member	4

(c) Performance Evaluation Criteria for Independent Directors

The Compensation, Nomination and Remuneration Committee and the Board of Directors had at their Meeting held on 21st January, 2017 have approved criteria for evaluation of Board as a whole, Committees of the Board and Individual directors and Chairperson (including Chairperson, CEO, Independent Directors) of the Company. Thereafter, the Performance Evaluation Forms consisting of various criteria / attributes based on the Guidance Note given in SEBI Circular no SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 were sent to all Directors with a request to assess performance of Board; Committees of Board and Individual Directors including Chairman and submit to the Chairman of the Company. All the Directors of the Company had submitted their Annual Performance Evaluation forms to the Chairman of the Company. Based on the evaluation done, performance of the Board and its Committees; individual Directors and Chairman is found satisfactory. Further, Committee had also decided to continue the terms of appointment of all Independent Directors of the Company.

The Chairman of Compensation, Nomination and Remuneration Committee had authorised Mr. Deepak Asher, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 24th September, 2016.

5. Remuneration to Directors

All the Directors of the Company are Non-Executive Directors. Members of the Company have passed a Special Resolution dated 13th January, 2015 approving the payment of Professional Fees to Mr. Deepak Asher, Non-executive Director of the Company. No other Non-Executive Director is being paid any remuneration except sitting fees. All the Directors are paid sitting fees of Rs. 20,000/- for attending the Meetings of the Board or Committee thereof and adjournments thereto. The details of total remuneration paid to the Directors for the year 2016-17 are given below:

(In ₹)

Name of Director	Sitting Fees*	Professional Fees	Total
Mr. Pavan Jain	1,40,000	-	1,40,000
Mr. Vivek Jain	40,000	-	40,000
Mr. Deepak Asher	2,20,000	30,00,000	32,20,000
Mr. Siddharth Jain	2,00,000	-	2,00,000
Mr. Haigreve Khaitan	2,00,000	-	2,00,000
Mr. Amit Jatia	1,80,000	-	1,80,000
Mr. Kishore Biyani	1,60,000	-	1,60,000
Ms. Girija Balakrishnan	80,000	-	80,000
Total	**12,20,000**	**30,00,000**	**42,20,000**

* Includes sitting fees paid for Board and Committee Meetings.

During the Financial Year 2016-17, the Company has not issued stock options at discount.

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a)	Name of Non-Executive Director heading the Committee	Mr. Pavan Jain
(b)	Name and designation of Compliance Officer	Mr. Dhanraj Mulki, Company Secretary
(c)	Number of Shareholders complaints received during the Financial Year 2016-17	1
(d)	Number not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

The Chairman of Stakeholders' Relationship Committee had authorised Mr. Deepak Asher, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 24th September, 2016.

A total of 2295 equity shares of the Company (including 395 shares pertaining to 4 shareholders of erstwhile Fame India Limited remaining unclaimed since initial public issue in 2005) had remained unclaimed subsequent to the initial public issue of the Company in 2006. In compliance with provisions of **Para F** of Schedule V of the Listing Regulations, aforesaid shares have been transferred to **"INOX Leisure Limited – Unclaimed Suspense Account"**.

Particulars	No of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	42	2295
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	42	2295

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

7. GENERAL BODY MEETINGS:

The particulars of the last three (3) Annual General Meetings (AGM) of the Company and details of Special Resolutions passed, if any, are given hereunder:

Financial Year	Date and Time	Location	Special Resolution Passed
2013-14	15th AGM on 10th September 2014 at 11.00 a.m.	At Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. Authority to the Board of Directors of the Company to borrow of money in excess of Paid-up Capital and Free Reserves of the Company. 2. Authority to the Board of Directors of the Company to create charge or mortgage in favour of lending institutions or to sell, lease or dispose of undertaking of the Company. 3. Approval of existing transaction with Related Party and also to renew the same from time to time at any time in future. 4. Authority to the Board to enter into the fresh transactions with the Related Parties and to renew the same from time to time in future. 5. Private Placement of Non-convertible Debentures and/ or other Debt Securities.
2014-15	16th AGM on 28th September 2015 at 11.00 a.m.	At Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	No Special Resolution was passed in the Annual General Meeting.

2015 -16	17th AGM on 24th September, 2016	At Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. To approve the payment of professional fees to Mr. Deepak Asher (DIN: 00035371), Non-executive Director of the Company. 2. Grant of employee stock options to the employees of the Holding and Subsidiary Company (ies) of the Company under ILL-EMPLOYEE STOCK OPTION SCHEME – 2006.

During the Financial Year ended 31st March, 2017, the following Special Resolution was passed by the Company's Members through Postal ballot.

Resolution No.: 1							
Special Resolution:				To approve the increase in the shareholding limit for Foreign Institutional Investors ("FIIs") / Registered Foreign Portfolio Investors ("RFPIs") from 24% up to an aggregate limit of 49% of the paid-up equity share capital of the Company.			
Date of Passing the Resolution				2nd June, 2016			
Details of voting pattern							
Mode of Voting (E-voting and Postal Ballot)							
Particulars	**Total No. of Valid Votes**	**Votes assenting the Resolution**	**% of Votes Cast**	**Votes dissenting the Resolution**	**% of Votes Cast**	**Invalid Votes**	**% of Votes Cast**
Votes cast through physical Postal Ballots	605317	605317	0.77	0	0.00	150	0.00
Votes cast through Electronic Mode	77712323	77711646	99.23	677	0.00	38	0.00
Total	**78317640**	**78316963**	**100.00**	**677**	**0.00**	**188**	**0.00**

The Board of Directors had appointed M/s. S. Samdani & Associates, Vadodara, Practicing Company Secretaries, as scrutinizer for conducting the Postal Ballot process in fair and transparent manner in above case.

The details of results of voting is disclosed on website of the Company. The same can be viewed at https://www.inoxmovies.com/Corporate.aspx?Section=3.

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

8. MEANS OF COMMUNICATION:

The Quarterly / Annual Financial Results of the Company during the Financial Year ended 31st March, 2017 were submitted to the Stock Exchanges immediately after they were approved by / taken on record by the Board and published in well-circulated Gujarati Newspapers (Financial Express) and English Dailies (Financial Express) as well. The said results along with official news releases and presentations made to the institutional investors / analysts have been submitted to the stock exchanges and also posted on the Company's website viz.: www.inoxmovies.com.

9. GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting (AGM):

- Date : Thursday, 28th September, 2017
- Time : 12.00 noon
- Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007

(b) **Financial year** : April, 2016 to March, 2017.

(c) **Book Closure Dates** : Saturday, 16th September, 2017 to Thursday, 28th September, 2017 (**both days inclusive**)

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

(e) **Listing on Stock Exchanges:**

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

2. **BSE Limited (BSE)**
   Jeejeebhoy Towers, Dalal Street,
   Mumbai – 400 001

Listing Fees:

The Company has paid the annual listing fees for the Financial Year 2016-17 to the BSE and NSE on which the securities are listed.

(f) **Stock Code:**

NSE - **INOXLEISUR**
BSE - **532706**

(g) **Market Price Data: High, Low during each month in the Financial Year 2016-17**

Month	NSE Monthly High Price (₹)	NSE Monthly Low Price (₹)	BSE Monthly High Price (₹)	BSE Monthly Low Price (₹)
April, 2016	221.90	191.00	221.70	191.00
May, 2016	209.90	190.05	210.00	190.90
June, 2016	249.80	196.20	249.60	193.10
July, 2016	257.45	237.75	256.90	237.25
August, 2016	286.90	242.55	286.70	243.65
September, 2016	293.40	251.00	292.90	251.30
October, 2016	279.00	240.10	279.80	240.00
November, 2016	257.95	214.85	257.25	210.00
December, 2016	233.55	215.50	233.85	193.00
January, 2017	243.00	212.95	243.05	213.30
February, 2017	247.95	213.00	248.20	213.95
March, 2017	288.00	232.50	287.50	232.35

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

Date	Nifty 500	Company's Share Price on NSE
1st April, 2016	6438.40	191.65
31st March, 2017	7995.05	286.60
Change	**24.18%**	**49.54%**

Date	BSE Sensex	Company's Share Price on BSE
1st April, 2016	25,301.70	191.15
31st March, 2017	29,620.50	286.45
Change	**17.07%**	**49.86%**

The Equity Shares of the Company were not suspended from Trading during the Financial Year 2016-17.

(i) Registrar and Transfer Agents:

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

Karvy Computershare Private Limited

Karvy Selenium Tower No. B, Plot No.31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032.

(j) Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. However, the share transfers which are received in physical form are processed and the Share Certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

(k) Distribution of Shareholding & Shareholding Pattern as on 31st March, 2017:

Shareholding of Nominal Value	Number of Shareholders	% to Total	Number of Shares	Amount in Rupees	% to Total
1 – 5000	31,937	93.84	2670659	26706590.00	2.77
5001 – 10000	970	2.85	785116	7851160.00	0.81
10001 – 20000	507	1.49	773773	7737730.00	0.80
20001 – 30000	179	0.53	456609	4566090.00	o.47
30001 – 40000	82	0.24	294091	2940910.00	o.31
40001 – 50000	75	0.22	354229	3542290.00	0.37
50001 – 100000	110	0.32	797811	7978110.00	0.83
100001 & Above	174	0.51	90325466	903254660.00	93.64
TOTAL	**34034**	**100.00**	**9,64,57,754**	**96,45,77,540**	**100.00**

(l) Shareholding Pattern as on 31st March, 2017 is as under.

Category	Number of Shares held	Percentage of Total Shareholding
Promoter's holding		
- Indian Promoters	4,69,73,928	48.70%
Sub-Total	**4,69,73,928**	**48.70%**
Non-Promoters Holding		
Institutional Investors		
- Mutual Funds /UTI	1,68,03,575	17.42%
- Financial Institutions/Banks	33,364	0.03%
- Foreign Institutional Investors	1,43,50,115	14.88%
Sub-Total	**3,11,87,054**	**32.33%**
Others		
Bodies Corporate	29,51,638	3.06%
Indian Public	95,72,344	9.92%
Non Resident Indians	2,97,977	0.31%
Any other		
- NBFCs registered with RBI	19,409	0.02%
- Trusts	43,50,917	4.51%
- Clearing Members	8,09,486	0.84%
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	2,95,001	0.31%
Sub-Total	**1,82,96,772**	**18.97%**
Grand Total	**9,64,57,754**	**100.00%**

(m) Dematerialization of shares:

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

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

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

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

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

(p) Property Locations:

The Multiplex Cinema Theatres of the Company are situated at the following places:

Sr. No.	City	Location
1	Pune	Plot No. D, Bund Garden Road, Near Hotel Central Park, Pune
2	Vadodara	Race Course, Gopal Baug, Ellora Park, Vadodara
3	Kolkata	Forum, 10 / 3, Elgin Road, Kolkata
4	Kolkata	City Centre, DC Block 1, Sector 1, Kolkata
5	Goa	Old GMC Heritage Precinct, D. B. Road, Campal, Panaji, Goa
6	Mumbai	2nd Floor, CR2,Opp. Bajaj Bhavan, Nariman Point, Mumbai
7	Bengaluru	4th Floor, Garuda Mall, Magrath Road, Bengaluru
8	Jaipur	Amrapali Circle, Vaishali Nagar, Jaipur
9	Indore	Sapna Sangeeta Mall, Sapna Sangeeta Road, Sneha Nagar, Indore
10	Darjeeling	Rink Mall, 19, Laden La Road, Darjeeling. West Bengal
11	Kota	Plot No. Sp 11, Indra Vihar, Kota
12	Nagpur	Poonam Mall, Vardhaman Nagar, Nagpur
13	Chennai	3rd Floor, Chennai City center, 10/11, R.K. Salai, Near Kalyani Hospital, Mylapore, Chennai
14	Jaipur	City Plaza, Nirman Marg, Jhotwara Road, Bani Park, Jaipur
15	Bharuch	Shree Rang Palace, Zadeshwar Road, Bharuch, Gujarat
16	Jaipur	4th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur
17	Lucknow	4th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow
18	Raipur	3rd Floor, City Mall 36, G. E. Road, NH-6, Raipur
19	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata
20	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada
21	Faridabad	3rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad
22	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur
23	Bengaluru	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bengaluru
24	Burdwan	4th Floor, Burdhwan Arcade, 60, B.B Ghosh Road, Burdwan
25	Hyderabad	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad
26	Siliguri	5th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri
27	Kolkata	3rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata
28	Indore	4th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore
29	Thane	3rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane
30	Vizag	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam
31	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam
32	Bengaluru	3rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bengaluru
33	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka
34	Jaipur	Pink Square Mall, Raja Park, Jaipur
35	Kanpur	3rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur
36	Bengaluru	5th Floor, Bengaluru Central, 45th Cross, J. P. Nagar 2nd Phase, Bengaluru
37	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal
38	Siliguri	City Centre, Matigara, Siliguri, West Bengal
39	Vijaywada	3rd Floor, LEPL Icon, Patamata, Vijayawada
40	Hyderabad	5th Floor, Maheshwari Parameshwari Mall, Kachiguda Cross Road, Hyderabad

Sr. No.	City	Location
41	Navi Mumbai	Glomax Mall, Kharghar, Navi Mumbai
42	Pune	2nd Floor, Amanora Park Town, East Blok, Hadapsar, Pune
43	Bhubaneswar	4th Floor, BMC Bhawani Mall, Saheed Nagar, Opp. Arya Samaj, Bhubaneswar
44	Udaipur	5th Floor, Lake City Mall, Porawalaji Ki Wadi, Ashok Nagar, Udaipur
45	Bhopal	1st Floor, Century 21 Mall, Hoshangabad Road, Bhopal
46	Nashik	Old Vijay Mamta Theatre, Opp. Prasad Chambers, Nashik Pune Road, Nashik
47	Mumbai	Raghuleela Mall, Behind Poisar Bus Depot, Off S.V. Road, Kandivali (W), Mumbai
48	Kolkata	Metropolis Mall, Hiland Park, Opp. Pearless Hospital, E.M. By Pass, Kolkata
49	Mumbai	Inorbit Mall, New Link Road, Near Subkuch Market, Malad (West) Mumbai
50	Pune	Jai Ganesh Vision Mall, Near Olympia Service Station Akurdi, Pune
51	Aurangabad	Old Anuradha Anupama Cinema, Tapadia Mall, Sector - C-2 Town Center, CIDCO, Aurangabad
52	Mumbai	Nakshatra Cine Shoppe, Rande Road, Near Dadar Railway Station, Dadar (W), Mumbai
53	Anand	City Pulse Theaters Ltd., Nr. Hero Honda Showroom, S.N. Motors, Anand - Vidyanagar Road, Anand
54	Mumbai	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira – Bhayander, Thane
55	Mumbai	Raghuleela Mall, Poisar, Kandivali
56	Bengaluru	Next To Ista Hotel, Off M.G. Road, Ulsoor, Bengaluru
57	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata
58	Navi Mumbai	3rd Floor, Raghuleela Mall, Opp. Vashi Railway station, Vashi, Navi Mumbai
59	Bengaluru#	Public Utility Building, M. G. Road, Bengaluru
60	Pune	1st Floor, Fun & Shop Mall, Opp. Bhairoba Nallah, Fatima Nagar, Hadapsar, Pune
61	Mumbai	Neelyog Bulding Patel Chowk, R.B. Road, Ghatkopar (E), Mumbai
62	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan
63	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung, Vadodara
64	Bharuch	Shalimar Takies, Station Road, Bharuch
65	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad
66	Bengaluru	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road , Bengaluru
67	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai
68	Kolkata	Hind Cinema, Bow Bazar, Kolkata
69	Surat	VR Surat, Dumas Road, Magdalla, Surat, Gujarat
70	Vizianagaram	3rd Floor, NCS Mall, Bochu Peta, Opp. RTC Complex, Vizianagaram
71	Panchkula	3rd Floor, NH-22 Mall, Amravati Enclave, Sector 2, Pinjore-Kalka Urban Complex, Panchkula
72	Raipur	1st Floor, City Centre Mall, Vidhan Sabha Road, Mowa, Raipur
73	Jaipur	3rd Floor, Elements Mall, Ajmer Road, Jaipur
74	Madurai	5th Floor, Vishaal de Mal, 31, Gokhale Road, Chinna Chokkikulam, Madurai
75	Noida	3rd Floor, MSX Mall, Swarn Nagari, Gate No.1, Greater Noida 201 308, Uttar Pradesh
76	Kolkata	4th Floor, Quest Mall, 33, Syed Amir Ali Avenue, Kolkata
77	Manipal	1st Floor, Central Cinemas, Laxmindra Nagar, Udupi Main Road, Manipal
78	Gurgaon	3rd Floor, Gurgaon Dreamz Mall, Sector 4 - 7 Circle, Old Railway Road, Gurgaon
79	Vizag	4th Floor, Chitralayaa, Suryabagh, Visakhapatnam
80	Jalgaon	2nd Floor, khandesh Central Station Road, Jalgaon
81	Faridabad	EF – 3 Mall, Sector 20 – A, Mathura Road, Faridabad
82	New Delhi	First Floor, Eros One (Eros Cinema Building), Jangpura Extension, New Delhi
83	Kurnool	3rd Floor, Jyoti Mall, Opposite Zilla Parishat, Bellary Road, Kurnool
84	Ajmer	3rd Floor, City Square Mall, Panchsheel Nagar, Ajmer
85	Goa	E–Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao, Goa
86	Vadodara	3rd Floor, Reliance Mega Mall, Old Padra Road, Vadodara
87	New Delhi	Behind Shadipur Metro Station Patel Nagar, New Delhi
88	New Delhi	District Centre, Janak Place, New Delhi
89	New Delhi	45, District Centre, Near Intercontinental Hotel, Nehru Place, New Delhi
90	Indore	C-21 Mall, PU - 4, Scheme No. 54 AB Road, Indore
91	Jodhpur	Ansal Royal Plaza Nr- Stadium, High Court Road,Jodhpur, Rajasthan
92	Aurangabad	Prozone Mall, API Corner, P-80 Chikalthana Industrial Area, Aurangabad

Sr. No.	City	Location
93	Rohtak	Sky Mall, Sonipat Road, Huda Sector-3, Rohtak
94	Mysuru	Mall of Mysore, Plot No. C1, Third Floor, Nazarbad Mohalla, MG Road, Mysuru
95	Amritsar	5th Floor, Trilium Mall, Plot C-4 Circular Road, Opp. Basant Avenue, Amritsar
96	Bhilwara	3rd Floor, City Centre Mall, Near Mahaveer Park, Bhopalganj, Bhilwara
97	Rajkot	Old Dharam Cinema Building, Kasturba Road, Rajkot
98	Gandhinagar	R World, Jamiyatpura Mehsana Highway, Adalaj, Gandhinagar
99	Gandhinagar	2nd Floor, Old Rajshree Cinema, R-21, Sector 21, Gandhinagar
100	Bhiwadi	Genesis Mall, Alwar Bhiwadi Highway, Bhiwadi
101	Mumbai	R City Mall, Lal Bahadur Shastri Marg, Ghatkopar(W), Mumbai
102	Goa	2nd Floor, A- Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao
103	Meerut	PVS Mall, I Bock, Shastri Nagar, Meerut
104	Thrissur	Sobha City Mall, Thrissur
105	Surat	Aai Mata Chowk, Paravat Patia, Surat
106	Jorhat	4th Floor, ABS Mall, at Rd, Gar-Ali, Jorhat
107	Goa	Mall De Goa, Alto Porvorim, Bardez, Goa
108	Bengaluru	Brookefield Mall, Kundalahalli Village, Krishnarajapuran Hobli, Bengaluru
109	Kota	The Great Mall of Kota, DCM Road, Kota
110	Howrah	Rangoli Mall, 212, Girish Gosh Road, Belur, Howrah
111	Jaipur	Sunny's Big Junction (STC), Shukhalpura New Aatish Market, Manasarovar, Jaipur
112	Rajkot	Mouie Nana Mava, Rajkot
113	Mumbai	Metro House, Mahatma Gandhi Road, Mumbai
114	Aurangabad	Reliance Mega Mall, Gajanan Maharaj Mandir Road, Garkheda, Aurangabad
115	Jamnagar	Crystal Mall, Airport Road, Jamnagar
116	Surat	Raj Imperial INOX, Deep Kamal Mall, Near Sarthana Zoo, Varachha Road, Surat
117	Gandhinagar	Old Shalimar Cinema, Sector-16, Gandhinagar
118	Bharuch	Blue Chip Complex, Seva Ashram Road, Bharuch
119	Pune*	Dorabjee's Royale Heritage Mall, NIBM Ext, Next to Vibgyor High School, Mohammed Wadi, Pune
120	Greater Noida*	3rd Floor, Omaxe Connaught Place Mall, H Block, Sector Beta – 2, Greater Noida

Discontinued operations after 31st March, 2017

* Commenced operations after 31st March, 2017

(q) Address for Investor correspondence:

Registered Office:

ABS Towers, Old Padra Road, Vadodara – 390 007
Phone No.: (91 265) 6198 111 | Fax No.: (91 265) 2310312

Corporate Office:

5th Floor, Viraj Towers, Next to Andheri Flyover,
Western Express Highway, Andheri (E). Mumbai - 400 093.
Phone No.: 4062 6900 | Fax No.: 4062 6999
Website: www.inoxmovies.com
Email Address: investors@inoxmovies.com

10. Other Disclosures:

a) Materially significant Related Party Transactions:

There were no transactions with Related Parties during the Financial Year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (Ind AS24) has been made in the note 44 to the Standalone Financial Statements of the Company and in the Board's Report as required under Section 134 of the Companies Act, 2013.

The Board has also approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such Policy has been put up on the Company's Website. The same can be viewed at https://www.inoxmovies.com/Corporate.aspx?Section=3.

b) **Details of Non-Compliance:**

During the last three years, there were no instances of Non-Compliance, Penalties, Strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets.

c) **Whistle Blower Policy:**

The Company has adopted Whistle Blower Policy at its Board Meeting held on 27th May, 2014 to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/ Employees. No personnel have been denied access to the Audit Committee.

A copy of Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at https://www.inoxmovies.com/Corporate.aspx?Section=3.

d) **All the Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.**

Adoption of Non-mandatory requirement:

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

For the Financial Year ended 31st March, 2017, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements.

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

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

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

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

g) **Disclosure about Directors being appointed / re-appointed:**

The brief Resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

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

i) **Management Discussion and Analysis Report:**

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

j) **CEO/CFO Certification:**

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

11. DECLARATION BY CHIEF EXECUTIVE OFFICER:

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

12. COMPLIANCE CERTIFICATE FROM THE INDEPENDENT AUDITORS:

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

13. Code of Conduct:

The Board of Directors of the Company had laid down a Code of Conduct for all Board Members and senior management of the Company which was amended at its Meeting held on 20th October, 2014 by including duties of Independent Directors. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the Website of the Company at https://www.inoxmovies.com/Corporate.aspx?Section=3.

By Order of the Board of Directors

Place: Mumbai
Date: 26th July, 2017

Pavan Jain
Chairman

Annexure – A

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

I, Alok Tandon, Chief Executive Officer of INOX Leisure Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel, for the Financial Year ended 31st March, 2017.

Place: Mumbai
Date: 26th July, 2017

Alok Tandon
Chief Executive Officer

Independent Auditor's Report
to the members of Inox Leisure Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Inox Leisure Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2017, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – refer Note 48 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company – refer Note 52 to the standalone Ind AS financial statements.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 2nd May 2017

Annexure to Independent Auditor's Report

to the members of Inox Leisure Limited

Annexure I to Independent auditor's report to the members of Inox Leisure Limited on the standalone Ind AS financial statements for the year ended 31st March 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company, except as under:

(₹ in Lakhs)

Particulars	No. of cases	Original cost	Carrying amount	Remarks
Leasehold land	1	181.45	140.90	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
Building	2	7,331.20	6,170.17	Conveyance deed is yet to be executed
	1	828.57	661.80	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
	1	1,763.73	1,486.40	In the name of erstwhile amalgamated company and conveyance deed is yet to be executed
Building total		9,923.50	8,318.37	

2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company
4. The Company has complied with the provisions of Section 185 and section 186 of the Act in respect of investments made or loans given or guarantee or security provided.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, entertainment tax and other material statutory dues applicable to it. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2017 for a period of more than six months from the date they become payable.

   Particulars of dues of income-tax, service tax, duty of customs and value added tax which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Service-tax (Finance Act, 1994)	Service tax on renting of immovable properties for the period August 2008 to September 2011	1,042.44	Supreme Court of India
	Service tax on film distributors' payments		
	For the period May 2009 to June 2012	571.90	Central Excise and Service Tax Appellate Tribunal, Hyderabad.

Annexure to Independent Auditor's Report

to the members of Inox Leisure Limited

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
	For the period May 2008 to March 2014	2,997.22	Central Excise and Service Tax Appellate Tribunal, New Delhi.
	For the period July 2012 to December 2014	7,201.55	Central Excise and Service Tax Appellate Tribunal, Mumbai.
	For the period May 2008 to March 2014	4,630.08	Commissioner of Service Tax, Mumbai.
Customs Act, 1962	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
	Custom duty for the period 2005-06	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, Nhava Sheva
Maharashtra Value Added Tax Act, 2002	Assessment dues for the year 2008-09	235.06	Deputy Commissioner of Sales Tax (Appeals – 4), Mazgaon, Mumbai
Income Tax Act, 1961	Penalty u/s 271(1)(c) for the year 2010-11	200.00	Commissioner of Income-tax (Appeals) - Vadodara
	Assessment dues for the year 2012-13	216.16	
	Re-assessment dues for the year 2010-11	183.19	
	Re-assessment dues for the year 2009-10	12.07	Income Tax Appellate Tribunal, Ahmedabad

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

8. The Company has not defaulted in repayment of loans and borrowings to banks and the Company did not have any borrowings from financial institutions, Government or by way of debentures.
9. The Company has applied the moneys raised by way of term loans for the purpose for which these loans were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 2nd May 2017

Annexure to **Independent Auditor's Report**
to the members of Inox Leisure Limited

Annexure II to Independent auditor's report to the members of Inox Leisure Limited on the standalone Ind AS financial statements for the year ended 31st March 2017 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Inox Leisure Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 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 Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure to Independent Auditor's Report
to the members of Inox Leisure Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 2nd May 2017

Standalone **Balance Sheet**
as at 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	6A	67,282.56	61,806.75	61,131.82
(b) Capital work-in-progress	6B	6,255.36	5,572.79	5,107.65
(c) Goodwill	7	1,750.00	1,750.00	-
(d) Other intangible assets	8	1,242.67	1,248.35	393.61
(e) Financial assets				
(i) Investments				
(a) Investment in subsidiary	9	99.12	140.00	15.00
(b) Investment in joint venture	9	-	-	-
(c) Other investments	10	118.74	132.29	83.23
(ii) Loans	11	6,900.01	5,866.68	5,173.26
(iii) Other financial assets	12	7,178.80	5,601.51	4,302.91
(f) Deferred tax assets (net)	13	4,828.55	5,621.69	4,364.43
(g) Income tax assets (net)	14	553.32	613.45	508.04
(h) Other non-current assets	15	7,740.95	5,146.73	4,826.19
Total Non - current assets		103,950.08	93,500.24	85,906.14
2 Current assets				
(a) Inventories	16	908.76	687.27	753.54
(b) Financial assets				
(i) Other investments	10	1,039.85	1,521.04	663.13
(ii) Trade receivables	17	4,661.00	5,159.53	5,920.27
(iii) Cash and cash equivalents	18	958.81	2,242.98	936.60
(iv) Bank balances other than (iii) above	19	338.26	451.92	330.33
(v) Loans	11	441.99	20.86	20.86
(vi) Other financial assets	12	30.35	182.65	197.38
(c) Other current assets	15	2,087.67	1,402.96	1,189.67
		10,466.69	11,669.21	10,011.78
Total Assets (1+2)		**114,416.77**	**105,169.45**	**95,917.92**
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	20	9,616.28	9,616.28	9,616.28
(b) Other equity	21	48,909.28	45,896.71	37,797.43
(c) Interest in Inox Benefit Trust	22	(3,266.98)	(3,266.98)	(3,266.98)
Total equity		**55,258.58**	**52,246.01**	**44,146.73**
LIABILITIES				
2 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	29,193.00	21,693.00	20,050.56
(ii) Other financial liabilities	24	307.81	235.37	432.89
(b) Provisions	25	1,001.45	777.96	613.40
(c) Other non-current liabilities	26	8,292.85	8,541.38	8,762.65
Total Non - current liabilities		**38,795.11**	**31,247.71**	**29,859.50**
3 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	27	-	2,512.65	1,410.06
(ii) Trade payables	28	8,848.14	7,278.81	7,809.74
(iii) Other financial liabilities	24	6,476.49	6,024.68	7,857.65
(b) Other current liabilities	29	3,599.41	3,832.03	3,400.77
(c) Provisions	25	1,439.04	1,433.83	1,413.78
(d) Income tax liabilities (net)	14	-	593.73	19.69
Total current liabilities		**20,363.08**	**21,675.73**	**21,911.69**
Total Equity and Liabilities (1+2+3)		**114,416.77**	**105,169.45**	**95,917.92**

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

As per our report of even date attached
For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Standalone **Statement of Profit and Loss**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations	30	1,22,071.41	1,16,056.70
Other income	31	905.42	783.46
Total Income (I)		**1,22,976.83**	**1,16,840.16**
Expenses			
Cost of materials consumed	32	6,806.71	6,602.72
Exhibition cost	33	34,532.57	32,443.72
Employee benefits expense	34	8,639.10	7,441.07
Finance costs	35	2,528.09	2,433.73
Depreciation and amortisation expense	36	8,407.04	7,907.68
Impairment losses	6 / 9	129.34	-
Other expenses	37	57,486.27	50,664.14
Total expenses (II)		**1,18,529.12**	**1,07,493.06**
Profit before exceptional items and tax (I - II = III)		4,447.71	9,347.10
Exceptional items (IV)	50	-	496.02
Profit before tax (III-IV = V)		**4,447.71**	**8,851.08**
Tax expense: (VI)	38		
Current tax		1,473.00	3,457.00
Deferred tax		85.72	(333.26)
Taxation pertaining to earlier years		(158.70)	(2,388.33)
		1,400.02	735.41
Profit for the year (V - VI = VII)		**3,047.69**	**8,115.67**
Other comprehensive income (VIII)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(61.77)	(25.06)
(ii) Income tax on above	38	21.38	8.67
Total Other comprehensive income (i-ii)		**(40.39)**	**(16.39)**
Total Comprehensive income for the year (VII +VIII = IX) (Comprising profit and other comprehensive income for the year)		**3,007.30**	**8,099.28**
Earnings per equity share (in ₹)			
1) Basic	40	3.32	8.84
2) Diluted	40	3.32	8.84

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

As per our report of even date attached
For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Standalone **Statement of Changes in Equity**

for the year ended 31 March 2017

A. Equity share capital

(₹ in Lakhs)

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

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus					
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Shares options outstanding account	Retained Earnings	Total
Balance at 1 April 2015	**0.10**	**28,092.61**	**2,782.55**	**-**	**6,922.17**	**37,797.43**
Additions during the year:						
Profit for the year					8,115.67	8,115.67
Other comprehensive income for the year, net of tax(*)					(16.39)	(16.39)
Total comprehensive income for the year	-	-	-	-	8,099.28	8,099.28
Balance at 31 March 2016	**0.10**	**28,092.61**	**2,782.55**	**-**	**15,021.45**	**45,896.71**
Additions during the year:						
Profit for the year					3,047.69	3,047.69
Other comprehensive income for the year, net of tax(*)					(40.39)	(40.39)
Total comprehensive income for the year	-	-	-	-	3,007.30	3,007.30
On account of stock options granted during the year (refer Note 43)	-	-	-	5.27	-	5.27
Balance at 31 March 2017	**0.10**	**28,092.61**	**2,782.55**	**5.27**	**18,028.75**	**48,909.28**

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

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

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Standalone **Statement of Cashflows**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities		
Profit for the year after tax	3,047.69	8,115.67
Adjustments for:		
Income tax expense	1,400.02	735.41
Finance costs	2,528.09	2,433.73
Interest income recognised in profit or loss	(518.49)	(466.31)
Government grants - deferred revenue	(1,702.64)	(1,596.10)
Gain on investments measured at fair value through profit or loss	(234.74)	(148.83)
Deferred rent expenses	520.05	431.90
Loss on disposal of property, plant and equipment (net)	429.24	326.66
Liabilities and provisions, no longer required, written back	(95.83)	(121.33)
Expense on ESOP	5.27	-
Bad debt & remissions	148.53	118.05
Deposits and advances written off	-	211.85
Allowance for doubtful deposits and advances	35.00	120.58
Allowance for doubtful trade receivables (net)	5.12	197.15
Impairment loss on investment in subsidiary	40.88	-
Impairment loss on property, plant and equipment	88.46	-
Depreciation and amortisation expense	8,407.04	7,907.68
	14,103.69	**18,266.11**
Movements in working capital:		
(Increase)/decrease in trade receivables	344.88	445.54
(Increase)/decrease in inventories	(221.49)	66.27
(Increase)/decrease in loans	(1,070.82)	(370.63)
(Increase)/decrease in other financial assets	(1,595.07)	(741.26)
(Increase)/decrease in other assets	(3,289.38)	(955.46)
Increase/(decrease) in trade payables	1,569.33	(530.93)
Increase/(decrease) in provisions	166.93	159.55
Increase / (decrease) in other financial liabilities	578.18	175.66
Increase / (decrease) in other liabilities	1,317.32	1,927.42
Cash generated from operations	**11,903.57**	**18,442.27**
Income taxes paid	(1,119.10)	(1,515.37)
Net cash generated by operating activities	**10,784.47**	**16,926.90**
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(15,278.60)	(11,349.17)
Payments for other intangible assets	(306.64)	(951.77)
Proceeds from disposal of property, plant and equipment	268.81	11.44

Standalone **Statement of Cashflows**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest received	290.92	145.33
Investments in Government securities	(12.50)	(21.30)
Maturity of Government securities	7.40	13.38
Purchase of current investments - Mutual Fund	(20,241.99)	(14,161.98)
Sale/redemption of current investments	20,983.71	13,405.94
Investment in subsidiary company	-	(125.00)
Payments towards business combination consideration payable	(286.36)	(61.30)
Movement in other bank balances	67.25	(60.18)
Payment for business combination	-	(2,650.00)
Net cash (used in)/generated by investing activities	**(14,508.00)**	**(15,804.61)**
Cash flows from financing activities		
Proceeds from borrowings - non current	10,000.00	4,141.00
Repayment of borrowings - non current	(2,498.56)	(2,598.56)
Net movement in current borrowings	(2,512.65)	1,102.59
Finance costs	(2,549.43)	(2,460.94)
Net cash used in financing activities	2,439.36	184.09
Net increase/(decrease) in cash and cash equivalents	**(1,284.17)**	**1,306.38**
Cash and cash equivalents at the beginning of the year	2,242.98	936.60
Cash and cash equivalents at the end of the year	**958.81**	**2,242.98**

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 18.
3. The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **Patankar & Associates**
Chartered Accountants

S. S. Agrawal
Partner

Place: Pune
Date: 2nd May, 2017

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Mumbai
Date: 2nd May, 2017

Notes to Standalone Financial Statements
for the year ended 31 March 2017

1. Company information

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

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are the separate financial statements of the Company (also called standalone Ind AS financial statements) prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.
These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

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

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

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

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

Notes to Standalone Financial Statements
for the year ended 31 March 2017

2.3 Basis of Preparation and Presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

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

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

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

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

These financial statements were authorized for issue by the Company's Board of Directors on 2 May 2017.

2.4 Particulars of investments in subsidiary and joint ventures are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights	Method used to account for the investment
a) Subsidiary			
Shouri Properties Private Limited	India	99.29%	At cost
b) Joint Venture			
Swanston Multiplex Cinemas Private Limited	India	50%	At cost

3. Significant Accounting Polices

3.1 Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (refer Note 43); and
- assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

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

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

3.2 Goodwill

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

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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

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

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

3.4. Revenue recognition

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

3.4.1 Rendering of services

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

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

3.4.2 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.

3.4.3 Other income

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

3.5 Government Grants

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

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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

3.6 Leasing

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

3.6.1 The Company as lessee

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

3.7 Foreign currency transactions and translations

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

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

3.8 Borrowing costs

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

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

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

3.9 Employee benefits

3.9.1 Retirement benefit costs and termination benefits

Recognition and measurement of defined contribution plans:

Payments to defined contribution retirement 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 retirement benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

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

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

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

3.9.2 Short-term and other long-term employee benefits

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

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

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

3.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 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 Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account in other equity.

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

3.11 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (refer Note 22), equity shares of the Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by the Company. These shares are recognised as Interest in INOX Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by INOX Benefit Trust are akin to treasury shares and are presented as a deduction in 'Total equity'. Difference between the cost and the amount received at the time sale of shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

3.12 Taxation

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

3.12.1 Current tax

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

3.12.2 Deferred tax

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

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

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

3.12.3 Presentation of current and deferred tax :

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

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

3.13 Property, plant and equipment

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

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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items (refer Note 6).

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

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets 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 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 or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

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

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

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

3.14 Intangible assets

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

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of the intangible assets are as follows:

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 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 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3.16 Inventories

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

3.17 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources 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

Notes to Standalone Financial Statements
for the year ended 31 March 2017

using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

3.18 Financial instruments

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

A] Financial assets

a) Initial recognition and measurement:

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

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

b) Effective interest method

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

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

c) Subsequent measurement:

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

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

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ii. The contractual cash flow characteristics of the financial asset.

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

i. Financial assets measured at amortized cost:

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

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

ii. Financial assets measured at FVTOCI:

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

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iii. Financial assets measured at FVTPL:

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

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

d) Foreign exchange gains and losses

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

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

e) Derecognition:

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

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i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

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

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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

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

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

f) Impairment of financial assets:

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

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

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

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

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

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

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

B] Financial liabilities and equity instruments

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

i. Equity instruments:-

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

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

ii. Financial Liabilities:-

a) Initial recognition and measurement :

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

b) Subsequent measurement:

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

The Company has not designated any financial liability as at FVTPL. Further the Company does not have any commitments to provide a loan at a below market interest rate.

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.

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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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share- based payment'. The amendment is applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values' but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transactions are modified with the result that it becomes an equity settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payments to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

4. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as at 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising

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items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain mandatory exceptions and optional exemptions allowed by Ind AS 101 First-time Adoption of Indian Accounting Standards and availed by the Company as detailed below:

I. Optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment and intangible assets

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

b) Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2015. Consequently,

- The carrying amounts of assets and liabilities acquired pursuant to past business combination and recoginsed financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. After the date of acquisition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;
- The Company has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;
- The Company has excluded from its opening Ind AS Balance Sheet (as at 1st April, 2015), those assets and liabilities which were recognised in accordance with Previous GAAP but do not qualify for recognition as an asset or liabilities under Ind AS; and
- Use of this exemption from retrospective appliction of Ind AS 103, Business Combination, requires that the carrying amount of goodwill as per financial statements prepared under Previous GAAP should be recognised in the opening Ind AS Balance Sheet after adjusting for impairment, if any. The company has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary

The above exemption in respect of business combinations has also been applied to past acquisitions of interests in joint ventures.

c) Foreign currency translation of long-term monetary items

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

d) Investment in subsidiary and joint venture

The Company has opted to measure the investments in its subsidiary and joint venture at deemed cost of such investment which is previous GAAP carrying amount on the date of transition.

e) Discounting of security deposits

As per the requirements of Ind AS 109, security deposits given by the Company are required to be carried at amortised cost at the time of initial recognition. However, as permitted by Ind AS

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101, the assessment of modified time value of money element is made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

II. Mandatory exceptions from retrospective application

a) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 Financial Instruments retrospectively; however, as permitted by Ind AS 101 First-time Adoption of Indian Accounting Standards, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

5. Critical accounting judgements and use of estimates

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

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

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

a) In respect of Government Grants

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

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b) In respect of assets taken on operating lease

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

c) Leasehold land

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

d) Impairment of property, plant and equipment:

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

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

5.2 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 2017 was ₹ 1,750 lakhs (as at 31 March 2016: ₹ 1,750 lakhs and as at 1 April 2015: ₹ Nil) Details of impairment calculations are set out in Note 7.

b) Useful lives of Property, Plant & Equipment (PPE):

The Company has adopted useful lives of PPE as described in Note 3.13 above. The Company reviews the estimated useful lives of PPE at the end of each reporting period.

c) Fair value measurements and valuation processes

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

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

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Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 42.

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

- Recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – refer Note 13
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – refer Note 41
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – refer Note 25 and Note 47
- Impairment of financial assets – refer Note 42

6. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Freehold land	2,669.66	2,669.66	2,669.66
Buildings	11,602.61	11,472.19	11,512.75
Leasehold improvements	18,865.88	17,231.21	16,973.04
Plant and equipment	25,613.37	22,918.55	22,602.25
Furniture and fixtures	5,837.28	5,209.00	5,019.16
Vehicles	53.60	85.28	115.00
Office equipment	2,640.16	2,220.86	2,239.96
Total	**67,282.56**	**61,806.75**	**61,131.82**

(i) Freehold land and buildings with a carrying amount of ₹ 6,249.19 lakhs (as at 31 March 2016: ₹ 6,341.06 lakhs and as at 1 April 2015: ₹ 6,428.19 lakhs) have been mortgaged to secure borrowings of the Company (refer note 23 and 27). Details of the same are as under. The Company is not allowed to mortgage these assets as security for other borrowings.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Freehold land	1,743.99	1,743.99	1,743.99
Buildings	4,505.20	4,597.07	4,684.20
Total	**6,249.19**	**6,341.06**	**6,428.19**

(ii) Leasehold improvements, plant and equipment, Office equipment and Furniture and fixtures with carrying amount of ₹ 28,815.51 Lakhs (as at 31 March 2016: ₹ 20,020.83 Lakhs and as at 1 April 2015: Rs 12,952.52 Lakhs)) have been hypothecated to secure loans from banks (refer note 23 and 27). Details of the same are as under. The Company is not allowed to pledge these assets as security for other borrowings.

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Leasehold improvements	10,089.97	6,977.77	4,728.89
Plant and equipment	13,134.25	9,153.06	5,665.28
Furniture and fixtures	4,055.59	2,976.25	1,884.54
Office equipment	1,535.70	913.75	673.81
Total	**28,815.51**	**20,020.83**	**12,952.52**

(iii) Plant and equipment, Office equipment and Furniture and fixtures with carrying amount of ₹ 7,973.98 lakhs (as at 31 March 2016: ₹ Nil and as at 1 April 2015: Rs Nil) have been hypothecated to secure bank guarantee facility from bank. Details of the same are as under. The Company is not allowed to pledge these assets as security for other borrowings.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Plant and equipment	6,709.28	-	-
Furniture and fixtures	949.69	-	-
Office equipment	315.01	-	-
Total	**7,973.98**	**-**	**-**

(iv) During the year, the Company has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 88.46 lakhs due to lower than expected performances in respect of 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 ₹ 218 lakhs at 31 March 2017. 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. No impairment loss was recognised in 2015-16 as there was no indication of impairment.

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

6A. Property, plant and equipment

(₹ in Lakhs)

Description of Assets	Land - Freehold	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Cost or deemed cost								
Balance as at 1 April 2015	2,669.66	11,512.75	16,973.04	22,602.25	5,019.16	115.00	2,239.96	61,131.82
Acquisition through business combinations (refer Note 45)	-	-	190.65	439.90	235.70	-	33.75	900.00
Additions	-	193.08	2,234.90	3,082.35	1,349.78	-	908.28	7,768.39
Disposal		-	(145.70)	(119.13)	(134.05)	(5.14)	(5.59)	(409.61)
Effects of foreign currency exchange differences	-	-	-	85.50	-	-	18.17	103.67
Borrowing cost	-	-	22.01	18.67	10.94	-	-	51.62
Balance as at 31 March 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
Disposal	-	(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**
Accumulated depreciation and impairment								
Balance as at 1 April 2015	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	233.64	2,067.73	3,211.64	1,297.31	24.81	975.52	7,810.65
Eliminated on disposal of asset	-	-	(24.04)	(20.65)	(24.78)	(0.23)	(1.81)	(71.51)
Balance as at 31 March 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	3,461.10	1,371.48	23.06	879.27	8,096.69
Impairment losses recognised in profit or loss	-	-	11.13	71.07	2.53	-	3.73	88.46
Eliminated on disposal of asset	-	(6.69)	(39.81)	(195.86)	(169.17)	(2.46)	(112.23)	(526.22)
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**

Carrying Amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
As at 1 April 2015	2,669.66	11,512.75	16,973.04	22,602.25	5,019.16	115.00	2,239.96	61,131.82
As at 31 March 2016	2,669.66	11,472.19	17,231.21	22,918.55	5,209.00	85.28	2,220.86	61,806.75
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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

6B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital work-in-progress	5,038.27	4,358.70	3,911.49
Pre-operative expenditure pending allocation	1,217.09	1,214.09	1,196.16
Total	**6,255.36**	**5,572.79**	**5,107.65**

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance	1,214.10	1,196.16
Add: Expenses incurred during the year		
Salaries and wages	412.41	397.00
Contribution to provident and other funds	26.21	19.67
Staff welfare	-	5.65
Legal & professional fees and expenses	342.46	192.59
Travelling & conveyance	87.05	265.44
Power & fuel	24.26	14.56
House keeping expenses	5.35	0.11
Outsourced personnel cost	2.29	8.38
Security expenses	55.59	81.84
Miscellaneous expenses	17.26	34.48
Borrowings costs	82.41	8.76
	1,055.29	1,028.48
Less: Pre-operative income earned during the year		
Miscellaneous income	-	2.40
	2,269.39	2,222.24
Less: Capitalised/reclassified during the year	1,052.30	1,008.15
Closing balance	**1,217.09**	**1,214.09**

Capital work in progress includes amount of ₹ 3,362.53 lakhs (as at 31 March 2016: ₹ 970.77 lakhs and as at 1 April 2015: ₹ 691.08 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (refer note 23 and 27). The Company is not allowed to hypothecate these assets as security for other borrowings.

7. Goodwill

(₹ in Lakhs)

Description of Asets	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cost or deemed Cost			
Balance at beginning of year	1,750.00	-	-
Acquisition through business combinations (refer Note 45)	-	1,750.00	-
Balance at end of the year	1,750.00	1,750.00	-

Notes to Standalone Financial Statements
for the year ended 31 March 2017

7A. Allocation of goodwill to cash generating units:

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

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

(₹ in Lakhs)

Cash generating units	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Multiplex theatre	1,750.00	1,750.00	-
Total	**1,750.00**	**1,750.00**	**-**

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2016: 12% p.a.)

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

a) **Budgeted Footfalls**

Budgeted footfalls are expected to grow by 20% in FY 2017-18 and by 3% per year thereafter. 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.

b) **Budgeted Average Ticket Price (ATP):**

Budgeted ATP is expected to grow by 20% per year and 5% per year thereafter. 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.

c) **Budgeted Spend per head (SPH)**

Budgeted SPH is expected to grow by 20% in FY 2017-18, and by 10% per year thereafter. The values assigned to the assumption are based on the rebranding of these operations.

8. Other intangible assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Computer software	1,215.75	1,189.87	293.18
Website	26.92	36.46	46.00
Movie script	-	22.02	54.43
	1,242.67	**1,248.35**	**393.61**

8A. Other intangible assets

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 2015	293.18	46.00	54.43	393.61
Additions	951.77	-	-	951.77
Disposal	-	-	-	-
Balance as at 31 March 2016	**1,244.95**	**46.00**	**54.43**	**1,345.38**
Additions	306.64	-	-	306.64
Disposal	(16.24)	-	-	(16.24)

Notes to Standalone Financial Statements
for the year ended 31 March 2017

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Balance as at 31 March 2017	**1,535.35**	**46.00**	**54.43**	**1,635.78**
II. Accumulated amortisation and impairment				
Balance as at 1 April 2015	-	-	-	-
Amortisation expense for the year	55.08	9.54	32.41	97.03
Disposal	-			-
Balance as at 31 March 2016	**55.08**	**9.54**	**32.41**	**97.03**
Amortisation expense for the year	278.79	9.54	22.02	310.35
Disposal	(14.27)	-	-	(14.27)
Balance as at 31 March 2017	**319.60**	**19.08**	**54.43**	**393.11**

Carrying amounts	Computer software	Website	Movie script	Total
As at 1 April 2015	293.18	46.00	54.43	393.61
As at 31 March 2016	1,189.87	36.46	22.02	1,248.35
As at 31 March 2017	1,215.75	26.92	-	1,242.67

9. Investment in subsidiary and joint venture

A) Investment in subsidiary

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment carried at cost			
In equity instruments (unquoted, fully paid up)			
Shouri Properties Private Limited - 1,400,000 equity shares (at 31 March 2016: 1,400,000; at 1 April 2015: 150,000)	140.00	140.00	15.00
Less: Provision for impairment in value of investment	(40.88)	-	-
	99.12	140.00	15.00

(i) During the year, the Company carried out a review of the recoverable amount of the Investment in Subsidiary. The review led to recognition of an impairment loss of ₹ 40.88 lakhs which has been recognised in the statement of Profit or Loss. The Company also estimated the fair value less costs of disposal of the assets which is based on the recent market prices of the assets with similar age and obsolescence. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use, which amount to ₹ 99.00 lakhs at 31 March 2017. The discount rate used in measuring the value in use was 12% per annum. No impairment assessment was performed in F.Y 2015-16 as there was no indication of impairment.

B) Investment in joint venture

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment carried at cost			
Unquoted investments (all fully paid up)			
Swanston Multiplex Cinemas Private Limited - 1,015,000 equity shares	279.52	279.52	279.52
Less: Provision for impairment in value of investment	(279.52)	(279.52)	(279.52)

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	-	-	-
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	99.12	140.00	15.00
Aggregate amount of impairment in value of investments	320.40	279.52	279.52

10. Other investment

Particular	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non -current			
financial assets carried at amortised cost			
Investment in Government securities (unquoted, fully paid up)			
National Saving Certificate	118.74	132.29	83.23
Total	**118.74**	**132.29**	**83.23**
Current			
Unquoted investments (all fully paid-up)			
Financial assets carried at FVTPL			
Investments in mutual funds			
Taurus Liquid Fund-Regular Plan-Super Inst Growth - Nil units (31 March 2016: 15,320, 1 April 2015: 39,945) (face value Rs. 1,000)	-	248.91	604.13
HDFC Liquid Fund-Growth-Nil units (31 March 2016: 8,414, 1 April 2015: Nil) (face value Rs. 1,000)	-	251.11	-
Birla Sunlife Cash Plus_Growth_Regular Plan -Nil units (31 March 2016: 4,14,681, 1 April 2015: Nil) (face value Rs. 100)	-	1,008.98	
ICICI Prudential Liquid Plan-Growth- 4,17,237 units (31 March 2016: Nil, 1 April 2015: Nil) (face value Rs.100)	1,002.02	-	-
Current portion of non-current investments			
Financial assets carried at amortised cost			
National Saving Certificate	37.83	12.04	59.00
Total	**1,039.85**	**1,521.04**	**663.13**
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	1,158.59	1,653.33	746.36
Aggregate amount of impairment in value of investments	-	-	-

(i) 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.

(ii) The surplus funds of the Company are invested in liquid mutual funds, return on the same are based on performance of the fund.

(₹ in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets carried at fair value through profit or loss (FVTPL)			
Mandatorily measured at FVTPL - Mutual funds	1,002.02	1,509.00	604.13
Financial assets carried at amortised cost			
National Savings Certificates	156.57	144.33	142.23
	1,158.59	1,653.33	746.36

Notes to Standalone Financial Statements
for the year ended 31 March 2017

11. Loans

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Security deposits			
Unsecured, considered good	6,900.01	5,866.68	5,173.26
Unsecured, considered doubtful	91.51	311.88	311.88
	6,991.52	**6,178.56**	**5,485.14**
Allowance for doubtful deposits	(91.51)	(311.88)	(311.88)
Total	**6,900.01**	**5,866.68**	**5,173.26**
Current			
Security deposits			
Unsecured, considered good	441.99	20.86	20.86
Total	**441.99**	**20.86**	**20.86**

The above financial assets are carried at amortised cost			
Non current security deposits includes deposit given to a subsidiary company where an officer of the Company is a director	104.20	79.07	79.07

12. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Entertainment tax refund claimed	3,701.70	2,959.29	2,865.63
Electricity charges refund claimed	389.83	389.83	389.83
Non-current bank balances (from Note 19)	211.50	165.09	226.50
Interest accrued on others	-	161.72	157.16
Amount recoverable towards claim	914.16	932.44	-
Other advances (*)			
considered good	1,961.61	993.14	663.79
considered doubtful	58.64	84.77	-
	2,020.25	1,077.91	663.79
Allowance for doubtful advances	(58.64)	(84.77)	-
	1,961.61	993.14	663.79
Total	**7,178.80**	**5,601.51**	**4,302.91**
Current			
Interest accrued on others	18.19	19.68	20.23
Claims and receivables	12.16	162.97	177.15
Total	**30.35**	**182.65**	**197.38**

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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

13. Deferred tax assets (net)

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

Year ended 31 March 2017
Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(1,442.39)	116.91		-	(1,325.48)
Intangible assets	(75.71)	(132.48)		-	(208.19)
Defined benefit obligations	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)		-	3266.99
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**

Year ended 31 March 2016
Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(3,197.69)	1,755.30	-	-	(1,442.39)
Intangible assets	-	(75.71)	-	-	(75.71)
Defined benefit obligations	257.89	56.52	8.67	-	323.08
Expenses allowable on payment basis	430.81	11.57	-	-	442.38
Allowance for doubtful trade receivables and expected credit loss	84.43	68.71	-	-	153.14
Effect of measuring investments at fair value	(9.02)	7.02	-	-	(2.00)
Government grants - deferred income	3,447.85	(66.28)	-	-	3,381.57
Other deferred tax assets	208.05	62.13		-	270.18
	1,222.32	**1,819.26**	**8.67**	-	**3,050.25**
MAT credit entitlement	3,142.11	902.33	-	(1,473.00)	2,571.44
Total	**4,364.43**	**2,721.59**	**8.67**	**(1,473.00)**	**5,621.69**

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

14. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Income tax assets (net)						
Income tax paid (net of provisions)	-	553.32	-	613.45	-	508.04
Total	**-**	**553.32**	**-**	**613.45**	**-**	**508.04**
Income tax liabilities (net)						
Provision for Income tax (net of payments)	-	-	593.73	-	19.69	-
Total	**-**	**-**	**593.73**	**-**	**19.69**	**-**

15. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Capital advances	574.90	65.30	55.03
Security deposits	1,224.69	453.94	425.61
Prepayments - leasehold land	287.57	294.64	301.69
Deferred lease rent expense	5,547.72	4,332.85	4,043.86
Prepayments - others	106.07	-	-
Total	**7,740.95**	**5,146.73**	**4,826.19**

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Advances to suppliers			
considered good	557.91	486.81	530.44
considered doubtful	35.81	35.81	-
	593.72	522.62	530.44
Less: allowance for doubtful advances	(35.81)	(35.81)	-
	557.91	486.81	530.44
Other advances for expense	39.69	37.84	15.54
Balances with government authorities - Service tax/ VAT, etc.	326.92	26.15	20.13
Prepayments - leasehold land	7.06	7.06	7.06
Deferred lease rent expense	609.75	523.13	399.27
Prepayments - others	546.34	321.97	217.23
Total	**2,087.67**	**1,402.96**	**1,189.67**

Notes to Standalone Financial Statements
for the year ended 31 March 2017

16. Inventories
(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Food & beverages	523.90	422.09	503.63
Stores, spares & fuel	384.86	265.18	249.91
Total	**908.76**	**687.27**	**753.54**

The cost of inventories recognised as an expense during the year was ₹ 6,806.71 lakhs (2015-16: ₹ 6,602.72 lakhs), Inventories are valued on weighted average cost basis.

17. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Unsecured, considered good	4,809.49	5,349.83	6,089.18
Unsecured, considered doubtful	299.11	252.18	76.42
	5,108.60	5,602.01	6,165.60
Less:			
Allowance for doubtful trade receivables	(299.11)	(252.18)	(76.42)
Allowance for expected credit losses	(148.49)	(190.30)	(168.91)
	(447.60)	(442.48)	(245.33)
Net Trade receivables	4,661.00	5,159.53	5,920.27

18. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks	709.37	2,012.81	726.19
Cash on hand	249.44	230.17	210.41
Total	**958.81**	**2,242.98**	**936.60**

19. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other bank balances			
Unpaid dividend account	-	-	2.15
Fixed deposits with original maturity period of more than 3 months but less than 12 months	236.44	316.99	304.54
Deposit accounts with original maturity for more than 12 months	313.32	300.02	250.14
	549.76	617.01	556.83
Less: Amount disclosed under Note 12 - 'Other financial assets-non current'	(211.50)	(165.09)	(226.50)
Total	**338.26**	**451.92**	**330.33**

Notes to Standalone Financial Statements
for the year ended 31 March 2017

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

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Deposit account with original maturity for more than 3 months but less than 12 months	236.44	21.72	28.06
b) Deposit account with original maturity for more than 12 months	313.32	285.40	243.74

20. Share capital

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised capital			
146,050,000 (31 March 2016: 146,050,000, 1 April 2015: 140,050,000) equity shares of ₹ 10/- each	14,605.00	14,605.00	14,005.00
10,000 preference shares of ₹10 each	1.00	1.00	1.00
Issued, subscribed and fully paid up			
96,457,754 equity shares of ₹ 10 each	9,645.78	9,645.78	9,645.78
Less: 295,001 equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (refer note 43)	(29.50)	(29.50)	(29.50)
	9,616.28	9,616.28	9,616.28

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

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
At the beginning of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28
Shares outstanding at the end of the year	**9,61,62,753**	**9,616.28**	**9,61,62,753**	**9,616.28**

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

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

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

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	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	4,69,73,928	4,697.40

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

The shareholders of the Company have passed a resolution at the Annual General Meeting held on 23 August 2013 amending the Articles of Association of the Company entitling Gujarat Fluorochemicals Limited (GFL) to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of the Company. Accordingly, GFL is having control over the Company and hence the Company is a subsidiary of GFL.

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

(₹ in Lakhs)

Name of shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%	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, refer 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, 34,562,206 equity shares of ₹10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares alloted to INOX Benefit Trust (refer Note 22).

21. Other equity

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital redemption reserve	0.10	0.10	0.10
Securities premium reserve	28,092.61	28,092.61	28,092.61
General reserve	2,782.55	2,782.55	2,782.55
Shares options outstanding	5.27	-	-
Retained earnings	18,028.75	15,021.45	6,922.17
	48,909.28	**45,896.71**	**37,797.43**

Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	0.10	0.10
Balance at end of year	**0.10**	**0.10**

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

Securities premium reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
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.

Notes to Standalone Financial Statements
for the year ended 31 March 2017

General reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	2,782.55	2,782.55
Balance at end of year	**2,782.55**	**2,782.55**

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

Shares options outstanding

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	-	-
On account of share options granted during the year	5.27	-
Balance at end of year	**5.27**	**-**

The above reserve relates to share option granted by the Company to its employees/employees of the holding company under the employee share option plan. Further information about share based payment to employees is set out in Note 43. Movement during the year is on account of share options granted during the year.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	15,021.45	6,922.17
Profit for the year	3,047.69	8,115.67
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(40.39)	(16.39)
Balance at end of year	**18,028.75**	**15,021.45**

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

22. 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 34,562,206 equity shares of ₹ 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 24,431,570 equity shares of ₹ 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

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

As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
43,50,092	3,266.98	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.

Notes to **Standalone Financial Statements**
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23. Non current borrowings

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

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured - at amortised cost			
(i) Term loans - from banks	15,447.40	7,942.56	6,400.12
Unsecured - at amortised cost:			
(i) Inter-corporate deposits - from holding company	16,249.00	16,249.00	16,249.00
Total borrowings	**31,696.40**	**24,191.56**	**22,649.12**
Less: Current maturities disclosed under Note 24 "Other current financial liabilities"	(2,503.40)	(2,498.56)	(2,598.56)
Total	**29,193.00**	**21,693.00**	**20,050.56**

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 installments of Rs. 250.00 Lakhs each beginning from 1 October 2014.	9.40%
HDFC Bank Ltd	4,001.01	The loan is repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs beginning from 4 June 2017.	9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	5,001.91	The loan is repayable in 16 equal quarterly installments of Rs. 312.50 Lakhs beginning from 7 February 2018.	8.75%
The Hongkong and Shanghai Banking Corportion Limited (Term Loan II)	3,000.00	The loan is repayable in 16 equal quarterly installments of Rs. 187.50 Lakhs beginning from 29 March 2018.	8.75
The Hongkong and Shanghai Banking Corportion Limited (Term Loan III)	2,000.48	The loan is repayable in 16 equal quarterly installments of Rs. 125.00 Lakhs beginning from 26 June 2018.	8.60%

As at 31 March 2016

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan I)	1,498.56	Repayable in 16 equal quarterly installments of Rs. 374.64 Lakhs each beginning from 30 June 2013	9.70%
Axis Bank (Term Loan II)	2,444.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	9.70%
HDFC Bank Ltd	4,000.00	The loan is repayable in 16 equal quarterly installments beginning from 30 June 2017.	9.30%

As at 1 April 2015

Particulars	Amount outstanding (Rs. in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan I)	2,997.12	Repayable in 16 equal quarterly installments of Rs. 374.64 Lakhs each beginning from 30 June 2013	11.40%
Axis Bank (Term Loan II)	100.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	11.40%
Axis Bank (Term Loan III)	3,303.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	11.40%

Notes to **Standalone Financial Statements**
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The weighted average effective interest rate on these loans is 8.93% per annum (as at 31 March 2016: 9.50% per annum). Securities and terms of repayment are as under:

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loans from Axis Bank are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets of the new multiplexes/property 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 mortgage of immovable property situated at Mumbai and first exclusive charge on all movable fixed assets of the new multiplexes/property 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 mortage of immovable property situated at Vadodra and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/property financed by the said term loans.

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

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

24. Other financial liabilities (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Security deposits	113.83	159.17	129.64
Retention money	193.98	76.20	45.70
Creditors for capital expenditure	-	-	257.55
	307.81	235.37	432.89
Current			
Current maturities of long-term debt	2,503.40	2,498.56	2,598.56
Interest accrued	16.35	41.09	70.09
Unpaid dividends	-	-	2.15
Security deposits	176.08	163.54	202.49
Creditors for capital expenditure	1,702.15	1,449.82	3,209.91
Retention money	318.01	310.25	264.97
Business combination consideration payable	77.56	363.92	425.22
Employee dues	264.84	351.44	551.62
Other Payables	1,418.10	846.06	532.64
	6,476.49	6,024.68	7,857.65
Total	**6,784.30**	**6,260.05**	**8,290.54**

25. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Employee benefits (refer note 41)			
a) Gratuity	809.28	633.19	508.67
b) Leave benefits	403.16	300.36	253.69
	1,212.44	933.55	762.36
Other provisions (refer below)	1,228.05	1,278.24	1,264.82
Total	**2,440.49**	**2,211.79**	**2,027.18**
Non-current	1,001.45	777.96	613.40
Current	1,439.04	1,433.83	1,413.78
Total	**2,440.49**	**2,211.79**	**2,027.18**

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

Other Provisions

(₹ in Lakhs)

	Service Tax	Municipal Tax	MVAT	Total
Balance at 1 April 2015	1,042.44	183.00	39.38	1,264.82
Provided during the year	-	52.80	-	52.80
Paid during the year	-	-	14.38	14.38
Reversed during the year	-	-	25.00	25.00
Balance at 31 March 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 at 31 March 2017	**1,042.44**	**185.61**	**-**	**1,228.05**

(i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.

(ii) Provision for municipal tax is in respect of disputed amount pertaining to one of the Company's multiplexes.

(iii) Provision for MVAT was in respect of liability on sale of 'copyrights', and was fully settled during the year ended 31 March 2016.

26. Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred revenue arising from Government grant	9,439.97	9,771.05	9,962.58
Less: Current portion	(1,147.12)	(1,229.67)	(1,199.93)
Total	8,292.85	8,541.38	8,762.65

27. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured - at amortised cost			
Loans repayable on demand from banks - overdraft facility	-	2,512.65	1,410.06
Total	**-**	**2,512.65**	**1,410.06**

(i) Bank overdraft from Axis Bank is secured against first charge on the entire current assets of the Company,both present and future; and extension of first charge by way of mortgage of property at Vadodara and Anand, Gujarat and carries interest @ 10.60%.

(ii) Commercial Papers
During the year ended 31 March 2016, the Company had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 7.55% to 8.05% and maximum balance outstanding during the year was Rs. 3,000.00 lakhs (previous year Rs. 32,000.00 lakhs).

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

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

28. Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
- Dues to micro, small and medium enterprises	5.10	5.39	1.80
- Dues to others	8,843.04	7,273.42	7,807.94
Total	**8,848.14**	**7,278.81**	**7,809.74**

Generally the credit period on purchases of goods is 30 days. No interest is payable for delay in payments, except in respect of dues to Micro, Small and Medium Enterprises.

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

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Principal amount due to suppliers under MSMED Act at the year end	5.10	5.39
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.46	0.62
Payment made to suppliers (other than interest) beyond the appointed day during the year	22.95	31.25
Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	1.01	0.81
Interest accrued and remaining unpaid at the end of the year to supplier under MSMED Act	7.65	6.18

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

29. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances received from customers	391.43	543.54	551.81
Income received in advance	959.74	762.21	742.02
Deferred revenue arising from Government grant (from Note 26)	1,147.12	1,229.67	1,199.93
Statutory dues			
- taxes payable (other than income taxes)	1,001.42	1,210.20	828.90
- Employee recoveries and employer contributions	99.70	86.41	78.11
Total	**3,599.41**	**3,832.03**	**3,400.77**

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

30. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of services	86,569.45	82,750.39
Sale of products	28,411.49	26,569.34
Other operating income	7,090.47	6,736.97
Total	**1,22,071.41**	**1,16,056.70**

31. Other income

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	46.00	47.43
On inter-corporate deposits	-	5.29
On long term investments	11.94	10.66
On security deposits	383.64	322.79
	441.58	**386.17**
Other interest income		
Interest on income tax refund	44.45	35.12
Others	32.46	45.02
	76.91	**80.14**
Total	**518.49**	**466.31**
B) Other non-operating income		
Liabilities and provisions no longer required, written back	95.83	121.33
Miscellaneous income	56.36	46.99
	152.19	168.32
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	234.74	148.83
Total	**905.42**	**783.46**

32. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock	422.09	503.63
Add: Purchases	6,908.52	6,521.18
	7,330.61	7,024.81
Less: Closing stock	523.90	422.09
Cost of materials consumed	6,806.71	6,602.72

33. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Distributors' share	33,508.79	31,479.39
Other exhibition cost	1,023.78	964.33
Total	**34,532.57**	**32,443.72**

Notes to **Standalone Financial Statements**
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34. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	7,516.65	6,452.49
Contribution to provident and other funds	521.88	453.51
Gratuity	180.24	154.91
Staff welfare expenses	420.33	380.16
Total	**8,639.10**	**7,441.07**

35. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,624.90	1,624.90
- other borrowings	921.73	648.43
- deferred credit	3.59	68.10
- discounting charges on commercial paper	-	84.23
	2,550.22	2,425.66
b) Other Interest	15.33	10.11
	2,565.55	2,435.77
Less: amount included in the cost of qualifying assets	(82.41)	(8.76)
	2,483.14	2,427.01
Other borrowing costs	44.95	6.72
Total	**2,528.09**	**2,433.73**

The weighted average capitalisation rate of funds borrowed is 9.07% per annum (Previous year 9.30% per annum).

36. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment	8,096.69	7,810.65
Amortisation of intangible assets	310.35	97.03
Total	**8,407.04**	**7,907.68**

37. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Power and fuel	9,063.47	8,623.59
Rent and common facility charges	24,026.63	21,142.00
Repairs to:		
- buildings	200.71	429.59
- plant & equipment	2,270.35	2,148.62
- others	470.28	764.50
Rates and taxes	1,037.22	739.76
Expenditure on corporate social responsibility (CSR)	103.38	5.00

Notes to **Standalone Financial Statements**
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(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Directors' sitting fees	12.20	15.40
Allowance for doubtful trade receivables and expected credit losses	5.12	197.15
Allowance for doubtful advances and deposits	35.00	120.58
Bad debts & remissions	148.53	118.05
Deposits and advances written off (net of provision adjusted ₹ 281.50 Lakhs - previous year ₹ nil)	-	1.84
Service tax	5,112.12	3,824.17
Net loss on foreign currency transactions	21.32	23.60
Legal and other professional expense	1,068.90	932.07
Advertisement & sales promotion	1,407.12	1,190.03
Travelling expenses	805.21	619.46
House keeping expenses	2,261.15	2,031.15
Security charges	2,236.20	1,937.70
Outsourced personnel cost	4,563.99	3,599.45
Loss on sale / disposal of property, plant and equipment	429.24	183.76
Miscellaneous expenses	2,208.13	2,016.67
Total	**57,486.27**	**50,664.14**

(i) Legal and other professional expense includes:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Payments to auditors:		
- Statutory audit, limited reviews and corporate governance report	36.00	29.00
- Tax audit and other audits under Income Tax Act, 1961	9.00	9.50
- For taxation matters	4.00	2.50
- For certification matters	3.00	3.30
- Other matters	10.75	3.00
- Out-of-pocket expenses	0.48	0.09
Sub-total	**63.23**	47.39
b) Professional fees paid to one of the non-executive directors	30.00	30.00
c) Legal fees to firms/LLPs in which one of the non-executive director is a partner	66.82	122.10

(ii) Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 106.96 lakhs (previous year ₹ 68.03 lakhs).

(b) Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any fixed assets			
FY 2016-17	Nil	Nil	Nil
FY 2015-16	Nil	Nil	Nil
On purposes other than (i) above			
Donations			
FY 2016-17	103.38	Nil	103.38
FY 2015-16	5.00	Nil	5.00

Notes to Standalone Financial Statements
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(iii) Donation to political party

During the year Company has given donation of ₹ 10 Lakhs to Bhartiya Janata Party, same is included in Miscellaneous expenses above

38.1. Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current tax		
In respect of the current year	1,473.00	3,457.00
In respect of earlier years	(285.50)	-
	1,187.50	**3,457.00**
Deferred tax		
In respect of the current year	85.72	(333.26)
In respect of earlier years	126.80	(2,388.33)
	212.52	**(2,721.59)**
Total income tax expense recognised in the current year	1,400.02	735.41

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before tax	4,447.71	8,851.08
Income tax expense calculated at 34.608% (FY 2015-16: 34.608%)	1,539.26	3,063.18
Effect of expenses that are not deductible in determining taxable profit	44.08	60.56
Impairment losses on investment that are not deductible	14.15	-
Tax incentives	(38.77)	-
	1,558.72	**3,123.74**
Taxation in respect of earlier years	(158.70)	(2,388.33)
Income tax expense recognised in profit or loss	1,400.02	735.41

The tax rate used for the FY 2016-17 and FY 2015-16 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

38.2. Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	21.38	8.67
Total income tax recognised in other comprehensive income	21.38	8.67

38.3. In respect of taxation matters

The Companies contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt 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,

Notes to **Standalone Financial Statements**
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to the extent the entertainment tax exemption is held as capital receipt for such multiplexes. The matter is presently pending before the Hon'ble Supreme Court.

In view of the assessment and appellate orders received by the Company, the tax liability for earlier years and the written down value of fixed assets as per the Income-tax Act, 1961 is recomputed and consequential reduction in taxation of earlier years is recognized in the Statement of Profit and Loss as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
MAT credit entitlement	(126.80)	(902.33)
Income Tax	126.80	-
Deferred tax	-	(1,486.00)
Net credit	-	(2,388.33)

39. Segment Information

The Company is engaged in the business of theatrical exhibition and allied activities which is the only business segment in terms of Ind AS 108 : Operating Segment. All activities of the Company are in India and hence there are no geographical segments.

Information about products and services

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Details of sale of services		
Revenue from box office	74,814.19	71,282.86
Conducting fee income	1,766.93	1,982.51
Revenue from advertising income	9,619.74	9,101.32
Others	368.59	383.70
Sub-total	**86,569.45**	**82,750.39**
Details of sale of products		
Revenue from food & beverages	28,406.54	26,563.14
Sale of power	4.95	6.20
Sub-total	**28,411.49**	**26,569.34**
Details of Other operating income		
Virtual Print fee	2,406.29	2,386.36
Convenience Fees	1,539.46	795.41
Government Grants- deferred revenue	2,110.86	2,021.49
Others	1,033.86	1,533.71
Sub-total	**7,090.47**	**6,736.97**
Grand total	1,22,071.41	1,16,056.70

Information about major customers:
There is no single customer contributing more than 10% of the Company's revenue.

40. Earnings per share

Basic earnings per share

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit for the year attributable to owners of the Company (₹ in Lakhs)	3,047.69	8,115.67
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,18,12,661	9,18,12,661
Basic earnings per share (₹)	3.32	8.84

Notes to **Standalone Financial Statements**
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Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	3,047.69	8,115.67
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,18,15,515	9,18,12,661
Diluted earnings per share (₹)	3.32	8.84

Note: The shares of the Company held by Inox Benefit Trust (refer note 22) are excluded while computing the weighted average number of shares.

41. Employee benefits

A. Defined contribution plans

The Company contributes to the government managed provident and pension fund for all qualifying employees. During the year contribution to Provident and pension Fund of ₹ 475.31 Lakhs (previous year ₹ 409.28 Lakh) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 26.21 Lakh (previous year ₹ 19.67 Lakhs) is included in pre-operative expenses.

B. Defined benefit plan

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Company.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2017 by Mr. G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Opening defined benefit obligation	633.19	508.68
Current service cost	134.02	115.30
Interest cost	46.22	39.61
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	55.56	2.98
b) arising from experience adjustments	6.21	22.08
Benefits paid	(65.92)	(55.46)
Closing defined benefit obligation	**809.28**	**633.19**

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

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Current service cost	134.02	115.30
Net interest expense	46.22	39.61
Amount recognised in profit or loss	**180.24**	**154.91**
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	55.56	2.98
b) arising from experience adjustments	6.21	22.08
Amount recognised in other comprehensive income	**61.77**	**25.06**
Total	**242.01**	**179.97**

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

Particulars	Valuation as at		
	31 March 2017	31 March 2016	1 April 2015
Discount rate (per annum)	6.69%	7.70%	7.77%
Expected rate of salary increase	7.00%	7.00%	7.00%
Employee attrition rate	10.00%	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.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.
a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

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, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(55.05)	(40.23)
If discount rate is decreased by 1%	62.54	45.60
If salary escalation rate is increased by 1%	58.63	42.73
If salary escalation rate is decreased by 1%	(52.61)	(38.47)

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,

Notes to Standalone Financial Statements
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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 2017 is 7.87 years.

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

Particulars	₹ in Lakhs
Expected outflow in 1st Year	101.53
Expected outflow in 2nd Year	98.96
Expected outflow in 3rd Year	101.77
Expected outflow in 4th Year	113.07
Expected outflow in 5th Year	142.69
Expected outflow in 6th to 10th Year	269.20

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits(Annual and sick leave)for the year ended 31 March 2017 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹102.80 lakhs(Previous year ₹ 46.67 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 2017	31 March 2016	1 April 2015
Discount rate (per annum)	6.69%	7.70%	7.77%
Expected rate of salary increase	7.00%	7.00%	7.00%
Employee attrition rate	10.00%	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table		

42. Financial Instruments

(i) Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company. The company is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the entity on annual basis. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Debt	31,712.75	26,745.30	24,129.27
Cash & Bank balances (not subject to lien)	(958.81)	(2,552.87)	(1,221.63)
Net debt	30,753.94	24,192.43	22,907.64
Total Equity (note 20, 21 and 22)	55,258.58	52,246.01	44,146.73
Net debt to equity ratio	55.65%	46.30%	51.89%

Notes to **Standalone Financial Statements**
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(i) Debt is defined as long-term, short-term borrowings, current maturities and interest accrued as described in notes 23, 24 and 27

(ii) Cash & Bank balances includes Cash and cash equivalents (note 18) , other bank balances (note 19) not subject to lien

(ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured at FVTPL:			
Debt-oriented mutual funds	1,002.02	1,509.00	604.13
Measured at amortised cost			
(a) Cash and bank balances	1,297.07	2,694.90	1,266.93
(b) Other financial assets at amortised cost			
(i) Investments in NSC	156.57	144.33	142.23
(ii) Trade Receivables	4,661.00	5,159.53	5,920.27
(iii) Loans	7,342.00	5,887.54	5,194.12
(iv) Others	7,209.15	5,784.16	4,500.29
Financial liabilities			
Measured at amortised cost			
(i) Borrowings	29,193.00	24,205.65	21,460.62
(ii) Trade Payables	8,848.14	7,278.81	7,809.74
(iii) Others	6,784.30	6,260.05	8,290.54

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

(iii) Financial risk management objectives

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquiring of PPE. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company dose 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 Company'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.

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

Particulars	Liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Capital Creditors			
USD	-	4.16	39.10
Other liabilities - Trade payable			
USD	7.28	-	-

Note: There are no foreign currency denominated monetary assets.

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

Particulars	Liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Capital Creditors			
INR equivalent of USD	-	275.63	2,441.26
Other liabilities - Trade payable			
INR equivalent of USD	471.17	-	-

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

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

(₹ in Lakhs)

Particulars	Currency USD impact(net of tax)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Increase by 10%	(30.81)	(18.02)	(159.64)
Decrease by 10%	30.81	18.02	159.64

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly on account of its borrowing from banks and inter corporate deposits, which have both fixed and floating interest rates. Bank overdrafts are subject to variable rate of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year.

](₹ in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2017	As at 31 March 2016
Increase by 50 basis points	(28.92)	(18.53)
Decrease by 50 basis points	28.92	18.53

Notes to **Standalone Financial Statements**
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(iii) Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments in Subsidiaries and Joint Venture are held for strategic rather than trading purposes. The entity does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining security, where appropriate, as a means of mitigating the risk of financial loss from defaults. For trade receivables, the average credit period generally ranges from 60 to 90 days. Before accepting any new customer, 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 2017 is ₹ 2,712.91 lakhs (as at 31 March 2016 of ₹ 1,964.91 lakhs and as at 1 April 2015 of ₹ 1,183.22 lakhs) are due from 4 major customers who are reputed parties and having long term contracts. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the year is as follows.

Ageing	Expected credit loss (%)
Upto 1 year	0%
Above 1 year	25%
Above 2 years	50%
Above 3 years	100%

Age of receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Upto 1 year	4,336.98	4,730.27	5,447.68
Above 1 year	539.07	706.13	700.39
Above 2 years	167.42	127.33	2.61
Above 3 years	65.13	38.28	14.92

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	190.30	168.91
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(41.81)	21.39
Balance at end of the year	148.49	190.30

The Companies maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. As at 31 March 2017, an amount of ₹1643.18 lakhs has been recognised in the balance sheet as contingent liabilities. It is towards Counter-guarantee given for bank guarantee taken by a subsidiary company.

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(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The following tables detail the Companies remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows	Carrying amount
Financial Liabilities					
Accounts payable	8,848.14	-	-	8,848.14	8,848.14
Borrowings & interest thereon	2,503.40	29,193.00	-	31,696.40	31,696.40
Other financial liabilities	3,973.09	249.07	58.73	4,280.89	4,280.90
Total	**15,324.63**	**29,442.07**	**58.73**	**44,825.43**	**44,825.44**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows	Carrying amount
Financial Liabilities					
Accounts payable	7,278.81	-	-	7,278.81	7,278.81
Borrowings & interest thereon	5,011.21	21,693.00	-	26,704.21	26,704.21
Other financial liabilities	3,526.12	154.14	81.23	3,761.49	3,761.49
Total	**15,816.142**	**21,847.14**	**81.23**	**37,744.51**	**37,744.51**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows	Carrying amount
Financial Liabilities					
Accounts payable	7,809.74	-	-	7,809.74	7,809.74
Borrowings & interest thereon	4,008.62	20,050.56	-	24,059.18	24,059.18
Other financial liabilities	5,259.09	325.48	107.41	5,691.98	5,691.98
Total	**17,077.45**	**20,376.04**	**107.41**	**37,560.90**	**37,560.90**

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Company also has unutilised financing facilities

Notes to Standalone Financial Statements
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42. Financial instruments

(iv) Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's financial asset and liability that are measured at fair value.

(₹ in Lakhs)

Financial Assets	Fair Value as at			Fair Value hierarchy	Valuation technique(s)
	31 March 2017	31 March 2016	1 April 2015		
Investments in Mutual Funds (Note 10)	1,002	1,509	604	Level 1	Quoted bid prices in an active market

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

Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statement are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.

43. Share-based payments

Details of the employee share option plan of the Company.

The Company has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee on its own discretion. The scheme is administered through Inox Leisure Limited - Employees Welfare Trust.

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

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

On 5 January 2017, stock options of 20,000 shares have been granted to an employee of holding company and the vesting period for these equity settled options is between one to four years from the date of the grant. The options are exercisable within one year from the date of vesting. No options were granted during the year ended 31 March 2016.

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 ₹ 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:

Grant date share price	230
Exercise price	15
Expected volatility	38.53% to 41.80%
Option life	1.5 to 4.5 years
Dividend yield	0
Risk free interest rate	6.09% to 6.47%

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Movements in share options during the year

	2016-17
Balance at beginning of year	NIL
Granted during the year	20,000
Forfeited during the year	NIL
Exercised during the year	NIL
Balance at end of year	20,000
Exercisable as on 31 March 2017	NIL
Weighted average exercise price of all stock options	₹ 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 the employee of holding company and the compensation cost of ₹ 5.27 Lakhs (previous year ₹ Nil) 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	
Number of options outstanding	20000
Weighted Average Remaining Contractual Life (in years)	4.77
Weighted Average Exercise Price (₹)	15

44. Related Party Disclosure

(i) Where Control Exists

a. Gujarat Fluorochemicals Limited – holding company
b. Inox Leasing & Finance Limited – ultimate holding company
c. Shouri Properties Private Limited – subsidiary company w.e.f. 24 November 2014
d. Inox Leasure Limited - Employees' Welfare Trust - Controlled Trust
e. Inox Benefit Trust - Controlled Trust

(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

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

Notes to **Standalone Financial Statements**
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Details of transactions between the Company and related parties are disclosed below.

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

(₹ in Lakhs)

Particulars	Sales and services		Purchase of goods	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
a) Transactions with the holding company:				
Gujarat Flurochemicals Limited	**4.76**	**4.58**	**-**	**-**
b) Transactions with enterprises over which a KMP or his relative has significant influence				
Inox India Private Limited	1.98	2.34	-	-
Inox FMCG Private Limited	40.70	-	147.97	-
Sub-total	**42.68**	**2.34**	**147.97**	**-**
Total	**47.44**	**6.92**	**147.97**	**-**

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A. Transactions with the holding company:		
Gujarat Flurochemicals Limited		
(a) Interest paid:	1,624.90	1,624.90
(b) Reimbursement of expenses received/payments made on behalf by the company	20.79	23.42
(c) Lease Rent & Conducting fees paid	71.38	82.09
Sub-total	**1,717.07**	**1,730.41**
B. Transactions with the subsidiary company:		
Shouri Properties Private Limited		
(a) Lease Rent & Conducting fees paid	313.49	354.69
(b) Reimbursement of BG commission	14.95	-
(c) Counter-guarantee given for bank guarantee taken by subsidiary company	554.59	336.69
(d) Subscription towards equity shares	-	125.00
(e) Deposit given	25.13	-
Sub-total	**908.16**	**816.38**
Total	**2,625.23**	**2,546.79**

Notes to **Standalone Financial Statements**
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The following balances were outstanding at the end of the year:

(₹ in Lakhs)

Particulars	Amounts owed by related parties		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables			
a) Transactions with fellow subsidiary			
Inox Wind Limited	-	-	43.20
b) Transactions with enterprises over which a KMP or his relative has significant influence			
Inox FMCG Private Limited	1.24	-	-
Inox India Limited	-	0.27	0.37
Sub-total	**1.24**	**0.27**	**0.37**
Counter-guarantee given for bank guarantee taken by subsidiary company	1.24	0.27	43.57
Transactions with the subsidiary company:			
Shouri Properties Private Limited	**1,643.18**	**1,088.59**	**751.90**
Security deposit given			
Transactions with the subsidiary company:			
Shouri Properties Private Limited	**104.20**	**79.07**	**79.07**

(₹ in Lakhs)

Particulars	Amounts owed to related parties		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables and other payable			
a) Transactions with the holding company:			
Gujarat Flurochemicals Limited	4.27	0.93	5.78
b) Transactions with the subsidiary company:			
Shouri Properties Private Limited	11.75	-	-
c) Transactions with enterprises over which a KMP or his relative has significant influence			
Inox FMCG Private Limited	28.50	-	-
Total	**44.52**	**0.93**	**5.78**

Loans from related parties:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Inter-corporate deposit payable - Gujarat Flurochemicals Limited	16,249.00	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 guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

c. The Company has been provided Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans are unsecured.

Notes to **Standalone Financial Statements**
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Compensation of Key management personnel
Particulars of payments to directors and key management personnel are as follows :

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Remuneration paid to Mr. Alok Tandon	97.43	93.96
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Sitting fees paid to directors	12.20	15.40
	139.63	**139.36**

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 included in the amount of remuneration reported above.

45. Business combinations

During the year ended 31 March 2016, the Company had purchased the rights, title and interest in the assets of a running multiplex with 9 screens. The total purchase consideration paid in cash and cash equivalents was ₹ 2,650.00 lakhs.

Assets acquired at the date of acquisition

(₹ in Lakhs)

Particulars	Amount
Non-current assets	
Property, plant and equipment	900.00
Goodwill	1,750.00
Total	**2,650.00**

46. Operating lease arrangements

The Company as a lessee

a) Leasing arrangements

The Company is operating some of the multiplexes under operating lease/ business conducting arrangement. These arrangements are for an initial period of 9-25 years with a minimum lock-in period of 3-10 years and the agreements provide for escalation after pre-determined periods. The Company does not have an option to purchase the leased premises at the expiry of the lease periods.

Payments recognised as an expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Lease payments	18,045.01	15,764.21
Total	**18,045.01**	**15,764.21**

Non-cancellable operating lease commitments

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Not later than 1 year	18,036.75	16,270.85
Later than 1 year and not later than 5 years	72,923.31	65,226.90
Later than 5 years	1,69,971.72	1,62,020.47
Total	**2,60,931.78**	**2,43,518.22**

Notes to Standalone Financial Statements
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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 'Property Rent and Conducting Fees' 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 ₹ 101.58 Lakhs (previous year ₹ 94.97 Lakhs) are included in 'Rent and common facility charges' in note 37 to the Statement of Profit and Loss.

47. Commitments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	2,723.36	4,399.78	1,791.88
(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 (refer note below)	11,842.08	14,293.47	15,889.77
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 48 (c)	1,195.85	1,112.67	1,012.64

48. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Claims against the Company not acknowledged as debt	7,059.80	7,358.26	7,235.70
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. 932.44 Lakh. The party has made a counter claim towards rent for lock in period and other costs which is included in the amount above. At present the matter is pending before the Arbitrator and hence the amount of Rs. 932.44 Lakh is carried forward as amount recoverable towards claim in note 12 'Other financial assets'.	6943.44	6943.44	6943.44
(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	116.36
(iii) Other claims are by owners of the multiplex premises which are under negotiations with the respective parties.	-	298.46	175.90

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(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(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 – refer note 25.	569.73	605.08	569.72
(c) Entertainment Tax matters This includes:	3,180.85	2,937.69	2,448.10
(i) Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	2,385.46	2,199.71	1,941.22
(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.	693.07	602.37	477.34
(iii) Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	135.61	29.54
(d) Service Tax matters. This includes:	19,001.48	17,388.08	7,170.09
(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.	16,641.03	15,027.63	5,577.97
(ii)The Company has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises and the Company has filed replies to these show cause notices.	2,360.45	2,360.45	1,502.00
(iii) In respect of service tax on payment of architect fee to foreign architects by the Company and receipt of pouring and signing fee.	-	-	90.12
(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	263.81
(f) Custom duty matter In additon to above, the Company has received a notice in respect of custom duty payable on import of cinematographic films. The amount of duty is not quantified by the authorities and the Company has filed an appeal before the Appellate Tribunal and the same is pending hearing.	4.36	4.36	4.36
(g) VAT demand. This includes:	261.87	261.87	261.87
Demand pursuant to reassessment order for the year 2008-09. The Company has filed an appeal and stay is granted on payment of ₹ 2 Lakh.	237.06	237.06	237.06
(h) Income-tax matters. This includes:	611.42	235.64	19.48
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	-	-

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(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	389.83
(j) Counter-guarantee given for bank guarantee taken by a subsidiary company	1,643.18	1,088.59	751.90

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amounts of the further cash outflow, if any, in respect of these matters.

49. In respect of Entertainment-tax exemption claimed and its treatment in these accounts:

The Entertainment tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final orders yet to be received from respective authorities. Accordingly, the company has recognized ₹ 880.00 lakh during the year ended 31 March, 2017 (previous year ₹ 1,184.00 lakh) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31 March 2017 is ₹ 5,206.27 lakhs (previous year ₹ 5,281.89 lakhs).

50. Exceptional Items:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Net value of assets written off in respect of one multiplex, the operations of which are terminated during the year	-	352.92
b) Provision for additional bonus payable in respect of earlier year pursuant to retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015	-	143.10
Total	**-**	**496.02**

51. Prior period item

Reversal of sales and service income of ₹ 142.71 Lakhs, which was earlier included in 'Miscellaneous Expenses' during the year ended 31 March 2016, is now adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in the carrying amount of trade receivables.

The effect of above on the basic and diluted EPS is ₹ 0.16 per share of ₹ 10 each.

Notes to **Standalone Financial Statements**

for the year ended 31 March 2017

52. Details of transactions in Specified Bank Notes (SBNs)

(₹ in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	233.07	101.49	334.56
(+) Permitted receipts	-	6,984.82	6,984.82
(-) Permitted payments	-	(1,393.33)	(1,393.33)
(-) Amount deposited in Banks	(233.07)	(5,307.79)	(5,540.86)
Closing cash in hand as on 30 December 2016	**-**	**385.19**	**385.19**

Note:-

Payments from 9 November 2016 to 30 December 2016 includes ₹ 1080.09 lakhs disbursed under SBI Cash @ POS scheme to ease out the cash shortage during demonetization period for debit card holders.

53. Disclosure required under section 186(4) of the Companies Act, 2013

The Company has given a counter guarantee of ₹ 1,643.18 Lakhs (previous year ₹ 1,088.59 Lakhs) in respect of bank guarantee taken by its subsidiary, Shouri Properties Private Limited. This bank guarantee is towards entertainment tax exemption availed by the subsidiary. The Company has a leasing arrangement with this subsidiary and operates a multiplex from the said location.

During the year ended 31 March 2016, the Company had given an inter-corporate deposit of ₹ 100.00 Lakhs to Deepa Bagla Financial Consultants Pvt. Ltd. for general business purpose and carried interest at 11% p.a.

54.1: Effect of Ind AS adoption on the standalone balance sheet

(₹ in Lakhs)

	Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
A	**ASSETS**							
	1 Non-current assets							
	(a) Property, plant and equipment	a)	62,106.97	(300.22)	61,806.75	61,440.57	(308.75)	61,131.82
	(b) Capital work-in-progress		5,572.79		5,572.79	5,107.65		5,107.65
	(c) Goodwill	b)	1,622.47	127.53	1,750.00	-		-
	(d) Other intangible assets		1,248.35		1,248.35	393.61		393.61
	(e) Financial assets							
	(i) Investments	c)						
	(a) Investments in subsidiary		140.00	-	140.00	15.00	-	15.00
	(b) Investment in joint venture		-	-	-	-	-	-
	(c) Other investments		132.29	-	132.29	83.23	-	83.23
	(ii) Loans	d)	11,401.12	(5,534.44)	5,866.68	10,192.80	(5,019.54)	5,173.26
	(iii) Other financial assets		5,601.51	-	5,601.51	4,302.91	-	4,302.91
	(f) Deferred tax assets (net)		1,985.60	3,636.09	5,621.69	709.64	3,654.79	4,364.43
	(g) Income tax assets (net)		613.45	-	613.45	508.04	-	508.04
	(h) Other non-current assets	a),d)	519.25	4,627.48	5,146.73	480.63	4,345.56	4,826.19
	Total Non - Current Assets		**90,943.80**	**2,556.44**	**93,500.24**	**83,234.08**	**2,672.06**	**85,906.14**
	2 Current assets							
	(a) Inventories	h)	684.87	2.40	687.27	759.11	(5.57)	753.54
	(b) Financial assets							
	(i) Other investments	e)	1,513.03	8.01	1,521.04	660.89	2.24	663.13
	(ii) Trade receivables	f)	5,349.83	(190.30)	5,159.53	6,231.89	(311.62)	5,920.27

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(iii) Cash and cash equivalents		2,242.98	-	2,242.98	936.60	-	936.60
(iv) Bank balances other than (iii) above		451.92	-	451.92	330.33	-	330.33
(v) Loans		20.86		20.86	20.86	-	20.86
(vi) Other financial assets		182.65	-	182.65	197.38	-	197.38
(c) Other current assets	a),d)	872.77	530.19	1,402.96	783.34	406.33	1,189.67
Total Current Assets		**11,318.91**	**350.30**	**11,669.21**	**9,920.40**	**91.38**	**10,011.78**
Total Assets (1+2)		**1,02,262.71**	**2,906.74**	**1,05,169.45**	**93,154.48**	**2,763.44**	**95,917.92**
B **EQUITY AND LIABILITIES**							
1 Equity							
(a) Equity share capital		9,616.28	-	9,616.28	9,616.28	-	9,616.28
(b) Other equity		52,761.02	(6,864.31)	45,896.71	44,996.57	(7,199.14)	37,797.43
(c) Interest in Inox Benefit Trust		(3,266.98)	-	(3,266.98)	(3,266.98)	-	(3,266.98)
Total equity	**54.4**	**59,110.32**	**(6,864.31)**	**52,246.01**	**51,345.87**	**(7,199.14)**	**44,146.73**
LIABILITIES							
2 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		21,693.00	-	21,693.00	20,050.56	-	20,050.56
(ii) Other financial liabilities		235.37	-	235.37	432.89	-	432.89
(b) Provisions		777.96	-	777.96	613.40	-	613.40
(c) Other non-current liabilities	g)	-	8,541.38	8,541.38	-	8,762.65	8,762.65
Total Non - current liabilities		**22,706.33**	**8,541.38**	**31,247.71**	**21,096.85**	**8,762.65**	**29,859.50**
3 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		2,512.65		2,512.65	1,410.06		1,410.06
(ii) Trade payables		7,278.81	-	7,278.81	7,809.74	-	7,809.74
(iii) Other financial liabilities		6,024.68		6,024.68	7,857.65	-	7,857.65
(b) Other current liabilities	g)	2,602.36	1,229.67	3,832.03	2,200.84	1,199.93	3,400.77
(c) Provisions		1,433.83	-	1,433.83	1,413.78	-	1,413.78
(d) Current tax liabilities (net)		593.73	-	593.73	19.69	-	19.69
Total Current liabilities		**20,446.06**	**1,229.67**	**21,675.73**	**20,711.76**	**1,199.93**	**21,911.69**
Total Equity and Liabilities (1+2+3)		**1,02,262.71**	**2,906.74**	**1,05,169.45**	**93,154.48**	**2,763.44**	**95,917.92**

54.2 Reconciliation of profit or loss for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	g)	1,15,865.17	191.53	1,16,056.70
Other Income	d),e)	454.90	328.56	783.46
Total Income (I)		**1,16,320.07**	**520.09**	**1,16,840.16**
Expenses				-
Cost of materials consumed	h)	6,610.69	(7.97)	6,602.72
Exhibition cost		32,443.72	-	32,443.72
Employee benefits expense	j)	7,466.13	(25.06)	7,441.07
Finance costs		2,433.73	-	2,433.73
Depreciation and amortisation expense	a),b)	8,043.75	(136.07)	7,907.68
Other expenses	a),d), f),h)	50,353.55	310.59	50,664.14
Total expenses (II)		**1,07,351.57**	**141.49**	**1,07,493.06**
Profit before exceptional items and tax (I - II = III)		8,968.50	378.60	9,347.10
Exceptional items (IV)		496.02		496.02
Profit before tax (III-IV = V)		**8,472.48**	**378.60**	**8,851.08**

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Tax expense: (VI)				-
Current tax		3,457.00	-	3,457.00
Deferred tax	i)	(360.62)	27.36	(333.26)
Taxation pertaining to earlier years		(2,388.33)	-	(2,388.33)
		708.05	**27.36**	**735.41**
Profit for the year (V - VI = VII)		**7,764.43**	**351.24**	**8,115.67**
Other comprehensive income (VIII)				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	j)	-	(25.06)	(25.06)
(ii) Income tax on above	i)	-	8.67	8.67
Total Other comprehensive income (i-ii)		**-**	**(16.39)**	**(16.39)**
Total Comprehensive income for the year (VII +VIII = IX) (Comprising profit and other comprehensive income for the year)		**7,764.43**	**334.85**	**8,099.28**

54.3 Effect of Ind AS adoption on the standalone statement of cash flows for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	Year ended 31 March 2016 (Latest period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	16,926.90	-	16,926.90
Net cash flows from investing activities	(15,804.61)	-	(15,804.61)
Net cash flows from financing activities	184.09	-	184.09
Net increase (decrease) in cash and cash equivalents	1,306.38	-	1,306.38
Cash and cash equivalents at beginning of period	936.60	-	936.60
Cash and cash equivalents at end of period	2,242.9	-	2,242.98

54.4 Equity reconciliation

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Total equity / shareholders' funds under previous GAAP		**59,110.32**	**68,091.05**
Effect of amalgamation of erstwhile Satyam Cineplexes Limited w.e.f. 8 August 2014 given in the financial statements for the year ended 31 March 2016 under previous GAAP	l)		(16,745.18)
Adjusted equity as per previous GAAP		59,110.32	51,345.87
Adjustments:			
Change in fair value of investment	e)	8.01	2.24
Recognition of government grants -entertainment tax exemption(net)	g)	(9,771.05)	(9,962.58)
Impact of discounting of security deposits (net)	d)	(676.99)	(576.40)
Expected credit losses on trade receivables	f)	(190.30)	(168.91)
Reversal of goodwill amortisation	b)	127.53	-
Other adjustments	h)	2.40	(148.28)
Tax impact on above adjustments	i)	3,636.09	3,654.79
Total adjustment to equity		**(6,864.31)**	**(7,199.14)**
Total Equity under IndAS as reported		**52,246.01**	**44,146.73**

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

54.5 Profit reconciliation

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016
Net Profit as per previous GAAP		7,764.44
a) Change in fair value of investment	e)	5.77
Recognition of government grants -entertainment tax exemption(net)	g)	191.53
c) Impact of discounting of security deposits (net)	d)	(100.59)
d) Expected credit losses on trade receivables	f)	(21.39)
e) Reversal of goodwill amortisation	b)	127.53
f) Actuarial gain/ (loss) on employee defined benefit plan recognised in other comprehensive income	j)	25.06
g) Reversal of prior period expenses	h)	142.71
h) Other adjustments (net)	h)	7.97
i) Tax impact on above adjustments Net Profit reported under Ind AS	i)	(27.36)
		8,115.67
Other comprehensive income		
Remeasurements of the defined benefit plans	j)	(25.06)
Deferred Tax on Remeasurements of the defined benefit plans	i)	8.67
Total Comprehensive income under Ind AS		**8,099.28**

54.6 Footnotes for IGAAP to Ind AS reconciliation

a) Reclassification of leasehold land:

Under previous GAAP, all leasehold lands were classified as property, plant and equipment. Under Ind AS, leasehold land is to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17. Accordingly deemed cost of the leasehold lands are reclassified from property plant and equipment and disclosed as leases prepayments under non-financial assets.

Consequent to this change, amount of Rs. 300.22 lakhs is transferred from property, plant and equipment to “pre-payments – leasehold lands” as at 31 March 2016 (Rs. 308.75 lakhs as at 1 April 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31 March 2016 and the profit before tax and profit for the year ended 31 March 2016.

b) Goodwill:

Under previous GAAP, goodwill acquired in a business combination was required to be amortised. Under Ind AS, goodwill is requires to be tested for impairment.

Consequent to this change, amortisation provided as per previous GAAP on the goodwill acquired during the year ended 31 March 2016, amounting to Rs.127.53 lakhs has been reversed.

The profit before tax for the year ended 31 March 2016 is increased by Rs. 127.53 lakhs on account of reversal of goodwill amortisation.

c) Non-Current Investments:

In the financial statements prepared under previous GAAP, non-current investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

- Government securities - at amortised cost
- Equity shares of subsidiary and joint venture company – at cost

Ind AS requires the above investments (except investments in equity shares of subsidiary and joint venture company) to be recognised at fair value or amortised cost, as applicable.

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

On the date of transition, there is no change in the carrying value of investments.

The above changes do not affect profit for the year ended 31 March 2016 and total equity as at date of transition to Ind AS and as at 31 March 2016.

d) Discounting of security deposits for leases:

Under the previous GAAP, interest free lease security deposits paid (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, these security deposits are required to be recognised at amortised cost. Accordingly, the Company has discounted these security deposits under Ind AS. Difference between the discounted value and the transaction value of the security deposit has been recognised as 'Deferred lease rent expense'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'. Further, the deferred lease rent expense is recognised in the Statement of Profit and Loss under 'other expense' over the respective lease terms on a straight-line basis.

Consequent to this change, the amount of security deposits paid is decreased by Rs. 5,534.44 lakhs as at 31 March 2016 (Rs. 5,019.54 lakhs as at 1 April 2015). The amount of deferred lease rent recognized is Rs. 4,857.45 lakhs as at 31 March 2016 (Rs. 4,443.14 lakhs as at 1 April 2015). The net impact of Rs. 576.40 lakhs on the transition date is adjusted in opening retained earnings

The profit for the year ended 31 March 2016 decreased by Rs. 100.59 lakhs due to the amortisation of deferred lease rent expense of Rs. 423.37 lakhs which is partially off-set by recognition of notional interest income on security deposits of Rs. 322.79 lakhs.

e) Current Investments:

In the financial statements prepared under previous GAAP, current investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in a increase in the carrying amount of these investments by Rs. 2.24 lakhs which has been recognised in retained earnings. As at 31 March 2016, the difference between the fair value of current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by Rs. 8.07 lakhs.

During the year ended 31 March 2016, net gain amounting to Rs. 5.77 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

f) Expected credit losses:

Under previous GAAP, the Company used to create provision for impairment of receivables only in respect of specific amount for doubtful receivables. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss model (ECL).

Consequent to this change, on the date of transition to Ind AS, allowance for ECL of Rs. 168.91 lakhs is recognized with corresponding reduction in the retained earnings. The amount of allowance for ECL recognised as at 31 March 2016 is Rs. 190.30 lakhs.

The profit before tax for the year ended 31 March 2016 is decreased by Rs. 21.39 lakhs on account of allowance for ECL.

g) Government Grants:

Some of the multiplexes operated by the Company are entitled to exemption from payment of entertainment tax in terms of the schemes notified by the respective State Governments, whose primary condition is that the Company should establish and operate multiplexes in specified areas.Under Ind AS, such government grants are initially recognised as deferred income in the balance sheet and is subsequently recognised in profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the related assets.

Consequent to this change, on the date of transition to Ind AS, an amount of Rs. 9962.58 lakhs is recognised as deferred revenue in the balance sheet and is adjusted in the opening retained earnings.

Notes to **Standalone Financial Statements**
for the year ended 31 March 2017

The corresponding amount as at 31 March 2016 is Rs. 9,771.05 lakhs.

The profit for the year ended 31 March 2016 increased by Rs. 191.53 lakhs due to the transfer of deferred revenue to other operating revenue of Rs. 1,596.10 lakhs which is partially off-set by transfer of Rs. 1,404.57 lakhs to deferred revenue on account of entertainment tax exemption availed during the year.

h) Other adjustments:

- **Prior period items**
  Reversal of sales and service income of Rs. 142.71 Lakhs, which was earlier included in 'Miscellaneous Expenses' during the year ended 31 March 2016, is now adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in the carrying amount of trade receivables.

- **Inventory valuation**
  Due to change in policy for valuation of inventories from FIFO basis to weighted average cost basis w.e.f. 1 April 2015, the value of inventory on the date of transition is decreased by Rs. 5.57 lakhs with corresponding adjustment in opening retained earnings. As at 31 March 2016, the value of inventories is increased by 2.40 lakhs and the profit before tax for the year ended 31 March 2016 increased by Rs. 7.97 lakhs.

i) Deferred tax:

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under previous GAAP. In addition, the transitional adjustments as described in the preceding paragraphs have also led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax assets of Rs. 3654.79 lakhs as at date of transition to Ind AS with a corresponding increase in retained earnings and reduction in the amount of deferred tax liabilities in the Balance Sheet.

For the year ended 31 March 2016, it has resulted in decrease in deferred tax expense by Rs. 27.37 lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit of Rs. 8.67 lakhs in OCI.

j) Remeasurement of defined benefit plan

In the financial statements prepared under previous GAAP, remeasurement of defined benefit plans and assets (gratuity), arising due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans and assets is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31 March 2016, remeasurement of gratuity liability resulted in a net expense of Rs. 25.06 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

The above changes do not affect total equity as at date of transition to Ind AS and as at 31 March 2016.

k) Other Comprehensive income:

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other Comprehensive income.

This change does not affect total equity as at date of transition to Ind AS and as at 31 March 2016.

Notes to Standalone Financial Statements
for the year ended 31 March 2017

l) Amalgamation of erstwhile Satyam Cineplexes Limited

During the year ended 31 March 2015, the Company had acquired 100% of the equity shares in Satyam Cineplexes Limited ("SCL") and consequently SCL had become a wholly owned subsidiary of the Company with effect from 8 August, 2014. During the year ended 31 March 2016, pursuant to the Scheme of Amalgamation ("the Scheme") under Section 391 to 394 of the Companies Act 1956, sanctioned by the Hon'ble High Court of Delhi vide order dated 10 February 2016, SCL was amalgamated with the Company with effect from 8 August 2014 ("the Appointed Date"). As the Scheme had become effective on 23 March 2016 viz. the date on which the certified copy of the order of the Delhi High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujarat and Registrar of Companies, Delhi, effect of the Scheme was given in the financial statements for the year ended 31 March 2016 prepared under previous GAAP. Under Ind AS, as the business combination has occurred on 8 August 2014, the Scheme has been given effect as at 8 August 2014 and accordingly the impact of amalgamation as at 8 August 2014 and for the period from 8 August 2014 to 31 March 2015 is given in the opening balance sheet as at the date of transition as under:

Cost of the Company's investment in SCL	18,800.59
Less: Net assets taken over, at book value	2,321.46
Add: Reduction in provision for taxation for the year ended 31 March 2015 consequent to the amalgamation of SCL	187.00
Add: Loss of SCL for the period from 8 August 2014 to 31 March 2015	453.05
Net impact as at 1 April 2015 is given as under:	**16,745.18**

Reserves and surplus of SCL on the appointed date recorded at their existing carrying amounts		
Securities Premium	2,340.45	
General Reserve	100.00	2,440.45
Effect on the Surplus/deficit in the Statement of Profit and Loss		(-) 844.59
Sub-total		1,595.86
Less: Adjusted against Reserves of the Company as per the Scheme		
Amalgamation Reserve	750.66	
Reserve on sale of Treasury Shares	14,872.93	
General Reserve	2,717.45	(-) 18,341.04
Net impact as at 1 April 2015		**16,745.18**

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

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") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and a jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement 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 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us 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 31st March 2017, 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.

Independent Auditor's Report

to the members of Inox Leisure Limited

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 Cash Flow Statement and Consolidated 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 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 31st March, 2017 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the statutory auditors of its subsidiary and jointly controlled entity, none of the directors of the Group companies and jointly controlled entity are disqualified as on 31st March, 2017 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 over financial reporting 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:

  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 – refer Note 50 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;

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary and the jointly controlled entity; and

  iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 of the Group and jointly controlled entity and these are in accordance with the books of account maintained by the Group companies and jointly controlled entity – refer Note 54 to the consolidated Ind AS financial statements.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 2nd May 2017

Annexure to Independent Auditor's Report
to the members of Inox Leisure Limited

Annexure to Independent auditor's report to the members of Inox Leisure Limited on the consolidated Ind AS financial statements for the year ended 31st March 2017 – 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 March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company and 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 and its subsidiary company and jointly controlled entity 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 Companies Act, 2013 (the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiary company's and jointly controlled entity's, internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary company and jointly control entity.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary and jointly controlled entity, considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 2nd May 2017

Consolidated **Balance Sheet**
as at 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	6A	67,282.56	61,806.75	61,131.82
(b) Capital work-in-progress	6B	6,255.36	5,572.80	5,107.65
(c) Goodwill	7	1,750.97	1,791.85	41.85
(d) Other intangible assets	8	1,242.66	1,248.34	393.60
(e) Financial assets				
(i) Investments				
(a) Investment in joint venture	9	5.81	-	-
(b) Other investments	10	118.74	132.29	83.23
(ii) Loans	11	6,900.01	5,866.68	5,173.27
(iii) Other financial assets	12	7,178.80	5,601.51	4,302.91
(f) Deferred tax assets (net)	13	4,828.55	5,621.69	4,364.43
(g) Income tax assets (net)	14	553.32	682.01	552.37
(h) Other non-current assets	15	7,763.02	5,168.80	4,848.26
Total Non - current assets		**1,03,879.80**	**93,492.72**	**85,999.39**
2 Current assets				
(a) Inventories	16	908.76	687.27	753.54
(b) Financial assets				
(i) Other investments	10	1,069.91	1,521.04	663.13
(ii) Trade receivables	17	4,661.00	5,159.53	5,920.27
(iii) Cash and cash equivalents	18	980.96	2,270.78	981.60
(iv) Bank balances other than (iii) above	19	338.26	451.92	330.33
(v) Loans	11	441.99	20.86	20.86
(vi) Other financial assets	12	30.35	182.65	197.38
(c) Other current assets	15	2,096.48	1,418.67	1,202.64
Total Current assets		**10,527.71**	**11,712.72**	**10,069.75**
Total Assets (1+2)		**1,14,407.51**	**1,05,205.44**	**96,069.14**
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	20	9,616.28	9,616.28	9,616.28
(b) Other equity	21	48,904.46	45,878.13	37,793.38
(c) Interest in Inox Benefit Trust	22	(3,266.98)	(3,266.98)	(3,266.98)
Equity attributable to owners of the Company		55,253.76	52,227.43	44,142.68
Non-controlling interests	23	0.54	0.50	(2.56)
Total equity		**55,254.30**	**52,227.93**	**44,140.12**
LIABILITIES				
2 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	29,193.00	21,693.00	20,050.56
(ii) Other financial liabilities	25	307.81	235.37	432.89
(b) Provisions	26	1,001.45	777.95	613.39
(c) Other non-current liabilities	27	8,292.85	8,541.38	8,762.65
Total Non - current liabilities		**38,795.11**	**31,247.70**	**29,859.49**
3 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	28	-	2,512.65	1,469.91
(ii) Trade payables	29	8,841.50	7,329.59	7,839.73
(iii) Other financial liabilities	25	6,476.49	6,026.98	7,916.59
(b) Other current liabilities	30	3,599.82	3,833.02	3,409.82
(c) Provisions	26	1,439.04	1,433.84	1,413.79
(d) Income tax liabilities (net)	14	1.25	593.73	19.69
Total current liabilities		**20,358.10**	**21,729.81**	**22,069.53**
Total Equity and Liabilities (1+2+3)		**1,14,407.51**	**1,05,205.44**	**96,069.14**

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

As per our report of even date attached
For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Consolidated **Statement of Profit and Loss**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations	31	1,22,071.41	1,16,056.70
Other income	32	911.55	783.96
Total Income (I)		**1,22,982.96**	**1,16,840.66**
Expenses			
Cost of materials consumed	33	6,806.71	6,602.72
Exhibition cost	34	34,532.57	32,443.72
Employee benefits expense	35	8,639.10	7,441.07
Finance costs	36	2,528.11	2,449.11
Depreciation and amortisation expense	37	8,407.04	7,907.68
Impairment losses	6 / 7	129.34	-
Other expenses	38	57,485.29	50,663.26
Total expenses (II)		**1,18,528.16**	**1,07,507.56**
Profit before share of profit of a joint venture and exceptional items		4,454.80	9,333.10
Share of profit of joint ventures (III)	9A	8.12	2.53
Profit before exceptional items and tax (I - II + III = IV)		4,462.92	9,335.63
Exceptional items (V)	52	-	496.02
Profit before tax (IV-V = VI)		**4,462.92**	**8,839.61**
Tax expense: (VII)	39		
Current tax		1,474.25	3,457.00
Deferred tax		85.72	(333.26)
Taxation pertaining to earlier years		(158.54)	(2,388.33)
		1,401.43	735.41
Profit for the year (VI - VII= VIII)		**3,061.49**	**8,104.20**
Profit for the year attributable to:			
Equity holders of the Parent		3,061.45	8,104.30
Non-controlling interests		0.04	(0.10)
		3,061.49	**8,104.20**
Other comprehensive income (IX)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(61.77)	(25.06)
(ii) Tax on above	39	21.38	8.67
Total Other comprehensive income (i-ii)		**(40.39)**	**(16.39)**
Total Comprehensive income for the year (VIII + IX = X) (Comprising profit and other comprehensive income for the year)		**3,021.10**	**8,087.81**
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		3,021.06	8,087.91
- Non-controlling interests		0.04	(0.10)
		3,021.10	**8,087.81**
Earnings per equity share (in ₹)			
1) Basic	41	3.33	8.83
2) Diluted	41	3.33	8.83

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

As per our report of even date attached

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

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Consolidated **Statement of Changes in Equity**
for the year ended 31 March 2017

A. Equity share capital

(₹ in Lakhs)

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

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus						
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Shares options outstanding	Retained Earnings	Non controlling interests	Total
Balance at 1 April 2015	**0.10**	**28,092.61**	**2,782.55**	**-**	**6,918.12**	**(2.56)**	**37,790.82**
Additions during the year:							
Profit for the year					8,104.30	(0.10)	8,104.20
Other comprehensive income for the year, net of tax(*)					(16.39)		(16.39)
Total comprehensive income for the year	-	-	-	-	8,087.91	(0.10)	8,087.81
On account of change in non-controlling interest (refer Note 23)					(3.16)	3.16	-
Balance at 31 March 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 during the year (refer Note 45)	-	-	-	5.27	-	-	5.27
Balance at 31 March 2017	**0.10**	**28,092.61**	**2,782.55**	**5.27**	**18,023.93**	**0.54**	**48,905.00**

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

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

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants

S. S. Agrawal
Partner

Place: Pune
Date: 2nd May, 2017

For and on behalf of the Board of Directors

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Mumbai
Date: 2nd May, 2017

Consolidated **Statement of Cashflows**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities		
Profit for the year after tax	3,061.49	8,104.20
Adjustments for:		
Income tax expense	1,401.43	735.45
Finance costs	2,528.11	2,449.11
Share of profit of a joint venture	(8.12)	(2.53)
Interest income	(524.50)	(466.81)
Government grants - deferred revenue	(1,702.64)	(1,596.10)
Gain on investments measured at fair value through profit or loss	(234.74)	(148.83)
Deferred rent expenses	520.05	431.90
Loss on disposal of property, plant and equipment (net)	429.24	326.66
Liabilities and provisions, no longer required, written back	(95.83)	(121.33)
Expense on ESOP	5.27	-
Bad debt & remissions	148.53	118.05
Deposits and advances written off	-	211.85
Allowance for doubtful advances and deposits	35.00	120.58
Allowance for doubtful trade receivables (net)	5.12	197.15
Impairment loss on goodwill	40.88	-
Impairment loss on property, plant and equipment	88.46	-
Depreciation and amortisation expense	8,407.04	7,907.68
	14,104.79	**18,267.03**
Movements in working capital:		
(Increase)/decrease in trade receivables	344.88	445.54
(Increase)/decrease in inventories	(221.49)	66.27
(Increase)/decrease in loans	(1,070.82)	(370.62)
(Increase)/decrease in other financial assets	(1,595.07)	(741.26)
(Increase)/decrease in other assets	(3,282.48)	(965.56)
Increase/(decrease) in trade payables	1,511.91	(510.14)
Increase/(decrease) in provisions	166.93	159.55
Increase / (decrease) in other financial liabilities	575.88	173.13
Increase / (decrease) in other liabilities	1,319.04	1,921.89
Cash generated from operations	**11,853.57**	**18,445.83**
Income taxes paid	(1,050.73)	(1,539.59)
Net cash generated by operating activities	**10,802.84**	**16,906.24**
Cash flows from investing activities		
Payments for property, plant and equipment (including changes in capital work in progress and capital advances)	(15,278.55)	(11,349.18)
Payments for other intangible assets	(306.64)	(951.77)

Consolidated **Statement of Cashflows**
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Proceeds from disposal of property, plant and equipment	268.81	11.44
Interest received	296.93	145.83
Investments in Government securities	(12.50)	(21.30)
Maturity of Government securities	7.40	13.38
Investment in mutual funds	(20,272.05)	(14,162.00)
Mutual fund redemptions	20,983.71	13,405.91
Payments towards business combination consideration payable	(286.36)	(61.30)
Movement in other bank balances	67.25	(60.18)
Payment for business combination	-	(2,650.00)
Net cash used in investing activities	**(14,532.00)**	**(15,679.17)**
Cash flows from financing activities		
Proceeds from borrowings - non current	10,000.00	4,141.00
Repayment of borrowings - non current	(2,498.56)	(2,598.56)
Net movement in current borrowings	(2,512.65)	1,042.74
Finance cost	(2,549.45)	(2,523.07)
Net cash generated from financing activities	2,439.34	62.11
Net increase in cash and cash equivalents	**(1,289.82)**	**1,289.18**
Cash and cash equivalents at the beginning of the year	2,270.78	981.60
Cash and cash equivalents at the end of the year	**980.96**	**2,270.78**

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 18.
3. The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

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 subsidiary (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 parent 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 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March 2016, the Group prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Group.

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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

2.3 Basis of Preparation and Presentation

These CFS have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2015 being the 'date of transition to Ind AS'.

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 2 May 2017.

3. Basis of Consolidation and Significant Accounting Polices

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

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

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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 (refer Note 3.11); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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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 (refer Note 3.2 above) less accumulated impairment losses, if any.

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

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

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

The Group's policy for goodwill arising on the acquisition of a joint venture is described in Note 3.4 below.

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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 reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.5 Revenue recognition

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

3.5.1 Rendering of services

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

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

3.5.2 Sale of goods

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

3.5.3 Dividend and interest income

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

3.6 Government grants

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

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

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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.

3.7.1 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.

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 retirement 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 retirement 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

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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, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

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

3.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 45.
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 (refer Note 22), 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'.

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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.

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 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.

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3.14 Property, plant and equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, Property, Plant and Equipment (PPE) 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 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items (refer 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 fixed assets 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 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 or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

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

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

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

3.15 Intangible assets

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

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

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

Estimated useful lives of the intangible assets are as 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 for inventories less all estimated costs of completion and 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 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.

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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 and other financial assets 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.

All 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 (other than trade receivables)

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-monthECL.

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 income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

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.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

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The Group has not designated any financial liability as at FVTPL. Further the Group does not have any commitments to provide a loan at a below market interest rate.

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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 Statement of Cash Flows and Ind AS 102 Share-based payment. The amendment is applicable to the Group from April 1, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Group.

Amendment to Ind AS 102:

The amendment to Ind AS 102 Share-based payment provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature

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in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values' but non-market performance conditions and service-vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share based payment transaction are modified with the result that it becomes an equity-settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. This amendment does not affect the financial statements of the Group.

4. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as at 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain mandatory exceptions and optional exemptions allowed by Ind AS 101 First-time Adoption of Indian Accounting Standards and availed by the Group as detailed below:

I. Optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment and intangible assets

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

b) Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2015. Consequently,

- The carrying amounts of assets and liablities acquired pursuant to past business combination and recoginsed financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date acquisition. After the date of acquisition, measurement of such assets and liablilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;
- The Group has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP, nor qualify for recognition under Ind AS in the Balance sheet of the acquiree;
- The Group has excluded from its opening Ind AS balance sheet (as at 1st April, 2015), those assets and liabilities which were recognised in accordance with previous GAAP but do not qualify for recognition as an asset or liability under Ind AS; and
- Use of this exemption from retrospective application of Ind AS 103, Business Combination, requires that the carrying amount of goodwill as per financial statemnets prepared under Previous GAAP should be recoginsed in the opening Ind AS Balance sheet after adjusting for impairment, if any. The Group has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary

The above exemption in respect of business combinations has also been applied to past acquisitions of interests in joint ventures.

c) Foreign currency translation of long-term monetary items

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

Notes to Consolidated Financial Statements
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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.

d) Discounting of security deposits

As per the requirements of Ind AS 109, security deposits given by the Group are required to be carried at amortised cost at the time of initial recognition. However, as permitted by Ind AS 101, the assessment of modified time value of money element is made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

II. Mandatory exceptions from retrospective application

a) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

b) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

c) Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110 Consolidated Financial Statements, prospectively from the date of transition.

d) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 Financial Instruments retrospectively; however, as permitted by Ind AS 101 First-time Adoption of Indian Accounting Standards, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

5. 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.

Notes to Consolidated Financial Statements
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5.1 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. 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.

Notes to **Consolidated Financial Statements**
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5.2 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 2017 was Rs. 1750.97 lakhs (as at 31 March 2016: Rs. 1791.85 lakhs and as at 1 April 2015: Rs. 41.85 lakhs) after an impairment loss of Rs. 40.88 lakhs was recognized during the year 2016-2017 (Rs. Nil for 2015-16). Details of impairment loss calculations are set out in Note 7.

b) **Useful lives of Property, Plant & Equipment (PPE):**

The Group has adopted useful lives of PPE as described in Note 3.14 above. The Group reviews the estimated useful lives of PPE 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 44

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

- The Group's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax claims.
- Recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – refer Note 13
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – refer Note 43
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – refer Note 26 and Note 50
- Impairment of financial assets – refer Note 44

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6. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Freehold land	2,669.66	2,669.66	2,669.66
Buildings	11,602.61	11,472.19	11,512.75
Leasehold improvements	18,865.88	17,231.21	16,973.04
Plant and equipment	25,613.37	22,918.55	22,602.25
Furniture and fixtures	5,837.28	5,209.00	5,019.16
Vehicles	53.60	85.28	115.00
Office equipment	2,640.16	2,220.86	2,239.96
Total	67,282.56	61,806.75	61,131.82

(i) Freehold land and buildings with a carrying amount of ₹ 6,249.19 lakhs (as at 31 March 2016: ₹ 6,341.06 lakhs and as at 1 April 2015: ₹ 6,428.19 lakhs) have been mortgaged to secure borrowings of the Group (refer note 24 and 28). Details of the same are as under. The Group is not allowed to mortgage these building as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Freehold land	1,743.99	1,743.99	1,743.99
Buildings	4,505.20	4,597.07	4,684.20
Total	6,249.19	6,341.06	6,428.19

(ii) Leasehold improvements, plant and equipment, Office equipment and Furniture and fixtures with carrying amount of ₹ 28,815.51 Lakhs (as at 31 March 2016: ₹ 20,020.83 Lakhs and as at 1 April 2015: Rs 12,952.52 Lakhs)) have been hypothecated to secure loans from banks (refer note 24 and 28). Details of the same are as under. The Group is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Leasehold improvements	10,089.97	6,977.77	4,728.89
Plant and equipment	13,134.25	9,153.06	5,665.28
Furniture and fixtures	4,055.59	2,976.25	1,884.54
Office equipment	1,535.70	913.75	673.81
Total	**28,815.51**	**20,020.83**	**12,952.52**

(iii) Plant and equipment, Office equipment and Furniture and fixtures with carrying amount of ₹ 7,973.98 lakhs (as at 31 March 2016: ₹ Nil and as at 1 April 2015: ₹ Nil) have been hypothecated to secure bank guarantee facility from bank. Details of the same are as under. The Group is not allowed to pledge these assets as security for other borrowings.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Plant and equipment	6,709.28	-	-
Furniture and fixtures	949.69	-	-
Office equipment	315.01	-	-
Total	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 ₹ 88.46 lakhs due to lower than expected performances in respect of 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 ₹ 218 lakhs at 31 March 2017. 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. No impairment loss was recognised in FY 2015-16 as there was no indication of impairment.

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6A. Property, plant and equipment

(₹ in Lakhs)

Particluars	Land - Freehold	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Cost or deemed cost								
Balance as at 1 April 2015	2,669.66	11,512.75	16,973.04	22,602.25	5,019.16	115.00	2,239.96	61,131.82
Acquisition through business combinations (refer Note 47)	-	-	190.65	439.90	235.70	-	33.75	900.00
Additions	-	193.08	2,234.90	3,082.35	1,349.78	-	908.28	7,768.39
Disposal		-	(145.70)	(119.13)	(134.05)	(5.14)	(5.59)	(409.61)
Effects of foreign currency exchange differences	-	-	-	85.50	-	-	18.17	103.67
Borrowing cost capitalised	-	-	22.01	18.67	10.94	-	-	51.62
Balance as at 31 March 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
Disposal	-	(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 capitalised	-	-	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**
Accumulated depreciation and impairment								
Balance as at 1 April 2015	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	233.64	2,067.73	3,211.64	1,297.31	24.81	975.52	7,810.65
Eliminated on disposal of asset	-	-	(24.04)	(20.65)	(24.78)	(0.23)	(1.81)	(71.51)
Balance as at 31 March 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	3,461.10	1,371.48	23.06	879.27	8,096.69
Impairment losses recognised in profit or loss	-	-	11.13	71.07	2.53	-	3.73	88.46
Eliminated on disposal of asset	-	(6.69)	(39.81)	(195.86)	(169.17)	(2.46)	(112.23)	(526.22)
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**

Net carrying value	Land - Freehold	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
As at 1 April 2015	2,669.66	11,512.75	16,973.04	22,602.25	5,019.16	115.00	2,239.96	61,131.82
As at 31 March 2016	2,669.66	11,472.19	17,231.21	22,918.55	5,209.00	85.28	2,220.86	61,806.75
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

Notes to Consolidated Financial Statements
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6B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital work in progress	5,038.27	4,358.70	3,911.49
Pre-operative expenditure pending allocation	1,217.09	1,214.10	1,196.16
Total	**6,255.36**	**5,572.80**	**5,107.65**

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

Particular	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance	1,214.10	1,196.16
Add: Expenses incurred during the year		
Salaries and wages	412.41	397.00
Contribution to provident and other funds	26.21	19.67
Staff welfare	-	5.65
Legal &professional fees and expenses	342.46	192.59
Travelling & conveyance	87.05	265.44
Power & fuel	24.26	14.56
House keeping expenses	5.35	0.11
Outsourced personal cost	2.29	8.38
Security expenses	55.59	81.84
Miscellaneous expenses	17.26	34.49
Borrowing costs	82.41	8.76
	1,055.29	**1,028.49**
Less: Pre-operative income earned during the year		
Miscellaneous income	-	2.40
	2,269.39	**2,222.25**
Less: Capitalised/reclassified during the year	1,052.30	1,008.15
Closing balance	**1,217.09**	**1,214.10**

Capital work in progress includes amount of Rs. 3,362.53 lakhs (as at 31 March 2016: Rs. 970.77 lakhs and as at 1 April 2015: Rs 691.08 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (refer Note 24 and 28). The Company is not allowed to hypothecate these assets as security for other borrowings.

7. Goodwill

(₹ in Lakhs)

Description of Assets	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cost or deemed Cost			
Balance at beginning of year	1,791.85	41.85	41.85
Acquisition through business combinations	-	1,750.00	-
Accumulated impairment loss	(40.88)	-	-
Balance at end of the year	1,750.97	1,791.85	41.85
Accumulated impairment losses			
Balance at beginning of year	-	-	-
Impairment losses recognised in the year	(40.88)	-	-
Balance at end of the year	(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. 40.88 lakhs which has 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. 0.97 lakhs at 31 March 2017. The discount rate used in measuring the value in use was 12% per annum. No impairment assessment was performed in previous

Notes to **Consolidated Financial Statements**
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year as there was no indication of impairment.

7A. 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 company.

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

(₹ in Lakhs)

Cash generating units	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Multiplex theatre	1,750.00	1,750.00	-
Shouri Properties Private Limited	41.85	41.85	41.85
Total	**1,791.85**	**1,791.85**	**41.85**

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 2016: 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 20% in FY 17-18 and by 3% per year thereafter. 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 20% per year and by 5% per year thereafter 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 ATP is expected to grow by 20% in FY 17-18 and by 10% per year thereafter. 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 2016: 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.

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Based on above, impairment loss of Rs. 40.88 lakhs is recognised during the year ended 31 March 2017.

8. Other intangible assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Computer software	1,215.74	1,189.86	293.17
Website	26.92	36.46	46.00
Movie script	-	22.02	54.43
	1,242.66	1,248.34	393.60

8A. Other intangible assets

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 April 2015	293.17	46.00	54.43	393.60
Additions	951.77	-	-	951.77
Disposal	-	-	-	-
Balance as at 31 March 2016	**1,244.94**	**46.00**	**54.43**	**1,345.37**
Additions	306.64	-	-	306.64
Disposal	(16.23)	-	-	(16.23)
Balance as at 31 March 2017	**1,535.35**	**46.00**	**54.43**	**1,635.78**
II. Accumulated amortisation and impairment				
Balance as at 1 April 2015	-	-	-	-
Amortisation expense for the year	55.08	9.54	32.41	97.03
Disposal	-	-	-	-
Balance as at 31 March 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**

Net Carrying value	Computer software	Website	Movie script	Total
As at 1 April 2015	293.17	46.00	54.43	393.60
As at 31 March 2016	1,189.86	36.46	22.02	1,248.34
As at 31 March 2017	1,215.74	26.92	-	1,242.66

9. Investment in joint venture

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
In equity instruments(unquoted, fully paid up)			
Swanston Multiplex Cinemas Private Limited - 10,15,000 equity shares	279.52	279.52	279.52
Less: share in accumulated loss	(273.71)	(279.52)	(279.52)
Carrying amount	**5.81**	-	-
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	5.81	-	-

Notes to **Consolidated Financial Statements**
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(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Aggregate amount of impairment in value of investments	-	-	-

9A. Details and financial information of joint venture

Details of the Group's joint venture at the end of the reporting period are as follows:

(₹ in Lakhs)

Name of joint venture	Proportion of ownership interest and voting rights held by the Group		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Swanston Multiplex Cinemas Private Limited (SMCPL)	50%	50%	50%

SMCPL is incorporaed in India and was engaged in the business of operating a multiplex and has ceased its operations since July 2012.

The above joint venture is accounted for using the equity method in these consolidated financial statements.

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
The Group's share of profit/(loss)	8.12	2.53
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	8.12	2.53

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
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 from of cash dividend or to repay loans or advances made by the Group.

10. Other investments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Financial assets carried at amortised cost			
Investment in Government securities (unquoted, fully paid up)			
National Savings Certificates	118.74	132.29	83.23
Total Non-current investments	**118.74**	**132.29**	**83.23**
Current			
Unquoted investments (all fully paid)			
Financial assets carried at FVTPL			
Investments in mutual funds			

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(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Taurus Liquid Fund-Regular Plan-Super Inst Growth - Nil units (31 March 2016: 15320, 1 April 2015: 39945) (face value Rs. 1,000)	-	248.91	604.13
HDFC Liquid Fund-Growth - Nil units (31 March 2016: 8414, 1 April 2015: Nil) (face value Rs. 1,000)	-	251.11	-
Birla Sunlife Cash Plus-Growth-Regular Plan - Nil units (31 March 2016: 414681, 1 April 2015: Nil) (face value Rs. 100)	-	1,008.98	-
ICICI Prudential Liquid Plan-Growth - 417237 units (31 March 2016: Nil, 1 April 2015: Nil) (face value Rs. 100)	1,002.02	-	-
ICICI Prudential Liquid Plan-Growth-Regular Plan - 12518 units (31 March 2016: Nil, 1 April 2015: Nil) (face value Rs. 100)	30.06	-	-
Current portion of non-current investments			
Financial assets carried at amortised cost			
National Savings Certificate	37.83	12.04	59.00
Total Current investments	**1,069.91**	**1,521.04**	**663.13**
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	1,188.65	1,653.33	746.36
Aggregate amount of impairment in value of investments	-	-	-

(i) 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.

(ii) The surplus funds of the Group are invested in liquid mutual funds, return on the same are based on performance of the fund.

(₹ in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets carried at fair value through profit or loss (FVTPL)			
Mandatorily measured at FVTPL - Mutual funds	1,032.08	1,509.00	604.13
Financial assets carried at amortised cost			
National Savings Certificates	156.57	144.33	142.23
	1,188.65	1,653.33	746.36

11. Loans

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Security deposits			
Unsecured, considered good	6,900.01	5,866.68	5,173.27
Unsecured, considered doubtful	91.51	311.88	311.88
	6,991.52	6,178.56	5,485.15
Allowance for doubtful deposits	(91.51)	(311.88)	(311.88)
Total	**6,900.01**	**5,866.68**	**5,173.27**
Current			
Security deposits			
Unsecured, considered good	441.99	20.86	20.86
Total	**441.99**	**20.86**	**20.86**

The above financial assets are carried at amortised cost.

Notes to Consolidated Financial Statements
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12. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Entertainment tax refund claimed	3,701.70	2,959.29	2,865.63
Electricity charges refund claimed	389.83	389.83	389.83
Non-current bank balances (from Note 19)	211.50	165.09	226.50
Interest accrued on others	-	161.72	157.16
Amount recoverable towards claim	914.16	932.44	-
Other advances (*)			
considered good	1,961.61	993.14	663.79
considered doubtful	58.64	84.77	-
	2,020.25	1,077.91	663.79
Allowance for doubtful advances	(58.64)	(84.77)	-
	1,961.61	993.14	663.79
Total	**7,178.80**	**5,601.51**	**4,302.91**
Current			
Interest accrued - others	18.19	19.68	20.23
Claims and receivables	12.16	162.97	177.15
Total	**30.35**	**182.65**	**197.38**

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

13. 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 2017
Deferred tax (liabilities)/assets in relation to:

(₹ in Lakhs)

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

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Year ended 31 March 2016
Deferred tax (liabilities)/assets in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(3,197.69)	1,755.30	-	-	(1,442.39)
Intangible assets	-	(75.71)	-	-	(75.71)
Gratuity and leave benefits	257.89	56.52	8.67	-	323.08
Expenses allowable on payment basis	**430.81**	**11.57**	-	-	442.38
Allowance for doubtful trade receivables and expected credit loss	**84.43**	**68.71**	-	-	153.14
Effect of measuring investments at fair value	(9.02)	7.02	-	-	(2.00)
Government grants - deferred income	3,447.85	(66.28)	-	-	3,381.57
Others deferred tax assets	208.05	62.13	-	-	270.18
	1,222.32	**1,819.26**	8.67	-	3,050.25
MAT credit entitlement	3,142.11	902.33	-	(1,473.00)	2,571.44
Total	**4,364.43**	**2,721.59**	**8.67**	(1,473.00)	5,621.69

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 as at 31 March 2017 (₹ in lakhs)	Expiry date
Business loss	2014-15	14.61	31 March 2023
Business loss	2015-16	13.76	31 March 2024
MAT credit entitlement	2016-17	1.25	31 March 2027

The subsidiary and joint venture do not have undistributed profits.

14. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Income tax assets (net)						
Income tax paid (net of provisions)	-	553.32	-	682.01	-	552.37
Total	-	**553.32**	-	**682.01**	-	**552.37**
Income tax liabilities (net)						
Provision for Income tax (net of payments)	1.25	-	593.73	-	19.69	-
Total	**1.25**	-	**593.73**	-	**19.69**	-

Notes to **Consolidated Financial Statements**
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15. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Capital advances	574.90	65.30	55.03
Security deposits with government authorities	1,246.76	476.01	447.68
Prepayments - leasehold land	287.57	294.64	301.69
Deferred rent expense	5,547.72	4,332.85	4,043.86
Prepayments - others	106.07	-	-
Total	**7,763.02**	**5,168.80**	**4,848.26**

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Advances to suppliers			
considered good	557.91	486.81	530.44
considered doubtful	35.81	35.81	-
	593.72	522.62	530.44
Less: allowance for doubtful advances	(35.81)	(35.81)	-
	557.91	486.81	530.44
Advances for expense	39.69	37.84	15.54
Balances with government authorities - Service tax/ VAT, etc.	333.90	34.30	27.26
Prepayments - leasehold land	7.06	7.06	7.06
Deferred rent expense	609.75	523.13	399.27
Prepayments - others	548.17	329.53	223.07
Total	**2,096.48**	**1,418.67**	**1,202.64**

16. Inventories (at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Food & beverages	523.90	422.09	503.63
Stores, spares & fuel	384.86	265.18	249.91
Total	**908.76**	**687.27**	**753.54**

The cost of inventories recognised as an expense during the year was ₹ 6,806.71 lakhs (2015-16: ₹ 6,602.72 lakhs). Inventories are valued on weighted average cost basis.

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17. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Unsecured, considered good	4,809.49	5,349.83	6,089.18
Unsecured, considered doubtful	299.11	**252.18**	76.42
	5,108.60	5,602.01	6,165.60
Less:			
Allowance for doubtful trade receivables	(299.11)	(252.18)	(76.42)
Allowance for expected credit losses	(148.49)	(190.30)	(168.91)
	(447.60)	(442.48)	(245.33)
Net Trade receivables	**4,661.00**	**5,159.53**	**5,920.27**

18. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks	731.52	2,026.34	741.36
Cheques in hand	-	14.15	29.72
Cash on hand	249.44	230.29	210.52
Total	**980.96**	**2,270.78**	**981.60**

19. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other bank balances			
Unpaid dividend account	-	-	2.15
Fixed deposits with original maturity period of more than 3 months but less than 12 months	236.44	316.99	304.54
Deposit accounts with original maturity for more than 12 months	313.32	300.02	250.14
	549.76	617.01	556.83
Less: Amount disclosed under Note 12 - 'Other financial assets-non current'	(211.50)	(165.09)	(226.50)
Total bank balances other than cash and cash equivalents	**338.26**	**451.92**	**330.33**

Notes:

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

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Deposit account with original maturity for more than 3 months but less than 12 months	236.44	21.72	28.06
b) Deposit account with original maturity for more than 12 months	313.32	285.40	243.74

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Notes to **Consolidated Financial Statements**
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20. Share capital

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised capital			
146,050,000 (31 March 2016: 146,050,000, 1 April 2015: 140,050,000) equity shares of ₹ 10/- each	14,605.00	14,605.00	14,005.00
10,000 preference shares of ₹10 each	1.00	1.00	1.00
Issued, subscribed and fully paid up			
96,457,754 equity shares of ₹ 10 each	9,645.78	9,645.78	9,645.78
Less: 295,001 equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (refer note 45)	(29.50)	(29.50)	(29.50)
	9,616.28	9,616.28	9,616.28

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

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
At the beginning of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28
Shares outstanding at the end of the year	**9,61,62,753**	**9,616.28**	**9,61,62,753**	**9,616.28**

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

The Company has only one class of equity shares having par value of 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 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	5,87,461	58.75	5,87,461	58.75

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

(₹ in Lakhs)

Name of shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%	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, refer Note 45.

(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, 34,562,206 equity shares of ` 10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares alloted to INOX Benefit Trust (refer Note 22).

21. Other equity

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital redemption reserve	0.10	0.10	0.10
Securities premium reserve	28,092.61	28,092.61	28,092.61
General reserve	2,782.55	2,782.55	2,782.55
Shares options outstanding	5.27	-	-
Retained earnings	18,023.93	15,002.87	6,918.12
	48,904.46	**45,878.13**	**37,793.38**

Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	0.10	0.10
Movement during the year	-	-
Balance at end of year	**0.10**	**0.10**

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

Securities premium reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
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.

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General reserve

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance at end of year	**2,782.55**	**2,782.55**

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

Shares options outstanding

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	-	-
Movement during the year	5.27	-
Balance at end of year	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 45. Movement during the year is on account of share options granted during the year.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	15,002.87	6,918.12
Profit attributable to owners of the Company	3,061.45	8,104.30
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(40.39)	(16.39)
On account of changes in non-controlling interest	-	(3.16)
Balance at end of year	18,023.93	15,002.87

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 are not distributable in entirety.

22. 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 34,562,206 equity shares of ₹ 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 24,431,570 equity shares of ₹ 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

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

As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
No. of shares	Cost (₹ in lakhs)	No. of shares	Cost (₹ in lakhs)	No. of shares	Cost (₹ in lakhs)
43,50,092	3,266.98	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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

23. Non controlling interests

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of the year	0.50	(2.56)
Share of profit for the year	0.04	(0.10)
On account of changes in non-controlling interest	-	3.16
Balance at end of year	**0.54**	**0.50**

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 previous year, the Company has further subscribed to 1,250,000 equity shares of SPPL. On allotment of these shares, the Company now holds 99.29% Equity Shares of SPPL.

24. Non current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured - at amortised cost			
(i) Term loans - from banks	15,447.40	7,942.56	6,400.12
Unsecured - at amortised cost:			
(i) Inter-corporate deposits - from holding company	16,249.00	16,249.00	16,249.00
Total borrowings	**31,696.40**	**24,191.56**	**22,649.12**
Less: Current maturities disclosed under Note 25 "Other current financial liabilities"	(2,503.40)	(2,498.56)	(2,598.56)
Total	**29,193.00**	**21,693.00**	**20,050.56**

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

As at March 31, 2017

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	1,444.00	Repayable in 16 equal quarterly installments of ₹ 250.00 Lakhs each beginning from 1 October 2014	9.40%
HDFC Bank Ltd	4,001.01	The loan is repayable in 16 equal quarterly installments of ₹ 250.00 Lakhs beginning from 4 June 2017	9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	5,001.91	The loan is repayable in 16 equal quarterly installments of ₹ 312.50 Lakhs beginning from 7 February 2018	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	3,000.00	The loan is repayable in 16 equal quarterly installments of Rs. 187.50 Lakhs beginning from 29 March 2018	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.48	The loan is repayable in 16 equal quarterly installments of Rs. 125.00 Lakhs beginning from 26 June 2018	8.60%

Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

As at March 31, 2016

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan I)	1,498.56	Repayable in 16 equal quarterly installments of Rs. 374.64 Lakhs each beginning from 30 June 2013	9.70%
Axis Bank (Term Loan II)	2,444.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	9.70%
HDFC	4,000.00	The loan is repayable in 16 equal quarterly installments beginning from 30 June 2017	9.30%

As at April 1, 2015

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan I)	2,997.12	Repayable in 16 equal quarterly installments of Rs. 374.64 Lakhs each beginning from 30 June 2013	11.40%
Axis Bank (Term Loan II)	100.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	11.40%
Axis Bank (Term Loan III)	3,303.00	Repayable in 16 equal quarterly installments of Rs. 250.00 Lakhs each beginning from 1 October 2014	11.40%

The weighted average effective interest rate on these loans is 8.93% per annum (as at 31 March 2016: 9.50% per annum). Securities and terms of repayment are as under:

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loans 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 the new multiplexes/ property 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 the new multiplexes/property 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 the new multiplexes/property 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

25. Other financial liabilities (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Security deposits	113.83	159.17	129.64
Retention money	193.98	76.20	45.70
Creditors for capital expenditure	-	-	257.55
	307.81	235.37	432.89
Current			
Current maturities of long-term debt	2,503.40	2,498.56	2,598.56
Interest accrued	16.35	41.09	124.20
Unpaid dividends	-	-	2.15
Security deposits	176.08	163.54	202.49
Creditors for capital expenditure	1,702.15	1,449.82	3,209.91
Retention money	318.01	310.25	264.97
Business combination consideration payable	77.56	363.92	425.22
Employee dues	264.84	351.44	551.62
Other Payables	1,418.10	846.06	532.64
Liability for constructive obligation	-	2.30	4.83
	6,476.49	6,026.98	7,916.59
Total	**6,784.30**	**6,262.35**	**8,349.48**

26. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Employee benefits (refer note 43)			
a) Gratuity	809.28	633.19	508.67
b) Leave benefits	403.16	300.36	253.69
	1,212.44	933.55	762.36
Other provisions (refer below)	1,228.05	1,278.24	1,264.82
Total	**2,440.49**	**2,211.79**	**2,027.18**
Non-current	1,001.45	777.95	613.39
Current	1,439.04	1,433.84	1,413.79
Total Provisions	**2,440.49**	**2,211.79**	**2,027.18**

Other Provisions

(₹ in Lakhs)

	Service Tax	Municipal Tax	MVAT	Total
Balance at 1 April 2015	1,042.44	183.00	39.38	1,264.82
Provided during the year	-	52.80		52.80
Paid during the year	-	-	14.38	14.38
Reversed during the year	-	-	25.00	25.00
Balance at 31 March 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 at 31 March 2017	**1,042.44**	**185.61**	**-**	**1,228.05**

(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.

Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

(ii) Provision for municipal tax is in respect of disputed amount pertaining to one of the Group's multiplexes.

(iii) Provision for MVAT was in respect of liability on sale of 'copyrights', and was fully settled during the year ended 31 March 2016.

27. Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred revenue arising from Government grant	9,439.97	9,771.05	9,962.58
Less: Current portion	(1,147.12)	(1,229.67)	(1,199.93)
Total	**8,292.85**	**8,541.38**	**8,762.65**

28. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured - at amortised cost			
Loans repayable on demand from banks - overdraft facility	-	2,512.65	1,410.06
Inter-corporate deposits	-	-	59.85
Total	**-**	**2,512.65**	**1,469.91**

(i) Bank overdraft

Bank overdraft from Axis Bank is secured against first charge on the entire current assets of the Company, both present and future; and extension of first charge by way of mortgage of property at Vadodara and Anand, Gujarat and carries interest @ 10.60%

(ii) Inter-corporate deposits

Inter-corporate deposit was repayable on demand and carried interest @ 12%

(iii) Commercial papers

During the year ended 31 March 2016, the Company had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 7.55% to 8.05% and maximum balance outstanding during the year was ₹ 3,000.00 lakhs (previous year ₹ 32,000.00 lakhs).

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

29. Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
- Dues to micro, small and medium enterprises	5.10	5.39	1.80
- Dues to others	8,836.40	7,324.20	7,837.93
Total	**8,841.50**	**7,329.59**	**7,839.73**

Generally the credit period on purchases of goods is 30 days. No interest is payable for delay in payments, except in respect of dues to Micro, Small and Medium Enterprises.

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

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

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Principal amount due to suppliers under MSMED Act at the year end	5.10	5.39
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.46	0.62
Payment made to suppliers (other than interest) beyond the appointed day during the year	22.95	31.25
Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	1.01	0.81
Interest accrued and remaining unpaid at the end of the year to supplier under MSMED Act	7.65	6.18

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

30. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances received from customers	391.43	543.54	551.81
Income received in advance	959.74	762.21	742.02
Deferred revenue arising from Government grant (from Note 27)	1,147.12	1,229.67	1,199.93
Statutory dues			
- Taxes payable (other than income taxes)	1,001.83	1,211.19	837.95
- Employee recoveries and employer contributions	99.70	86.41	78.11
Total	**3,599.82**	**3,833.02**	**3,409.82**

31. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of services	86,569.45	82,750.39
Sale of products	28,411.49	26,569.34
Other operating income	7,090.47	6,736.97
Total	**1,22,071.41**	**1,16,056.70**

Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

32. Other income

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	46.52	47.93
On inter-corporate deposits	-	5.29
On long term investments	11.94	10.66
On security deposits	383.64	322.79
	442.10	386.67
Other interest income		
Interest on income tax refund	49.88	35.12
Others	32.52	45.02
	82.40	80.14
	524.50	466.81
B) Other non-operating income		
Liabilities and provisions no longer required, written back	95.83	121.33
Miscellaneous income	56.48	46.99
	152.31	168.32
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	234.74	148.83
Total	911.55	783.96

33. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock	422.09	503.63
Add: Purchases	6,908.52	6,521.18
	7,330.61	7,024.81
Less: Closing stock	523.90	422.09
Cost of materials consumed	**6,806.71**	**6,602.72**

34. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Distributors' share	33,508.79	31,479.39
Other exhibition cost	1,023.78	964.33
Total	**34,532.57**	**32,443.72**

Notes to Consolidated Financial Statements
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35. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	7,516.65	6,452.49
Contribution to provident and other funds	521.88	453.51
Gratuity	180.24	154.91
Staff welfare expenses	420.33	380.16
Total	**8,639.10**	**7,441.07**

36. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,624.90	1,632.92
- other borrowings	921.73	648.43
- deferred credit	3.59	68.10
- discounting charges on commercial paper	-	84.23
	2,550.22	2,433.68
b) Other Interest	15.35	10.11
	2,565.57	2,443.79
Less: amount included in the cost of qualifying assets	(82.41)	(8.76)
	2,483.16	2,435.03
Other borrowing costs	44.95	14.08
Total	2,528.11	2,449.11

The weighted average capitalisation rate of funds borrowed is 9.07% per annum (Previous year 9.30% per annum).

37. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment	8,096.69	7,810.65
Amortisation of intangible assets	310.35	97.03
Total	**8,407.04**	**7,907.68**

Notes to **Consolidated Financial Statements**
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38. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Power and fuel	9,063.47	8,623.59
Rent and common facility charges	24,023.36	21,138.39
Repairs to:		
- buildings	200.71	429.59
- plant & equipment	2,270.35	2,148.62
- others	470.28	764.50
Rates and taxes	1,037.26	739.76
Expenditure on corporate social responsibility (CSR)	103.38	5.00
Directors' sitting fees	12.20	15.40
Allowance for doubtful trade receivables and expected credit losses	5.12	197.15
Allowance for doubtful advances and deposits	35.00	120.58
Bad debts & remissions	148.53	118.05
Deposits and advances written off (net of provision adjusted ₹ 281.50 Lakhs - previous year ₹ nil)	-	1.84
Service tax	5,113.72	3,825.05
Net loss on foreign currency transactions and translations	21.32	23.60
Legal and other professional expense	1,069.55	933.62
Advertisement & sales promotion	1,407.12	1,190.03
Travelling expenses	805.21	619.46
House keeping expenses	2,261.15	2,031.15
Security charges	2,236.20	1,937.70
Outsourced personnel cost	4,563.99	3,599.45
Loss on sale / disposal of property, plant and equipment	429.24	183.76
Miscellaneous expenses	2,208.13	2,016.97
Total	**57,485.29**	**50,663.26**

(ii) Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 106.96 lakhs (previous year ₹ 68.03 lakhs).

(b) Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any fixed assets			
FY 2016-17	Nil	Nil	Nil
FY 2015-16	Nil	Nil	Nil
(ii) On purposes other than (i) above			
Donations			
FY 2016-17	103.38	Nil	103.38
FY 2015-16	5.00	Nil	5.00

Donation to political party

During the year Company has given donation of ₹ 10 Lakhs to Bhartiya Janata Party, same is included in Miscellaneous expenses above

Notes to **Consolidated Financial Statements**
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39.1. Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current tax		
In respect of the current year	1,474.25	3,457.00
In respect of earlier years	(285.34)	-
	1,188.91	3,457.00
Deferred tax		
In respect of the current year	85.72	(333.26)
In respect of earlier years	126.80	(2,388.33)
	212.52	(2,721.59)
Total income tax expense recognised in the current year	**1,401.43**	**735.41**

Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before tax	4,462.92	8,839.61
Income tax expense calculated at 34.608% (FY 2015-16: 34.608%)	1,544.53	3063.19
Effect of expenses/items that are not deductible in determining taxable profit	58.22	60.55
Effect of set-off of brought forward losses on which deferred tax asset was not recognised	(4.01)	-
Tax incentives	(38.77)	-
	1,559.97	**3,123.74**
Taxation in respect of earlier years	(158.54)	(2,388.33)
Income tax expense recognised in profit or loss	1,401.43	735.41

The tax rate used for the FY 2016-17 and FY 2015-16 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

39.2. Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Deferred tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	21.38	8.67
Total income tax recognised in other comprehensive income	**21.38**	**8.67**

39.3. 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 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 was held as capital receipt for such multiplexes. The matter is presently pending before the Hon'ble Supreme Court.

In view of the assessment and appellate orders received by the Group, the tax liability for earlier years and the written down value of fixed assets as per the Income-tax Act, 1961 is recomputed and consequential reduction in taxation of earlier years is recognized in the Statement of Profit and Loss as under:

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(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
MAT credit entitlement	(126.80)	(902.33)
Income Tax	(31.90)	-
Deferred tax	-	(1,486.00)
Net credit	**(158.70)**	**(2,388.33)**

40. Segment Information

The Group is engaged in the business of theatrical exhibition and allied activities which is the only business segment in terms of Ind AS 108 : Operating Segment. All activities of the Group are in India and hence there are no geographical segments.

Information about products and services

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Details of sale of services		
Revenue from box office	74,814.19	71,282.86
Conducting fee income	1,766.93	1,982.51
Revenue from advertising income	9,619.74	9,101.32
Others	368.59	383.70
Sub-total	**86,569.45**	**82,750.39**
Details of sale of products		
Revenue from food & beverages	28,406.54	26,563.14
Sale of power	4.95	6.20
Sub-total	**28,411.49**	**26,569.34**
Details of Other operating income		
Virtual print fee	2,406.29	2,386.36
Convenience fees	1,539.46	795.41
Government Grants - deferred revenue	2,110.86	2,021.49
Others	1,033.86	1,533.71
Sub-total	**7,090.47**	**6,736.97**
Grand total	**1,22,071.41**	**1,16,056.70**

Information about major customers:
There is no single customer contributing more than 10% of the Group's total revenue.

41. Earnings per share

Basic earnings per share

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit for the year attributable to owners of the Group (₹ in Lakhs)	3,061.49	8,104.20
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,18,12,661	9,18,12,661
Basic earnings per share (₹)	3.33	8.83

Notes to Consolidated Financial Statements
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Diluted earnings per share

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	3,061.49	8,104.20
Weighted average number of equity shares for the purposes of diluted earnings per shares (nos.)	9,18,15,515	9,18,12,661
Diluted earnings per share (₹)	3.33	8.83

Note: The shares of the Company held by Inox Benefit Trust are excluded while computing the weighted average number of shares (refer note 22).

42. Details of subsidiaries

Details of the Group's subsidiaries are as follows:

(₹ in Lakhs)

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Shouri Properties Private Limited	India	99.29%	99.29%	93.75%
Inox Leisure Limited - Employees Welfare Trust	India	Controlled by Inox Leisure Limited		
Inox Benefit Trust	India	Controlled by Inox Leisure Limited		

a) Shourie 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 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 ended 31 March 2016, the Group increased its stake in Shourie Properties Private Limited (SPPL) from 93.75% to 99.29% by acquiring 1,250,000 equity shares of SPPL.

43. 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 ₹ 475.31 Lakhs (previous year ₹ 409.28 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 26.21 Lakhs (previous year ₹ 19.67 Lakhs) is included in pre-operative expenses.

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B. Defined benefit plan:

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2017 by Mr.G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Opening defined benefit obligation	633.19	508.68
Current service cost	134.02	115.30
Interest cost	46.22	39.61
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	55.56	2.98
b) arising from experience adjustments	6.21	22.08
Benefits paid	(65.92)	(55.46)
Closing defined benefit obligation	809.28	633.19

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

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Current service cost	134.02	115.30
Net interest expense	46.22	39.61
Amount recognised in profit or loss	**180.24**	**154.91**
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	55.56	2.98
b) arising from experience adjustments	6.21	22.08
Amount recognised in other comprehensive income	61.77	25.06
Total	**242.01**	**179.97**

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

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Particulars	Valuation as at		
	31 March 2017	31 March 2016	1 April 2015
Discount rate	6.69%	7.70%	7.77%
Expected rate of salary increase	7.00%	7.00%	7.00%
Employee attrition rate	10.00%	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.

These plans typically expose the Group to actuarial risks such as interest rate risk and salary risk.
a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

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

Sensitivity Analysis

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

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(55.05)	(40.23)
If discount rate is decreased by 1%	62.54	45.60
If salary escalation rate is increased by 1%	58.63	42.73
If salary escalation rate is decreased by 1%	(52.61)	(38.47)

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 2017 is 7.87 years.

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

Particulars	₹ in Lakhs
Expected outflow in 1st Year	101.53
Expected outflow in 2nd Year	98.96
Expected outflow in 3rd Year	101.77
Expected outflow in 4th Year	113.07
Expected outflow in 5th Year	142.69
Expected outflow in 6th to 10th Year	269.20

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C. Other long term employment benefits:

Leave benefits

The liability towards leave benefits (annual and sick leave), based on actuarial valuation, carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 102.80 lakhs (previous year ₹ 46.67 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 2017	31 March 2016	1 April 2015
Discount rate	6.69%	7.70%	7.77%
Expected rate of salary increase	7.00%	7.00%	7.00%
Employee attrition rate	10.00%	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table		

44. 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 on annual basis. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Debt	31,712.75	26,745.30	24,243.23
Cash & Bank balances (not subject to lien)	(980.96)	(2,580.67)	(1,266.63)
Net debt	**30,731.79**	**24,164.63**	**22,976.60**
Total Equity (note 19, 20 and 21)	**55,254.30**	**52,227.93**	**44,140.12**
Net debt to equity ratio	55.62%	46.27%	52.05%

(i) Debt is defined as long-term, short-term borrowings, current maturities and interest accrued as described in notes 24, 25 and 28

(ii) Cash & Bank balances includes Cash and cash equivalents (note 18), other bank balances (note 19) not subject to lien

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(ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured at FVTPL:			
Debt-oriented mutual funds	1,032.08	1,509.00	604.13
Measured at amortised cost			
(a) Cash and bank balances	1,319.22	2,722.70	1,311.93
(b) Other financial assets at amortised cost			
(i) Investments in NSC	156.57	144.33	142.23
(ii) Trade Receivables	4,661.00	5,159.53	5,920.27
(iii) Loans	7,342.00	5,887.54	5,194.13
(iv) Others	7,209.15	5,784.16	4,500.29
Financial liabilities			
Measured at amortised cost			
(i) Borrowings	29,193.00	24,205.65	21,520.47
(ii) Trade Payables	8,841.50	7,329.59	7,839.73
(iii) Others	6,784.30	6,262.35	8,349.48

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

(iii) Financial risk management objectives

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 dose 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.

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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:

(₹ in Lakhs)

Particulars	Liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Capital Creditors			
USD	-	4.16	39.10
Other liabilities- Trade payable			
USD	7.28	-	-

Note: There are no foreign currency denominated monetary assets.

The carrying amount in INR value of above foreign currency is as under: (₹ in Lakhs)

Particulars	Liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Capital Creditors			
INR equivalent of USD	-	275.63	2,441.26
Other liabilities- Trade payable			
INR equivalent of USD	471.17	-	-

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

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

(₹ in Lakhs)

Particulars	Currency USD impact(net of tax)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Increase by 10%	(30.81)	(18.02)	(159.64)
Decrease by 10%	30.81	18.02	159.64

(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.

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the year.

(₹ in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2017	As at 31 March 2016
Increase by 50 basis points	(28.92)	(18.53)
Decrease by 50 basis points	28.92	18.53

Notes to **Consolidated Financial Statements**
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(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 counter-party will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counter parties 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 2017 is Rs. 2,712.91 lakhs (as at 31 March 2016 of Rs.1,964.91 lakhs and as at 1 April 2015 of Rs. 1,183.22 lakhs) which are due from 4 major customers who are reputed parties and having long term contracts.

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%

Age of receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Upto 1 year	4,336.98	4,730.27	5,447.68
Above 1 year	539.07	706.13	700.39
Above 2 years	167.42	127.33	2.61
Above 3 years	65.13	38.28	14.92

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	190.30	168.91
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(41.81)	21.39
Balance at end of the year	148.49	190.30

Notes to **Consolidated Financial Statements**
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(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 including estimated interest payments as at 31 March 2017

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying amount
Financial Liabilities					
Accounts payable	8,841.50	-	-	8,841.50	8,841.50
Borrowings & interest thereon	2,503.40	29,193.00	-	31,696.40	31,696.40
Other financial liabilities	3,973.09	249.07	58.74	4,280.90	4,280.90
Total	**15,317.99**	**29,442.07**	**58.74**	**44,818.80**	**44,818.80**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows	Carrying amount
Financial Liabilities					
Accounts payable	7,329.59	-	-	7,329.59	7,329.59
Borrowings & interest thereon	5,011.21	21,693.00	-	26,704.21	26,704.21
Other financial liabilities	3,528.42	154.14	81.23	3,763.79	3,763.79
Total	**15,869.22**	**21,847.14**	**81.23**	**37,797.59**	**37,797.59**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows	Carrying amount
Financial Liabilities					
Accounts payable	7,839.73	-	-	7,839.73	7,839.73
Borrowings & interest thereon	4,068.47	20,050.56	-	24,119.03	24,119.03
Other financial liabilities	5,318.03	325.48	107.41	5,750.92	5,750.92
Total	**17,226.23**	**20,376.04**	**107.41**	**37,709.68**	**37,709.68**

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.

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(₹ in Lakhs)

Financial Assets	Fair Value as at			Fair Value hierarchy	Valuation technique(s) and key
	31 March 2017	31 March 2016	1 April 2015		
Investments in Mutual Funds (Note 10)	1,032	1,509	604	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 statement 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 be eventually received or paid.

45. Share-based payments

Details of the employee share option plan of the Company.

The Company has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee on its own discretion. The scheme is administered through Inox Leisure Limited - Employees Welfare Trust.

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

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

On 5 January 2017, stock options of 20,000 shares have been granted to an employee of holding company and the vesting period for these equity settled options is between one to four years from the date of the grant. The options are exercisable within one year from the date of vesting. No options were granted during the year ended 31 March 2016.

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. 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:

Grant date share price	230
Exercise price	15
Expected volatility	38.53% to 41.80%
Option life	1.5 to 4.5 years
Dividend yield	0
Risk free interest rate	6.09% to 6.47%

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Notes to Consolidated Financial Statements
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Movements in share options during the year

	2016-17
Balance at beginning of year	NIL
Granted during the year	20,000
Forfeited during the year	NIL
Exercised during the year	NIL
Balance at end of year	20,000
Exercisable as on 31 March 2017	NIL
Weighted average exercise price of all stock options	₹ 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 the employee of holding company and the compensation cost of ₹ 5.27 Lakhs (previous year ₹ Nil) 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	
Number of options outstanding	20000
Weighted Average Remaining Contractual Life (in years)	4.77
Weighted Average Exercise Price (₹)	15

46. 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

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

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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:

(₹ in Lakhs)

Particulars	Sales and services		Purchase of goods	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
a) Transactions with the holding company:				
Gujarat Flurochemicals Limited	4.76	4.58	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
Inox India Private Limited	1.98	2.34	-	-
Inox FMCG Private Limited	40.70	-	147.97	-
Sub-total	**42.68**	**2.34**	**147.97**	**-**
Total	**47.44**	**6.92**	**147.97**	**-**

The Group has entered into other transactions with related parties as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A. Transactions with the holding company:		
Gujarat Flurochemicals Limited		
(a) Interest paid:	1,624.90	1,624.90
(b) Reimbursement of expenses paid	20.79	23.42
(c) Rent paid	71.38	82.09

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

(₹ in Lakhs)

Particulars	Amounts owed to related parties		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
a) Transactions with the holding company:			
Gujarat Flurochemicals Limited	4.27	0.93	5.78
b) Transactions with enterprises over which a KMP or his relative has significant influence			
Inox FMCG Private Limited	28.50	-	-
Total	**32.77**	**0.93**	**5.78**

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(₹ in Lakhs)

Particulars	Amounts owed by related parties		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables			
a) Transactions with fellow subsidiary			
Inox Wind Limited	-	-	43.20
b) Transactions with enterprises over which a KMP or his relative has significant influence			
Inox India Limited	-	0.27	0.37
Inox FMCG Private Limited	1.24	-	-
Sub-total	**1.24**	**0.27**	**0.37**
Total	**1.24**	**0.27**	**43.57**

Loans from related parties:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Inter-corporate deposit payable - Gujarat Flurochemicals Limited	16,249.00	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 guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts 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.

Compensation of Key management personnel
Particulars of payments to directors and key management personnel are as follows :

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Remuneration paid to Mr. Alok Tandon	97.43	93.96
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Sitting fees paid to directors	12.20	15.40
Total	**139.63**	**139.36**

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 Group as a whole, the amount pertaining to KMP are not included above. Contribution to Providend Fund (defined contribution plan) is included in the amount of remuneration reported above.

47. Business combinations

During the year ended 31 March 2016, the Company had purchased the rights, title and interest in the assets of a running multiplex with 9 screens. The total purchase consideration paid in cash and cash equivalents was ₹ 2,650.00 lakhs.

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Assets acquired at the date of acquisition

(₹ in Lakhs)

Particulars	Amount
Non-current assets	
Property, plant and equipment	900.00
Goodwill	1,750.00
Total	**2,650.00**

48. 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 9-25 years with a minimum lock-in period of 3-10 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 ₹ 18,041.74 Lakhs (previous year ₹ 15,764.21 Lakhs) in respect of such lease arrangements.

Non-cancellable operating lease commitments

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Not later than 1 year	18,036.75	16,270.85
Later than 1 year and not later than 5 years	72,923.31	65,226.90
Later than 5 years	1,69,971.72	1,62,020.47
Total	**2,60,931.78**	**2,43,518.22**

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 ₹ 101.58 Lakhs (previous year ₹ 94.97 Lakhs) are included in 'Rent and common facility charges' in Note 38 to the Statement of Profit and Loss.

49. Commitments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	2,723.36	4,399.78	1,791.88

Notes to **Consolidated Financial Statements**
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(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(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 (refer note below)	11,842.08	14,293.47	15,889.77
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 50 (c)	1,195.85	1,112.67	1,012.64

50. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Claims against the Group not acknowledged as debt This includes:	7,059.80	7,358.26	7,235.70
(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 ₹ 932.44 Lakh. The party has made a counter claim towards rent for lock in period and other costs which is included in the amount above. At present the matter is pending before the Arbitrator and hence the amount of ₹ 932.44 Lakh is carried forward as amount recoverable towards claim in note 12 'Other financial assets'.	6943.44	6943.44	6943.44
(ii) In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay ₹ 116.36 Lakh towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.	116.36	116.36	116.36
(iii) Other claims are by owners of the multiplex premises which are under negotiations with the respective parties.	-	298.46	175.90
(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 – refer Note 26.	569.73	605.08	569.72
(c) Entertainment Tax matters This includes:	3,180.85	2,937.69	2,448.10
(i) Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	2,385.46	2,199.71	1,941.22
(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.	693.07	602.37	477.34

Notes to **Consolidated Financial Statements**
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(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(iii) Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	135.61	29.54
(d) Service Tax matters. This includes:	19,001.48	17,388.08	7,170.09
(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.	16,641.03	15,027.63	5,577.97
(ii) The Company has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises and the Company has filed replies to these show cause notices.	2,360.45	2,360.45	1,502.00
(iii) In respect of service tax on payment of architect fee to foreign architects by the Company and receipt of pouring and signing fee.	-	-	90.12
(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	263.81
(f) Custom duty matter In additon to above, the Company has received a notice in respect of custom duty payable on import of cinematographic films. The amount of duty is not quantified by the authorities and the Company has filed an appeal before the Appellate Tribunal and the same is pending hearing.	4.36	4.36	4.36
(g) VAT matters. This includes:	261.87	261.87	261.87
Demand pursuant to reassessment order for the year 2008-09. The Company has filed an appeal and stay is granted on payment of ₹ 2 Lakh.	237.06	237.06	237.06
(h) Income-tax matters. This includes:	611.42	235.64	19.48
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	-	-
(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	389.83

In respect of above matters, no provision is considered necessary as the Group expects favourable outcome. Further, it is not possible for the Group to estimate the timing and amounts of the further cash outflow, if any, in respect of these matters.

51. 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 ₹ 880 lakhs during the year ended 31 March 2017 (previous year ₹ 1,184.00 lakhs) being entertainment tax exemption in respect of such multiplexes. Cumulative amount as on 31 March 2017 is ₹ 5,206.27 lakhs (previous year ₹ 5,281.89 lakhs).

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

52. Exceptional Items:

(₹ in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
1) Net value of assets written off in respect of one multiplex, the operations of which are terminated during the year	-	352.92
2) Provision for additional bonus payable in respect of earlier year pursuant to retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015	-	143.10
Total	-	496.02

53. Prior period item

Reversal of sales and service income of ₹ 142.71 Lakhs, which was earlier included in 'Miscellaneous Expenses' during the year ended 31 March 2016, is now adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in the carrying amount of trade receivables.

The effect of above on the basic and diluted EPS is ₹ 0.16 per share of ₹ 10 each.

54. Details of transactions in Specified Bank Notes (SBNs)

(₹ in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	233.07	101.49	334.56
(+) Permitted receipts	-	6,984.82	6,984.82
(-) Permitted payments	-	(1,393.33)	(1,393.33)
(-) Amount deposited in Banks	(233.07)	(5,307.79)	(5,540.86)
Closing cash in hand as on 30 December 2016	-	**385.19**	**385.19**

Note:-
Permitted payments in other denomination notes includes disbursement of ₹ 1080.09 Lakhs under the SBI Cash @ POS Scheme to ease out the cash shortage during demonetization period for debit card holders.

55. Disclosure required under section 186(4) of the Companies Act, 2013

During the year ended 31 March 2016, the Company had given an inter-corporate deposit of Rs. 100.00 Lakhs to Deepa Bagla Financial Consultants Pvt. Ltd. for general business purpose which carried interest at 11% p.a.

56.1: Effect of Ind AS adoption on the consolidated balance sheet

(₹ in Lakhs)

Particulars	Foot notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
A ASSETS							
1 Non-current assets							
(a) Property, plant and equipment	(a)	62,106.97	(300.22)	61,806.75	61,440.57	(308.75)	61,131.82
(b) Capital work-in-progress		5,572.80	-	5,572.80	5,107.65	-	5,107.65
(c) Goodwill	(b)	1,664.32	127.53	1,791.85	41.85	-	41.85
(d) Other intangible assets		1,248.34	-	1,248.34	393.60	-	393.60
(e) Financial assets							

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Foot notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(i) Investments	(c)						
(a) Investments in joint ventures		-	-	-	-	-	-
(b) Other investments		132.29	-	132.29	83.23	-	83.23
(ii) Loans	(d)	11,401.12	(5,534.44)	5,866.68	10,192.81	(5,019.54)	5,173.27
(iii) Other financial assets		5,601.51	-	5,601.51	4,302.91	-	4,302.91
(f) Deferred tax assets (net)	(i)	1,985.60	3,636.09	5,621.69	709.64	3,654.79	4,364.43
(g) Income tax assets (net)	(n)	698.20	(16.19)	682.01	568.56	(16.19)	552.37
(h) Other non-current assets	(a),(d)	541.32	4,627.48	5,168.80	502.71	4,345.55	4,848.26
Total Non - Current Assets		90,952.47	2,540.25	93,492.72	83,343.53	2,655.86	85,999.39
2 Current assets							
(a) Inventories	(h)	684.87	2.40	687.27	759.11	(5.57)	753.54
(b) Financial assets							
(i) Other investments	(e),(n)	1,554.50	(33.46)	1,521.04	660.89	2.24	663.13
(ii) Trade receivables	(f),(h)	5,349.83	(190.30)	5,159.53	6,231.89	(311.62)	5,920.27
(iii) Cash and cash equivalents	56.4	2,262.20	8.58	2,270.78	1,019.91	(38.31)	981.60
(iv) Bank balances other than (iii) above		451.92	-	451.92	330.33	-	330.33
(v) Loans		20.86	-	20.86	20.86	-	20.86
(vi) Other financial assets		186.18	(3.53)	182.65	197.38	-	197.38
(c) Other current assets	(a),(d)	888.48	530.19	1,418.67	796.31	406.33	1,202.64
Total Current Assets		11,398.84	313.88	11,712.72	10,016.68	53.07	10,069.75
Total Assets (1+2)		1,02,351.31	2,854.13	1,05,205.44	93,360.21	2,708.93	96,069.14
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity share capital		9,616.28	-	9,616.28	9,616.28	-	9,616.28
(b) Other equity		52,726.60	(6,848.47)	45,878.13	44,977.66	(7,184.28)	37,793.38
(c) Interest in Inox Benefit Trust		(3,266.98)	-	(3,266.98)	(3,266.98)	-	(3,266.98)
Equity attributable to owners of the Company (I)		59,075.90	(6,848.47)	52,227.43	51,326.96	(7,184.28)	44,142.68
Non-controlling interests (II)		-	0.50	0.50	-	(2.56)	(2.56)
Total equity (I+II)	56.5	59,075.90	(6,847.97)	52,227.93	51,326.96	(7,186.84)	44,140.12
LIABILITIES							
2 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		21,693.00	-	21,693.00	20,050.56	-	20,050.56
(ii) Other financial liabilities		235.37	-	235.37	432.89	-	432.89
(b) Provisions		777.95	-	777.95	613.39	-	613.39
(c) Other non-current liabilities	g)	-	8,541.38	8,541.38	-	8,762.65	8,762.65
Total Non - current liabilities		22,706.32	8,541.38	31,247.70	21,096.84	8,762.65	29,859.49
3 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		2,512.65	-	2,512.65	1,469.91	-	1,469.91
(ii) Trade payables	(n)	7,330.82	(1.23)	7,329.59	7,857.78	(18.05)	7,839.73
(iii) Other financial liabilities	(n)	6,024.68	2.30	6,026.98	7,911.76	4.83	7,916.59
(b) Other current liabilities	(g)(n)	2,622.33	1,210.69	3,833.02	2,212.44	1,197.38	3,409.82
(c) Provisions	(n)	1,484.88	(51.04)	1,433.84	1,464.83	(51.04)	1,413.79

Notes to **Consolidated Financial Statements**
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(₹ in Lakhs)

Particulars	Foot notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(d) Income tax liabilities (net)		593.73	-	593.73	19.69	-	19.69
Total Non - current liabilities		20,569.09	1,229.67	21,675.73	20,936.41	1,133.12	22,069.53
Total Equity and Liabilities (1+2+3)		1,02,351.31	2,854.13	1,05,205.44	93,360.21	2,708.93	96,069.14

56.2 Reconciliation of profit or loss for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	(g)	1,15,865.17	191.53	1,16,056.70
Other Income	(d),(e)	454.89	329.07	783.96
Total Income (I)		**1,16,320.06**	**520.60**	**1,16,840.66**
Expenses				**-**
Cost of materials consumed	h)	6,610.69	(7.97)	6,602.72
Exhibition cost		32,443.72	-	32,443.72
Employee benefits expense	j)	7,466.13	(25.06)	7,441.07
Finance costs		2,449.11	-	2,449.11
Depreciation and amortisation expense	a),b)	8,043.75	(136.07)	7,907.68
Other expenses	a),d), f),h)	50,353.68	309.58	50,663.26
Total expenses (II)		**1,07,367.08**	**140.48**	**1,07,507.56**
Share in profit of joint venture (III)	(n)		2.53	2.53
Profit before exceptional items and tax (I - II + III = IV)		**8,952.98**	**382.65**	**9,335.63**
Exceptional items (V)		496.02		496.02
Profit before tax (IV-V = VI)		8,456.96	382.65	8,839.61
Tax expense				-
Current tax		3,457.00	-	3,457.00
Deferred tax		(360.63)	27.37	(333.26)
Taxation pertaining to earlier years		(2,388.33)	-	(2,388.33)
Total tax expense (VII)		**708.04**	**27.37**	**735.41**
Profit after tax (VI - VII = VIII)		**7,748.92**	**355.28**	**8,104.20**
Share of non-controlling interest (IX)			(0.10)	(0.10)
Profit for the period (VIII - IX = X)		**7,748.92**	**355.38**	**8,104.30**
Profit for the period attributable to:				**-**
Owners of the Company		7,748.92	355.48	8,104.30
Non controlling interests		-	(0.10)	(0.10)
		7,748.92	355.38	8,104.20
Other comprehensive income (XI)				
Remeasurements of the defined benefit plans	j)	-	(25.06)	(25.06)
Tax on above	i)	-	8.67	8.67
Total comprehensive income for the period (X+Xi)		**7,748.92**	**338.99**	**8,087.81**
Total comprehensive income for the period attributable to:				**-**
Owners of the Company		**7,748.92**	**339.09**	**8,087.91**
Non controlling interests		**-**	**(0.10)**	**(0.10)**
		7,748.92	**338.99**	**8,087.81**

Notes to **Consolidated Financial Statements**
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56.3 Effect of Ind AS adoption on the consolidated statement of cash flows for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(n)	16,904.85	1.39	16,906.24
Net cash flows from investing activities	(m),(n)	(15,724.68)	45.51	(15,679.17)
Net cash flows from financing activities		62.10	-	62.11
Net increase (decrease) in cash and cash equivalents		1,242.27	46.90	1,289.18
Cash and cash equivalents at beginning of period	(m),(n)	1,019.92	(38.32)	981.60
Cash and cash equivalents at end of period	(m),(n)	**2,262.19**	**8.58**	**2,270.78**

56.4 Analysis of cash and cash equivalents as at 31 March 2016 and as at 1 April 2015 for the purpose of statement of cashflows under IndAS

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents for the purpose of statement of cashflows as per previous GAAP		2,262.19	1,019.92
Cash and cash equivalents of Inox ESOP trust not considered under previous GAAP	(m)	12.80	12.30
Cash and cash equivalents of SMCPL proportionately considered under previous GAAP	(n)	(4.21)	(50.62)
Cash and Cash equivalents for the purpose of statement of cashflows under Ind AS		**2,270.78**	**981.60**

56.5 Equity reconciliation

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Total equity / shareholders' funds under previous GAAP		59,075.90	67,619.09
Effect of amalgamation of erstwhile Satyam Cineplexes Limited w.e.f. 8 August 2014 given in the financial statements for the year 2015-16 under previous GAAP	(l)	-	(16,292.13)
Adjusted equity as per previous GAAP		**59,075.90**	**51,326.96**
Adjustments:			
Change in fair value of investment	(e)	11.54	2.24
Recognition of government grants -entertainment tax exemption(net)	(g)	(9,771.05)	(9,962.58)
Impact of discounting of security deposits (net)	(d)	(676.99)	(576.40)
Expected credit losses on trade receivables	(f)	(190.30)	(168.91)
Goodwill amortisation reversed	(b)	127.53	-
Others	(h)	2.40	(148.28)
ESOP Trust Consolidation	(m)	12.80	12.30
Tax impact on above adjustments	(i)	3,636.10	3,654.79
Total adjustment to equity		(6,847.97)	(7,186.84)
Total Equity under Ind AS		52,227.93	44,140.12

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Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

56.6 Profit reconciliation

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2016
Net Profit under previous GAAP		7,748.94
Changes in fair value of investments	(e)	9.30
Recognition of government grants (net) - entertainment tax exemption	(g)	191.53
Impact of discounting of security deposits (net)	(d)	(100.59)
Expected credit losses on trade receivables	(f)	(21.39)
Goodwill amortisation reversed	(b)	127.53
Actuarial gain/ (loss) on employee defined benefit plan recognised in other comprehensive income	(j)	25.06
Others	(h), (m)	151.28
Tax impact on above adjustments	(i)	(27.36)
		8,104.30
Other comprehensive income		
Remeasurements of the defined benefit plans	(j)	(25.06)
Tax on above	(i)	8.67
Total Comprehensive income under Ind AS		8,087.91

56.7 Footnotes for IGAAP to Ind AS reconciliation

a) Reclassification of leasehold land:

Under previous GAAP, all leasehold lands were classified as property, plant and equipment. Under Ind AS, leasehold land is to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17: Leases. Accordingly deemed cost of the leasehold lands are reclassified from property, plant and equipment and disclosed as leases prepayments under non-financial assets.

Consequent to this change, amount of ₹ 300.22 lakhs is transferred from property, plant and equipment to "pre-payments – leasehold lands" as at 31 March 2016 (₹ 308.75 lakhs as at 1 April 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31 March 2016 and the profit for the year ended 31 March 2016.

b) Goodwill:

Under previous GAAP, goodwill acquired in a business combination was amortised. Under Ind AS, goodwill is not to be amortised; instead is to be tested for impairment on annual basis.

Consequent to this change, amortisation provided as per previous GAAP on the goodwill acquired during the year ended 31 March 2016, amounting to ₹ 127.53 lakhs has been reversed.

The profit before tax for the year ended 31 March 2016 is increased by ₹ 127.53 lakhs on account of reversal of goodwill amortisation.

c) Non-Current Investments:

In the financial statements prepared under previous GAAP, non-current investments in Government securities (viz. National Savings Certificates) were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments at amortised cost.

On the date of transition, there is no change in the carrying value of investments.

The above changes do not affect profit for the year ended 31 March 2016 and total equity as at date of transition to Ind AS and as at 31 March 2016.

Investment in joint venture – refer footnote (n)

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d) Discounting of security deposits for leases:

Under the previous GAAP, interest free lease security deposits paid (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, these security deposits are required to be recognised at amortised cost. Accordingly, the Company has discounted these security deposits under IndAS. Difference between the discounted value and the transaction value of the security deposit has been recognised as 'Deferred lease rent expense'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'. Further, the deferred lease rent expense is recognised in the Statement of Profit and Loss over the respective lease terms on a straight-line basis and included in line item 'rent and common facility charges' under 'other expense'.

Consequent to this change, the amount of security deposits paid is decreased by ₹ 5,534.44 lakhs as at 31 March 2016 (₹ 5,019.54 lakhs as at 1 April 2015). The amount of deferred lease rent recognized is ₹ 4,857.45 lakhs as at 31 March 2016 (₹ 4,443.14 lakhs as at 1 April 2015). The net impact of ₹ 576.40 lakhs on the transition date is adjusted in opening retained earnings

The profit for the year ended 31 March 2016 decreased by ₹ 100.59 lakhs due to the amortisation of deferred lease rent expense of ₹ 423.37 lakhs which is partially off-set by recognition of notional interest income on security deposits of ₹ 322.79 lakhs.

e) Current Investments:

In the financial statements prepared under previous GAAP, current investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by ₹ 2.24 lakhs which has been recognised in retained earnings. As at 31 March 2016, the difference between the fair value of current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by ₹ 11.54 lakhs.

During the year ended 31 March 2016, net gain amounting to ₹ 9.30 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

f) Expected credit losses:

Under previous GAAP, the Group used to create provision for impairment of receivables only in respect of specific amount for doubtful receivables. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss model (ECL).

Consequent to this change, on the date of transition to Ind AS, allowance for ECL of ₹ 168.91 lakhs is recognized with corresponding reduction in the retained earnings. The amount of allowance for ECL recognised as at 31 March 2016 is ₹ 190.30 lakhs.

The profit before tax for the year ended 31 March 2016 is decreased by ₹ 21.39 lakhs on account of allowance for ECL.

g) 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.Under Ind AS, such government grants are initially recognised as deferred income in the balance sheet and is subsequently recognised in profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the related assets.

Consequent to this change, on the date of transition to Ind AS, an amount of ₹ 9962.58 lakhs is recognised as deferred revenue in the balance sheet and is adjusted in the opening retained earnings. The corresponding amount as at 31 March 2016 is ₹ 9,771.05 lakhs.

The profit for the year ended 31 March 2016 increased by ₹ 191.53 lakhs due to the transfer of deferred revenue to other operating revenue of ₹ 1,596.10 lakhs which is partially off-set by transfer of ₹ 1,404.57 lakhs to deferred revenue on account of entertainment tax exemption availed during the year.

Notes to Consolidated Financial Statements
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h) Other adjustments:

- Prior period items

  Reversal of sales and service income of ₹ 142.71 Lakhs, which was earlier included in 'Miscellaneous Expenses' during the year ended 31 March 2016, is now adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in the carrying amount of trade receivables

- Inventory valuation

  Due to change in policy for valuation of inventories from FIFO basis to weighted average cost basis w.e.f. 1 April 2015, the value of inventory on the date of transition is decreased by ₹ 5.57 lakhs with corresponding adjustment in opening retained earnings. As at 31 March 2016, the value of inventories is increased by 2.40 lakhs and the profit before tax for the year ended 31 March 2016 increased by ₹ 7.97 lakhs.

i) Deferred tax:

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under previous GAAP. In addition, the transitional adjustments as described in the preceding paragraphs have also led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax assets of ₹ 3654.79 lakhs as at date of transition to Ind AS with a corresponding increase in retained earnings and reduction in the amount of deferred tax liabilities in the Balance Sheet.

For the year ended 31 March 2016, it has resulted in decrease in deferred tax expense by ₹ 27.37 lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit of ₹ 8.67 lakhs in OCI.

j) Remeasurement of defined benefit plan

In the financial statements prepared under previous GAAP, remeasurement of defined benefit plans and assets (gratuity), arising due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans and assets is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31 March 2016, remeasurement of gratuity liability resulted in a net expense of ₹ 25.06 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

The above changes do not affect total equity as at date of transition to Ind AS and as at 31 March 2016.

k) Other Comprehensive income:

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other Comprehensive income.

This change does not affect total equity as at date of transition to Ind AS and as at 31 March 2016.

l) Amalgamation of erstwhile Satyam Cineplexes Limited

During the year ended 31 March 2015, the Company had acquired 100% of the equity shares in Satyam Cineplexes Limited ("SCL") and consequently SCL had become a wholly owned subsidiary of the Company with effect from 8 August, 2014. During the year ended 31 March 2016, pursuant to the Scheme of Amalgamation ("the Scheme") under Section 391 to 394 of the Companies Act 1956, sanctioned by the Hon'ble High Court of Delhi vide order dated 10 February 2016, SCL was amalgamated with the Company with effect from 8 August 2014 ("the Appointed Date"). As the Scheme had become effective on 23 March 2016 viz. the date on which the certified copy of the order of the Delhi High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujarat and Registrar of Companies, Delhi, effect of the Scheme was given in the financial statements for the year ended 31 March 2016 prepared under previous GAAP. Under Ind AS, as the business combination has occurred on 8 August

Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

2014, the Scheme has been given effect as at 8 August 2014 and accordingly the impact of amalgamation as at 8 August 2014 and for the period from 8 August 2014 to 31 March 2015 is given in the opening balance sheet as at the date of transition as under:

Cost of the Company's investment in SCL		18,800.59
Less: Net assets taken over, at book value		2,321.46
Add: Reduction in provision for taxation for the year ended 31 March 2015 consequent to the amalgamation of SCL		187.00
Net impact as at 1 April 2015 is given as under:		**16,292.13**
Reserves and surplus of SCL on the appointed date recorded at their existing carrying amounts		
Securities Premium	2,340.45	
General Reserve	100.00	2,440.45
Effect on the Surplus/deficit in the Statement of Profit and Loss		(391.54)
Sub-total		2,048.91
Less: Adjusted against Reserves of the Company as per the Scheme		
Amalgamation Reserve	750.66	
Reserve on sale of Treasury Shares	14,872.93	
General Reserve	2,717.45	(-) 18,341.04
Net impact as at 1 April 2015		**16,292.13**

m) ESOP and Inox benefit trust consolidation

Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements (as explained in Note 42), Inox Leisure Limited - Employees Welfare Trust and INOX Benefit Trust are considered to be subsidiaries under Ind AS 110 since the Group has sufficiently dominant power to appoint the Trustees and direct the relevant activities of these trusts.

The following assets and liabilities of these two trust, determined in accordance with Ind AS as at 31 March 2016 and 1 April 2015, have been consolidated with that of the Group using the principles laid down in Ind AS 110.

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents	12.80	12.30

Further, the following income and expenses of these two trust for the year ended 31 March 2016 have been consolidated with that of the Group using the principles laid down in Ind AS 110.

(₹ in Lakhs)

Particulars	Year ended 31 March 2016
Revenue from operation	Nil
Other Income	0.50
Other expenses	Nil
Profit for the year	0.50

Further, the below cash flows of these two trusts for the year ended 31 March 2016 have been considered in the consolidated statement of cash flows for the year ended 31 March 2016 prepared as per Ind AS.

(₹ in Lakhs)

Particulars	Year ended 31 March 2016
Cash flows from operating activities	Nil
Cash flows from investing activities	0.50
Cash flows from financing activities	Nil

Notes to **Consolidated Financial Statements**
for the year ended 31 March 2017

n) Joint venture

Under previous GAAP, Swanston Multiplex Cinemas Private Limited (SMCPL) was classified as a joint venture and accounted for using the proportionate consolidated method.

SMCPL is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, based on an assessment under Ind AS 111 Joint Arrangements. SMCPL has been classified as a joint venture and has been accounted for using the equity method.

For the purpose of applying the equity method, the initial investment regarded as deemed cost, as at the date of transition, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated amounting to ₹ 4,775.78 lakhs (net). An impairment assessment has been performed as at 1 April 2015 and it has been concluded that no impairment loss is required.

The following assets and liabilities of SMCPL had been proportionately consolidated under previous GAAP @ 50%:

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 1 April 2015
Non-current assets		
Tax assets (net)	16.19	16.19
Current assets		
Current investments	45.00	-
Cash and cash equivalents	4.22	50.62
Current liabilities		
Trade payables	1.23	18.05
Other current liabilities	18.98	2.55
Provisions	51.04	51.04

Under Ind AS, the investment in SMCPL has been recognised at Rs. Nil as at 1 April 2015 and at Rs. Nil as at 31 March 2016 (i.e. carrying value of net investment).

The following are the income and expense of SMCPL for the year ended 31 March 2016. These had been proportionately consolidated @ 50% under previous GAAP.

(₹ in Lakhs)

Particulars	Year ended 31 March 2016
Revenue from operations	Nil
Other income	0.01
Other expenses	2.01
Profit for the year	(2.00)

Under Ind AS, the share of profit of SMCPL of Rs. 2.53 lakhs for the year ended 31 March 2016, using equity method, has been recognised.

Further, the below cash flows of SMCPL for the year ended 31 March 2016 which were proportionately consolidated @ 50% under previous GAAP have not been considered in the consolidated statement of cash flows for the year ended 31 March 2016 prepared as per Ind AS since SMCPL has been accounted for using equity method.

(₹ in Lakhs)

Notes to Consolidated Financial Statements
for the year ended 31 March 2017

Particulars	Year ended 31 March 2016
Cash flows from operating activities	(1.40)
Cash flows from investing activities	(45.00)
Cash flows from financing activities	Nil

The amount of provision for liability on account of additional losses of this joint venture, being constructive obligation (refer Note 5.1), recognised as at the date of transition is ₹ 4.83 lakhs (as at 31 March 2016 – ₹ 2.30 lakhs).

57. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2017

(₹ 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 (Refer (ii) below)	0.01%	5.82	0.27%	8.12	-	-	0.27%	8.12
Consolidation eliminations / adjustments	-0.18%	(99.59)	0.00%	(0.05)	-	-	-0.002%	(0.05)
Total	**100.00%**	**55,254.31**	**100.00%**	**3,061.49**	**100.00%**	**(40.39)**	**100.00%**	**3,021.10**

Notes to **Consolidated Financial Statements**

for the year ended 31 March 2017

(b) As at and for the year ended 31 March 2016

(₹ 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	100.03%	52,246	100.14%	8,115.68	100.00%	(16.39)	100.14%	8,099.29
Subsidiaries (Group's share)								
Indian								
Shouri Properties Pvt Ltd.	0.13%	69.55	-0.18%	(14.51)	-	-	-0.18%	(14.51)
Inox Leisure Limited Employees welfare trust	0.02%	12.80	0.01%	0.50	-	-	0.01%	0.50
INOX Benefit Trust	0.002%	0.93	-	-	-	-	-	-
Non-controlling Interest in subsidiaries	0.001%	0.49	-0.001%	(0.10)	-	-	-0.001%	(0.10)
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited (Refer (ii) below)	-0.004%	(2.30)	0.03%	2.53	-	-	0.03%	2.53
Consolidation eliminations / adjustments	-0.18%	(99.54)	0.001%	0.10	-	-	0.001%	0.10
Total	**100.00%**	**52,227.93**	**100.00%**	**8,104.20**	**100.00%**	**(16.39)**	**100.00%**	**8,087.81**

As per our report of even date attached
For **Patankar & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

S. S. Agrawal
Partner

Siddharth Jain
Director

Deepak Asher
Director

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

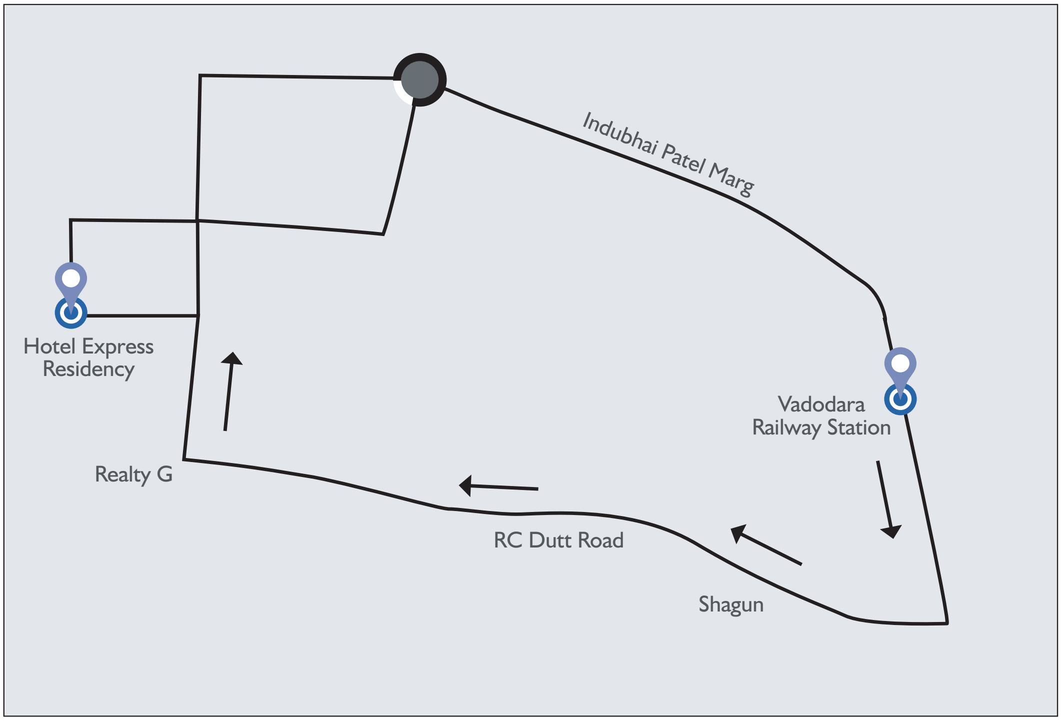
Dhanraj Mulki
Company Secretary & Vice President - Legal

Place: Pune
Date: 2nd May, 2017

Place: Mumbai
Date: 2nd May, 2017

Route Map

Route Map for the Venue of the Annual General Meeting



Notes

LIVE the MOVIE

INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)

Registered Office: ABS Towers, Old Padra Road, Vadodara – 390 007.
Telephone: 0265 6198111 | **Fax:** 0265 2310312
Website: www.inoxmovies.com | **Email ID:** contact@inoxmovies.com

ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

I certify that I am a registered Member /Proxy for the registered Member of the Company.

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held on Thursday, 28th September, 2017 at 12:00 noon at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007.

Sr. No. :

Member's Name and Address details	
DP ID*	
Client ID*	
Folio No.	
No. of Shares	

* Applicable only for Investors holding shares in Electronic Form.

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
Members attending the meeting are requested to bring their copies of the Annual Report with them.

Member's/Proxy's Signature

ELECTRONIC VOTING PARTICULARS

Members may please note the user id and password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration), Rules, 2014, as amended. Detailed instructions for e-voting are given in the attached AGM Notice.

E VOTING SEQUENCE NUMBER (EVSN)	USER ID	SEQUENCE NUMBER (PASSWORD)
170829098		

Note: The Voting period starts from Monday, 25th September, 2017 (9:00 a.m.) and ends on Wednesday, 27th September, 2017 (5:00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

INOX
LIVE the MOVIE

INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)

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

Telephone: 0265 6198111 | **Fax:** 0265 2310312

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

18th Annual General Meeting – Thursday, 28th September, 2017

Name of the Member(s)	:															
Registered Address	:															
E-mail ID	:															
Folio No./ Client ID	:															
DP ID	:															

I/We, being the member(s) of ______________________ shares of the above named Company, hereby appoint:

1) Name:______________________ E-mail id: ______________________
Address: ______________________
______________________ Signature: ______________________,
or failing him /her

2) Name:______________________ E-mail id: ______________________
Address: ______________________
______________________ Signature: ______________________,
or failing him /her

3) Name:______________________ E-mail id: ______________________
Address: ______________________
______________________ Signature: ______________________,

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 18th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017, at 12.00 noon at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 and at any adjournment thereof in respect of such Resolutions as are indicated below.

Resolution Number	**Resolution**	**Vote (Optional-see Note 2) (Please mention no. of shares)**		
		For	**Against**	**Abstain**
Ordinary Business				
1.	Adoption of the (a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the report of Auditors thereon and the report of the Board of Directors for the said year; and			
	b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the report of the Auditors thereon.			
2.	Appointment of Director in place of Mr. Pavan Jain (DIN: 00030098), who retires by rotation and, being eligible, seeks re-appointment.			
3.	Appointment of M/s. Kulkarni and Company, Chartered Accountants (Firm Reregistration No.140959W), as Independent Auditors of the Company and to authorize the Board of Directors of the Company to fix their remuneration.			

Signed this ____________day of ________________2017.

Affix a Revenue Stamp not less than ₹ 1

Signature of Member ______________________ Signature of Proxy Holder(s)

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.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INOX LEISURE LIMITED

Viraj Tower, 5th Floor, Western Express Highway, Andheri (E), Mumbai 400093
Ph: +91 22 40626900, Fax: +91 22 40626999 E-Mail: contact@inoxmovies.com
www.inoxmovies.com, Join us at App store