

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011.

Sr No	Particulars	Standalone		Rs in lakhs
		Year ended 31 st March, 2011	Year ended 31 st March, 2010	Consolidated Year ended 31 st March, 2011
1	(a) Net Sales / Income from operations	33461	25211	36720
	(b) Other Operating Income	271	154	312
	Total Income (a) + (b)	33732	25365	37032
2	Expenditure			
	(a) Direct Cost			
	i) Entertainment Tax	4483	3167	4923
	ii) Exhibition Cost	9515	6889	10273
	iii) Cost of Food & Beverages	1775	1369	1959
	iv) Other direct cost	-	-	13
	(b) Employees Cost	2317	1622	2605
	(c) Property Rent & Conducting Fees	4338	3009	5082
	(d) Depreciation (including amortization)	1883	1542	2295
	(e) Other Expenditure	7484	5672	8537
	Total (a) to (e)	31795	23270	35687
3	Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	1937	2095	1345
4	Other Income	505	246	566
5	Profit before Interest and Exceptional Items (3+4)	2442	2341	1911
6	Interest	1521	530	1617
7	Profit after Interest but before Exceptional Items (5-6)	921	1811	294
8	Exceptional Items	0	0	0
9	Profit from Ordinary Activities before Tax	921	1811	294
10	Tax expense			
	- Provision for taxation for the year	218	363	228
	- Less/(Add): taxation in respect of earlier periods	7	(1158)	(241)
11	Net Profit from Ordinary Activities after tax (9-10)	696	2606	307
12	Extraordinary Items (net of tax expense)	0	0	0
13	Net profit for the period (11-12)	696	2606	307
14	Share of Minority Interest in loss	0	0	193
15	Consolidated Net Profit	0	0	500
16	Paid-up equity share capital (Face Value Rs. 10 per share)	6154	6149	6154
17	Reserve excluding Revaluation Reserves	25624	24864	25363
18	Earnings Per Share (EPS) (In Rs.)			
	Basic EPS	1.13	4.24	0.81
	Diluted EPS	1.13	4.24	0.81
19	Public Shareholding			
	- Number of shares	21066581	20566036	
	- Percentage of shareholding	34.04%	33.23%	
20	Promoters and promoter group Shareholding			
	a) Pledged/Encumbered			
	- Number of shares	Nil	Nil	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	
	b) Non-encumbered			



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- Number of Shares	40828967	41329512
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	65.96%	66.77%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31ST MARCH 2011

Sr. No.	Particulars	Rs in lakhs		
		Standalone Year ended 31 st March, 2011	Standalone Year ended 31 st March, 2010	Consolidated Year ended 31 st March, 2011
[I]	Segment Revenue			
i	Theatrical Exhibition	33811	25360	37125
ii	Film Distribution	1	19	5
iii	Power	107	140	107
iv	Other segments	0	29	14
v	Un-allocable and Corporate	419	195	447
	Total Revenue	34338	25743	37698
	Less: Inter Segment Revenue	101	132	101
	Total External Revenue	34237	25611	37597
[II]	Segment Result			
i	Theatrical Exhibition	1979	2057	1579
ii	Film Distribution	(4)	(22)	(68)
iii	Power	48	83	48
iv	Other segments	0	28	1
	Total Segment Result	2023	2146	1560
	Add: Un-allocable Income	419	195	351
	Less: Interest expenses	1521	530	1617
	Total Profit Before Tax	921	1811	294
[III]	Segment Capital Employed (Segment Assets- Segment Liabilities)			
i	Theatrical Exhibition	42846	35639	58400
ii	Film Distribution	50	49	66
iii	Power	619	663	618
iv	Other segments	0	0	184
v	Un-allocable and corporate	(11711)	(5260)	(24110)
	Total	31804	31091	35158

AUDITED BALANCE SHEET AS AT 31ST MARCH 2011

Sr. No.	Particulars	Rs in lakhs		
		Standalone Year ended 31 st March, 2011	Standalone Year ended 31 st March, 2010	Consolidated Year ended 31 st March, 2011
A)	Shareholders' Funds			
	(a) Capital	6154	6149	6154
	(b) Employee Stock Options Outstanding	25	78	25
	(c) Reserves and Surplus	25624	24864	25363
B)	Minority Interest			3616
C)	Loan Funds	21395	18629	30041
D)	Deferred Tax Liability	1745	1559	1745
	Total	54943	51279	66944
A)	Goodwill on consolidation	0	0	5053

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B)	Fixed Assets (including capital work-in-progress, capital advances and pre-operative expenditure pending allocation)	34899	33537	49524
C)	Investments	8536	8270	63
D)	Deferred Tax Assets			35
E)	Current Assets, Loans and Advances			
	(a) Inventories	262	195	340
	(b) Sundry Debtors	1270	896	2053
	(c) Cash and Bank Balances	1733	5755	3612
	(d) Other Current Assets	93	8	152
	(e) Loans and Advances	12545	6993	16701
	Total (a) to (e)	15903	13847	22858
E)	Less : Current Liabilities and Provisions			
	(a) Current Liabilities	4064	4101	10174
	(b) Provisions	331	274	415
	Total (a) to (b)	4395	4375	10589
	Net Current Assets	11508	9472	12269
	Total	54943	51279	66944

Notes

- The above results, reviewed by the Audit Committee, were taken on record at the meeting of the Board of Directors held on 26th May, 2011.
- Corresponding figures for previous period / year have been regrouped / recast wherever necessary to correspond to current period / year classification.

- During the year ended 31st March 2010, the Company had acquired 1,50,57,751 equity shares, being the Promoters' shareholding, in Fame India Limited ("Fame"), through a block deal carried out on the Bombay Stock Exchange. The Company had thereafter acquired another 25,07,537 equity shares in Fame, from the market, through two separate block deals carried out on the Bombay Stock Exchange. As a result of these acquisitions, the Company held 1,75,65,288 equity shares comprising of 50.48% stake in Fame. Pursuant thereto, as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, an Open Offer was made to the Shareholders of Fame for acquisition of 82,31,759 equity shares in Fame at a price of Rs 51 per share. The Company had placed Rs. 42 crores, being 100% of the funds required under the Open Offer, in escrow with HDFC Bank, and the 1,50,57,751 equity shares acquired from the Promoters of Fame were placed in escrow with Standard Chartered Bank, till the conclusion of the Open Offer formalities.

During the current year, the Open Offer was made from 16th December 2010 to 4th January 2011 and after completion thereof, on 6th January 2011, the amount of Rs. 42 crores and the equity shares placed in escrow were released. The Company's stake in Fame now stands at 50.27% of the existing issued and paid-up equity share capital of Fame. Accordingly, as per the provisions of Companies Act, 1956, Fame has become a subsidiary of Inox Leisure Limited with effect from 6th January 2011.

- Consolidated Results include results of the Company for the entire year and results of Fame, its subsidiaries and joint ventures (collectively, "the Group") for the period 6th January, 2011 to 31st March 2011. Since this is the first year of the Consolidated Results, figures of the previous year are not given.
- In respect of Entertainment Tax liability and its treatment in these accounts:
 - The exemption from payment of Entertainment Tax in respect of Multiplexes of the Group, which are eligible for such exemption, is subject to fulfilment of the terms and conditions of the respective Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far by the Group, which is liable to be paid if the relevant multiplex ceases operations prior to completing the minimum period of operations or non-compliance of the prescribed conditions in terms of the respective policies of the States is Rs. 14311 lacs.

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- b. In respect of the Company, 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 amount of Rs 440 lacs (previous year Rs. 277 lakhs) being Entertainment Tax in respect of such Multiplexes has not been charged to the Profit and Loss Account for the year. Cumulatively, the amount so not charged as on 31st March 2011 is Rs. 2812 lacs.
- c. In respect of the Company, the issues relating to the eligibility for exemption from payment of Entertainment Tax and the method of computing the exemption availed, in respect of the Multiplex Cinema Theatre at Vadodara, have been decided in favour of the Company by the Honourable High Court of Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of exemption availed is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in (b) above include the figures pertaining to the said Multiplex.
6. As per the amendment made by the Finance Act 2010, renting of immovable property was defined as a taxable service with retrospective effect from 1 June, 2007. Accordingly, in the Annual Accounts for the year ended 31st March 2010, the Group had provided for service tax of Rs. 1041 lakhs in respect of rentals paid for the year ended 31st March, 2009 and 31st March, 2010.

During the current year, this levy has been challenged by the Group by filing Writ Petitions with various High Courts and some of the High Courts have granted a stay against the levy of service tax in respect of immovable properties of the Group situated within their respective jurisdictions.

Based on legal advice obtained by the Group, the recovery of service tax on renting of immovable property cannot be said to be certain, and accordingly no provision of service tax of Rs 483 lakhs on lease rentals is made for the year ended 31st March, 2011. Further, the amount provided in the accounts during the year ended 31st March 2010, towards service tax on lease rentals for the year ended 31st March 2009 and 31st March 2010, has been reversed during the current year. The cumulative amount for the Group as at 31st March 2011 is Rs. 1722 lakhs.

7. In the appellate proceedings before the Commissioner of Income-tax (Appeals) the Company's contention, that the amount of Entertainment Tax exemption availed for some of its multiplexes is a capital receipt, has been accepted. Accordingly, treating the amount of Entertainment Tax exemption amounts as a capital receipt in respect of multiplexes in those States covered by the orders of the Commissioner of Income-tax (Appeals), during the year ended 31st March 2010 the Company had recomputed its current tax liability and deferred tax liability, and credited an amount of Rs. 193 lakhs in the Profit and Loss Account under 'Taxation in respect of earlier periods'. In the current year, provision for current tax is computed on the same basis and is for Minimum Alternate Tax payable on book profit, in the case of the Company and Fame.

The Minimum Alternate Tax (MAT) paid by the Company is entitled to be carried forward and utilized in subsequent years. In the opinion of management, on the basis of projections, estimates of future taxable income and the extension of period for utilization of MAT credit as per the amendment made by the Finance Act (No. 2), 2009, the Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, during the year ended 31st March 2010, the Company had recognized the MAT credit entitlement of Rs. 978 lakhs in respect of earlier years.

During the current year, Fame has recognized MAT credit entitlement of Rs. 105 lakhs in respect of earlier years and the same is included in taxation pertaining to earlier years. Further, provision for taxation of Rs. 149 lakhs made by Fame prior to 6th January 2011 is subsequently reversed and is included in taxation in respect of earlier periods in the consolidated results.

8. In respect of Fame, the Foreign Currency Convertible Bonds have matured on 22nd April 2011 as per the terms of the issue and are due for payment and the company is taking necessary steps in this regard.
9. There were no investors' complaints pending at the beginning of the quarter. The Company received one complaint during the quarter. The Company has disposed of the complaint and there were no complaints outstanding at the end of the quarter.

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Registered Office: ABS Towers, Old Padra Road,
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Place : Mumbai
Date : 26th May, 2011

On behalf of the Board of Directors
For INOX Leisure Limited

A handwritten signature in black ink, appearing to read "Deepak Asher", is written over the printed name.

Deepak Asher
Director