INOX LEISURE LIMITED

annual report | 2011 - 12

BOARD OF DIRECTORS

Mr. Pavan Jain	Non Executive Director
Mr. Vivek Jain	Non Executive Director
Mr. Deepak Asher	Non Executive Director
Mr. Siddharth Jain	Non Executive Director
Mr. Haigreve Khaitan	Independent Director
Mr. Sanjeev Jain	Independent Director
Mr. Amit Jatia	Independent Director

CHIEF EXECUTIVE OFFICER & MANAGER

Mr. Alok Tandon

DEPUTY COMPANY SECRETARY & SENIOR MANAGER - LEGAL

Mr. Miket Shashikant Bahuva

AUDITORS

M/s. Patankar & Associates
Chartered Accountants
Firm Reg. No. 107628W

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: www.inoxmovies.com

REGISTRARS & TRANSFER AGENT

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhopur, Hyderabad – 500 081

13th Annual General Meeting

Day	:	Friday
Date	:	27th July, 2012
Time	:	11.00 am
Venue	:	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007

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NOTICE

Notice is hereby given that the Thirteenth ANNUAL GENERAL MEETING of the Members of INOX LEISURE LIMITED will be held on Friday, 27th July, 2012 at 11.00 a.m., at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date, the report of Auditors thereon and the report of the Board of Directors for the said year.
2. To appoint a Director in place of Mr. Deepak Asher, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjeev Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. To pass with or without modification the following resolution as a **SPECIAL RESOLUTION:**

   "**RESOLVED THAT"** pursuant to the provisions of Section 198, 269, 387 and 388, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) and in terms of recommendation of Compensation & Remuneration Committee, subject to approval of the Central Government and any other sanctions, approvals as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of Mr. Alok Tandon, Chief Executive Officer, as Manager of the Company for a period of Two years with effect from 1st April, 2013 to 31st March, 2015, in such a manner as may be agreed to between the Board of Directors of the Company or Compensation & Remuneration Committee of the Board (Board/Committee) and Mr. Alok Tandon in accordance with the approval of the Central Government being obtained at a remuneration not exceeding ₹ 120 Lacs per annum and other benefits such as earned / privileged leave, gratuity, leave encashment, provision of Company's car and use of telephone at the residence for official purposes as per the rules of the Company.

   RESOLVED FURTHER THAT pending the receipt of Central Government, Mr. Alok Tandon shall draw above remuneration by way of salary, dearness allowance, perquisites and other allowances subject to adjustments that may be required to be done according to the Central Government approval and according to the direction of the Central Government.

   RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute direction deem necessary, expedient, usual and proper in the best interest of the Company for the purpose of giving effect to this resolution."

By order of the Board of Directors
for Inox Leisure Limited

Miket Shashikant Bahuva
Deputy Company Secretary &
Senior Manager – Legal

Place: Mumbai
Date: 24th May, 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF 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. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of special business as per Item No. 5 hereinabove is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th July, 2012 to Friday, 27th July, 2012 (both days inclusive).

4. Re-appointment of Directors:

Mr. Deepak Asher and Mr. Sanjeev Jain retire by rotation, and being eligible, offer themselves for re-appointment.

The information required to be provided under the Listing Agreement in respect of Directors being re-appointed is given herein below:

Name of the Director	Brief resume and nature of expertise in functional area	Other Directorships / Chairmanship / Membership
Mr. Deepak Asher (Non-Executive Director) (Age 53 years) DIN No: 00035371	A commerce and law graduate, Mr. Deepak Asher is also a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost and Works Accountants of India. He has more than 25 years of experience in the fields of corporate finance and business strategy. Mr. Deepak Asher is the President of the Multiplex Association of India. He won the Theatre World Newsmaker of the Year Award in 2002 for his contribution to the multiplex sector. Mr. Deepak Asher has assisted the Group in setting up several new businesses, in the diverse fields of cinema exhibition, carbon credits and renewable energy.	**Directorships held in other companies (excluding foreign companies)** 1. Inox Leasing and Finance Limited 2. Gujarat Fluorochemicals Limited 3. Inox Motion Pictures Limited 4. Inox Wind Limited 5. Inox Renewables Limited 6. Fame India Limited 7. Fame Motion Pictures Limited 8. Inox Infrastructure Private Limited 9. Big Pictures Hospitality Services Private Limited 10. Swanston Multiplex Cinemas Private Limited 11. Headstrong Films Private Limited **Membership / Chairmanship of Committee of other public Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee):** 1. **Inox Leasing and Finance Limited** – Chairman, Audit Committee 2. **Inox Wind Limited** – Chairman, Audit Committee 3. **Fame India Limited** – Member, Audit Committee and Member, Share Transfer and Investor Grievance Committee

Name of the Director	Brief resume and nature of expertise in functional area	Other Directorships / Chairmanship / Membership
Mr. Sanjeev Jain (Independent Director) (Age 44 Years) DIN No: 00023409	Mr. Sanjeev Jain is a Chartered Accountant with a Graduate degree in Commerce and Law. He is a Partner at M/s. Shanti Prashad & Co., a firm of Chartered Accountants in New Delhi and has around 19 Years of experience as an Income Tax Consultant.	**Directorships held in other companies (excluding foreign companies)** 1. Ashok Vihar Club (Company Registered under Section 25 of the Companies Act, 1956) **Membership / Chairmanship of Committee of other public Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee):** NIL

5. 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, Plot No. 17-24, Vittal Rao Nagar, Madhopur, Hyderabad – 500 081, 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.

6. *The Ministry of Corporate Affairs (MCA) has issued Circulars No. 17/2011 dated 21.04.2011 and No. 18/2011 dated 29.04.2011,*

propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail). With a view to lend a strong support to this environment friendly initiative of the Government of India, Annual Reports for Financial Year 2012 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 are sure that the Members would also like to support this excellent initiative of the Government of India. 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. ***Please note, as a member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the balance sheet of the Company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report and all other communication that may be sent to you, upon receipt of a requisition from you to this effect.***

7. 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.

8. Members are requested to bring their copy of the Annual Report to the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5:

An engineer by qualification, Mr. Alok Tandon is a key member of the senior management team of the Company. He has been with INOX since June 2001 and has close to 24 years of varied work experience. Mr. Alok Tandon joined the Company as Vice President – Technical and was elevated to the post of Chief Operating Officer (COO) with effect from May 2005. He was appointed as a Manager of the Company under Section 269 of the Companies Act, 1956 with effect from 18th June, 2007. In April 2009, he was elevated to the post of Chief Executive Officer (CEO) of the Company. As the CEO and Manager of INOX Leisure Limited, Mr. Alok Tandon is at the helm of INOX's expansion plans and concentrates on strengthening the INOX brand on a national scale; making it the first choice in the business of cinema exhibition in India. Mr. Alok Tandon also oversees the entire operations of the Company.

Considering his key role in the growth of Company, the Compensation & Remuneration Committee and the Board of Directors of the Company at its respective meetings held on 24th May, 2012 has approved the appointment of Mr. Alok Tandon as a Manager, subject to the approval of the Members and the Central Government, for a period of Two Years from 1st April, 2013 to 31st March, 2015 at a remuneration not exceeding ₹ 120 Lacs per annum according to the provisions of Schedule XIII of the Companies Act, 1956.

The Directors recommend the resolution as stated at item no. 5 of the Notice for approval of the Members by way of a Special Resolution for re-appointment for a further period of Two Years from 1st April, 2013 to 31st March, 2015.

This resolution is subject to the approval of the Central Government for which an application is being made.

The resolution along with this explanatory statement may be treated as an abstract required to be circulated to the Members under Section 302 of the Companies Act, 1956.

None of the Directors of the Company are concerned or interested in this resolution.

In terms of the amended Schedule XIII of the Companies Act, 1956, following information is given to the Members:

I. General Information:	
(1) Nature of Industry:	The Company is engaged in the business of exhibition of cinematographic films.
(2) Date of commencement of commercial Operation:	The Company commenced commercial operations of its First Multiplex Cinema Theatre situated at Pune on May 10, 2002.
(3) Financial Performance:	(₹ in Lacs)

Year	Income	Profit/ (Loss) before tax	Profit / (Loss) after tax
2009-10	25,611.31	1,811.44	2,605.76
2010-11	34,236.76	921.20	695.79
2011-12	42,477.62	1,259.33	1,027.69

(4) Export Performance:	NIL
(5) Foreign investments or Collaborators:	NIL

II. Information about the appointee:

(1) Background details:	An engineer by qualification, Mr. Alok Tandon is a key member of the senior management team of the Company. He has been with INOX since June 2001 and has close to 24 years of varied work experience. Mr. Alok Tandon joined the Company as Vice President – Technical and was elevated to the post of Chief Operating Officer (COO) with effect from May 2005. He was appointed as a Manager of the Company under Section 269 of the Companies Act, 1956 with effect from 18th June, 2007. In April 2009, he was elevated to the post of Chief Executive Officer (CEO) of the Company. As the CEO and Manager of INOX Leisure Limited, Mr. Alok Tandon is at the helm of INOX's expansion plans and concentrates on strengthening the INOX brand on a national scale; making it the first choice in the business of cinema exhibition in India. Mr. Alok Tandon also oversees the entire operations of the Company.
(2) Past Remuneration:	Year Ending **31st March** — **₹ in Lacs** 2010 — 48.16 2011 — 70.86 2012 — 79.61
(3) Recognition and Awards:	NIL
(4) Job profile and his suitability :	Mr. Alok Tandon is responsible for overall management of the Company subject to supervision, control and directions of Board of Directors. Mr. Alok Tandon has guided the Company successfully through various stages of expansion and enabled the Company to reach its present position. His day to day guidance on the operations of the Company has added immense value to the Company. He has been associated with the Company for over 11 years and possesses invaluable knowledge and experience in Entertainment & Media Industries.
(5) Remuneration proposed:	For 1st April, 2013 to 31st March, 2015, the managerial remuneration not exceeding ₹ 120 Lacs per annum according to the provisions of Schedule XIII of the Companies Act, 1956.
(6) Comparative remuneration with respect to industry, size of the Company, profile of the position and person:	Taking into consideration the size of the Company, its profits and the qualification and experience of Mr. Alok Tandon, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	Except for salary, perquisites and allowances, received from the Company, Mr. Alok Tandon does not have any pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel.

III. Other Information

(1) Reasons for loss or inadequacy of profits	After relatively poor financial year 2010-11, where company witnessed a decline in overall profitability which was attributable to lack of good quality of content, stiff competition from sports events like Indian Premier League (IPL), Cricket World Cup, etc., coupled with high incidence of tax and adverse terms with content providers, the Company has shown signs of recovery in the current financial year. However, high incidence of tax, applicability of Service Tax on renting of immovable properties and adverse terms with content providers has impacted Company's profitability for the Financial Year 2011-12.
(2) Steps taken or proposed to be taken for improvement	The Company has impressive growth plans and is in process of formulating strategic plans with specific focus of increasing its profitability. The Company is also taking various steps for reducing operational costs, increasing average ticket price and focusing on increasing revenues from advertising business by way of national deal / corporate tie-ups.
(3) Expected increase in productivity and profits in measurable terms	The Company currently operates 41 Multiplex Cinema theatres with 155 screens across India. It proposes to add about 50 more screens by financial year end 2013. This coupled with strategic plans of the Company and various steps mentioned above, should lead to better profitability for the Company in the coming years.

By order of the Board of Directors
For Inox Leisure Limited

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager – Legal

Date: 24th May, 2012
Place: Mumbai

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

DIRECTORS' REPORT

To the Members of Inox Leisure Limited,

Your Directors take pleasure in presenting to you the Thirteenth Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

(₹ In Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Income		
Sales and other Income	42477.62	34236.76
Profit before Finance Cost, Depreciation and Tax	5033.94	4327.18
Less: Depreciation	2015.76	1883.06
Profit before Finance Cost and Tax	3018.18	2444.12
Less: Finance Cost	1758.85	1522.92
Profit before Tax (PBT)	1259.33	921.20
Less: Provision for Taxation		
• For the year	385.56	218.38
• Earlier Years	(153.92)	7.03
Profit after Tax (PAT)	1027.69	695.79
Add: Profit brought forward from previous year	6879.38	6183.59
Balance carried to Balance Sheet	7907.07	6879.38

During the year under review, the Company achieved Sales and other Income of ₹ 42477.62 lacs, showing a growth of 24.07% compared to the previous year. The Profit before Finance Cost, Depreciation and Tax increased by 16.33% to ₹ 5033.94 lacs. The profit before tax was higher by 36.71% to ₹ 1259.33 Lacs. The profit after tax increased by 47.70 % to ₹ 1027.69 Lacs compared to ₹ 695.79 lacs in 2010-11.

As on 31st March, 2011, the Company had 38 Multiplex Cinema Theatres with 144 screens and seating capacity of 40,140 Seats. During the year ended 31st March, 2012, 3 Multiplex Cinema Theatres with 11 screens and seating capacity of 3,240 were added taking the tally of Multiplex Cinema Theatres to 41 with 155 screens and 43380 seats as of 31st March, 2012.

SERVICE TAX PROVISION:

Finance Act, 2010 defined renting of immovable property as a taxable service with retrospective effect from 1st June, 2007. The Company challenged the levy of service tax on renting of immovable property (Levy) before various High Courts, which had granted an interim stay in favour of the Company against the proposed Levy.

Based on the legal advice obtained by the Company, no provision for this Levy was made by the Company in earlier years. This Levy was upheld by various High Courts during the current year. The Company has filed a Special Leave Petition before the Hon'ble Supreme Court which is pending and is making payment as per directions of the Hon'ble Supreme Court.

Accordingly, the Company has provided for this Levy and an amount of ₹ 525.07 lakhs is included in 'Service tax' for current year and an amount of ₹ 973.29 lakhs is shown as an exceptional item in the Statement of Profit and Loss for the Period till 31st March, 2011. Please refer note no. 30 of the *Notes to Accounts* in this regard.

2. DIVIDEND:

With a view to conserve the resources for ongoing and future projects being implemented by the Company, your Directors do not recommend any Dividend for the financial year ended 31st March, 2012.

3. **PAYMENT OF EXCESS REMUNERATION TO MR. ALOK TANDON IN RESPECT OF FINANCIAL YEAR 2010-11:**

The Company had put forward an application to the Ministry of Corporate Affairs (MCA), Central Government for its approval for waiver of excess remuneration paid to Mr. Alok Tandon, Manager of the Company for financial year 2010-2011. The aforesaid application was rejected by the Central Government. The Company has made a representation against the rejection and the same is currently pending. Please refer Note No. 39 of *Notes to Accounts* in this regard.

4. **RE-APPOINTMENT OF MR. ALOK TANDON AS MANAGER:**

The Compensation & Remuneration Committee and the Board of Directors of the Company at its respective meetings held on 24th May, 2012 have approved the re-appointment of Mr. Alok Tandon as a Manager, subject to the approval of the Members and the Central Government, for a period of Two Year from 1st April, 2013 to 31st March, 2015 at a remuneration not exceeding ₹ 120 lacs per annum in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

5. **ACQUISITION OF ADDITIONAL SHARES OF FAME INDIA LIMITED:**

During the current year, the Company had subscribed to and acquired 20,212,212 Equity shares of Fame India Limited (Fame), subsidiary of Company, pursuant to Rights issue of Fame. The Company had thereafter acquired another 13,11,937 Equity shares (including 652,200 shares acquired after 31st March, 2012) of Fame through open market operations. As a result of these acquisitions, the Company now holds 39,090,512 equity shares comprising of 70.72% stake in Fame.

6. **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217(2AA) of the Companies Act, 1956, your Directors would like to confirm that:

a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.

b. The Directors have 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.

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. The Directors have prepared the Annual Accounts on a going concern basis.

7. **DIRECTORS:**

Mr. Deepak Asher and Mr. Sanjeev Jain, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

In accordance with stipulation under Clause 49 of the Listing Agreement, a brief resume of Mr. Deepak Asher and Mr. Sanjeev Jain is provided in the Notice convening the Annual General Meeting. In addition to the resumes, information is also given on the nature of their expertise in specific functional areas including the names of the Companies in which they hold office of a Director and details of Membership / Chairmanship of Committee (only Audit Committee and Shareholders'/Investors' Grievance Committee) held by them in other public companies.

8. **STATUTORY AUDITORS' REPORT:**

There are no reservations, qualifications or adverse remarks in the Auditor's Report. The notes forming part of the accounts are self explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

9. **COST AUDITOR:**

In terms of Cost Audit Order no. 52/26/CAB/2010 dated 2nd May, 2011 issued by Ministry of Corporate Affairs (MCA), the Company is required to get its Cost Accounting Records audited by a Cost Accountant, as applicable to generation of electricity by Wind Mills of the Company, w.e.f. 1st April, 2011. Accordingly, the Board of Directors of the Company has appointed M/s. Y. S. Thakar & Associates as a Cost Auditor of the Company to conduct Cost Audit for the year 2012 - 2013.

10. AUDITORS:

The Audit Committee of the Board of Directors of the Company has recommended the re-appointment of M/s Patankar & Associates (Firm Registration No. 107628W), who retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. A certificate has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of the Companies Act, 1956.

11. PERSONNEL:

We continue to have cordial and harmonious relationship with our employees.

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Members of the Company excluding the aforesaid annexure. **The annexure is available for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.**

12. EMPLOYEE STOCK OPTION SCHEME:

During the year under review no options were granted to Employees of Company. 15,580 Equity Shares of ₹ 10 each were allotted to the employees of the Company pursuant to the options vested in them as per the Employee Stock Option Scheme. The disclosures as required under the Guidelines issued by Securities Exchange Board of India on Employee Stock Option Scheme / Employee Stock Purchase Scheme are given in Annexure – A.

13. CORPORATE GOVERNANCE:

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Auditors' Report thereon are included as a part of the Annual Report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTFLOW:

Your Company has taken the following energy conservation measures:

- 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 have also reduced which leads to increase life cycle of the equipments like Motors and Heaters.
- 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 Multiplexes situated at Kanpur, Bangalore - JP Nagar, Thane, Vizag beach road, Vizag CMR, Jaipur - Raja park, Bangalore - Mantri Mall, Lucknow and Jaipur - Vaibhav, which 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.
- 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.

- 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 was overhauled and chemical dosing was 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.
- All new fittings are with CFL or energy saving mechanisms, which use less electrical power as compared to incandescent lamps. Replaced 50 watt Halogen lamps with 3 watt/ 9 watt LED lamps in Pune, Milan - Mumbai, Magrath Road -Bangalore, Chennai, Crystal Palm - Jaipur, Nagpur and Nariman Point multiplexes.
- 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.
- Auto Voltage Regulator (AVR) is installed at Pune 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.
- Emphasis is being given on CFL and LED lamps in existing and upcoming multiplexes.
- Digital projectors are installed at Bharuch, Vijayawada, Crystal Palm - Jaipur, Mumbai - Milan. This consumes 20% less amount of energy as compared with conventional projection system. Upcoming properties are equipped with 80% digital projection system.
- Pune and Chennai multiplexes are converted into 100% digitalized format which will result in saving of approx 20% of energy utilized earlier.
- LED based outdoor signage has been installed at multiplexes in Mumbai - Milan, Chennai, Vizag Beach road, Rajarhat (West Bengal) & Bangalore - Malleshwaram. LED façade signage has been added at Korum Mall- Thane, JP Nagar - Bangalore, Belgaum, Kanpur and Pune.
- Multiplexes at Mumbai - Nariman Point, Pune, Hyderabad and all upcoming multiplexes are equipped with Digital Projection Technologies to save electricity.
- Eco-friendly source of electricity generated by the wind mill for the multiplex at Vadodara and Bharuch is used partially
- Eco-friendly source of electricity generated through Mini hydro power plant for the Multiplex at Vijayawada is used partially.

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

The foreign exchange earning and outflow is as follows:

(₹ in Lacs)

	Particulars	Current Year	Previous Year
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outflow		
	CIF value of Capital Goods imported	39.02	-
	Travelling	7.57	7.45
	Advertisement Expenses	0.41	Nil
	Total	**47.00**	**7.45**

15. SUBSIDIARY:

The Company's subsidiary Fame India Limited has three Subsidiaries viz. Fame Motion Pictures Limited (formerly known as Shringar Films Limited), Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited. Fame India Limited is mainly engaged in the film exhibition business whereas Fame Motion Pictures Limited is mainly engaged in distribution of films. Big Pictures Hospitality Services Private Limited was engaged in the business of operating food court and restaurants in India and Headstrong Films Private Limited was engaged in the business of film production and distribution in India. During the year, there are no business activities in these two Companies. However, the Management is re-assessing the business feasibilities and is exploring new initiatives / projects.

The Ministry of Corporate Affairs, New Delhi has issued a General Circular No: 2 /2011 dated 8th February, 2011 (said Circular) granting general exemption from complying with the provisions of Section 212 and the General Exemption is subject to certain conditions which inter alia requires the Board of Directors of the Company to give consent, by passing a Board Resolution, for not attaching the Balance Sheet of the subsidiary/ies concerned. Accordingly, your Directors have passed the necessary Board Resolution to avail the aforesaid general exemption. The Consolidated Financial Statements of holding company and all the subsidiaries, prepared in strict compliance with applicable accounting standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI) and duly audited by Statutory Auditors of the Company have been presented in the Annual Report along with the prescribed Financial Information in respect of the subsidiary companies. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to the Members of the Company as well as Members of subsidiary companies who may be interested in obtaining the same at any point of time. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company as well as that of the respective subsidiary companies. Hard copy with details of accounts on subsidiaries shall be made available to the Members on request.

16. ACKNOWLEDGEMENT:

Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the employees at all levels, enabling the Company to achieve satisfactory performance during the year under review.

Your Directors express their gratitude for the valuable co-operation and continued support extended by the Company's bankers, business associates and investors.

On behalf of the Board of Directors

Place : Mumbai
Date : 24th May, 2012

Pavan Jain	**Vivek Jain**
Director	**Director**

Annexure "A"

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(Format as given in SEBI manual, point no. 12 of above guideline, page II.1061)

A	Options granted	NIL
B	The price formula / Exercise Price	15
C	Options vested	5,000
D	Options exercised	15,580
E	The total number of shares arising as a result of exercise of option	15,580
F	Options lapsed	12,839
G	Variation of terms of options	NOT APPLICABLE
H	Money realized by exercise of option	NIL
I	Total number of options in force	10,000
J	Employee-wise details of options granted to i. senior managerial personal ii. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	 Nil Nil Nil
K	Diluted Earnings Per Share (EPS) (as on 31st March, 2012) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 'Earnings per Share'	1.67
L	If employee compensation cost calculated using intrinsic value of the stock options, difference between ECC so computed and ECC shall have been recognized if it had used the fair value of the options. Impact of this difference on profits and on EPS of the company	Difference in ECC: The ECC would have been higher by ₹ 0.12 Lacs. Impact of the difference on the Profit: Profit After Tax would have been lower by ₹ 0.12 lacs. Impact on EPS: EPS would have been lower by less than ₹ 0.01 each.

<table>
<tr><td>M</td><td>For options whose exercise price either equals or exceeds or is less than the market price of the stock, disclose weighted-average exercise prices and weighted-average fair values of options separately</td><td>
<table>
<tr><td></td><td>Weighted Average Exercise Price</td><td>Weighted Average Fair Value</td></tr>
<tr><td>Exercise price equals market price</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Exercise price exceeds market price</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Exercise price is less than the market price</td><td>₹ 15</td><td>For options granted on 29th January, 2007 – ₹ 153.01
For options granted on 27th October, 2009 – ₹ 43.91</td></tr>
</table>
</td></tr>
<tr><td>N</td><td>Method and significant assumptions used during the year to estimate fair values of options, including following weighted-average info-
i. risk-free interest rate
ii. expected life
iii. expected volatility
iv. expected dividends, and
v. the price of the underlying share in market at the time of option grant</td><td>

Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable</td></tr>
</table>

INDUSTRY STRUCTURE AND DEVELOPMENTS

The film exhibition business and the domestic box office is expanding at a fast pace and is exhibiting positive growth. The industry is projected to grow at a Compound Average Growth Rate (CAGR) of 10.1%* to touch ₹ 150 billion in 2016. The industry expects domestic theatrical revenues to continue dominating the overall pie. It is also worthy to mention here multiplexes account for 50% of the Indian theatrical revenues, despite having less than 15% market share in terms of screen count.

With multiplex chains charting out an aggressive expansion roadmap, increasing digitalization of screens enabling wider film print releases, experimentation with different content, increasing popularity of regional film segment and arrest of piracy are some of the major drivers of growth, riding on which, the industry is expected to be follow a strong growth path.

OPPORTUNITIES:

Multiplexes have been successful in bringing the audience back to cinema theatres, and are the preferred out-of-home choice of entertainment for the Indian consumer. The option of choosing from 9-10 titles a day was unheard of decade back. Temperature controlled auditoriums, luxurious recliner seats, state-of-art sound and projection systems – in addition to a variety of lip-smacking snacks, made 'going to the movies' very chic, hip and fashionable. People additionally felt much safer in multiplexes considering the safety precautions undertaken.

2011 witnessed significant capacity expansion by multiplex chains, including Inox Leisure Ltd. Urbanization and growing middle class, under-screened market and better viewing experiences have fuelled this growth.

The industry is expected to double the multiplex screens over the next five years taking the total tally to over 2,200 screens in 2016. An increased number of shows on account of reduction in film duration combined with growth in properties and quality of film-going experience continues to drive overall footfalls at multiplexes as evidenced by improved occupancy rates in 2011. In addition, the contribution of regional cinema to multiplex chains has continued to increase.

It must be mentioned that multiplexes are now moving into smaller cities / towns. INOX, which has always been a fore-runner in spreading its presence across the length and breadth of the country, has brought in remarkable change in the viewing experience in Tier II / III and even Tier IV cities.

With 3D films getting much more prevalent in Hindi film industry, besides Hollywood, multiplexes have been able to increase their ticket prices for the high-end 3D technology – thereby providing an improved viewing experience.

Cinema Exhibition Business is undergoing a tremendous technological change as Theatre Owners are now converting their current projectors with high-end Digital Projectors or Digital Cinema. Digital Cinema refers to use of Digital Technology to capture, distribute and project motion pictures. Use of this technology will allow distribution of movie via hard drives, optical disks or satellite and projected using a digital projector. INOX too has initiated the process of converting its current projectors with high-end Digital Projectors or Digital Cinema. This will help in savings of print costs, wide release of Film, durability of Media, curb on piracy, etc.

The industry has witnessed a marked improvement in transparency of ticket sales over the years. Systems and processes introduced by multiplex chains in addition to digitization of theatres is the key contributor. This has not only helped film makers and distributors; it has also given a boost to cinema advertising. Advertisers now have better access to occupancy rates and film revenues. The market has grown at a healthy 18%* in 2011 to reach ₹ 140 Crores.

It must be mentioned here that there has been a lot of investment made in the infrastructure facilities with new film cities offering one-stop shop for making films. From shooting floors, post and pre production facilities to film processing lab, these facilities are expected to increase efficiency in production in less time.

THREATS / RISKS / CONCERNS:

The shelf-life of movies in theatres has seen a steady decline. The growing popularity of alternate distribution platforms like DTH, satellite television and the launch of 3G enabled mobile handsets are a potential threat to theatrical exhibition.

It has been observed that films chasing particular release date and time of the year are resulting in some kind of a trend thereby eating up the market. Although this trend has declined considerably with many big-banner movies releasing during IPL and during the month of Ramzan, there is still an apprehension amongst film-makers to release their movies during these gaps – and focusing on Eid, Diwali, Christmas releases.

Piracy continues to be a major concern for the film industry. Technological advancements such as digitalization of film content and delivery should help arrest piracy to a great extent.

Controlled ticket rates in some of the states and high entertainment taxes make it difficult to keep pace with increasing rentals. Allowing markets to determine the ticket rates would provide more flexibility to the exhibitors.

SEGMENT WISE ANALYSIS:

Upto the last year, the Company had classified generation of Wind Energy as a separate Business Segment. Since the Wind Energy is primarily used for captive consumption in theatrical business, the management has reviewed the classification during the year and the activity of generation of Wind Energy is included in the theatrical exhibition segment.

MULTIPLEXES / FILM EXHIBITION:

Total revenue from theatrical exhibition segment during the financial year ended 31st March, 2012 amounted to ₹ 42030.82 Lacs. The profit from this Segment was ₹ 2595.28 Lacs for the financial year ended 31st March, 2012. The increase in total revenue from this segment is attributed to commencement of operations of new properties across the country. As on date, the Company has 41 multiplexes, 155 screens in 26 cities across India. With the additions of a number of 3D screens across the country, your company today has 3D screens in Baroda, Chennai, Faridabad, Indore, Jaipur, Kanpur, Lucknow, Nagpur, Pune, Raipur and Thane besides Mumbai, Bangalore, Pune, Kolkata and Hyderabad which has also contributed to the increase in total revenue.

OTHER SEGMENTS:

Total revenue from Other Segments viz. distribution of movies and production of movies, during the financial year ended 31st March, 2012 was NIL. However, the Company suffered a loss to the tune of ₹ 23.89 lacs in other segments for the financial year ended 31st March, 2012.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statues, codes of conducts and corporate policies are duly complied with.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by Management.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Company's financial performance is discussed under the head "Financial Results" in Directors' Report to the Members.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

A. RECRUITMENT & SELECTION

We develop and maintain our talent pool by recruiting from diverse service sectors like Hotels, Entertainment, Retail ,Engineering, Aviation, Media and Management Colleges. Our professional and successful management team is drawn from the above backgrounds.

The Current employee strength including on rolls and Contractual is around 2850.

B. TRAINING & DEVELOPMENT

Our employees continue to be our most valuable assets. We thrive upon our "Systems and Service" oriented work culture to achieve and maintain consistently high service standards. Our constructive and progressive management style enables us to attract and retain the best talent in the industry. Thus, we continuously maintain a strategic competitive advantage for sustaining long term business objectives.

C. INDUSTRIAL RELATIONS

With our fair management practices across the board we ensure a congenial work environment and a good quality of work life.

* ***Digital Dawn – The metamorphosis begins – FICCI-KPMG Indian Media and Entertainment Industry Report 2012.***

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 and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its Shareholders.

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

2. Board of Directors:

The Board of your Company comprises of Seven Directors and all of them are Non-Executive Directors having considerable experience in their respective fields. There is no Chairman of the Company. The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Your Company held Seven Board Meetings during the year, one on 19th April, 2011, two on 26th May, 2011, and one each on 11th August, 2011, 18th October, 2011, 27th January, 2012 and 22nd March, 2012.

The details of the Board of Directors, their positions, attendance record, other Directorships (excluding private limited and foreign Companies and alternate Directorships) and the Membership of other Board Committees as on 31st March, 2012 are as under:-

Name of Director	Position	No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other Companies*	Member (Chairperson) of other Board Committees**
Mr. Pavan Jain	Non-Executive Director	6	No	7	4(3)
Mr. Vivek Jain	Non-Executive Director	4	No	6	4
Mr. Deepak Asher	Non-Executive Director	7	Yes	7	4(2)
Mr. Siddharth Jain	Non-Executive Director	3	No	4	1
Mr. Haigreve Khaitan	Non-Executive Independent Director	5	No	14	7
Mr. Sanjeev Jain	Non-Executive Independent Director	4	Yes	1	2(2)
Mr. Amit Jatia#	Non-Executive Independent Director	3	No	4	1(1)

* Excluding private limited Companies, foreign Companies, Section 25 Companies and Companies in which Director is an alternate Director.

** Other Committee means Audit Committee and Shareholder's Grievance Committee.

Mr. Amit Jatia was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 26th May, 2011 and he was later appointed by the shareholders at the Annual General Meeting held on 15th July, 2011.

3. The Company has three Board-level Committees, namely

a) Audit Committee

b) Share Transfer & Investors' Grievance Committee

c) Compensation & Remuneration Committee

a. Audit Committee:

The Audit Committee comprises of Four Non-Executive Directors with Mr. Sanjeev Jain as the Chairman of the Committee.

During the year under review, Four Meetings of the Committee were held on 26th May, 2011, 11th August, 2011, 17th October, 2011 and 27th January, 2012.

Composition of the Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Sanjeev Jain	Chairman	4	2
Mr. Deepak Asher	Member	4	4
Mr. Haigreve Khaitan	Member	4	3
Mr. Amit Jatia#	Member	4	3

Mr. Amit Jatia was appointed as an member of the Audit Committee with effect from 26th May, 2011.

The Company Secretary acts as the Secretary to the Committee. The terms of reference for the Audit Committee are in accordance with Clause 49 of the Listing Agreement.

The Terms of Reference of Audit Committee inter alia includes:

1. Oversight of the Company's financial reporting process and the disclosure of Company's financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Appointment, removal and terms of remuneration of internal auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval
5. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

Mr. Sanjeev Jain, Chairman of the Audit Committee, attended the previous Annual General Meeting held on 15th July, 2011.

b. Share Transfer & Investors' Grievance Committee:

Your Company has formed a Share Transfer & Investors' Grievance Committee under the Chairmanship of Mr. Pavan Jain, a non-executive Director of your Company. The Committee specifically looks into the redressal of Shareholders' and investors' complaints such as transfer of shares, non receipt of shares, non receipt of IPO refund orders, non receipt of dividend, etc. and to ensure their expeditious disposal. The Committee approves and monitors transfers, transmissions, dematerialization, re-materialization, issue of duplicate shares, splitting, consolidation of shares, etc.

Composition of the Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings attended
Mr. Pavan Jain	Chairman	6	6
Mr. Vivek Jain	Member	6	1
Mr. Deepak Asher	Member	6	6

Mr. Miket Shashikant Bahuva, Deputy Company Secretary and Senior Manager – Legal acts as a Compliance Officer.

During the year ended 31st March, 2012, your Company received 5 complaints from investors. All the complaints were resolved / replied. The complaints were mainly in respect of non receipt of Electronic Credits and non receipt of Annual Report.

As on 31st March, 2012, a total of 1900 equity shares remained in the in-transit account with National Securities Depository Limited / Central Depository Services Limited.

c. Compensation & Remuneration Committee:

Your Company has formed a Compensation & Remuneration Committee which consists of majority of independent Directors.

Terms of Reference of Compensation & Remuneration Committee inter alia includes:

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

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

3. To exercise roles, powers and duties as vested under Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges and to take decisions about remuneration payable to managerial personnel from time to time.

Composition of the Compensation & Remuneration Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Sanjeev Jain	Chairman, Non-executive & Independent Director	5	3
Mr. Deepak Asher	Member, Non-executive Director	5	5
Mr. Haigreve Khaitan	Member, Non-executive & Independent Director	5	3
Mr. Amit Jatia #	Member, Non-executive & Independent Director	5	3

Mr. Amit Jatia was appointed as an member of the Audit Committee with effect from 26th May, 2011.

Remuneration to Directors:

All the Directors of your Company are non-executive directors and are not entitled to any remuneration except sitting fees @ ₹ 5,000 per meeting for attending the Board Meetings, Audit Committee Meetings, Share Transfer & Investors Grievance Committee Meetings and Compensation & Remuneration Committee Meetings. The details of sitting fees paid to the Non-Executive Directors for the year 2011-12 are given below:

Name of Director	Board Meeting Sitting Fees	Audit Committee Meeting Sitting Fees	Share Transfer Committee Meeting Sitting Fees	Compensation & Remuneration Committee Meeting Sitting Fees	Total
Mr. Pavan Jain	30,000	-	30,000	-	60,000
Mr. Vivek Jain	20,000	-	5,000	-	25,000

Mr. Deepak Asher	35,000	20,000	30,000	25,000	110,000
Mr. Siddharth Jain	15,000	-	-	-	15,000
Mr. Haigreve Khaitan	25,000	15,000	-	15,000	55,000
Mr. Sanjeev Jain	20,000	10,000	-	15,000	45,000
Mr. Amit Jatia	15,000	15,000	-	15,000	45,000
Total					**355,000**

4. General Body Meetings:

The particulars of the last three Annual General Meetings (AGM) of your Company are given hereunder:

Year	Date and Time	Venue	Special Resolution Passed
2008-09	10th AGM on 29th June, 2009 at 11.00 a.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	Nil
2009-10	11th AGM on 9th July, 2010 at 11.00 a.m.		Nil
2010-11	12th AGM on 15th July, 2011 at 11.00 a.m.		**1.** Approval for payment of remuneration to Mr. Alok Tandon, Manager of the Company for a period from 1st October, 2010 to 30th September, 2011 **2.** Re-appointment of Mr. Alok Tandon for a period of Eighteen months with effect from 1st October, 2011 to 31st March, 2013.

During the year ended 31st March, 2012, no ordinary or special resolution was passed by your Company's members through postal ballot.

5. Other Disclosures:

a) Materially significant related party transactions:

There are no pecuniary related party transactions that may have potential conflict with the interest of your Company at large. All related party transactions are disclosed in the financial statements.

b) Details of non-compliance:

During the last three years, there were no instances of non-compliance, penalties, strictures imposed on your Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

c) 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.

d) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section of this Annual Report and forms a part of this Report.

e) CEO/CFO Certification:

Your Company has obtained a certificate from Manager & Chief Executive Officer and Vice President – Finance in respect of matters stated in Clause 49 (V) of the Listing Agreement.

6. Means of communication:

The quarterly / annual financial results of your Company during / for the year ended 31st March, 2012 were sent to the Stock Exchanges immediately after they were taken on record by the Board and published in well-circulated Gujarati and English dailies as well. The said results were also posted on your Company's website viz.: www.inoxmovies.com.

7. General Shareholder information:

AGM:

Date : Friday, 27th July, 2012

Time : 11.00 a.m.

Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara

Financial year : 31st March, 2012

Book Closure Dates : Friday, 20th July, 2012 to Friday, 27th July, 2012 (both days inclusive)

Listing on Stock Exchanges:

1. National Stock Exchange of India Limited
   Exchange Plaza, Plot No. C/1, G Block,
   Bandra Kurla Complex, Bandra (East), Mumbai – 400051
2. Bombay Stock Exchange Limited
   Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

Stock Code

National Stock Exchange of India Limited	**INOXLEISUR**
Bombay Stock Exchange Limited	**532706**

Market Price Data: High, Low during each month in last financial year

Month	NSE High	NSE Low	BSE High	BSE Low
April' 11	54.80	44.80	54.90	45.00
May' 11	48.80	41.40	48.60	42.00
June' 11	47.70	41.00	47.75	41.00
July' 11	51.85	42.00	51.95	42.10
August' 11	49.20	33.60	46.70	33.50
September' 11	59.50	41.85	59.60	42.00
October' 11	56.75	46.40	56.45	48.00
November' 11	55.35	39.75	55.10	40.15
December' 11	44.80	35.60	44.95	35.55
January' 12	52.00	39.40	51.90	39.40
February' 12	56.95	48.05	56.85	48.15
March' 12	56.65	45.65	56.70	46.00

The opening NIFTY, as on 1st April, 2011, was 5,835.00 and the closing NIFTY, as on 30th March, 2012, was 5,295.55 (-9.24%). On 1st April, 2011, the Opening price of the Company's Share on NSE was ₹ 45.00 and as on 30th March, 2012 closing price on NSE was ₹ 51.05 (+13.44%).

The opening BSE Sensex as on 1st April, 2011, was 19,463.11 and the closing BSE Sensex as on 30th March, 2012 was 17,404.20 (-10.58%). On 1st April, 2011, the Opening price of the Company's Share on BSE was ₹ 45.10 as on 30th March, 2012 closing price on BSE was ₹ 51.05 (+13.19%).

Registrar and Transfer Agents:

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

Karvy Computershare Private Limited

Plot No. 17 – 24, Vittal Rao Nagar, Madhopur, Hyderabad – 500 081

Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31st March, 2012 is as follows:					
Shareholding of nominal value	**No. of Shareholders**	**% to total**	**No. of Shares**	**Amount in ₹**	**% to Total**
1 – 5000	38,466	92.68	4,031,643	40,316,430	6.51
5001 – 10000	1,597	3.85	1,333,577	13,335,770	2.15
10001 – 20000	726	0.62	1,130,605	11,306,050	1.83
20001 – 30000	257	0.25	655,069	6,550,690	1.06
30001 – 40000	105	0.25	381,554	3,815,540	0.62
40001 – 50000	87	0.21	416,274	4,162,740	0.67
50001 – 100000	140	0.34	1,031,228	10,312,280	1.67
100001 & Above	127	0.31	52,915,598	529,155,980	85.49
TOTAL	**41,505**	**100%**	**61,895,548**	**618,955,480**	**100.00%**

Particulars of shares held by Non-Executive Directors:

Name of the Director	No. of shares as on 31st March, 2012
Mr. Pavan Jain	* 1,588,157
Mr. Vivek Jain	** 1,250,000
Mr. Deepak Asher	25,000
Mr. Sanjeev Jain	100

* Out of these shares 338,157 equity shares are held as Trustee of "Inox Leisure Limited – Employees Welfare Trust" and 600,000 equity shares are held jointly with Mr. Siddharth Jain.

** Out of these 600,000 equity shares are held jointly with Mr. Devansh Jain.

Shareholding Pattern as on 31st March, 2012

Category	No. of Shares Held	Percentage of Shareholding
Promoter's holding		
– Indian Promoters	41,202,553	66.57%
Sub-Total	**41,202,553**	**66.57%**
Non-Promoters Holding		
Institutional Investors		
– Banks, Financial Institutions	27,032	0.04%

– FIIs	1,070	0.00%
Sub-Total	**28,102**	**0.04%**
Others		
Bodies Corporate	5,929,400	9.58%
Indian Public	13,682,505	22.11%
NRIs / OCBs	540,542	0.87%
Any other		
– Trusts	351,070	0.57%
– Clearing Members	161,376	0.26%
Sub-Total	**20,664,893**	**33.39%**
Grand Total	**61,895,548**	**100.00%**

Dematerialization of shares and liquidity:

Your Company's equity shares are traded compulsorily in dematerialized form. Approximately 97.46% of the equity shares of your Company are in dematerialized form. ISIN number for dematerialization of the equity shares of your Company is INE312H01016.

Outstanding GDRs/ADRs/Warrants:

Your Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

Property Locations:

The Multiplex Cinema Theatres of your 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	CR2, 2nd Floor, Opp. Bajaj Bhavan, Nariman Point, Mumbai.
7	Bangalore	4th Floor, Garuda Mall, Magrath Road, Bangalore.
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	Durgapur	Dream Plex, BSIDL Building, Durgapur.
17	Jaipur	4th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur.
18	Lucknow	4th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow.
19	Raipur	3rd Floor, City Mall 36, G. E. Road, NH-6, Raipur.
20	Mumbai	2nd Floor, Milan Mall, Near Milan Subway, Santacruz (W), Mumbai.
21	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata.

22	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada.
23	Faridabad	3rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad.
24	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur.
25	Bangalore	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore.
26	Burdwan	4th Floor, Burdhwan Arcade, 60, B.B Ghosh Road, Burdwan.
27	Hyderabad	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad.
28	Siliguri	5th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri.
29	Rajarhath	3rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata.
30	Indore	4th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore.
31	Thane	3rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane.
32	Vizag	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam.
33	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam.
34	Bangalore	3rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bangalore.
35	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka.
36	Jaipur	Pink Square Mall, Raja Park, Jaipur.
37	Kanpur	3rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur.
38	Bangalore	5th Floor, Bangalore Central, 45th Cross, J. P. Nagar 2nd Phase, Bangalore.
39	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal.
40	Siliguri	City Centre, Matigara, Siliguri, West Bengal.
41	Vijaywada	3rd Floor, LEPL Icon, Patamata, Vijayawada.

Address for correspondence:

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.

Phone No.: 4062 6900 Fax No.: 4062 6999 Email Address: investors@inox.co.in.

Listing Fees:

Your Company has paid the annual listing fees for the financial year 2012-13 to the NSE and BSE on which the securities are listed.

8. Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and senior management of your Company. The Code of Conduct is available on the website of your Company. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

Declaration by the CEO:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and senior management have affirmed compliance with the Code of Conduct for the year ended 31.03.2012.

Place: Mumbai
Date: 24th May, 2012

Alok Tandon
Chief Executive Officer

Auditors' Certificate on Corporate Governance

To the Members of Inox Leisure Limited

We have examined the compliance of the conditions of Corporate Governance by Inox Leisure Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

Compliance with the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure 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, as per the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects.

We state that in respect of investor grievances received during the year ended 31st March, 2012, no investor grievances are pending against 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 Patankar & Associates,
Chartered Accountants
Firm Reg. No. 107628W

(M Y Kulkarni)
Partner
Mem. No. 35524

Place : Pune
Dated : 24th May, 2012

AUDITORS' REPORT TO THE MEMBERS OF INOX LEISURE LIMITED

1. We have audited the attached Balance Sheet of Inox Leisure Limited (the "Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (iv) In our opinion, the Balance Sheet, Statement of Profit Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

      b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

      c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates
Chartered Accountants
Firm Reg. No. 107628W

(M.Y. Kulkarni)
Partner
Mem. No. 35524

Place : Pune
Dated : 24th May, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF INOX LEISURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

In terms of the Companies (Auditors Report) Order, 2003, on the basis of information and explanations 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.

   Fixed assets disposed of during the year were not substantial and therefore do not affect the going concern assumption.

2. Inventories were physically verified by the management at reasonable intervals during the year.

   In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 1200 lacs and the year-end balance is ₹ Nil. In our opinion, the rate of interest and other terms and conditions on which this loan was granted are not prima-facie prejudicial to the interest of the Company. The company was regular in payment of interest and repayment of the principle.

   The Company has taken loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 20500 lacs and the year-end balance is ₹ 19300 lacs. In our opinion, the rate of interest and other terms and conditions on which these loans were taken are not prima-facie prejudicial to the interest of the Company. The Company is regular in payment of interest and repayment of the principle.

4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sales and services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.

5. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion, for purchase of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year, no comparison of prices could be made available as these legal services are of special nature. There were no transaction of purchase of goods and materials, and sale of goods, materials and services with parties covered in the register maintained under section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.

9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Cess, Entertainment

Tax and other material statutory dues applicable to it. No payments were due in respect of Investors Education and Protection Fund and Excise Duty.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service tax, Customs Duty, Excise Duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

Particulars of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty or Cess, which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in lacs)	Forum where dispute is pending
Service-tax	Levy of service tax on certain income	90.13	Customs, Excise & Service Tax Appellate Tribunal, Mumbai

In respect of levy of service tax on renting of immovable properties, see note no. 30 in the notes to the financial statements.

10. The Company does not have accumulated losses and the Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has given guarantee for the credit facilities taken by its subsidiary Company from banks and the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. In our opinion, the term loans availed during the year by the Company were applied for the purpose for which they were obtained.
17. The Company has not raised funds on short-term basis during the year and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. During the year the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the Company was noticed or reported during the course of our audit.

For Patankar & Associates
Chartered Accountants
Firm Reg. No. 107628W

(M.Y. Kulkarni)
Partner
Mem. No. 35524

Place : Pune
Dated : 24th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

₹ in lacs

	Note No.	As at 31st March 2012	As at 31st March 2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	4	6,155.74	6,154.18
(b) Reserves and Surplus	5	26,673.52	25,649.84
		32,829.26	**31,804.02**
2 Non-Current Liabilities			
(a) Long-term borrowings	6	20,798.09	18,871.95
(b) Deferred tax liabilities (Net)	7	1,941.20	1,744.56
(c) Other long term liabilities	8	76.79	25.24
(d) Long-term provisions	9	187.97	163.29
		23,004.05	**20,805.04**
3 Current liabilities			
(a) Trade payables	10	3,678.33	2,317.48
(b) Other current liabilities	11	4,057.40	4,243.73
(c) Short-term provisions	9	809.27	168.20
		8,545.00	**6,729.41**
TOTAL		**64,378.31**	**59,338.47**
II ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	33,043.55	33,834.15
(ii) Intangible assets	13	269.19	146.37
(iii) Capital work-in-progress	14	2,414.24	913.32
		35,726.98	34,893.84
(b) Non-current investments	15	17,925.40	8,536.16
(c) Long term loans and advances	16	7,414.69	11,666.10
(d) Other non-current assets	17	192.53	142.54
		61,259.60	**55,238.64**
2 Current Assets			
(a) Current investments	15	0.21	0.21
(b) Inventories	18	311.85	262.06
(c) Trade receivables	19	1,417.28	1,270.17
(d) Cash and bank balances	20	713.93	1,690.43
(e) Short-term loans and advances	21	628.90	750.92
(f) Other current assets	22	46.54	126.04
		3,118.71	**4,099.83**
TOTAL		**64,378.31**	**59,338.47**

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

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

		Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
I	**INCOME**			
	Revenue from operations	23	41,873.24	33,732.05
	Other Income	24	604.38	504.71
	Total Revenue		**42,477.62**	**34,236.76**
II	**EXPENSES**			
	Entertainment tax		5,206.00	4,482.93
	Exhibition Cost	25	11,994.52	9,515.32
	Cost of Food and Beverages	26	2,226.24	1,775.39
	Employee benefits expense	27	2,625.93	2,317.42
	Finance costs	28	1,758.85	1,522.92
	Depreciation & amortization	12 & 13	2,015.76	1,883.07
	Other Expenses	29	14,417.70	12,379.85
	Total Expenses		**40,245.00**	**33,876.90**
III	**Profit Before Exceptional items and tax**		**2,232.62**	**359.86**
	Exceptional Item – Service Tax on lease rentals in respect of earlier years	30	973.29	(561.34)
IV	**Profit Before Tax**		1,259.33	921.20
	Tax expenses			
	Current tax		447.00	326.00
	MAT Credit Entitlement		(412.00)	(293.00)
	Deferred tax		350.56	185.38
	Taxation in respect of earlier years	33(c)	(153.92)	7.03
			231.64	225.41
	Profit for the year		**1,027.69**	**695.79**
	Earnings Per Equity Share of ₹ 10 each	50		
	Basic		1.67	1.13
	Diluted		1.67	1.13

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

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

		For the year ended 31st March 2012	For the year ended 31st March 2011
A	**Cash flow from operating activities**		
	Net profit before tax	1,259.33	921.20
	Adjustments for :		
	Depreciation and amortization	2,015.76	1,883.07
	Loss on fixed assets sold/scrapped net	27.84	38.01
	Bad debts and remissions	4.07	0.00
	Provision for doubtful debts	79.46	58.42
	Provision for doubtful advances	12.11	7.06
	Liabilities written back	(149.29)	(78.25)
	Provision for doubtful advances written back	(5.00)	(5.00)
	Amortization of value of Stock Options	(4.78)	9.87
	Foreign exchange fluctuation gain	1.72	0.00
	Expenses on Abandoned Projects Written Off	29.31	28.34
	Interest received	(404.55)	(410.45)
	Gain on sale of current investments	(42.25)	(8.89)
	Finance cost	1,758.85	1,522.92
	Operating profit before working capital changes	4,582.58	3,966.30
	Changes in working capital		
	Trade payables	1,360.85	143.14
	Long-term provisions	24.68	(108.62)
	Short-term provisions	641.07	168.20
	Other current liabilities	296.22	(640.69)
	Other long term liabilities	51.55	(188.76)
	Trade receivables	(230.64)	(432.49)
	Inventories	(49.79)	(66.72)
	Long-term loans and advances	3,430.92	(5,065.89)
	Short-term loans and advances	251.64	521.50
	Cash generated from operation	10,359.08	(1,704.03)
	Direct taxes paid (net)	(576.63)	183.18
	Net cash from/(used in) operating activities	**9,782.45**	**(1,520.85)**
B	**Cash flow from investing activities**		
	Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(2,856.97)	(2,524.65)
	Sale of fixed assets	17.93	3.55
	Acquisition of Intangible Assets	(170.18)	(57.39)
	Investment in subsidiary company	(9,376.62)	–
	Purchase of other investments	(5,212.62)	(4,466.84)
	Sale/redemption of investments	5,242.25	4,208.89
	Intercorporate Deposit given / received back	1,200.00	(1,200.00)
	Release from Escrow Account for Open Offer	–	4,221.54
	Movement in bank fixed deposits with original maturity of more than 3 months (net)	(36.80)	827.68
	Interest received	480.08	285.87
	Net cash from/(used in) investment activities	**(10,712.93)**	**1,298.65**
C	**Cash flow from financing activities**		
	Shares issued under ESOP	2.34	7.16
	Proceeds from / Repayment of Inter-corporate Deposit (net)	4,200.00	2,400.00
	Proceeds from / Repayment of Term Loans (net)	(2,273.86)	116.44
	Finance cost	(1,983.52)	(1,274.25)
	Net cash from/(used in) financing activities	**(55.04)**	**1,249.35**
	Net (Decrease) / Increase in cash and cash equivalents	(985.52)	1,027.15
	Cash and cash equivalents at the beginning of the year	1,445.14	417.98
	Cash and cash equivalents at the end of the year	**459.62**	**1,445.14**

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

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. CORPORATE INFORMATION

Inox Leisure Limited (the "Company") is engaged in the business of operating & managing multiplexes and cinema theatres in India. The Company is a public company and its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The Company is a subsidiary of Gujarat Fluorochemicals Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition:

Income from Box Office and Film Distribution is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the Company's Multiplexes and recognized on accrual basis as per the contractual arrangements. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser. Dividend income is recognised when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest-bearing securities is recognised on time proportion basis.

b) Fixed Assets:

Fixed assets are carried at cost of acquisition or cost of construction, as reduced by accumulated depreciation/ amortization, except freehold land, which is carried at cost. Project pre-operative expenses and expenditure incurred during construction period of Multiplexes are capitalized to various eligible assets in respective Multiplexes. Such expenses in respect of the Multiplexes under construction are carried forward for being capitalised at the time of completion.

c) Amortization and Depreciation of Fixed Assets:

Cost of leasehold land is amortized over the period of lease. On other fixed assets, excluding freehold land, depreciation is provided on straight-line basis as under:

I. 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 Schedule XIV of the Companies Act, 1956, whichever is shorter.

II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Individual items of Fixed Assets added during the period, costing ₹ 5,000 or less, are fully depreciated in the first year. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

d) Amortization of Film Distribution Rights and Prints Cost (intangible assets):

Cost of film distribution rights acquired and prints cost is amortized over a period of one year from the date of release of the movie as under:

50%, 30%, 10% and 10% of the costs in the first, second, third and fourth quarter respectively and in a quarter, pro-rata for the completed weeks.

e) Amortization of Movie script (intangible assets):

Cost of movie script acquired is amortized over a period of five year from the date of agreement.

f) Impairment of assets :

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

g) Investments :

Long-term investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary, in the values of these investments. Current Investments are carried at lower of the cost and fair value.

h) Inventories :

Inventories are valued at lower of the cost and net realisable value. Cost is determined using FIFO method.

i) Employee Benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss in the year in which related services are rendered. Company's contribution towards provident fund paid / payable during the year are charged to the statement of profit and loss. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the statement of profit and loss at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the statement of profit and loss.

j) Leases :

The lease term is the non-cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

Assets taken on operating lease

Lease rentals in respect of assets acquired on operating lease are charged-off to the statement of profit and loss as per the terms of the respective lease agreements.

k) Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l) Taxes on Income :

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

m) Foreign Currency Transactions:

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or losses on settlement of the transactions are recognized in the statement of profit and loss. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognized in the statement of profit and loss.

n) Earnings Per Share:

Basic EPS is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

o) Provisions and contingent Liabilities :

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. 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. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

p) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4 : Share Capital

₹ in lacs

Particulars	31st March 2012	31st March 2011
Authorised Capital		
7,50,00,000 Equity Shares of ₹ 10/ – each	7,500.00	7,500.00
Issued, Subscribed and fully paid up shares		
6,18,95,548 Equity Shares of ₹ 10/ – each	6,189.56	6,189.55
Less: 3,38,157 (previous year 3,53,737) Equity Shares of ₹ 10/ – each, issued to ESOP Trust but not allotted to employees – see note no. 32	33.82	35.37
Adjusted Issued, Subscribed and Paid-up Capital	**6,155.74**	**6,154.18**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2012		As at 31st March 2011	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	61,541,811	6,154.18	61,494,088	6,149.41
Issued during the year – ESOP	15,580	1.56	47,723	4.77
Outstanding at the end of the year	**61,557,391**	**6,155.74**	**61,541,811**	**6,154.18**

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entittled to receive the remaining assets of the Company, in proportion to their shareholding, after distribution of all preferential amounts, if any.

c) Equity shares held by holding/ultimate holding company

Particulars	As at 31st March 2012		As at 31st March 2011	
	No.	₹ in lacs	No.	₹ in lacs
Gujarat Fluorochemicals Limited – the holding Company	40,615,092	4,061.51	40,615,092	4,061.51
Inox Leasing & Finance Limited, the ultimate holding company	587,461	58.75	213,875	21.39

d) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

1,895,548 fully paid-up equity shares were issued to shareholders of erstwhile Calcutta Cine Private Limited pursuant to a Scheme of Amalgamation during the year ended 31st March, 2008

e) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31st March 2012		As at 31st March 2011	
	No.	%	No.	%
Gujarat Fluorochemicals Limited – the holding Company	40,615,092	65.62%	40,615,092	65.62%

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note no.32

5 : Reserves & Surplus

₹ in lacs

Particulars	31st March 2012	31st March 2011
Amalgamation Reserve		
Balance as per last Balance Sheet	387.90	387.90
Securities Premium Account		
Balance as per last Balance Sheet	13,005.24	12,998.94
Add: arising out of grant of options to employees	–	13.75
Less: reduction on account of lapse of Employee Stock Options	(8.38)	(7.45)
	12,996.86	13,005.24
Less: Premium on shares issued to ESOP Trust but not allotted to employees	21.03	48.11
Balance as at the end of the year	**12,975.83**	**12,957.13**
Employee Stock Options Outstanding		
Balance as per last Balance Sheet	25.43	78.02
Less: On account of options granted/lapsed/exercised and amortisation of value of stock options (net)	(22.71)	(52.59)
Balance as at the end of the year	2.72	25.43
General Reserve		
Balance as per last Balance Sheet	5,400.00	5,400.00
Surplus in the Statement of Profit and Loss		
Surplus as per last Balance Sheet	6,879.38	6,183.59
Add: Profit for the year	1,027.69	695.79
Balance as at the end of the year	7,907.07	6,879.38
Total	**26,673.52**	**25,649.84**

6 : Long-term borrowings

₹ in lacs

Particulars	Non-current portion		Current maturities	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Term Loans from Banks (secured)	1,498.09	3,771.95	2,273.83	2,273.83
Loans & Advances from related parties (unsecured)				
Inter-corporate Deposits				
– from Holding Company	18,700.00	13,300.00	–	–
– from Ultimate Holding Company	600.00	1,800.00	–	–
	19,300.00	15,100.00	–	–
Total borrowings	20,798.09	18,871.95	2,273.83	2,273.83
Less: Amount disclosed under the note no. 11 "Other current liabilities"	–	–	(2,273.83)	(2,273.83)
Total	**20,798.09**	**18,871.95**	**–**	**–**

Nature of Security and terms of repayment for secured borrowings

Term loan from Axis Bank amounting to ₹ 660.81 lacs (previous year ₹1101.33 lacs) carries interest @ bank base rate + 2.75 % p.a. which is in the range of 11.75% to 12.75% and is secured by mortgage of immovable property situated at

Vadodara and charge on all stocks, debts and movable properties situated at Burdhwan, Indore Central, Rajarhat (Kolkata), Jayanagar (Bangalore), Siliguri and Maleshwaram (Bangalore) multiplexes. The loan is repayable in 16 equal quarterly instalments beginning from 31st December, 2009.

Term loan from Citi Bank amounting to ₹1166.66 lacs (previous year ₹1833.33 lacs) carries interest @ 8.75% p.a. and is secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune, Thane and Rajapark (Jaipur) multiplexes and five future properties. The loan is repayable in 12 equal quarterly instalments beginning from 29th January, 2011.

Term loan from ING Vysya Bank amounting to ₹1944.44 lacs (previous year ₹ 3111.11 lacs) carries interest @ 9.5% p.a. and is secured by charge on immovable property situated at Nariman Point and exclusive charge on all the current and fixed assets situated at Vizag Beach Road, Vizag CMR Mall, Kanpur, Belgaum, J.P.Nagar (Bangalore) multiplexes and two future multiplexes. The loan is repayable in 36 equal monthly instalments beginning from 1st December, 2010.

Terms of repayment for unsecured borrowings

The inter-corporate deposits are repayable in 3-4 years from the date of the respective deposits beginning from 8th June 2013 and carry interest in the range of 8.75% to 11.50%.

7 : Deferred Tax Liabilities (net)

₹ in lacs

Particulars	31st March 2012	31st March 2011
Deferred Tax Liabilities		
On account of difference between book depreciation and tax depreciation (net of unabsorbed depreciation)	2,321.22	1,890.24
Total Liabilities	2,321.22	1,890.24
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act	323.56	115.00
Provision for doubtful debts	56.46	30.68
Total Assets	380.02	145.68
Net Deferred Tax Liability	**1,941.20**	**1,744.56**

8 : Other Long-term liabilities

₹ in lacs

Particulars	31st March 2012	31st March 2011
Security Deposits Received	14.87	6.65
Retention Money	61.92	18.59
Total	**76.79**	**25.24**

9 : Provisions

₹ in lacs

Particulars	Long-term		Short-term	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Provision for Gratuity	128.43	111.75	24.53	18.92
Provision for Leave benefits	59.54	51.54	21.40	17.48
Provision for Municipal tax – see note no.48	–	–	154.60	131.80
Provision for Service tax – see note no.30	–	–	608.74	–
Total	**187.97**	**163.29**	**809.27**	**168.20**

10 : Trade Payables

₹ in lacs

Particulars	31st March 2012	31st March 2011
Trade payables		
- Dues to Micro and Small Enterprises (see note no. 49)	2.39	4.46
- Others	3,675.94	2,313.02
Total	**3,678.33**	**2,317.48**

11 : Other Current Liabilities

₹ in lacs

Particulars	31st March 2012	31st March 2011
Current maturities of long-term debt (from note no.6)	2,273.83	2,273.83
Interest accrued and due on borrowings	24.00	248.67
Income Received in advance	521.74	489.45
Unclaimed Dividend (see note below)	3.84	3.84
Advances from customers	101.78	137.10
Statutory dues and taxes payable	371.21	346.72
Creditors for capital expenditure	494.43	390.84
Retention Money	76.83	148.51
Security Deposit	183.17	198.30
Other Payables	6.57	6.47
Total	**4,057.40**	**4,243.73**

Note: In respect of amounts mentioned under unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.

12 : Fixed Assets – Tangible Assets

₹ In lacs

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions during the year	Other Adjustments Borrowing Cost	As at 31st March 2012	As at 1st April 2011	Additions during the year	Deductions during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Land (Freehold)	2,182.42	–	–	–	2,182.42	–	–	–	–	2,182.42	2,182.42
Land (Leasehold)	367.58	–	–	–	367.58	34.19	5.86	–	40.05	327.53	333.38
Buildings (*)	11,437.54	–	–	–	11,437.54	1,201.69	186.43	–	1,388.12	10,049.42	10,235.85
Lease hold improvements	8,952.35	415.33	–	7.88	9,375.56	1,281.68	499.13	–	1,780.81	7,594.75	7,670.67
Plant & Equipment	13,496.63	472.98	40.76	5.75	13,934.60	3,197.99	815.82	20.32	3,993.49	9,941.11	10,298.66
Furniture & Fixtures	3,442.62	217.92	44.70	3.34	3,619.18	1,042.68	328.30	28.19	1,342.79	2,276.39	2,399.94
Vehicles	119.71	20.33	15.04	–	125.00	14.01	11.99	6.85	19.15	105.85	105.70
Office Equipments	1,173.79	80.06	0.84	–	1,253.01	566.26	120.88	0.21	686.93	566.08	607.53
Total	41,172.64	1,206.62	101.34	16.97	42,294.89	7,338.50	1,968.41	55.57	9,251.34	33,043.55	33,834.14
PREVIOUS YEAR	36,759.55	4,344.90	85.35	153.54	41,172.64	5,540.92	1,841.37	43.79	7,338.50	33,834.14	

(*) Includes ₹ 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

13 : Fixed Assets – Intangible Assets

₹ In lacs

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions during the year	Other Adjustments Borrowing Cost	As at 31st March 2012	As at 1st April 2011	Additions during the year	Deductions during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Computer Software	324.18	14.68	–	–	338.86	177.82	40.89	–	218.71	120.15	146.37
Movie Script	–	155.50	–	–	155.50	–	6.46	–	6.46	149.04	–
Film Distribution Rights & Prints Cost	139.49	–	139.49	–	–	139.49	–	139.49	–	–	–
Total	463.67	170.18	139.49	–	494.36	317.31	47.35	139.49	225.17	269.19	146.37
PREVIOUS YEAR	1,256.38	57.39	850.10	–	463.67	1,125.70	41.70	850.10	317.30	146.37	

14 : Capital work-in-progress

₹ in lacs

Particulars	As at 31st March 2012	As at 31st March 2011
Capital work-in-progress	1,977.95	658.00
Pre-operative expenditure pending allocation	436.29	255.32
Total	**2,414.24**	**913.32**
Pre-operative expenditure pending allocation		
Opening Balance	255.32	629.55
Add: Expenses incurred during the year		
Salaries, Bonus etc.	172.68	163.00
Contribution to PF, ESIC etc.	0.45	1.52
Staff Welfare	1.26	0.95
Legal, Professional and Consultancy Charges	104.08	81.68
Travelling & Conveyance	102.57	80.56
Insurance	4.04	0.14
Electricity Charges	14.84	10.07
Communication Expenses	2.02	2.67
House Keeping	4.08	3.98
Outsourced Personnel Cost	11.09	21.50
Security Charges	38.32	23.00
Miscellaneous Expenses	7.37	4.18
Finance costs	31.25	50.72
Sub-Total	494.05	443.97
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	4.45	4.45
Sub-Total	744.92	1,069.07
Less: Capitalised	279.33	785.41
Less: Expenses on Abandoned Projects Written off	29.31	28.34
Closing balance	**436.28**	**255.32**

15 : Non-Current Investments
(Non-trade, at cost)

₹ in lacs

Particulars	Non-Current Investments		Current Portion	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
a) Investments in Equity Instruments (quoted)				
Investment in subsidiary	17,879.35	8,502.73	-	-
38438312 (previous year - 1,75,66,363) Equity shares of Fame India Limited of ₹10/- each, fully paid-up. (A subsidiary with effect from 6th January 2011 - see note no. 31)				
Market value of quoted investment - ₹ 26522.44 lacs (previous year - ₹9819.59 lacs)				

₹ in lacs

Particulars	Non-Current Investments		Current Portion	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
b] Investments in Government Securities (unquoted)				
National Savings Certificates (Held in the name of Directors/Employees and certificates worth ₹ 46.26 lacs (previous year ₹ 33.64 lacs) are pledged with Government Authorities)	46.05	33.43	0.21	0.21
Total	**17,925.40**	**8,536.16**	**0.21**	**0.21**

16 :Long-term loans and advances

(unsecured, considered good, unless otherwise stated)

₹ In lacs

Particulars	31st March 2012	31st March 2011
Capital Advances	2.64	4.79
Security Deposits	3,896.35	3,551.31
Service Tax Credit Available	74.54	97.84
Entertainment Tax Refund Claimed	1,093.08	846.13
Income Tax paid (net of provisions)	132.09	2.47
MAT Credit Entitlement	2,003.00	1,591.00
Loans and advances to related parties		
Inter-corporate Deposit to subsidiary company (see note no. 47)	–	1,200.00
Advances recoverable in cash or in kind		
– Considered Good	212.99	4,372.56
– Considered Doubtful	5.00	10.00
	217.99	4,382.56
Less: Provision for doubtful advances	5.00	10.00
	212.99	4,372.56
Total	**7,414.69**	**11,666.10**

17 :Other non-current assets

₹ In lacs

Particulars	31st March 2012	31st March 2011
Non-current bank balances (from note no. 20)	70.48	42.70
Interest accrued on long term investments		
on long term investments	10.51	6.53
others	111.54	93.31
Total	**192.53**	**142.54**

18 :Inventories

(valued at lower of cost and net realizable value)

₹ In lacs

Particulars	31st March 2012	31st March 2011
Food & Beverages	187.66	150.28
Stores, Spares & Fuel	124.19	111.78
Total	**311.85**	**262.06**

19 : Trade Receivables

(unsecured, considered good, unless otherwise stated)

₹ In lacs

Particulars	31st March 2012	31st March 2011
Considered Good		
Outstanding for a period exceeding six months	286.60	242.31
Others	1,130.68	1,027.86
	1,417.28	1,270.17
Considered Doubtful		
Outstanding for a period exceeding six months	174.03	94.57
	1,591.31	1,364.74
Less: Provision for doubtful trade receivables	174.03	94.57
Total	**1,417.28**	**1,270.17**

20 : Cash & Bank Balances

₹ In lacs

Particulars	Non-current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Cash and Cash equivalents				
Balances with banks				
in Current accounts	–	–	195.74	411.02
Deposit accounts with original maturity of less than 3 months	–	–	106.24	920.83
	–	–	301.98	1,331.85
Cash on Hand	–	–	157.64	113.29
Total cash and cash equivalents	–	–	459.62	1,445.14
Other bank balances				
in Unpaid dividend accounts	–	–	3.84	3.84
Deposits with original maturity for more than 3 months but less than 12 months	–	–	233.74	219.62
Deposits with original maturity for more than 12 months	70.48	42.70	16.73	21.83
Total other bank balances	70.48	42.70	254.31	245.29
Total cash and bank balances	70.48	42.70	713.93	1,690.43
Less: Amount disclosed under note no. 17 "Other non-current assets"	(70.48)	(42.70)	–	–
Total	**–**	**–**	**713.93**	**1,690.43**
Other bank balances include margin money deposits given as security as under:				
Deposits with original maturity for more than 3 months but less than 12 months	–	–	17.80	16.59
Deposits with original maturity for more than 12 months-Margin Money Deposit	70.48	42.70	16.73	21.83
	70.48	42.70	34.53	38.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

21 :Short-term loans & advances

(unsecured, considered good, unless otherwise stated)

₹ In lacs

Particulars	31st March 2012	31st March 2011
Prepaid expenses	121.64	125.92
Security Deposits	15.29	10.20
Inter Corporate Deposit	100.00	–
Service Tax Credit Available	23.31	108.19
Advances recoverable in cash or in kind	135.72	220.81
Advances to suppliers		
– Considered Good	232.94	285.80
– Considered Doubtful	54.44	42.33
	287.38	328.13
Less: Provision for doubtful advances	54.44	42.33
	232.94	285.80
Total	**628.90**	**750.92**

22 :Other current assets

₹ In lacs

Particulars	31st March 2012	31st March 2011
Interest accrued		
on bank fixed deposits	4.39	10.85
on long term investments	0.13	0.11
others	42.02	115.08
Total	**46.54**	**126.04**

23 :Revenue from operations

₹ In lacs

Particulars	31st March 2012	31st March 2011
a) Sale of services:		
Box Office Revenue	31,310.40	25,440.49
Conducting Fees	1,125.43	1,059.36
Advertising Income	1,779.92	1,372.35
Film Distribution Income	–	1.26
Management Fees	113.18	69.29
Parking Charges	84.02	76.81
	34,412.95	28,019.56
b) Sale of products		
(see note no. 37)		
Food & Beverages	7,084.29	5,427.86
Sale of Power	11.13	5.38
	7,095.42	5,433.24
c) Other operating revenue	364.87	279.25
Total	**41,873.24**	**33,732.05**

24 :Other Income

₹ In lacs

Particulars	31st March 2012	31st March 2011
Interest		
On Bank Fixed Deposits	89.70	254.96
On Long Term Investments	3.99	4.56
On Income Tax Refunds	1.57	21.75
On Inter-corporate Deposits	76.36	0.72
Other Interest	232.93	128.46
	404.55	410.45
Gain on Sale of Current Investments	42.25	8.89
Liabilities Written Back	149.29	78.25
Provision for doubtful advances written back	5.00	5.00
Foreign exchange fluctuation gain	1.72	–
Miscellaneous Income	1.57	2.12
Total	**604.38**	**504.71**

25 :Exhibition Cost

₹ In lacs

Particulars	31st March 2012	31st March 2011
Distributors' share	11,521.48	9,147.79
Other exhibition cost	473.04	367.53
Total	**11,994.52**	**9,515.32**

26 :Cost of food and beverages
(see note no. 37)

₹ In lacs

Particulars	31st March 2012	31st March 2011
Opening Stock	150.28	108.66
Add: Purchases	2,263.62	1,817.01
	2,413.90	1,925.67
Less: Closing stock	187.66	150.28
Cost of Food and Beverages	**2,226.24**	**1,775.39**

27 :Employee benefits expense

₹ In lacs

Particulars	31st March 2012	31st March 2011
Salaries and Wages	2,332.71	2,022.35
Contribution to Provident and other Funds	163.35	142.97
Expense on ESOP (net)	(4.78)	9.87
Gratuity	39.22	44.74
Staff Welfare Expenses	95.43	97.49
Total	**2,625.93**	**2,317.42**

28 :Finance Costs

₹ In lacs

Particulars	31st March 2012	31st March 2011
Interest on borrowings	1,750.04	1,519.19
Other interest	2.10	1.34
Other borrowing cost	6.71	2.39
Total	**1,758.85**	**1,522.92**

29 :Other Expenses

₹ In lacs

Particulars	31st March 2012	31st March 2011
Outsourced Personnel Cost	1,039.76	980.89
Power & Fuel	2,231.78	1,938.38
Water Charges	57.16	49.24
Property Rent and Conducting Fees	5,077.27	4,337.78
Common Facility Charges	1,692.05	1,518.92
Rates & Taxes	194.90	172.97
Service Tax – see note no. 30	919.23	219.73
Travelling & Conveyance	176.24	175.57
Communication Expenses	143.68	143.10
Printing & stationary	152.30	148.08
Advertising & sales promotion	217.93	317.44
House keeping expenses	505.79	437.61
Security expenses	536.60	435.25
Repairs & Maintenance – Building	132.87	151.31
Repairs & Maintenance – Plant and Equipments	500.59	425.32
Repairs & Maintenance – Others	158.76	187.78
Legal & Professional Fees & Expenses	302.31	332.65
Director Sitting Fees	3.55	2.70
Insurance	50.19	66.90
Loss on fixed assets sold/scrapped (net)	27.84	38.01
Bad Debts and remissions	4.07	–
Provision for doubtful debts	79.46	58.42
Provision for doubtful advances	12.11	7.06
Miscellaneous Expenses	171.95	206.40
Expenses on Abandoned Projects Written Off	29.31	28.34
Total	**14,417.70**	**12,379.85**

30. As per the amendment made by the Finance Act 2010, renting of immovable property is defined as a taxable service with retrospective effect from 1 June, 2007 and accordingly, in the annual accounts for the year ended 31st March 2010, the Company had provided for service tax in respect of rent on immovable properties for the year ended 31st March 2009 and 31st March 2010.

During the year ended 31st March 2011, this levy was challenged by the Company by filing Writ Petitions with various High Courts and some of the High Courts had granted a stay against the levy of service tax in respect of immovable properties of the Company situated within their jurisdictions. Based on legal advice obtained by the Company, no provision of service tax was made for the year ended 31st March 2011. Further, the amount provided in the accounts during the year ended 31st March 2010 towards such service tax was reversed and the same is shown as an exceptional item in the statement of profit and loss.

During the current year, the levy has been upheld by several High Courts. The Company has preferred a Special Leave Petition before the Hon'ble Supreme Court which is pending and the Company has made the payments in this regard as directed by the Hon'ble Supreme Court.

In the above circumstances, the Company has provided for service tax on renting of immovable properties. Accordingly an amount of ₹ 525.07 lakhs being the charge for the current year is included in 'Service tax' and the amount of ₹ 973.29 lakhs being the charge for the period upto 31st March 2011 is shown as an exceptional item in the Statement of Profit and Loss.

The movement in the provision for service tax account is as under:

₹ in Lacs

Particulars	Current Year	Previous Year
Opening Balance	Nil	Nil
Provided during the year (including ₹ 973.29 lacs for earlier years)	1498.37	Nil
Amount paid and adjusted during the year	889.63	Nil
Closing balance	608.74	Nil

31. During the year ended 31st March 2010, the Company had acquired 1,50,57,751 equity shares in Fame (India) Limited ("Fame"), being the Promoters' shareholding, 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 ₹ 51 per share.

On completion of Open Offer Company's stake in Fame stood at 50.27% of the then existing issued and paid-up capital of Fame. Accordingly, as per the provisions of Companies Act, 1956, Fame had become a subsidiary of Inox Leisure Limited w.e.f. 6th January 2011.

During the current year the Company has subscribed and acquired 20,212,212 Equity shares of Fame pursuant to Rights issue of Fame. The Company has thereafter acquired 659,737 Equity shares of Fame from the open market. As a result of these acquisitions, the Company now holds 38,438,312 equity shares comprising of 69.54% stake in Fame as on 31 March 2012.

32. During the year ended 31st March 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("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 lacs to the Trust for subscription of these shares at the beginning of the plan.

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the Trust but not transferred to employees is required to be reduced from Share

Capital and Reserves. Out of the 500,000 equity shares allotted to the Trust, 161,843 shares have been transferred to employees up to 31st March 2012. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

Following stock options have been granted to the employees:

On 29th January 2007 (First Grant)	244,120 shares
On 27th October 2009 (Second Grant)	33,332 shares

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. The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1st April 2011	38,419
Granted during the year	Nil
Lapsed during the year	12,839
Exercised during the year	15,580
Outstanding as on 31st March 2012	10,000
Exercisable as on 31st March 2012	5,000
Weighted average exercise price of all stock options	₹ 15

All stock options are exercisable at the exercise price of ₹ 15 per option and the weighted average remaining contractual life is as under:

Options granted on 27th October 2009	1.58 years

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no 27 includes credit of ₹ 4.78 lacs (previous year ₹ 9.87 lacs) being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been higher by ₹ 0.12 lacs, profit after tax lower by ₹ 0.12 lacs and the basic and diluted earnings per share would have been lower by less than ₹ 0.01 each.

33. In respect of taxation matters

a) In the appellate proceedings before the Commissioner of Income-tax (Appeals) and Income Tax Appellate Tribunal, Ahmedabad Bench, the Company's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted. Provision for current tax is made on the same basis for such multiplexes.

b) Provision for current taxation is for Minimum Alternate Tax (MAT) payable on book profit. 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 period available for utilization of MAT credit, the Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has recognized ₹ 412 lakhs (Previous year ₹ 293 lakhs) towards MAT credit entitlement and the cumulative amount as on 31st March, 2012 is ₹ 2003 lakhs.

c) Breakup of taxation pertaining to earlier years is as under

₹ in Lacs

Particulars	2011-12	2010-11
Income-tax	Nil	37.51
Fringe Benefit tax	Nil	(2.48)
MAT Credit entitlement	Nil	(28.00)
Deferred tax	(153.92)	Nil
Net debit /(credit)	(153.92)	7.03

34. Contingent Liabilities:

a. Claims against the Company not acknowledged as debt – ₹ 130.85 lacs (Previous Year ₹ 79.45 lacs)

b. Municipal Tax demand – ₹ 548.33 lacs (Previous Year ₹ 475.39 lacs)

c. Entertainment Tax demand – ₹ 2.22 lacs (Previous Year ₹ 53.06 lacs)

d. Service Tax demand – ₹ 97.31 lacs (Previous Year ₹ 97.31 lacs).

e. ESIC demand – ₹ Nil (Previous Year ₹ 9.71 lacs)

f. Stamp duty demand – ₹ 263.81 lacs (Previous Year ₹ Nil)

g. Corporate guarantee given to bank towards credit facilities of upto ₹ 3716 lacs to subsidiary company – amount of credit facilities outstanding – ₹ 1372.99 lacs (Previous Year ₹ Nil)

35. In respect of Entertainment Tax liability of the Company and its treatment in these accounts: –

a. 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 ₹413.37 lacs (Previous Year ₹ 304.91 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to profit & loss account. Cumulative amount as on 31st March 2012 – ₹ 3007.10 lacs (as on 31st March 2011 – ₹ 2593.73 lacs).

b. In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, 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 eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.

36. Commitments:

a) Capital commitments:

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances – ₹ 996.41 lacs (Previous Year ₹ 174.50 lacs).

b) Other commitments:

The exemption from payment of Entertainment Tax in respect of Multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective State Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far by the Company, which is liable to be paid if the relevant multiplex ceases operations prior to completing the minimum period of operations in terms of the respective policies of the States – ₹ 6852.52 lacs (previous year ₹ 7404.63 lacs).

37. Particulars of sale of products and inventories

Particulars of purchases:

₹ in Lacs

Particulars	Current Year	Previous Year
Food	859.24	650.34
Beverages	1067.44	885.12
Other items	336.94	281.55
Total	2263.62	1817.01

Particulars of sales:

₹ in Lacs

Particulars	Current Year	Previous Year
Food	3966.51	3023.10
Beverages	3117.78	2404.76
Others	11.13	5.38
Total	7095.42	5433.24

Particulars of cost of food and beverages:

₹ in Lacs

Particulars	Current Year	Previous Year
Food	850.07	667.55
Beverages	1056.06	849.36
Other items	320.11	258.48
Total	2226.24	1775.39

Particulars of opening stock:

₹ in Lacs

Particulars	Current Year	Previous Year
Food	23.91	41.12
Beverages	56.23	20.48
Other items	70.14	47.06
Total	150.28	108.66

Particulars of closing stock:

₹ in Lacs

Particulars	Current Year	Previous Year
Food	33.08	23.91
Beverages	67.62	56.23
Other items	86.96	70.14
Total	187.66	150.28

38. Expenditure incurred/payments in Foreign Currency.

₹ in Lacs

Particulars	Current Year	Previous Year
Travelling expenses (including expenditure capitalized)	7.57	7.45
Advertisement Expenses	0.41	Nil
CIF Value of capital goods imported	39.02	Nil

39. Particulars of remuneration to Manager:

₹ in Lacs

Particulars	Current Year	Previous Year
Salary, Allowances & Perquisites	75.72	67.66
Contribution to Provident Fund	3.89	3.20
Total	79.61	70.86

Amount of amortization of the accounting value of options granted to the Manager – ₹ Nil lacs (previous year – ₹ 1.87 lacs)

The Manager was re-appointed for the period from 1st October 2010 to 30th September 2011 at the Annual General Meeting of the Company held on 9th July, 2010 with remuneration not exceeding ₹ 75 lacs per annum, in a manner as may be mutually decided between the Board and the Manager. At the time of re-appointment, this remuneration was within the limits of section 198 and 387 read with Schedule XIII to the Companies Act, 1956. However, in view of inadequacy of profits in the financial year ended 31st March, 2011, the remuneration paid to the Manager was in excess of the limits of section 198 and 387 read with Schedule XIII to the Companies Act, 1956 and required approval of the Central Government. The Company had filed application with the Central Government for waiver of remuneration of ₹ 2.21 lacs paid in excess of the limits and the same was rejected by the Central Government. The Company has made a representation against the rejection and the same is pending.

The Manager was re-appointed for the period from 1st October 2011 to 31st March 2013 at the Annual General Meeting of the Company held on 15th July, 2011 with remuneration not exceeding ₹ 90 lacs per annum, in a manner as may be mutually decided between the Board and the Manager. In view of inadequacy of profit for the financial year 2010-11, this appointment is subject to approval of Central Government. The Company has filed necessary application with Central Government and the same is pending.

40. Amount of ₹ 38.94 lacs (Previous year ₹ 94.58 lacs) is paid towards Legal & Professional fees to firms in which one of the directors is a partner.

41. Particulars of payment to Auditors :

₹ in Lacs

Particulars	Current Year	Previous Year
Statutory Audit	8.50	6.00
Tax Audit	3.50	3.00
Limited Review, Corporate Governance & Consolidated Accounts	5.25	4.50
For taxation matters	2.00	3.50
Certification matters	1.70	1.30
Fees for other matters	1.00	Nil
Out of pocket expenses	0.18	0.13
Total	22.13	18.43

(Note: The above amounts are exclusive of service tax)

42. Following expenses in the Statement of Profit & Loss are net of recoveries of the amounts mentioned hereunder:

₹ in Lacs

Particulars	Current Year	Previous Year
Power & Fuel	180.06	165.90
Salaries	Nil	39.69
Water Charges	1.17	0.60
Advertisement & Sales Promotion	0.57	0.07
Housekeeping Expenses	3.50	3.73
Security Expenses	5.35	5.51

43. The arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of ₹ 18.23 lacs. (Previous Year ₹ 18.23 lacs) Total amount of interest receivable upto 31st March, 2012 is ₹111.54 lacs. During the previous year the said award has been challenged before the District Court and the matter is pending.

44. The Company's significant leasing arrangements are in respect of :-

a. Operating leases for premises (offices and residential accommodations for employees) – Generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals of ₹ 3.05 lacs (Previous Year ₹ 2.62 lacs) are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.

b. The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of ₹ 5074.22 lacs (Previous Year ₹ 4335.15 lacs) are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.

The future minimum lease / conducting fees payments under these arrangements are as under:

₹ in Lacs

Particulars	Current Year	Previous Year
Not later than one year	4557.43	4598.12
Later than one year and not later than five years	19977.05	19203.58
Later than five years	70812.89	74946.65
Total	95347.37	98748.35

45. Segment Information

A. Information about Primary Segment

₹ in Lacs

Sr. No	Particulars	Current Year	Previous Year
I	Segment Revenue		
	a. Theatrical Exhibition	42030.82	33816.16
	b. Others	Nil	1.26
	c. Un-allocable and Corporate	446.80	419.34
	Total revenue (external)	42477.62	34236.76
II	Segment Result		
	a. Theatrical Exhibition	2595.28	2026.70
	b. Others	(23.90)	(4.31)
	Total Segment result	2571.38	2022.39
	Add: Un-allocable & Corporate Income	446.80	421.73
	Less: Finance Cost	(1758.85)	(1522.92)
	Total Profit Before Tax	1259.33	921.20
	(Less)/Add: Taxation (including Deferred Tax and taxation pertaining to earlier years) – Net	(231.64)	(225.41)
	Profit After Tax	1027.69	695.79

₹ in Lacs

Sr. No	Particulars	Current Year	Previous Year
III	Other Information		
	A. Segment Assets		
	a. Theatrical Exhibition	43688.55	47837.02
	b. Others	157.92	69.42
	c. Un-allocable and Corporate	20531.84	11432.03
	Total	64378.31	59338.47
	B. Segment Liabilities		
	a. Theatrical Exhibition	6515.76	4371.97
	b. Others	16.33	19.63
	c. Un-allocable and Corporate	25016.96	23142.85
	Total	31549.05	27534.45
	C. Capital Expenditure		
	a. Theatrical Exhibition	2737.03	3286.30
	b. Others	155.50	Nil
	Total	2892.53	3286.30
	D. Depreciation & Amortization		
	a. Theatrical Exhibition	2009.30	1882.10
	b. Others	6.46	0.97
	Total	2015.76	1883.07
	E. Non-cash expenses (other than depreciation and amortization)		
	a. Theatrical Exhibition	69.55	75.34
	b. Others	17.24	Nil
	Total	86.79	75.34

B. Information about Secondary (Geographical) Segment

All activities of the Company are located in India and hence the Company is operating in a single geographical segment.

C. Notes:

a. The Company operates in following business segments:

i. Theatrical Exhibition Business – Operating & managing multiplexes and cinema theatres.

ii. Others – Distribution of Movies and Production of Movies

b. The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

c. Upto last year, the Company had classified generation of wind energy as a separate business segments. Since the wind energy is primarily used for captive consumption in theatrical business, the management has reviewed the classification during the year and the activity of generation of wind energy is included in the theatrical exhibition segment.

46. Employee Benefits:

a) Defined Contribution Plans: Contribution to Provident Fund of ₹ 140.81 lacs (Previous year ₹ 121.16 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 0.39 lacs (Previous Year ₹ 1.32 lacs) is included in pre-operative expenses.

b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

₹ in lacs

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
1. Change in Benefit Obligation				
Liability at the beginning of the year	130.67	95.61	62.02	49.92
Interest Cost	9.78	7.26	4.41	3.35
Current Service Cost	44.61	40.61	47.85	43.75
Benefit paid	(16.94)	(9.68)	(13.76)	(16.19)
Actuarial (Gain)/Loss	(15.17)	(3.13)	(27.85)	(18.80)
Liability at the end of the year	152.95	130.67	72.67	62.02
2. Expenses recognized in the statement of profit and loss				
Current Service Cost	44.61	40.61	47.84	43.75
Interest Cost	9.78	7.26	4.41	3.35
Actuarial (Gain)/Loss	(15.17)	(3.13)	(27.85)	(18.80)
Expenses recognized in the statement of profit and loss	39.22	44.74	24.40	28.30
3. Actuarial Assumptions				
Discount Rate	8.57%	8%	8.57%	8%
Salary Escalation Rate	7%	7%	7%	7%
Retirement Age	58 years			
Withdrawal Rates	10%	10%	10%	10%
Mortality	LIC (1994-96) published table of rates			

The above defined benefit plans are unfunded. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

47. Related Party Disclosure:

(i) Where Control Exists

a. Gujarat Fluorochemicals Limited – Holding Company

b. Inox Leasing & Finance Limited – Ultimate Holding Company

c. Fame India Limited – Subsidiary Company (w.e.f 6th January, 2011)

d. Fame Motion Pictures Limited (formerly Shringar Films Limited) – subsidiary of Fame India Ltd.

e. Big Pictures Hospitality Services Private Limited – subsidiary of Fame India Ltd.

f. Headstrong Films Private Limited – subsidiary of Fame India Ltd.

(ii) Other related parties with whom there are transactions:

a. Inox Motion Pictures Limited – Fellow Subsidiary

b. Mr. Alok Tandon (Manager) – Key Management Personnel

(iii) Particulars of Transactions:

₹ in Lacs

Particulars	Current Year	Previous Year
A) Transactions during the year		
Interest Paid		
Gujarat Fluorochemicals Limited	1159.65	906.07
Inox Leasing & Finance Limited	139.48	60.24
	1299.13	966.31
Remuneration Paid		
Mr. Alok Tandon	79.61	70.86
Purchase of Refrigerant Gas		
Gujarat Fluorochemicals Limited	0.67	Nil
Acquisition of shares through rights issue Fame India Limited	8893.37	Nil
Interest Received Fame India Limited	73.05	0.72
Rent Received		
Inox Motion Pictures Limited	Nil	0.12
Reimbursement of expenses received		
Fame India Limited	14.85	5.67
Inox Motion Pictures Limited	0.01	Nil
	14.86	5.67
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	9650.00	1100.00
Inox Leasing & Finance Limited	Nil	1300.00
	9650.00	2400.00
Inter-corporate Deposit Given Fame India Limited	Nil	1200.00
Inter-corporate Deposit Received back Fame India Limited	1200.00	Nil
Inter-corporate Deposits Repaid		
Gujarat Fluorochemicals Limited	4250.00	Nil
Corporate guarantee given to bank towards credit facility to Fame India Limited	3716.00	Nil
B) Amounts Outstanding		
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	18700.00	13300.00
Inox Leasing & Finance Limited	600.00	1800.00
	19300.00	15100.00
Inter-corporate Deposit Given Fame India Limited	Nil	1200.00
	Nil	1200.00
Amount Payable Fame Motion Pictures Limited Gujarat Fluorochemcials Limited – interest payable	Nil Nil	4.66 198.14
	Nil	202.80
Other Receivables		
Inox Motion Pictures Limited Fame India Limited Fame India Limited – Interest receivable	6.26 Nil Nil 6.26	8.46 5.56 0.65 14.67
Corporate guarantee given to bank towards credit facility to Fame India Limited	1372.99	Nil

Additional disclosure as required by Listing Agreement in respect of loans and advances in the nature of loans given to subsidiary company:

₹ in Lacs

Particulars	Current Year	Previous Year
Name of the Loanee	Fame India Limited	
Amount of loan at the year end	Nil	1200.00
Maximum balance during the year	1200.00	1200.00
Investment by the loanee in the shares of the Company	Nil	Nil

48. The Company has recognised a provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under:

₹ in Lacs

Particulars	Current Year	Previous Year
Opening Balance	131.80	119.00
Provided during the year	52.80	52.80
Paid during the year	30.00	40.00
Closing balance	154.60	131.80

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

₹ in Lacs

Particulars	As at 31.3.2012	As at 31.3.2011
Principal amount due to suppliers under MSMED Act at the year end	2.39	1.80
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.01	0.03
Payment made to suppliers (other than interest) beyond the appointed day during the year	48.25	41.25
Interest paid to suppliers under MSMED Act during the year	0.00	0.00
Interest due & payable to suppliers under MSMED Act for payments already made	0.46	0.43
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	3.13	2.66

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

50. Calculation of Earnings per share :

Particulars	Current Year	Previous Year
Profit after tax as per statement of profit and loss (₹ in lacs)	1027.69	695.79
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	61546774	61516314
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	61550625	61537451
Basic Earnings per share – nominal value ₹ 10/ – per share (₹)	1.67	1.13
Diluted Earnings per share – nominal value ₹ 10/ – per share (₹)	1.67	1.13

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

Auditor's Report to the Board of Directors of Inox Leisure Limited on Consolidated Financial Statements of Fame India Limited, its subsidiaries and joint ventures.

We have audited the attached Consolidated Balance Sheet of Inox Leisure Limited (the "Company"), its subsidiaries and joint ventures (collectively the "Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Venture, notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;

(b) in case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Patankar & Associates
Chartered Accountants
Firm Reg No. 107628W

M. Y. Kulkarni
(Partner)
Mem. No. 35524

Place : Pune
Dated : 24th May 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

₹ in lacs

	Note No.	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	5	6,155.74	6,154.18
(b) Reserves and Surplus	6	25,872.89	25,388.53
		32,028.63	**31,542.71**
2 Minority Interest		5,006.79	3,616.15
3 Non-Current Liabilities			
(a) Long-term borrowings	7	20,890.06	19,971.95
(b) Deferred tax liabilities (Net)	8	1,941.20	1,744.56
(c) Other long term liabilities	9	82.09	523.32
(d) Long-term provisions	10	294.69	234.05
		23,208.04	**22,473.88**
4 Current liabilities			
(a) Short term borrowings	11	214.36	1,122.36
(b) Trade payables	12	5,393.19	3,733.65
(c) Other current liabilities	13	6,422.22	14,684.62
(d) Short-term provisions	10	1,623.37	220.18
		13,653.14	**19,760.81**
TOTAL		**73,896.60**	**77,393.55**
II ASSETS			
1 Non-Current Assets			
(a) Goodwill on consolidation		6,114.74	5,053.30
(b) Fixed assets			
(i) Tangible assets	14	44,938.86	46,358.51
(ii) Intangible assets	15	276.84	146.37
(iii) Capital work-in-progress	16	3,704.20	3,000.23
		48,919.90	**49,505.11**
(c) Non-current investments	17(a)	69.39	52.11
(d) Deferred tax assets (net)	18	28.12	35.40
(e) Long term loans and advances	19	11,928.30	15,271.76
(f) Other non-current assets	20	322.99	277.68
		61,268.70	**65,142.06**
2 Current Assets			
(a) Current investments	17(b)	1,850.21	10.63
(b) Inventories	21	415.88	340.09
(c) Trade receivables	22	2,004.23	1,881.02
(d) Cash and bank balances	23	1,140.11	3,567.69
(e) Short-term loans and advances	24	1,030.95	1,204.14
(f) Other current assets	25	71.78	194.62
		6,513.16	**7,198.19**
TOTAL		**73,896.60**	**77,393.55**

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

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I INCOME			
Revenue from operations	26	64,485.60	37,031.55
Other Income	27	807.79	565.58
Total Revenue		**65,293.39**	**37,597.13**
II EXPENSES			
Entertainment tax		8,303.52	4,923.15
Exhibition Cost	28	18,032.26	10,294.13
Cost of Food and Beverages	29	3,486.95	1,950.59
Employee benefits expense	30	3,944.70	2,609.43
Finance costs	31	2,426.28	1,619.40
Depreciation & amortization	32	3,747.30	2,294.95
Amortizaton of goodwill on consolidation		12.85	-
Other Expenses	33	23,430.59	14,172.94
Total Expenses		**63,384.45**	**37,864.59**
III Profit Before Exceptional items and tax		**1,908.94**	**(267.46)**
Exceptional Item - service tax on lease rentals in respect of earlier years	34	1,797.51	(561.34)
IV Profit Before Tax		**111.43**	**293.88**
Tax expenses			
Current tax		469.27	373.05
MAT Credit Entitlement		(410.63)	(323.38)
Deferred tax		357.85	178.62
Taxation in respect of earlier years	38	(153.92)	(241.40)
		262.57	(13.11)
(Loss)/Profit for the year before minority interest		**(151.14)**	**306.99**
Add : Share of minority interest in loss		573.67	193.35
Profit for the year		**422.53**	**500.34**
Earnings Per Equity Share of ₹ 10 each	49		
Basic		0.69	0.81
Diluted		0.69	0.81

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

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
A	**Cash flow from operating activities**		
	Net profit before tax	111.43	293.88
	Adjustments for :		
	Depreciation and amortization	3,747.30	2,294.95
	Loss on fixed assets sold/scrapped (net)	41.51	56.95
	Bad debts and remissions	60.62	3.41
	Advances written off	-	37.84
	Provision for doubtful debts	154.30	98.42
	Provision for doubtful advances	12.11	20.70
	Liabilities written back	(301.17)	(85.74)
	Provision for doubtful advances written back	(5.00)	(5.00)
	Amortization of value of Stock Options	(4.78)	9.87
	Amortization of goodwill on consolidation	12.85	-
	Foreign exchange fluctuation gain on FCCB	444.32	(20.80)
	Expenses on Abandoned Projects Written Off	119.27	28.34
	Interest received	(372.64)	(436.62)
	Dividend from non-trade investments	-	(1.97)
	Gain on sale of current investments	(119.03)	(9.52)
	Finance costs	2,426.28	1,619.40
	Operating profit before working capital changes	6,327.37	3,904.11
	Changes in working capital		
	Trade payables	1,790.57	(1,667.72)
	Long-term provisions	61.46	128.78
	Short-term provisions	1,358.00	12.80
	Other current liabilities	41.56	190.69
	Other long term liabilities	478.10	35.66
	Trade receivables	(256.33)	(4,236.94)
	Inventories	(75.79)	(58.26)
	Long-term loans and advances	3,661.34	(29.84)
	Short-term loans and advances	376.05	(275.18)
	Other non-current assets	20.86	5.22
	Cash generated from operation	13,783.19	(1,990.68)
	Direct taxes paid (net)	(683.77)	171.57
	Net cash from/(used in) operating activities	13,099.42	(1,819.11)
B	**Cash flow from investing activities**		
	Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(3,590.01)	(2,602.12)
	Sale of fixed assets	29.04	12.43
	Acquisition of Intangible Assets	(170.18)	(57.39)
	Investment in subsidiary company	(483.75)	-
	Purchase of other investments	(16,825.70)	(4,588.56)
	Sale/redemption of investments	15,088.29	4,764.35
	Release from Escrow Account for Open Offer	-	4,221.54
	Movement in bank fixed deposits with original maturity of more than 3 months (net)	1,257.72	(1,744.46)
	Dividend received	-	1.69
	Interest received	608.16	249.33
	Net cash from/(used in) investment activities	(4,086.43)	256.81
C	**Cash flow from financing activities**		
	Refund of Share Application Money	(12.50)	-
	Proceeds from issue of share capital	13.83	7.16
	Securities premium received on above	28.26	-
	Right issue expenses	(169.93)	-
	Foreign Currency Convertible Bonds redeemed	(6,247.10)	-
	Yield to maturity paid on redemption of Foreign Currency Convertible Bonds	(906.63)	-
	Bank overdraft taken/(repaid) during the year (net)	(908.00)	630.32
	Proceeds from / Repayment of Inter-corporate Deposit (net)	4,200.00	2,400.00
	Proceeds from / Repayment of Term Loans (net)	(3,331.89)	(1,487.53)
	Finance costs	(2,801.51)	(1,433.13)
	Net cash from/(used in) financing activities	(10,135.47)	116.82
	Net (Decrease) / Increase in cash and cash equivalents	(1,122.48)	(1,445.48)
	Cash and cash equivalents at the beginning of the year	1,896.41	3,313.41
	Adjustment on first time consolidation of subsidiary	0.34	28.48
	Cash and cash equivalents at the end of the year	**774.27**	**1,896.41**

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

As per our report of even date attached

For Patankar and Associates
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 24th May 2012

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Place : Mumbai
Dated : 24th May 2012

Pavan Jain
Director

Deepak Asher
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. Corporate Information

Inox Leisure Limited ('ILL' or the 'Company, or the Parent 'Company') is engaged in the business of operating and managing multiplexes and cinema theatres in India. The Company is a public company and its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The Company is a subsidiary of Gujarat Fluorochemicals Limited.

The Consolidated Financial Statements (CFS) includes the financial statements of ILL and its subsidiaries and joint ventures (collectively referred to as 'the Group'). The list of subsidiaries considered in these consolidated financial statements with percentage holding is summarised below:

Name of the Company	Country of incorporation	Proportion of ownership interest as on 31st March, 2012	Proportion of ownership interest as on 31st March, 2011
a) Direct Subsidiary			
Fame India Limited (FIL) (see note under 'changes during the year' below)	India	69.54%	50.27%
b) Subsidiaries of Fame India Limited			
Fame Motion Pictures Limited (FMPL) (formerly Shringar Films Limited)	India	100%	100%
Big Picture Hospitality Services Private Limited (BPHSPL)	India	100%	100%
Headstrong Films Private Limited (HFPL) (see note under 'changes during the year' below)	India	99.99%	N.A.

The financial statements of all subsidiaries are drawn upto 31st March, 2012.

Joint ventures of Fame India Limited considered in these CFS are:

Name of the Company	Country of incorporation	Proportion of ownership interest as on 31st March, 2012	Proportion of ownership interest as on 31st March, 2011
Swanston Multiplex Cinemas Private Limited	India	50%	50%
Headstrong Films Private Limited (HFPL) (see note under 'changes during the year' below)	India	N.A.	50%

The financial statements of the Joint Ventures are drawn upto 31st March, 2012.

FIL is engaged in the business of operating and managing multiplex entertainment centres and cinema theatres. FMPL is engaged in the business of exploitation of movie rights (including distribution) and programming. SMCPL is engaged in the business of in operating a multiplex.

Big Pictures was engaged in the business of operating food-courts and restaurants in India and HFPL was engaged in the business of film production and distribution in India. During the year, there are no business activities in these two companies. However, the management is reassessing the business feasibility and is exploring new initiatives/projects.

Changes during the year

During the year ended 31st March, 2010, the Parent Company had acquired 1,50,57,751 equity shares in Fame (India) Limited ("Fame"), being the Promoters' shareholding, through a block deal carried out on the Bombay Stock Exchange. The Parent 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 Parent 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.

On completion of Open Offer Parent Company's stake in Fame stood at 50.27% of the then existing issued and paid-up capital of Fame. Accordingly, as per the provisions of Companies Act, 1956, Fame had become a subsidiary of Inox Leisure Limited w.e.f. 6th January 2011.

The consolidated results for previous year of Fame are included in the CFS from 6th January 2011 on the basis of the financial statements prepared by the Fame's management for the period ended on 31st December 2010, after making necessary adjustment for material events between 31st December 2010 and 6th January 2011.

During the current year Parent Company has subscribed and acquired 20,212,212 Equity shares of Fame pursuant to Rights issue of Fame. The Company has thereafter acquired 659,737 Equity shares of Fame through market. As a result of these acquisitions, the Company now holds 38,438,312 equity shares comprising of 69.54% stake in Fame.

During the year, FIL has acquired further shares in its joint venture HFPL and consequently, HFPL has become a subsidiary of FIL w.e.f. 26 March, 2012. Goodwill on consolidation of this subsidiary is written off during the year.

2. Basis of preparation and principles of consolidation

These CFS have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These CFS comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of CFS. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The CFS have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealized profits are fully eliminated. Unrealized losses resulting from inter-company transactions are eliminated unless cost cannot be recovered.
- Interest in Joint Ventures is accounted for using proportionate consolidation method.
- Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's position of equity of the subsidiary, at the date on which parent-subsidiary relationship came in existence, and is recognized as an asset in the consolidated financial statement. For this purpose, the Company share of equity is determined on the basis of the latest financial statement prepared by the Management, prior to the date of acquisition, after making necessary adjustment for material events between the date of such financial statements and the date on which parent-subsidiary relationship came in existence. The goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired.
- The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances, except where it is not practicable to do so. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- The Minority interest in the net assets of consolidated subsidiary consist of the amount of equity attributable to minority at the date on which parent-subsidiary relationship came in existence and the minority's share of movement in equity since the date the parent subsidiary relationship comes into existence.

3. Change in accounting policy

In respect of FIL:

Upto last year, lease rentals paid in respect of properties were charged to the statement of profit and loss on a straight line basis over the lease term. During the current year, the management has reviewed the accounting policy for such lease rentals and, in the opinion of management, charging of lease rentals paid in terms of the respective lease agreement will result in more appropriate presentation of the financial statements. Accordingly, the provision of ₹ 296.01 lacs as on 31st March, 2011, in respect of such lease rentals, is reversed during the current year and credited to the lease rentals charged to the statement of profit and loss and the lease rentals for the current year are also provided accordingly. Due to this change, the amount of lease rentals charged to the statement of profit and loss is lower by ₹ 405.37 lacs and the profit before tax is higher by ₹ 405.37 lacs.

4. Other significant accounting policies:

a) Revenue Recognition:

Income from Box Office and Film Distribution is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the Company's Multiplexes. Income from conducting fees and management of multiplexes / theatres is recognized on accrual basis as per the contractual arrangements. Advertisement income is recognized on the date of exhibition of the advertisement / event or over the period of the contract, as applicable. Revenue from programming is recognized as and when the movie is exhibited and comprises of proceeds from sale of tickets, net of taxes and theatre owner's share. As the Group is the primary obligor with respect to the programming activities, the share of distributor in these proceeds is disclosed as programming cost. In respect of Movie Rights, revenue from theatrical exhibition is recognized as and when the movie is exhibited and revenue from film's satellite, video and other rights are recognized from effective date of exploitation of rights or when the rights are made available to the assignee for exploitation, in terms of the agreement. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser. Dividend income is recognized when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest bearing securities is recognized on time proportion basis.

b) Fixed Assets and Intangible Assets:

Fixed assets and intangible assets are carried at cost of acquisition or cost of construction, as reduced by accumulated depreciation/ amortization, except freehold land, which is carried at cost. Project pre-operative expenses and expenditure incurred during construction period of Multiplexes are capitalized to various eligible assets in respective Multiplexes. Such expenses in respect of the Multiplexes under construction are carried forward for being capitalised at the time of completion.

c) Depreciation and Amortization of Fixed Assets:

Cost of leasehold land is amortized over the period of lease. On other fixed assets, excluding freehold land, depreciation is provided on straight-line basis as under:

I. 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 Schedule XIV of the Companies Act, 1956, whichever is shorter.

II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Individual items of Fixed Assets added during the period, costing Rs 5,000 or less, are fully depreciated in the first year. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

Certain fixed assets of the subsidiary are depreciated on the written down value method. However, the difference between the straight-line basis and written down value basis is not material.

d) Amortization of Film Distribution Rights, Prints Cost, Negative Rights and Movie Script (intangible assets):

Cost of Film Distribution Rights (and corresponding prints cost) and Negative Rights is amortized in proportion to the management's estimate of gross revenues expected to be realized over a period. Cost of movie script acquired is amortized over a period of five years from the date of acquisition.

e) Impairment of assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

f) Investments:

Long-term investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary, in the values of these investments. Current Investments are carried at lower of the cost and fair value.

g) Inventories:

Inventories are valued at lower of the cost and net realisable value. Cost is determined using FIFO method.

h) Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss in the year in which related services are rendered. Company's contribution towards provident fund paid / payable during the year are charged to the Statement of profit and loss. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the Statement of profit and loss at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of profit and loss.

i) Leases:

Assets taken on operating lease

The lease term is the non-cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, which option at the inception of the lease it is reasonably certain that the lessee will exercise. Lease rentals in respect of assets acquired on operating lease are charged-off to the statement of profit and loss as per the terms of the respective lease agreements.

j) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Taxes on Income:

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax is recognized only if there is a virtual certainty of realization of such assets. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

l) Foreign Currency Transactions:

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or losses on settlement of the transactions are recognized in the Statement of profit and loss. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognized in the Statement of profit and loss.

m) Earnings Per Share:

Basic EPS is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

n) Provisions and contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. 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. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

o) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

5 : Share Capital

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Authorised Capital		
7,50,00,000 Equity Shares of ₹ 10/- each	7,500.00	7,500.00
Issued, subscribed and fully paid-up		
6,18,95,548 Equity Shares of ₹ 10/- each	6,189.55	6,189.55
Less: 3,38,157 (previous year 3,53,737) Equity Shares of ₹ 10/- each, issued to ESOP Trust but not allotted to employees- see note no. 35	33.81	35.37
Adjusted Issued, Subscribed and Paid-up Capital	6,155.74	6,154.18

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No.	₹ In lacs	No.	₹ In lacs
At the beginning of the year	61,541,811	6,154.18	61,494,088	6,149.41
Issued during the year - ESOP	15,580	1.56	47,723	4.77
Outstanding at the end of the year	61,557,391	6,155.74	61,541,811	6,154.18

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entittled to receive the remaining assets of the Company, in proportion to their shareholding, after distribution of all preferential amounts, if any.

c) Equity shares held by holding/ultimate holding company

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No.	₹ In lacs	No.	₹ In lacs
Gujarat Fluorochemicals Limited- the holding Company	40,615,092	4,061.51	40,615,092	4,061.51
Inox Leasing & Finance Limited, the ultimate holding company	587,461	58.75	213,875	21.39

d) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: 1,895,548 fully paid-up equity shares were issued to shareholders of erstwhile Calcutta Cine Private Limited pursuant to a Scheme of Amalgamation during the year ended 31st March, 2008

e) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No.	%	No.	%
Gujarat Fluorochemicals Limited- the holding Company	40,615,092	65.62%	40,615,092	65.62%

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note no.35

6: Reserves & Surplus

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Amalgamation Reserve		
Balance as per last Balance Sheet	387.90	387.90
Securities Premium Account		
Balance as per last Balance Sheet	12,939.38	12,998.94
Add : arising out of grant of options to employees	-	6.30
Add/Less: Adjustment for minority interest	65.86	(65.86)
Less: reduction on account of lapse of Employee Stock Options	(8.38)	-
	12,996.86	12,939.38
Less: Premium on shares issued to ESOP Trust but not allotted to employees	21.03	48.11
Balance as at the end of the year	12,975.83	12,891.27

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Employee Stock Options Outstanding		
Balance as per last Balance Sheet	25.43	78.02
Less: On account of options granted/lapsed/exercised and amortisation of value of stock options (net)	(22.70)	(52.59)
Balance as at the end of the year	2.73	25.43
General Reserve		
Balance as per last Balance Sheet	5,400.00	5,400.00
Surplus in the Statement of Profit and Loss		
Surplus as per last Balance Sheet	6,683.90	6,183.59
Add: Profit for the year	422.53	500.34
Balance as at the end of the year	7,106.43	6,683.93
Total	25,872.89	25,388.53

7 : Long-term borrowings

₹ in lacs

Particulars	Non-current portion		Current maturities	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Secured				
Term Loans from Banks	1,590.06	4,871.95	3,290.49	3,340.49
Unsecured				
Foreign Currency Convertible Bonds				
Nil (31 March, 2011: 9,000) Zero-coupon series A bonds of US $ 1,000 per bond	-	-	-	4,018.50
Nil (31 March, 2011: 4,000) 0.5% per annum series B bonds of US $ 1,000 per bond	-	-	-	1,786.00
Loans & Advances from related parties				
Inter-corporate Deposits				
- from Holding Company	18,700.00	13,300.00	-	-
- from Ultimate Holding Company	600.00	1,800.00	-	-
	19,300.00	15,100.00	-	5,804.50
Total borrowings	20,890.06	19,971.95	3,290.49	9,144.99
Less: Amount disclosed under note no. 12 "Other current liabilities"			(3,290.49)	(9,144.99)
Total	20,890.06	19,971.95	-	-

Nature of Security and terms of repayment for secured borrowings

Term loan from Axis Bank amounting to ₹ 660.81 lacs (previous year ₹1101.33 lacs) carries interest @ bank base rate + 2.75 % p.a. which is in the range of 11.75% to 12.75% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Burdhwan, Indore Central, Rajarhat (Kolkata), Jayanagar (Bangalore), Siliguri and Maleshwaram (Bangalore) multiplexes. The loan is repayable in 16 equal quarterly instalments beginning from 31st December, 2009.

Term loan from Citi Bank amounting to ₹ 1166.66 lacs (previous year ₹ 1833.33 lacs) carries interest @ 8,75% p.a. and is secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune, Thane and Rajapark (Jaipur) multiplexes and five future properties. The loan is repayable in 12 equal quarterly instalments beginning from 29th January, 2011

Term loan from ING Vysya Bank amounting to ₹ 1944.44 lacs (previous year ₹ 3111.11 lacs) carries interest @ 9.5% p.a. and is secured by charge on immovable property situated at Nariman Point and exclusive charge on all the current and fixed assets situated at Vizag Beach Road, Vizag CMR Mall, Kanpur, Belgaum, J.P.Nagar (Bangalore) multiplexes and two future multiplexes. The loan is repayable in 36 equal monthly instalments beginning from 1st December, 2010.

Term loan from Axis Bank taken by FIL amounting to ₹ 1108.63 lacs (previous year ₹ 750 lacs) is secured against first charge on the entire movable fixed assets of the Subsidiary Company, both present and future; and extension of first charge on the entire current assets of the Subsidiary Company, both present and future. The Loan is repayable in 18 equal quarterly installments starting from 01/04/2009 along with interest of 12.75%. Further loan is secured by first charge by way of equitable mortgage of property at Anand,Gujarat.

Term loan from IDBI Bank taken by FIL amounting to ₹ Nil (previous year ₹ 1416.67 lacs) was secured by first pari passu charge with other lenders Axis Bank Limited by deposit of title deeds of immovable properties located at Anand, Gujarat and further secured by first charge by way of hypothecation of the Company's entire movables (save and except book debts), including movable machinery, machinery spares, tools and accessories, present and future, in respect of the Company's existing multiplexes at Fame South City, South City Mall, Kolkata, Fame Lido, Fame Dahisar, Thakur Mall and Multiplex, Fame Thakur, Fame Anand, Fame Inorbit, Fame Raghuleela, Fame Highland Park, Fame Akurdi, and new multiplexes at Bangalore, Ghatkopar, Vashi, Prabhat, Chandigarh, Panchkula, Bharuch, Dhanbad, Pune, Kalyan, Vadodara and Surat, subject to prior charges created and/or to be created in favour of the Company's bankers on the Company's stocks of raw material, semi-finished and finished goods, consumable stores and by escrow of entire cash flows arising out of multiplexes at South City – Kolkata, Lido-Bangalore, Fame Dahisar, Fame Thakur-Kandivali, Bangalore, Ghatkopar, Vashi, Prabhat, Chandigarh, Panchkula, Bharuch, Dhanbad, Pune, Kalyan, Vadodara and Surat on pari-passu basis with Axis Bank. The loan is repayable in 18 equal quarterly installments starting from 31/05/2009 along with interest of 12.75% p.a.

Terms of repayment for unsecured borrowings

The inter-corporate deposits are repayable in 3-5 years from the date of the respective deposits beginning from 8th June 2013 and carry interest in the range of 6.50% to 11.50%.

8 : Deferred Tax Liabilities (net)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Deferred Tax Liabilities		
On account of difference between book depreciation and tax depreciation (net of unabsorbed depreciation)	2,321.22	1,890.24
Total Liabilities	2,321.22	1,890.24
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act	323.56	115.00
Provision for doubtful debts	56.46	30.68
Total Assets	380.02	145.68
Net Deferred Tax Liability	1,941.20	1,744.56

9 : Other Long-term liabilities

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Trade payables	-	296.00
Security Deposits Received	18.86	199.37
Retention Money	61.92	18.59
Sundry creditors for capital expenditure	-	8.00
	80.78	521.96
Group Share in joint ventures	1.31	1.36
Total	**82.09**	523.32

10 : Provisions

₹ in lacs

Particulars	Long-term		Short-term	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Provision for Gratuity	199.03	154.40	27.75	24.22
Provision for Leave benefits	93.94	78.54	27.46	24.53
Provision for Municipal tax - see note no.47	-	-	154.60	131.80
Provision for Service tax - see note no.34	-	-	1,328.72	-
Provision for income tax	-	0.82	-	-
Provision for MVAT	-	-	39.61	39.61
	292.97	233.76	1,578.14	220.16
Group Share in joint ventures	1.72	0.29	45.23	0.02
Total	294.69	234.05	1,623.37	220.18

11 : Short-tems borrowings Secured

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Loans repayable on demand from banks		
-- Bank overdraft	214.36	1,122.36
Total	214.36	1,122.36

Nature of security for secured borrowings

Bank overdraft is secured against first charge on the entire current assets of the Subsidiary Company, both present and future; and extension of first charge on the entire movable fixed assets of the Subsidiary Company, both present and future. Further, bank overdraft is secured against fixed deposits to the extent of Rs Nil (Previous year Rs 1350 lacs).

12 : Trade Payables

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Trade payables		
-Dues to Micro and Small Enterprises (see note no.48)	2.39	4.46
-Others	5,321.36	3,682.58
	5,323.75	3,687.04
Group Share in joint ventures	69.44	46.61
Total	5,393.19	3,733.65

13 : Other Current Liabilities

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Current maturities of long-term debts (from note no.6)	3,290.49	9,144.99
Interest accrued but not due on borrowings (including 'Yield-to-Maturiy' payable on redemption of FCCBs)	-	2,180.90
Interest accrued and due on borrowings	37.05	258.55
Income Received in advance	598.57	566.90
Unclaimed Dividend (see note below)	3.84	3.84
Advances received from related parties		
- Swanston Multiplex Cinemas Private Limited, Joint venture	-	1.89
Advances from customers	226.35	190.15
Statutory dues and taxes payable	792.84	709.12
Creditors for Capital expenditure	1,027.62	1,069.23
Retention Money	231.28	324.62
Security Deposit	196.40	215.87
Other Payables	6.58	6.47
	6,411.02	14,672.53
Group Share in joint ventures	11.20	12.09
Total	6,422.22	14,684.62

Note: In respect of amounts mentioned under unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.

14 : Fixed Assets - Tangible Assets

₹ in lacs

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions during the year***	Other Adjustments Borrowing Cost	As at 31st March, 2012	As at 1st April 2011	Additions during the year	Deductions during the year	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land (Freehold)*	2,666.03	-	-	-	2,666.03	-	-	-	-	2,666.03	2,666.03
Land (Leasehold)	367.58	-	-	-	367.58	34.19	5.86	-	40.05	327.53	333.39
Buildings **	11,667.85	-	4.38	-	11,663.47	1,216.73	190.16	0.08	1,406.81	10,256.66	10,451.12
Lease hold improvements	18,852.18	1,076.13	188.36	70.31	19,810.26	4,636.14	1,542.64	66.69	6,112.09	13,698.17	14,216.04
Plant & Equipment	18,341.00	918.10	146.47	36.98	19,149.61	4,526.10	1,221.53	67.99	5,679.64	13,469.97	13,814.90
Furniture & Fixtures	5,442.12	366.36	95.88	15.70	5,728.30	1,717.58	529.46	42.03	2,205.01	3,523.29	3,724.54
Vehicles	169.29	20.33	44.57	-	145.05	50.96	13.69	6.85	57.80	87.25	118.33
Office Equipments	1,890.82	164.51	17.43	-	2,037.90	952.85	225.53	7.69	1,170.69	867.21	937.97
Total	59,396.87	2,545.43	497.09	122.99	61,568.20	13,134.55	3,728.87	191.33	16,672.09	44,896.11	46,262.32
Group Share in joint ventures	548.01	7.63	-	-	555.64	451.82	61.07	-	512.89	42.75	96.19
Total	59,944.88	2,553.06	497.09	122.99	62,123.84	13,586.37	3,789.94	191.33	17,184.98	44,938.86	46,358.51
Previous year	55,643.10	4,501.71	199.93	-	59,944.88	11,462.74	2,253.07	129.44	13,586.37	46,358.51	-

* Includes share of undivided plot of land in respect of one of its multiplexes.

** Includes ₹ 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

*** Deductions during the year include ₹ 32,613,680 on account of write back of provisions no longer required in respect of cost of fixed assets and adjustment of share of joint venture investor in the cost of fixed assets.

15 : Fixed Assets - Intangible Assets

₹ in lacs

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions during the year***	Other Adjustments Borrowing Cost	As at 31st March, 2012	As at 1st April 2011	Additions during the year	Deductions during the year	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Computer Software	461.58	23.15	-	-	484.73	315.21	41.72	-	356.93	127.80	146.37
Movie Script	2.66	155.50	-	-	158.16	2.66	6.46	-	9.12	149.04	-
Film Distribution Rights & Prints Cost	229.68	-	156.46	-	73.22	229.68	-	156.46	73.22	-	-
Total	693.92	178.65	156.46	-	716.11	547.55	48.18	156.46	439.27	276.84	146.37
Group Share in joint ventures	4.52	0.07	-	-	4.59	4.52	0.07	-	4.59	-	-
Total	698.44	178.72	156.46	-	720.70	552.07	48.25	156.46	443.86	276.84	146.37
Previous year	1,531.21	57.39	890.16	-	698.44	1,400.36	41.88	890.17	552.07	146.37	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

16: Capital work-in-progress

₹ in lacs

Particulars	31st March 2012	31st March 2011
Capital work-in-progress	3,088.85	2,390.08
Pre-operative expenditure pending allocation	615.35	610.15
Total	**3,704.20**	**3,000.23**
Pre-operative expenditure pending allocation		
Opening Balance	610.13	941.53
Add: Expenses incurred during the year		
Salaries, Bonus etc.	172.68	163.00
Contribution to PF, ESIC etc.	0.45	1.52
Staff Welfare	1.26	0.95
Legal, Professional and Consultancy Charges	104.08	81.68
Travelling & Conveyance	110.44	83.04
Insurance	5.52	0.14
Electricity expenses	21.24	20.30
Communication expenses	2.02	2.67
House Keeping expenses	4.08	3.98
Outsourced Personnel Cost	17.28	22.20
Security expenses	42.22	25.21
Miscellaneous Expenses	8.73	4.36
Finance costs	68.82	77.77
Sub-Total	558.82	486.82
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	4.45	4.45
Sub-Total	1,164.50	1,423.90
Less: Capitalised	475.78	785.41
Less: Expenses on Abandoned Projects Written off	73.37	28.34
Closing balance	**615.35**	**610.15**

17 (a): Non-Current Investments

(Long-term, unquoted, non-trade, at cost)

₹ in lacs

Particulars	Non-Current Investments		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Investments in Government Securities (unquoted)				
National Savings Certificates	69.39	52.11	0.21	0.21
(Held in the name of Directors/Employees of the Company and erstwhile directors of Subsidiary Company and certificates worth ₹ 69.60 lacs (previous year ₹ 52.32 lacs) are pledged with Government Authorities)				
Less: Amount disclosed under 'current investments'			(0.21)	(0.21)
	69.39	52.11	-	-

17 (b): Current Investments

(Unquoted, non-trade, at lower of cost and fair value)

₹ in lacs

Particulars	31st March, 2012	31st March 2011
a) Current maturities of non-current investments - from note no. 17(a)	0.21	0.21
b) Investment in mutual funds (in fully paid up units)		
34,167 (31 March, 2011: Nil) units of Taurus Liquid Fund - Institutional Growth	400.00	-
27,170 (31 March, 2011: Nil) units of Templeton India Treasury Management Account Institutional Plan - Growth.	450.00	-
3,593,611 (31 March, 2011: Nil) units of JM High Liquidity Fund - Super Institutional Plan - Growth	600.00	-
3,436,839 (31 March, 2011 : Nil) units of Peerless Liquid Fund - Super Institutional Growth	400.00	-
(above investment in mutual funds by FIL includes unutilized amounts out of proceeds from rights issue, pending utilization)		
	1,850.21	0.21
Group Share in joint ventures	-	10.42
Total	1,850.21	10.63

18 : Deferred tax asset (net)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
The components of deferred tax balances are as follows:		
Deferred tax asset on timing difference arising on account of:		
Provision for doubtful debts and advances	15.88	23.16
Provision for VAT	12.24	12.24
	28.12	35.40
Deferred tax liability	-	-
Net deferred tax (asset) / liability	28.12	35.40
Group Share in joint ventures	-	-
Net deferred tax (asset) / liability	28.12	35.40

The net deferred tax assets with respect to Fame India Limited (Subsidiary Company), Big Pictures (subsidiary of FIL), Headstrong Films Private Limited (subsidiary of FIL) Swanston Multiplex Cinemas Pvt Ltd (Joint Venture of FIL) have not been included as the same has not been recognised in the stand-alone audited financial statements in the absence of virtual certainty of realisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

19: Long-term loans and advances
(unsecured, considered good, unless otherwise stated)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Capital Advances	2.64	4.79
Security Deposits	7,187.50	7,125.83
Service Tax Credit Available	74.54	97.84
Entertainment Tax Refund Claimed	1,093.08	846.13
Income Tax paid (net of provisions)	551.76	314.26
MAT Credit Entitlement	2,266.81	1,854.81
Electricity charges refund claimed (refer note no 38(j))	389.83	389.83
Advances recoverable in cash or in kind		
- Considered Good	290.74	4,472.09
- Considered Doubtful	67.32	10.00
	358.06	4,482.09
Less: Provision for doubtful advances	67.32	10.00
	290.74	4,472.09
Total	11,856.90	15,105.58
Group Share in joint ventures	71.40	166.18
Total	11,928.30	15,271.76

20: Other non-current assets

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Non-current bank balances (from note no. 22)	92.43	44.70
Interest accrued		
on long term investments	16.43	17.59
on bank fixed deposits	1.78	0.42
others	111.54	93.31
Other recoverables	100.81	121.66
Total	322.99	277.68

21 : Inventories
(valued at lower of cost and net realizable value)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Food & Beverages	274.16	225.74
Stores, Spares & Fuel	139.76	111.78
	413.92	337.52
Group Share in joint ventures	1.96	2.57
Total	415.88	340.09

22 : Trade Receivables

(unsecured, considered good, unless otherwise stated)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Considered Good		
Outstanding for a period exceeding six months	329.85	452.04
Others	1,652.47	1,404.71
	1,982.32	1,856.75
Considered Doubtful		
Outstanding for a period exceeding six months	212.29	151.44
Total trade receivables	2,194.61	2,008.19
Less: Provision for doubtful trade receivables	212.29	151.44
	1,982.32	1,856.75
Group Share in joint ventures	21.91	24.27
Total	2,004.23	1,881.02

23 : Cash & Bank Balances

₹ in lacs

Particulars	Non-current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Cash and Cash equivalents				
Balances with banks				
in Current accounts	-	-	435.30	812.17
Deposit accounts with original maturity of less than 3 months	-	-	110.77	920.83
	-	-	546.07	1,733.00
Cash on Hand	-	-	217.81	134.94
Total cash and cash equivalents	-	-	763.88	1,867.94
Group Share in joint ventures	-	-	10.39	28.47
	-	-	774.27	1,896.41
Other bank balances				
in Unpaid dividend accounts	-	-	3.84	3.84
Deposit with original maturity for more than 3 months but less than 12 months	-	-	345.27	1,645.61
Deposits with original maturity for more than 12 months	92.43	44.70	16.73	21.83
Total other bank balances	92.43	44.70	365.84	1,671.28
Total cash and bank balances	92.43	44.70	1,140.11	3,567.69
Less: Amount disclosed under note no.19 "Other non-current assets"	(92.43)	(44.70)	-	-
Total	-	-	1,140.11	3,567.69
Other bank balances include margin money deposits given as security as under:				
Deposit with original maturity for more than 3 months but less than 12 months	-	-	75.41	49.13
Deposit with original maturity for more than 12 months- Margin Money Deposit	72.48	44.70	16.73	21.83
Total	**72.48**	**44.70**	**92.14**	**70.96**

24 : Short-term loans & advances

(unsecured, considered good, unless otherwise stated)

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Prepaid expenses	177.80	206.52
Security deposits	60.89	10.79
Inter Corporate Deposit	100.00	-
Service Tax Credit Available	26.23	167.14
Loans and advances to related parties		
- Swanston Multiplex Cinemas Private Limited	1.17	-
MAT Credit Entitlement	-	1.37
Advances to producers	2.54	3.95
Advances to distributors	8.69	9.09
Advances recoverable in cash or in kind	194.32	402.74
Advance to suppliers		
- Considered Good	350.48	385.35
- Considered Doubtful	95.31	75.65
	445.79	461.00
Less: Provision for doubtful advances	95.31	75.65
	350.48	385.35
	922.12	1,186.95
Group Share in joint ventures	108.83	17.19
Total	1,030.95	1,204.14

25 : Other current assets

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Interest accrued		
on bank fixed deposits	8.65	58.88
on investments	0.13	0.11
others	62.88	135.29
	71.66	194.28
Group Share in joint ventures	0.12	0.34
Total	71.78	194.62

26 : Revenue from operations

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
a) Sale of services:		
Box Office Revenue	47,189.89	27,613.63
Conducting Fees	1,183.19	1,066.22
Advertising Income	2,917.33	1,724.30
Film Distribution Income	-	1.28
Management Fees	216.76	83.36
Royalty Income	12.01	-
Programming revenue	-	13.70
Parking Charges	84.02	76.81
	51,603.20	30,579.30

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
b) Sales of products		
Food & Beverages	11,390.96	6,020.34
Sale of Power	11.13	5.38
	11,402.09	6,025.72
c) Other Operating revenue		
Other Operating revenue	731.42	320.03
	63,736.71	36,925.05
Group Share in joint ventures	748.89	106.50
Total	64,485.60	37,031.55

27: Other Income

₹ in lacs

Particulars	31st March, 2012	31st March, 2011
Interest		
On Bank Fixed Deposits	126.73	280.54
On Long Term Investments	6.23	5.14
On Income Tax Refunds	1.57	21.75
On Inter-corporate Deposits	3.31	0.72
Other Interest	234.80	128.47
	372.64	436.62
Gain on Sale of Current Investments	119.03	9.52
Profit on sale of fixed assets	4.97	-
Dividend on Current Investments	-	1.97
Liabilities no longer required, written back	301.17	85.74
Provision for doubtful advances written back	5.00	5.00
Foreign exchange fluctuation gain	1.72	20.80
Miscellaneous Income	1.57	3.23
	806.10	562.88
Group Share in joint ventures	1.69	2.70
Total	807.79	565.58

28 : Exhibition Cost

₹ in lacs

Particulars	31st March 2012	31st March 2011
Distributors' share	17,010.60	9,832.29
Other exhibition cost	745.26	401.69
Programming Cost - Distributors' share	-	13.06
Share of joint venture partner	88.44	4.25
	17,844.30	10,251.29
Group Share in joint ventures	187.96	42.84
Total	18,032.26	10,294.13

29 : Cost of food and beverages

₹ in lacs

Particulars	31st March 2012	31st March 2011
Opening Stock	225.74	108.66
Add: Purchases	3,492.09	2,067.67
	3,717.83	2,176.33
Less: Closing stock	274.15	225.74
	3,443.68	1,950.59
Group Share in joint ventures	43.27	-
Cost of Food and Beverages	3,486.95	1,950.59

30 : Employee benefits expense

₹ in lacs

Particulars	31st March 2012	31st March 2011
Salaries and Wages	3,422.68	2,269.08
Contribution to Provident and other Funds	289.24	155.88
Expense on ESOP (net)	(4.78)	9.87
Gratuity	70.41	60.56
Staff Welfare Expenses	128.19	109.32
	3,905.74	2,604.71
Group Share in joint ventures	38.96	4.72
Total	3,944.70	2,609.43

31 : Finance Costs

₹ in lacs

Particulars	31st March 2012	31st March 2011
Interest on borrowings	2,360.48	1,615.67
Other interest	2.10	1.34
Other borrowing cost	63.70	2.39
Total	2,426.28	1,619.40

32 : Depreciation

₹ in lacs

Particulars	31st March 2012	31st March 2011
Depreciation on tangible assets	3,728.90	2,239.30
Amortization of intangible assets	48.18	41.88
	3,777.08	2,281.18
Less : Depreciation written back	(90.92)	-
	3,686.16	2,281.18
Group Share in joint ventures	61.14	13.77
Total	3,747.30	2,294.95

33 : Other Expenses

₹ in lacs

Particulars	31st March 2012	31st March 2011
Outsourced Personnel Cost	1,339.33	991.27
Power & Fuel	3,534.81	2,139.80
Water Charges	80.34	55.52
Property Rent and Conducting Fees	8,094.47	5,082.31
Common Facility Charges	2,454.89	1,709.03
Rates & Taxes	515.05	277.61
Service Tax - see note no. 34	1,420.20	219.73
Travelling & Conveyance	231.60	185.24
Communication Expenses	200.83	152.42
Printing & stationary	210.98	156.76
Advertising & sales promotion	350.39	334.42
House keeping expenses	819.23	510.14
Security expenses	816.79	462.98
Repairs & Maintenance - Building	190.25	155.23
Repairs & Maintenance - Plant and Equipment	716.98	439.73
Repairs & Maintenance - Others	260.00	230.61
Legal & Professional Fees & Expenses	545.17	365.75
Director Sitting Fees	3.55	2.70
Insurance	106.88	79.06
Loss on fixed assets sold/scrapped (net)	46.48	56.95
Bad Debts and remissions	60.62	3.41
Provision for doubtful debts	154.30	98.42
Provision for doubtful advances	12.11	20.70
Miscellaneous Expenses	317.46	335.99
Expenses on Abandoned Projects Written Off	119.27	28.34
Foreign exchange fluctuation loss (net)	448.16	-
	23,050.14	14,094.12
Group Share in joint ventures	380.45	78.82
Total	23,430.59	14,172.94

34. In respect of Service-tax Matters

As per the amendment made by the Finance Act 2010, renting of immovable property is defined as a taxable service with retrospective effect from 1 June, 2007 and accordingly, in the annual accounts for the year ended 31st March 2010, the Group had provided for service tax in respect of rent on immovable properties for the year ended 31st March 2009 and 31st March 2010.

During the year ended 31st March 2011, this levy was challenged by the Group by filing Writ Petitions with various High Courts and some of the High Courts had granted a stay against the levy of service tax in respect of immovable properties of the Group situated within their jurisdictions. Based on legal advice obtained by the Group, no provision of service tax was made for the year ended 31st March 2011. Further, the amount provided in the accounts during the year ended 31st March 2010 towards such service tax was reversed and the same is shown as an exceptional item in the statement of profit and loss.

During the current year, the levy has been upheld by several High Courts. The Group has preferred a Special Leave Petition before the Hon'ble Supreme Court which is pending and the Group has made the payments in this regard as directed by the Hon'ble Supreme Court.

In the above circumstances, the Group has provided for service tax on renting of immovable properties. Accordingly an amount of ₹ 834.14 lacs being the charge for the current year is included in 'Service tax' and the amount of ₹ 1797.51 lacs being the charge for the period upto 31st March 2011 is shown as an exceptional item in the Statement of Profit and Loss.

The movement in the provision for service tax account (including Group's share in a joint venture) is as under:

₹ in lacs

Particulars	Current Year	Previous Year
Opening Balance	Nil	Nil
Provided during the year (including ₹ 1797.50 lacs for earlier years)	2631.65	Nil
Amount paid and adjusted during the year	1286.55	Nil
Closing balance	1345.10	Nil

35. Foreign Currency Convertible Bonds:

On 21 April 2006, Fame India Limited, pursuant to a resolution of the Board of Directors dated 28 January 2006 and by a resolution of the shareholders dated 8 March 2006, issued

(i) 12,000, Zero Coupon Series A Unsecured Foreign Currency Convertible Bonds ("Series A Bonds") of the face value of US $ 1000; and

(ii) 8,000, 0.5% per annum Series B Unsecured Foreign Currency Convertible Bonds ("Series B Bonds") of the face value of US $ 1000 aggregating to US$ 20,000,000 due in 2011 (the Series A Bonds and the Series B Bonds are collectively called the "Bonds").

The Bonds were convertible at the option of the bond holders into newly issued, ordinary equity shares of par value of ₹ 10 per share ("Shares"), at an initial conversion price of ₹ 90 per share for Series A Bonds; and ₹ 107 per share for Series B Bonds, as defined in terms and conditions of the Bonds.

Unless previously converted, redeemed or repurchased and cancelled, Series A Bonds were redeemable on 22 April 2011 at 137.01 percent of their principal amount representing a gross yield to maturity of 6.5%; and Series B Bonds were redeemable on 22 April 2011 at 140.69 percent of their principal amount representing a gross yield to maturity of 7.5%.

The bond issue expenses have been adjusted against securities premium as per the provision of Section 78 of the Companies Act 1956. Premium payable on redemption of FCCB has been amortised over the period of the bonds and has been charged to the securities premium account.

During the year ended 31 March 2008, 1,504,999 equity shares of Rs 10 each were allotted against 3,000 Series A Foreign Currency Convertible Bonds (FCCB) of US $ 1,000 each at an exercise price of Rs 90 per share and 1,687,850 equity shares of Rs 10 each were allotted against 4,000 Series B FCCB of US $ 1,000 each at an exercise price of Rs 107 per share, thus aggregating to a total allotment of 3,192,849 equity shares of Rs 10 each of the Company.

With the permission of Reserve Bank of India and with the necessary consent of the bondholders, in September 2011 the Company has redeemed the outstanding bonds at a final redemption price of 112.35% of their principal amount for Series A Bonds of face value of USD 9,000,000 and 115.37% of their principal amount for Series B Bonds of face value of USD 4,000,000, which represents a discount of 18% to the original redemption value of the Bonds. Accordingly, the Bonds stand fully discharged.

36. Employee Stock Options

a. In case of the Parent Company

During the year ended 31st March 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("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 lacs to the Trust for subscription of these shares at the beginning of the plan.

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 500,000 equity shares allotted to the Trust, 161,843 shares have been transferred to employees up to 31st March 2012. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

Following stock options have been granted to the employees:

On 29th January 2007 (First Grant)	244,120 shares
On 27th October 2009 (Second Grant)	33,332 shares

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. The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1st April 2011	38,419
Granted during the year	Nil
Lapsed during the year	12,839
Exercised during the year	15,580
Outstanding as on 31st March 2012	10,000
Exercisable as on 31st March 2012	5,000
Weighted average exercise price of all stock options	₹ 15

All stock options are exercisable at the exercise price of ₹ 15 per option and the weighted average remaining contractual life is as under:

Options granted on 27th October 2009	1.58 years

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no 30 includes credit of ₹ 4.78 lacs (previous year ₹ 9.87 lacs) being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been higher by ₹ 0.12 lacs, profit after tax lower by ₹ 0.12 lacs and the basic and diluted earnings per share would have been lower by less than ₹ 0.01 each.

b. In case of the Fame India Limited

On 21 May 2009, the Company established the 'Employee Stock Option Scheme 2009' ('ESOS' or 'the Plan' or "the Scheme'). Under the Plan, the Company is authorised to issue not more than 5% of its equity share capital to eligible employees. Employees covered by the Plan are granted an option to purchase the shares of the Company subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Company administers the plan.

As per the Scheme, the Committee shall issue stock options to the employees at an exercise price of Rs 14.47 per option. Further, the participants shall exercise the options within a period of 5 years commencing on or after respective date of vesting of the options.

The Scheme provides that these options would vest in tranches as follows:

Period within which options will vest	% of options that will vest	
	Grant A	Grant B
End of 12 months from the date of grant of options	15	-
End of 24 months from the date of grant of options	15	10
End of 36 months from the date of grant of options	20	25
End of 48 months from the date of grant of options	25	25
End of 60 months from the date of grant of options	25	40

The terms and conditions of the scheme, as approved by the remuneration committee of the Board of Directors of the Company in its meeting held on 21 May 2009 in pursuance to the approval of the Company at its Annual General Meeting held on 27 September 2006, are in line with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999 as amended vide Circular no SEBI/CFD/DIL/ESOP/5/2009/03/09 dated 3 September 2009 and in accordance with the terms of the resolutions passed by the Company.

Employee stock option activity under the scheme is as follows.

Particulars	March 2012	March 2011
Outstanding at the beginning of the year	273,780	1,063,300
Granted during the year	Nil	Nil
Forfeited during the year *	(132,261)	(637,750)
Vested during the year	(37,989)	(151,770)
Exercised during the year	36,603	151,770
Outstanding at the end of the year - not vested **	103,530	273,780
Options vested and exercisable as at the year end	1,386	Nil

*On account of non fulfillment of vesting conditions by the employees.

**On 21 May 2012, the third tranche of options have vested to the eligible employees.

37. Foreign currency exposure not hedged by a derivative instrument or otherwise is as under:

Particulars	Current year		Previous year	
	In US $	₹ in lacs	In US $	₹ in lacs
Total un-hedged funds				
FCCB liability	Nil	Nil	13,000,000	5804.50
YTM on FCCB#	Nil	Nil	4,878,785	2178.38

excludes withholding tax liability

38. In respect of taxation matters

a) In the appellate proceedings before the Commissioner of Income-tax (Appeals) and Income Tax Appellate Tribunal, Ahmedabad Bench, the Parent Company's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted. Provision for current tax is made on the same basis for such multiplexes.

b) Provision for current taxation is for Minimum Alternate Tax (MAT) payable on book profit in the case of Parent Company (for the current and previous year) and FIL (for the previous year). MAT paid by these companies 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 period available for utilization of MAT credit, these companies would have normal tax liability within the specified period to avail such MAT credit. Consequently, these companies have recognized Rs 410.63 lakhs (Previous year ₹ 323.38 lakhs) towards MAT credit entitlement and the cumulative amount as on 31st March 2012 is ₹ 2261.81lakhs.

c) Breakup of taxation pertaining to earlier years is as under

₹ in lacs

Particulars	Current Year	Previous Year
Income tax (*)	Nil	105.53
Fringe Benefit tax	Nil	2.48
Mat Credit entitlement	Nil	133.39
Deferred tax	153.92	Nil
Net credit	153.92	241.40

(*) Including ₹ 149.18 lacs tax provision made by Fame India Limited prior to 6th January 2011 and reversed thereafter.

39. Contingent Liabilities:

a. Claims against the Company not acknowledged as debt – ₹ 1632.42 lacs (Previous year ₹ 247.31 lacs)

b. Municipal Tax demand – ₹ 596.59 lacs (Previous year ₹ 506.61 lacs)

c. Entertainment Tax demand – ₹ 2.22 lacs(Previous year ₹ 53.06 lacs)

d. Service Tax demand – ₹ 97.31 lacs (Previous year ₹ 97.31 lacs)

e. ESIC demand – ₹ Nil (Previous year ₹ 9.71 lacs)

f. Stamp duty demand – ₹ 263.81 lacs (Previous year ₹ Nil)

g. Custom duty for import of capital goods – ₹ 4.36 lacs (Previous year ₹ 4.36 lacs)

h. TDS matters under Income-tax Act – ₹ 11.32 lacs (Previous year ₹ Nil)

i. FIL has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of ₹ 60.07 lacs and reimbursement of the cost of fit-outs of ₹ 902.83 lacs incurred by FIL and carried forward as capital work-in-progress. The party has made a counter claim of ₹ 675.86 lacs towards rent for lock in period and other costs which is included in (a) above. An arbitration petition filed by FIL under section 9 of the Arbitration and Conciliation Act, 1996 before the Court of District Judge, Chandigarh was dismissed vide order dated 11 November 2011. FIL has taken necessary legal steps to sustain its claim and pending the settlement of matter, adjustment, if any, in the carrying amount of the said assets, will be made when the matter is finally decided.

j. FIL may be required to charge additional cost of ₹ 389.83 lacs (previous year ₹ 389.83 lacs) 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. FIL has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances')

40. In respect of Entertainment Tax liability and its treatment in these accounts: -

   a. In respect of Parent 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 ₹ 413.37 lacs (Previous year Rs 304.91 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to Profit & Loss Account. Cumulative amount as on 31st March 2012 – ₹ 3007.10 lacs (Previous year ₹ 2593.73 lacs).

   b. In respect of Parent Company, in respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, 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 eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in note (a) above includes the figures pertaining to the said Multiplex.

41. Commitments:

   a) Capital commitments:

   Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances – ₹ 1091.48 lacs (Previous year ₹ 345.01 lacs).

   b) Other commitments:

   The exemption from payment of Entertainment Tax in respect of Multiplexes of the Group, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective State 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 in terms of the respective policies of the States – ₹ 14877.77 lacs (Previous year ₹ 14311.39 lacs).

42. In respect of Parent Company, the arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of ₹ 18.23 lacs (Previous Year ₹ 18.23 lacs). Total amount of interest receivable upto 31st March, 2012 is ₹ 111.54 lacs. During the previous year the said award has been challenged before the District Court and the matter is pending.

43. The significant leasing arrangements are in respect of :-

   a. The Group is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees are included in 'Property Rent and Conducting Fees' charged in the statement of profit and loss.

   The future minimum lease / conducting fees payments under these arrangements are as under:

₹ in lacs

Particulars	Current Year	Previous Year
Not later than one year	8,073.47	7,818.75
Later than one year and not later than five years	33,253.75	32,369.70
Later than five years	77,970.61	84,243.32
Total	1,19,297.83	1,24,431.77

   b. In respect of other operating leases for premises (offices and residential accommodations for employees) - generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals are included in 'Property Rent and Conducting Fees' charged in the statement of profit and loss.

44. Segment Information

A. Information about Primary Segment

₹ in lacs

Sr. No	Particulars	Current Year	Previous Year
I	Segment Revenue		
	a. Theatrical Exhibition	64745.45	37144.97
	b. Other segments	52.11	4.64
	c. Un-allocable and Corporate	495.83	447.51
	Total revenue (external)	65293.39	37597.12
II	Segment Result		
	a. Theatrical Exhibition	2772.95	1628.31
	b. Other segments	(28.79)	(68.47)
	Total Segment result	2744.16	1559.84
	Add: Un-allocable & Corporate Income (net of un-allocable and corporate expenses)	(206.45)	353.44
	Less: Finance costs	2426.28	1619.40
	Total Profit Before Tax	111.43	293.88
	Add/(less): Taxation (including Deferred Tax, Fringe Benefit Tax and taxation pertaining to earlier years) – Net	(262.57)	13.11
	Profit After Tax	(151.14)	306.99
III	Other Information		
	A. Segment Assets		
	a. Theatrical Exhibition	50107.31	67240.98
	b. Other segments	198.35	185.90
	c. Un-allocable and Corporate	23590.94	9966.67
	Total	73896.60	77393.55
	B. Segment Liabilities		
	a. Theatrical Exhibition	10452.24	8038.23
	b. Other segments	55.94	119.46
	c. Un-allocable and Corporate	26353.00	34077.00
	Total	36861.18	42234.69
	C. Capital Expenditure		
	a. Theatrical Exhibition	3460.05	3391.92
	b. Other segments	155.50	Nil
	Total	3615.55	3391.92
	D. Depreciation & Amortization		
	a. Theatrical Exhibition	3740.84	2292.86
	b. Other segments	6.46	2.09
	Total	3747.30	2294.95
	E. Non-cash expenses (other than depreciation and amortization)		
	a. Theatrical Exhibition	256.06	118.35
	b. Other segments	17.24	51.05
	Total	273.30	169.40

B. Information about Secondary (Geographical) Segment

All activities of the Group are located in India and hence the Group is operating in a single geographical segment.

C. Notes:

a. The Group operates in following business segments:

i. Theatrical Exhibition – Operating & managing multiplexes and cinema theatres.

ii. Other segments – Distribution of Movies, Production of Movies and programming business.

b. The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

c. Upto last year, the Group had classified generation of wind energy as a separate business segment. Since the wind energy is primarily used for captive consumption in theatrical business, the management has reviewed the classification during the year and the activity of generation of wind energy is included in the theatrical exhibition segment.

45. Employee Benefits:

a) Defined Contribution Plans: Contribution to Provident Fund of ₹ 209.28 lacs (Previous year ₹ 144.61 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of profit and loss and ₹ 0.39 lacs (Previous year ₹ 1.32 lacs) is included in pre-operative expenses.

b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per actuarial valuation

₹ in lacs

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
1. Change in Benefit Obligation				
Liability at the beginning of the year	178.62	162.47	96.07	85.57
Interest Cost	14.66	7.38	7.86	4.04
Current Service Cost	60.36	34.50	60.49	47.15
Benefit paid	(22.25)	(25.92)	(20.81)	(28.23)
Actuarial (Gain)/Loss	(4.61)	0.19	(33.02)	(12.46)
Liability at the end of the year	226.78	178.62	110.59	96.07
Group share in joint ventures	1.15	0.15	0.62	0.12
2. Expenses recognized in the Statement of profit and loss				
Current Service Cost	60.36	34.50	60.49	47.15
Interest Cost	14.66	7.38	7.86	4.04
Actuarial (Gain)/Loss	(4.61)	0.19	(33.02)	(12.46)
Expenses recognized in the Statement of profit and loss	70.41	42.07	35.33	38.73
Group share in joint venture	1.23	Nil	0.81	(0.03)
3. Actuarial Assumptions				
Discount Rate	8.57% / 8.63%	8%	8.57% / 8.63%	8%
Salary Escalation Rate	7% / 10%	7% / 12 %	7% / 10%	7% / 12 %
Retirement Age	58 Years			
Mortality	LIC (1994-96) published table of rates			

The above defined benefit plans are unfunded. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

46. Related Party Disclosures:

(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 Subsidiary - Inox Motion Pictures Limited (IMPL)

Key Management Personnel (KMP)

a. Mr. Alok Tandon – Manager

b. Mr. Rajiv Patni – Manager w.e.f. 21st December 2011

Following parties have become 'related parties' w.e.f. 6th January 2011 viz. the date on which Fame India Limited has become a subsidiary of the Company. Accordingly, transactions with these parties w.e.f. 6th January 2011 are considered in related party disclosures.

Key Management Personnel (KMP)

a. Aditya Shroff – Director in FIL (resigned on 21st January 2011)

b. Rishi Negi - Chief Operating Officer in FIL (resigned on 28th February 2011)

c. Shyam Shroff - Director in FMPL (resigned on 21st January 2011)

d. Balkrishna Shroff - Director in FMPL (resigned on 21st January 2011)

Joint Venture

Swanston Multiplex Cinemas Private Limited ('SMCPL')

Enterprise over which KMP have significant influence

a. M/s Shringar Films (upto 21st January 2011)

b. Adlabs Shringar Multiplex Cinemas Private Limited ('ASMCPL') (upto 21st January 2011)

(iii) Particulars of Transactions:

₹ in lacs

a.	Transactions during the year	Current Year	Previous Year
	Interest paid		
	Gujarat Fluorochemicals Limited	1159.65	906.07
	Inox Leasing & Finance Limited	139.48	60.24
	Total	1299.13	966.31
	Remuneration Paid		
	Mr. Alok Tandon	79.61	70.86
	Mr. Rajiv Patni	10.68	Nil
	Rishi Negi	Nil	6.99
	Shyam Shroff	Nil	1.69
	Balkrishna Shroff	Nil	1.69
	Aditya Shroff	Nil	0.39
	Total	90.29	81.62

₹ in lacs

a. Transactions during the year	Current Year	Previous Year
Projector hiring charges received		
Joint Venture - SMCPL	14.51	14.31
Purchase of Refrigerant Gas		
Gujarat Fluorochemicals Limited	0.67	Nil
Rent Paid		
Shringar Films	Nil	6.69
ASMCPL	Nil	52.41
Total		59.10
Reimbursement of expenses (paid)		
ASMCPL	Nil	1.73
Joint Venture – SMCPL	4.87	4.35
Total	4.87	6.08
Reimbursement of expenses (received)		
Inox Motion Pictures Limited	0.01	Nil
Joint Venture – SMCPL	3.85	26.83
Total	3.86	26.83
Deposit refund received		
Shringar Films	Nil	19.68
Rent received		
Inox Motion Pictures Limited	Nil	0.12
Inter-corporate deposits repaid		
Gujarat Fluorochemicals Limited	4250.00	Nil
Inox Leasing and Finance Ltd.	1200.00	Nil
Total	5450.00	Nil
Inter-corporate deposits received		
Gujarat Fluorochemicals Ltd.	9650.00	1100.00
Inox Leasing and Finance Ltd.	Nil	1300.00
Total	9650.00	2400.00
b. Amounts outstanding		
Inter-corporate deposits received		
Gujarat Fluorochemicals Ltd.	18700.00	13300.00
Inox Leasing and Finance Ltd.	600.00	1800.00
Total	19300.00	15100.00
Interest payable		
Gujarat Fluorochemicals Ltd.	Nil	198.14
Amounts receivable		
Inox Motion Pictures Limited	6.26	8.46

47. Provisions

a. The Parent Company has recognised a provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under:

₹ in lacs

Particulars	Current Year	Previous Year
Opening Balance	131.80	119.00
Provided during the year	52.80	52.80
Paid during the year	30.00	40.00
Closing balance	154.60	131.80

b. FMPL has recognized a provision towards Maharashtra Value Added Tax (MVAT) on account of inclusion of 'copyright' in the scheduled list of taxable items w.e.f. 1st April 2005, as under:

₹ in lacs

Particulars	Current Year	Previous Year
Opening Balance	39.61	39.61
Provided during the year	Nil	Nil
Paid during the year	Nil	Nil
Closing balance	39.61	39.61

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

₹ in lacs

Particulars	As at 31.3.2012	As at 31.3.2011
Principal amount due to suppliers under MSMED Act at the year end	2.39	1.80
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.01	0.03
Payment made to suppliers (other than interest) beyond the appointed day during the year	48.25	41.25
Interest paid to suppliers under MSMED Act during the year	0.00	0.00
Interest due & payable to suppliers under MSMED Act for payments already made	0.46	0.43
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	3.13	2.66

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

49. Calculation of Earnings per share :

Particulars	Current Year	Previous Year
Profit after tax as per Statement of profit and loss – after minority interest (₹ in lacs)	422.53	500.34
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	61546774	61516314
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	61550625	61537451
Basic Earnings per share – nominal value ₹ 10/- per share (₹)	0.69	0.81
Diluted Earnings per share - nominal value ₹ 10/- per share (₹)	0.69	0.81

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

M. Y. Kulkarni
Partner

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 24th May 2012

Place : Mumbai
Dated : 24th May 2012

Amount in ₹

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	Name of Subsidiary	Fame India Limited	Fame Motion Pictures Limited (Formerly known as Shringar Films Limited)	Big Pictures Hospitality Services Private Limited	Headstrong Films Private Limited
a)	**Capital**	552,751,430	9,999,000	500,000	100,000
b)	**Reserves**	1,057,959,968	185,476,012	(9,852,997)	(2,546,123)
c)	**Total Assets**	2,292,465,858	205,863,261	46,899	69,188
d)	**Total Liabilities**	681,754,460	10,388,249	(9,399,896)	(2,515,311)
e)	**Investments**	406,570,646	10,000	NIL	NIL
f)	**Turnover**	2,185,871,850	221,154	NIL	NIL
g)	**Profit before taxation**	(111,346,802)	10,594,943	(19,091)	(35,400)
h)	**Provision for taxation**	NIL	3,092,596	NIL	NIL
i)	**Profit after taxation**	(111,346,802)	7,502,347	(19,091)	(35,400)
j)	**Proposed dividend**	NIL	NIL	NIL	NIL
	Currency	INR	INR	INR	INR
	Country	INDIA	INDIA	INDIA	INDIA

INOX LEISURE LIMITED

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

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

PLEASE FILL IN ATTENDANCE SLEEP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of MEMBER: Folio No: ______________________

______________________ No. of Shares held: ______________________

____

I hereby record my presence at the THIRTEENTH ANNUAL GENERAL MEETING of the Company held on Friday, 27th July, 2012 at 11.00 a.m., at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007.

____
Signature of Member(s) / Proxy

INOX LEISURE LIMITED

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

PROXY FORM

Folio No. ______________________

I/We ____

of ______________________________ being a Member / Members of Inox Leisure Limited hereby appoint ______________________ of ______________ or failing him/her ______________________ of ______________________ as my/our proxy to vote for me / us on my/our behalf at the THIRTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, 27th July, 2012 at 11.00 a.m., at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 and at any adjournment(s) thereof.

Signed this ______________ day of ______________ 2012

Affix ₹ 1/- Revenue Stamp

____
Signature of Member(s)

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting. The Proxy need not be a Member of the Company.

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