

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2010.

Rs in lakhs

Sr. No	Particulars	3 months Ended 31.12.2010 (Unaudited)	3 months ended 31.12.2009 (Unaudited)	Nine months ended 31.12.2010 (Unaudited)	Nine months ended 31.12.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
1	(a) Net Sales / Income from operations	10020	8389	26843	18485	25211
	(b) Other Operating Income	74	39	191	91	154
	Total Income (a+b)	10094	8428	27034	18576	25365
2	Expenditure					
	a) Entertainment Tax	1371	1046	3593	2353	3167
	b) Film Distributors Share	2759	2350	7441	4903	6655
	c) Cost of Food & Beverages	493	443	1428	1021	1369
	d) Employees Cost	624	386	1790	1209	1622
	e) Property Rent & Conducting Fees	1184	792	3178	2239	3009
	f) Depreciation (including amortization)	509	385	1399	1137	1542
	g) Other Expenditure	2104	1442	5696	3846	5906
	h) Total (a to g)	9044	6844	24525	16708	23270
3	Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	1050	1584	2509	1868	2095
4	Other Income	107	78	324	98	246
5	Profit before Interest and Exceptional Items (3+4)	1157	1662	2833	1966	2341
6	Interest	375	122	1070	309	530
7	Profit after Interest but before Exceptional Items (5-6)	782	1540	1763	1657	1811
8.	Exceptional Items	0	0	0	0	0
9.	Profit from Ordinary Activities before tax	782	1540	1763	1657	1811
10.	Tax expense				981	1009
.	- Taxation for the period	257	666	554	654	363
.	- Taxation in respect of earlier years	0	0	0	0	(1158)
11.	Net Profit from Ordinary Activities after tax (9-10)	525	874	1209	1003	2606
12.	Extraordinary Items (net of tax expense)	0	0	0	0	0
13.	Net profit for the period (11-12)	525	874	1209	1003	2606
14	Paid-up equity share capital (Face Value Rs. 10 per share)	6153	6148	6153	6148	6149
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting year					24864
16	Earning Per Share (EPS) (In Rs.)					
	Basic EPS (not annualized)	0.86	1.42	1.97	1.63	4.24
	Diluted EPS (not annualized)	0.85	1.42	1.96	1.63	4.24
17	Public Shareholding					
	- Number of shares	21280456	21046415	21280456	21046415	20566036
	- Percentage of shareholding	34.38%	34.00%	34.38%	34.00%	33.23%
18	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	40615092	40849133	40615092	40849133	41329512
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	65.62%	66.00%	65.62%	66.00%	66.77%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2010

Rs in lakhs

Sr. No.	Particulars	Quarter ended 31.12.2010 (Unaudited)	Quarter ended 31.12.2009 (Unaudited)	Nine months ended 31.12.2010 (Unaudited)	Nine months ended 31.12.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
[I]	Segment Revenue					
i	Multiplexes	10102	8423	27069	18535	25360
li	Film Distribution	0	1	1	19	19
lii	Film Production	0	0	0	29	29
Iv	Power	16	22	88	111	140
v	Un-allocable and Corporate	99	80	282	83	195
	Total Segment Revenue	10217	8526	27440	18777	25743
	Less: Inter Segment Revenue	16	20	82	103	132
	Total External Revenue	10201	8506	27358	18674	25611
[II]	Segment Result - Profit / (Loss)					
i	Multiplexes	1056	1579	2510	1805	2057
li	Film Distribution	0	(4)	(3)	(18)	(22)
lii	Film Production	0	0	0	29	28
Iv	Power	2	7	44	67	83
	Total Segment Revenue	1058	1582	2551	1883	2146
	Add: Un-allocable Income	99	80	282	83	195
	Less: Interest expenses	375	122	1070	309	530
	Total Profit Before Tax	782	1540	1763	1657	1811
iii	Segment Capital Employed (Segment Assets- Segment Liabilities)					
i	Multiplexes	37562	34744	37562	34744	35639
ii	Film Distribution	51	51	51	51	49
iii	Film Production	0	0	0	0	0
iv	Power	628	676	628	676	663
v	Un-allocable and corporate	(5923)	(5982)	(5923)	(5982)	(5260)
	Total	32318	29489	32318	29489	31091

Notes

- The above results, reviewed by the Audit Committee, were taken on record at the meeting of the Board of Directors held on 29th January, 2011 and have undergone "Limited Review" by the Statutory Auditors of the Company.

- Corresponding figures for previous period / year have been regrouped / recast wherever necessary to correspond to current period / year classification.

- The entertainment tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the Company has not charged Rs.132 / 362 lakhs to the Profit and Loss Account for the quarter / nine months ended 31st December 2010 being the entertainment tax of such Multiplexes. Corresponding figures for the previous quarter / nine months ended 31st December, 2010, and for the year ended 31 March, 2010, are Rs 106 / 197 lakhs and Rs 277 lakhs respectively.

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 and re-iterated vide its order dated 18th August, 2010. Despite this, the Government has, denied exemption to the Company from payment of entertainment tax, against which the Company has once again filed a civil application. Pending receipt of final eligibility certificate the figures indicated in the above note include the figures pertaining to the said Multiplex.

- As per the amendment made by the Finance Act 2010, renting of immovable property was defined as a taxable service with retrospective effect from 1 June, 2007. Accordingly, in the annual accounts for the year ended 31st March 2010, the Company had provided service tax for Rs. 613 lakhs in respect of rentals paid for the year ended 31st March, 2009 and 31st March, 2010. During the current period, the Company has challenged this levy by filing Writ Petition with various High Courts. While Honourable High Court of Delhi and Karnataka have granted stay for the levy of service tax in respect of immovable properties of the Company situated within their respective jurisdictions, matters are pending for hearing at Honourable Mumbai High Court and Andhra Pradesh High Court. Based on legal advice obtained by the Company, the recovery of service tax on renting of immovable property is not likely to be upheld, and accordingly no provision of service tax of Rs 118 / 317 lakhs on lease rentals is made for the quarter / nine months ended 31st December, 2010. Further, the amount of Rs 613 lakhs, in respect of service tax provided in the accounts during the year ended 31st March 2010, has been reversed in the quarter ending on 30th June 2010 and netted in "Other Expenditure" above.

- During 2009-10, 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 further 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 the above acquisitions, the Company held 1,75,65,288 equity shares in Fame. Pursuant thereto, an Open Offer was made to the Shareholders of Fame, through Enam Securities Limited, as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, for acquisition of 82,31,759 equity shares in Fame at a price of Rs 51 per share. On compliance with all the requirements of the Open Offer as required under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, and on completion thereof on 6th January 2011, the Company's stake in Fame now stands at 50.27% of the existing issued and paid-up capital of Fame. Accordingly, as per the provisions of Companies Act, 1956, Fame has now become a subsidiary of Inox Leisure Limited.

- In the appellate proceedings before the Commissioner of Income-tax (Appeals) the Company's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted. Provision for current tax is also made on the same basis and consequently the provision for current taxation is for Minimum Alternate Tax payable on book profits. The Company is entitled to carry forward of Minimum Alternate Tax (MAT) paid by it and utilize in subsequent years. In the opinion of management, on the basis of projections and estimates of future taxable income, the Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has recognized the MAT credit entitlement of Rs. 167 / 395 Lacs for the quarter/ nine months ending 31st December 2010 (corresponding figure for 2009-10 was Rs 1270 lakhs including in respect of earlier years).

- There were no investors' complaints pending at the beginning of the quarter. The Company received 6 complaints during the quarter. The Company has disposed all 6 complaints and there were no complaints outstanding at the end of the quarter.

On behalf of the Board of Directors
For INOX Leisure Limited

Place : Mumbai
Date :29th January, 2011

Sd /-
Deepak Asher
Director