



INOX LEISURE LIMITED

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

Dear Member,

Notice pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the resolutions appended below are proposed to be passed as Ordinary Resolutions / Special Resolution, as the case may be, by way of Postal Ballot.

Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form for your consideration.

1. INCREASE IN BORROWING LIMITS FROM RS. 300 CRORES TO RS. 1,000 CRORES OR THE AGGREGATE OF THE PAID UP CAPITAL AND FREE RESERVES OF THE COMPANY, WHICHEVER IS HIGHER.

To pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in supersession of Resolution passed at the Annual General Meeting of the Company held on 10th September, 2004, the consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1,000 crores (Rupees One Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher."

2. CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS.

To pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events, in favour of banks/ financial institutions, other investing agencies, etc. and trustees for the holders of debentures/bonds/other instruments to secure rupee/ foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 1,000 crores (Rupees One Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board/Committee of the Board or Directors/ Officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

3. WAIVER OF RECOVERY OF EXCESS REMUNERATION PAID TO MR. ALOK TANDON – MANAGER OF THE COMPANY FOR THE FINANCIAL YEAR 2010-11.

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

"RESOLVED THAT pursuant to provisions of Section 309 (5B) of the Companies Act, 1956 and other applicable provisions, if any, and subject to the approval of Central Government, consent of the Members of the Company be and is hereby accorded to waive the recovery of excess remuneration of Rs. 2,20,971 paid to Mr. Alok Tandon, Manager of the Company over and above the limits prescribed under Section 309 read with Schedule XIII to the Companies Act, 1956 for the Financial Year ended on 31st March, 2011 i.e. for a period from 1st April, 2010 till 31st March, 2011.

RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government."

By Order of the Board of Directors

Place : Mumbai
Date : 9th August, 2012

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager – Legal

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

NOTES

1. An explanatory statement as required under Section 173 of the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.

3. The Board of Directors has appointed M/s. S. Samdani & Associates, Vadodara, Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The Members are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before 1st October 2012. Any Postal Ballot Form received after 30 days of issuance of this notice shall be treated as if the reply from the Members has not been received.
5. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Members who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The Ordinary Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour exceeds the votes, if any, against the said Resolutions. The Special Resolution mentioned above will be declared as passed if the number of votes cast in its favour are not less than three times the number of votes cast, if any, against the said Resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Items 1 & 2:

Under Section 293(1)(d) of the Companies Act, 1956 ("Act"), the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The Members at the Annual General Meeting of the Company held on 10th September, 2004, had accorded their consent to the Board of Directors borrowing up to Rs. 300 crores (Rupees Three Hundred Crores only). As on 31st March, 2012, the aggregate of the paid-up capital and free reserves of the Company was Rs. 328.29 crores (Rupees Three Hundred Twenty Eight Crores and Twenty Nine Lakhs only).

Taking into consideration the requirements of additional funds to meet the future projects of the Company and other capital expenditure programmes, it is expected that the limit of Rs. 300 crores (Rupees Three Hundred Crores only) sanctioned by the Members will not be adequate. The consent of the Members is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1,000 crores (Rupees One Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher. The Resolution under Item No. 1 is to obtain the consent of the Members for this purpose.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 2. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 1,000 crores (Rupees One Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

The above proposals are in the interest of the Company and the Directors recommend the Resolutions at Item Nos. 1 and 2 of the Notice for approval by the Members.

None of the Directors is interested in the Resolutions at Item Nos. 1 and 2 of the accompanying Notice.

Item 3:

An engineer by qualification, Mr. Alok Tandon is a key member of the senior management team of the Company. He has been with the Company 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 the Company, Mr. Alok Tandon is at the helm of the Company'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.

During the Financial Year ended 31st March, 2011, the Company posted a Profit of Rs. 6,95,78,929 and paid a Managerial Remuneration of Rs. 72,72,898 to Mr. Alok Tandon, CEO & Manager of the Company. This remuneration was in excess of the limits prescribed under the provisions of Section 198 & 387 read with Schedule XIII of the Companies Act, 1956 to the extent of Rs. 2,20,971.

Under the provisions of Section 198, 387 and 388 read with Section II of Part II of Schedule XIII of the Companies Act, 1956, where in any financial year during the currency of the tenure of the managerial person, a Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person by way of salary, dearness allowance, perquisites and any other allowances subject to the approval of the Remuneration Committee and the Members of the Company by way of a Special Resolution and approval of the Central Government. The Compensation & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 26th May, 2011 approved payment of remuneration to Mr. Alok Tandon subject to the receipt of the approvals as aforesaid.

Subsequently, the Company at the Annual General Meeting of the Company held on 15th July, 2011, passed a Special Resolution for payment of remuneration to Mr. Alok Tandon, not exceeding Rs. 75 Lacs 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 and as may be agreed to between the Board of Directors and Mr. Alok Tandon – Manager of the Company for the period from 1st October, 2010 to 30th September, 2011.

Accordingly, an application was filed with the Central Government for its approval for waiver of recovery of excess remuneration of Rs. 2,20,971 paid to Mr. Alok Tandon for Financial Year 2010-11 i.e. from 1st April, 2010 to 31st March, 2011. The Central Government, vide its letter dated 31st July, 2012, has advised the Company to obtain the approval of members by way of Special Resolution for waiver of recovery of excess remuneration of Rs. 2,20,971 paid to Mr. Alok Tandon for the entire Financial Year 2010-11 i.e. from 1st April, 2010 to 31st March, 2011 to enable them to reconsider Company's application.

Accordingly, the resolution at Item no. 3 is to obtain the consent of the Members by way of Special Resolution for this purpose.

The above proposal is in the interest of the Company and the Directors recommend the Resolution at Item Nos. 3 of the Notice for approval by the Members.

None of the Directors is interested in the Resolution at Item No. 3 of the accompanying Notice.

By Order of the Board of Directors

Place : Mumbai
Date : 9th August, 2012

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager – Legal



INOX LEISURE LIMITED

Registered Office: ABS Towers, Old Padra Road, Vadodara – 390007

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

1. Name & Registered Address of
the Sole / First named Member :

2. Name(s) of joint holder(s), if any :

3. Registered Folio No./
DP ID No./Client ID No.* :
*(Applicable for investors holding
shares in dematerialized form)

4. Number of Shares held :

I/We hereby exercise my/our votes in respect of the Resolutions set out in the Notice dated 9th August, 2012 as set out below to be passed through postal ballot by sending my / our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.

Description	Type of Resolution	No. of Shares	(FOR) I / We assent to the Resolution	(AGAINST) I / We dissent to the Resolution
1. Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956, for increase in the borrowings limits from Rs. 300 Crores to Rs. 1,000 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher	Ordinary			
2. Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, for creation of charges on the movable and immovable properties of the company, both present and future, in respect of borrowings.	Ordinary			
3. Special Resolution for Waiver of recovery of excess remuneration paid to Mr. Alok Tandon – Manager of the Company for the Financial Year 2010-11.	Special			

Signature of the Member

Place:

Date:

NOTE: Last Date for receipt of Postal Ballot Form by the Scrutinizer : **1st October, 2012**



INOX LEISURE LIMITED

Registered Office: ABS Towers, Old Padra Road, Vadodara – 390007

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

1. Name & Registered Address of
the Sole / First named Member :

2. Name(s) of joint holder(s), if any :

3. Registered Folio No./
DP ID No./Client ID No.* :
*(Applicable for investors holding
shares in dematerialized form)

4. Number of Shares held :

I/We hereby exercise my/our votes in respect of the Resolutions set out in the Notice dated 9th August, 2012 as set out below to be passed through postal ballot by sending my / our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.

Description	Type of Resolution	No. of Shares	(FOR) I / We assent to the Resolution	(AGAINST) I / We dissent to the Resolution
1. Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956, for increase in the borrowings limits from Rs. 300 Crores to Rs. 1,000 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher	Ordinary			
2. Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, for creation of charges on the movable and immovable properties of the company, both present and future, in respect of borrowings.	Ordinary			
3. Special Resolution for Waiver of recovery of excess remuneration paid to Mr. Alok Tandon – Manager of the Company for the Financial Year 2010-11.	Special			

Signature of the Member

Place:

Date:

NOTE: Last Date for receipt of Postal Ballot Form by the Scrutinizer : **1st October, 2012**

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form in all respects and send it to the scrutinizer in the attached self addressed postage prepaid envelope. However, envelopes containing postal ballot forms, if deposited in person or sent by courier at the expense of the members, will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.
2. The self-addressed envelope bears the name and address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (1700 hrs) on 1st October, 2012. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before 1st October, 2012 providing sufficient time for postal transit. Facility of voting through electronic mode is not being provided by the Company.
5. The voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on Friday, the 24th August, 2012.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the Postal Ballot Form.
7. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 3 & 6 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted through proxy.
9. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Member(s).
10. Votes will be considered invalid on the following grounds:
 - a. if the member's signature does not tally.
 - b. if the member has marked all his shares both in favour and also against the special resolution.
 - c. if the postal ballot is unsigned.
 - d. if the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
11. The results of the Postal Ballot will be announced by the Director of the Company on or before 4th October, 2012 at the Registered Office of the Company at ABS Towers, Old Padra Road, Vadodara – 390 007 and will also be informed to the stock exchanges, hosted on the Company's website www.inoxmovies.com and published in newspapers.
12. The item of business covered by this Postal Ballot will not be transacted at any General Meeting even though Members who have not exercised their franchise through Postal Ballot might be present in person or through proxy at the meeting.
13. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to Mr. Miket Shashikant Bahuva, Deputy Company Secretary & Senior Manager – Legal, Inox Leisure Limited, 5th floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093.
14. The Scrutinizers decision on the validity of the Postal Ballot will be final.

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form in all respects and send it to the scrutinizer in the attached self addressed postage prepaid envelope. However, envelopes containing postal ballot forms, if deposited in person or sent by courier at the expense of the members, will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.
2. The self-addressed envelope bears the name and address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (1700 hrs) on 1st October, 2012. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before 1st October, 2012 providing sufficient time for postal transit. Facility of voting through electronic mode is not being provided by the Company.
5. The voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on Friday, the 17th August, 2012.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the Postal Ballot Form.
7. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 3 & 6 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted through proxy.
9. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Member(s).
10. Votes will be considered invalid on the following grounds:
 - a. if the member's signature does not tally.
 - b. if the member has marked all his shares both in favour and also against the special resolution.
 - c. if the postal ballot is unsigned.
 - d. if the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
11. The results of the Postal Ballot will be announced by the Director of the Company on or before 4th October, 2012 at the Registered Office of the Company at ABS Towers, Old Padra Road, Vadodara – 390 007 and will also be informed to the stock exchanges, hosted on the Company's website www.inoxmovies.com and published in newspapers.
12. The item of business covered by this Postal Ballot will not be transacted at any General Meeting even though Members who have not exercised their franchise through Postal Ballot might be present in person or through proxy at the meeting.
13. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to Mr. Miket Shashikant Bahuva, Deputy Company Secretary & Senior Manager – Legal, Inox Leisure Limited, 5th floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093.
14. The Scrutinizers decision on the validity of the Postal Ballot will be final.