

**UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 30<sup>TH</sup> JUNE, 2010.**

Rs. in lakhs

Sr No.	Particulars	Quarter ended 30 June 2010 (As per limited review)	Quarter ended 30 June 2009 (As per limited review)	Year ended 31 March, 2010 (Audited)
1	(a) Net Sales / Income from operations	7991	3429	25211
	(b) Other Operating Income	45	22	154
	(c) <b>Total Income (a+b)</b>	<b>8036</b>	<b>3451</b>	<b>25365</b>
2	Expenditure			
	a) Entertainment Tax	1007	376	3167
	b) Film Distributors Share	2224	778	6655
	c) Cost of Food & Beverages	458	205	1369
	d) Employees Cost	591	422	1622
	e) Property Rent & Conducting Fees	935	697	3009
	f) Depreciation (including amortization)	444	382	1542
	g) Other Expenditure	1618	1145	5906
	h) Total (a to g)	7277	4005	23270
3	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	759	(554)	2095
4	Other Income	98	5	246
5	Profit/(Loss) before Interest and Exceptional Items (3+4)	857	(549)	2341
6	Interest	341	91	530
7	Profit/(Loss) after Interest but before Exceptional Items (5-6)	516	(640)	1811
8	Exceptional Items	0	0	0
9	Profit/(Loss) from Ordinary Activities before Tax	516	(640)	1811
10	Tax expense			
	- Taxation for the period	164	(239)	363
	- Taxation in respect of earlier years	0	0	(1158)
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	352	(401)	2606
12	Extraordinary Items (net of tax expense)	0	0	0
13	Net profit/(Loss) for the period (11-12)	352	(401)	2606
14	Paid-up equity share capital (Face Value Rs. 10 per share)	6151	6147	6149
15	Reserve excluding Revaluation Reserves (as per last Balance Sheet)	-	-	24864
16	Earnings Per Share (EPS) (In Rs.)			
	Basic EPS	0.57	(0.65)	4.24
	Diluted EPS	0.57	(0.65)	4.24
17	Public Shareholding			
	- Number of shares	20566036	21783915	20566036
	- Percentage of shareholding	33.23%	35.19%	33.23%
18	Promoters and promoter group Shareholding			
a)	Pledged/Encumbered			
	- Number of shares	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil
b)	Non-encumbered			
	- Number of shares	41329512	40111633	41329512
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	66.77%	64.81%	66.77%

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2010.**

Rs in lakhs

Sr. No	Particulars	Quarter ended 30 June 2010 (As per limited review)	Quarter ended 30 June 2009 (As per limited review)	Year ended 31 March, 2010 (Audited)
[I]	<b>Segment Revenue</b>			
i	Multiplexes	8039	3444	25360
ii	Film Distribution	1	10	19
iii	Film Production	0	0	29
iv	Power	40	39	140
v	Un-allocable and Corporate	90	2	195
	<b>Total Segment Revenue</b>	<b>8170</b>	<b>3495</b>	<b>25743</b>
	Less: Inter Segment Revenue	37	39	132
	<b>Total External Revenue</b>	<b>8133</b>	<b>3456</b>	<b>25611</b>
[II]	<b>Segment Result – Profit/(Loss)</b>			
i	Multiplexes	742	(558)	2057
ii	Film Distribution	(1)	(17)	(22)
iii	Film Production	0	0	28
iv	Power	26	24	83
	<b>Total Segment Result</b>	<b>767</b>	<b>(551)</b>	<b>2146</b>
	Add: Un-allocable Income	90	2	195
	Less: Interest expenses	341	91	530
	<b>Total Profit/(Loss) Before Tax</b>	<b>516</b>	<b>(640)</b>	<b>1811</b>
[iii]	<b>Segment Capital Employed (Segment Assets-Segment Liabilities)</b>			
i	Multiplexes	36484	32743	35639
ii	Film Distribution	48	(31)	49
iii	Film Production	0	(29)	0
iv	Power	680	709	663
v	Un-allocable and Corporate	(5762)	(5321)	(5260)
	<b>Total</b>	<b>31450</b>	<b>28071</b>	<b>31091</b>

**Notes**

- The above results, reviewed by the Audit Committee, were taken on record at the meeting of the Board of Directors held on 30<sup>th</sup> July, 2010. The statutory auditors of the Company have carried out Limited Review of the above results.
- 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. 107.55 lacs to the Profit and Loss Account for the quarter ended 30th June 2010 being the Entertainment Tax of such Multiplexes. Corresponding figures for the previous quarter ended 30th June, 2009, and for the year ended 31st March, 2010, are Rs 79.97 lakhs and Rs 277.14 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. Despite this, the Government has, reiterating its earlier order, denied exemption to the Company from payment of entertainment tax. The Company has once again approached the Honourable High Court of Gujarat for redressal. 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 June 01, 2007. Accordingly, in the annual accounts for the year ended 31<sup>st</sup> March 2010, the Company had provided service tax for Rs. 612.67 lakhs in respect of rentals paid for the year ended 31<sup>st</sup> March, 2009 and 31<sup>st</sup> March, 2010. During the quarter, the Company has challenged this levy by filing a Writ Petition with the Honourable High Court of Delhi at New Delhi. The Delhi High Court has admitted the petition and stayed the levy of service tax in respect of immovable properties of the Company situated within its jurisdiction. 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 on lease rentals of Rs 89.69 lakhs is made in the accounts for the quarter ended 30<sup>th</sup> June 2010. Further, the amount of Rs 612.67 lakhs, in respect of service tax provided in the accounts during the year ended 31<sup>st</sup> March 2010, has been reversed in the current quarter and netted in "Other Expenditure" above.
- During 2009-10, the Company had acquired 1,50,57,751 equity shares in Fame (India) Limited, being the Promoters' shareholding, comprising of 43.28% stake in Fame (India) Limited, through a block deal carried out on the Bombay Stock Exchange. The Company had further acquired another 25,07,537 equity shares in Fame (India) Limited, comprising of 7.21% stake in Fame (India) Limited, from the market, through two separate block deals carried out on the Bombay Stock Exchange. As a result of the above acquisitions, the Company holds 1,75,65,288 equity shares, comprising of 50.48% stake in Fame (India) Limited. The Company, through Enam Securities Limited, has filed a Draft Letter of Offer with the Securities and Exchange Board of India, under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("Takeover Code") for acquisition of 8,231,759 equity shares constituting 20% of the fully-diluted capital of Fame (India) Limited, at a price of Rs. 51 per equity share, and is awaiting its approval on the same. Based on legal advice received by the Company, Fame (India) Limited shall become a subsidiary of the Company on completion of the Open Offer formalities.
- 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 profit. The Minimum Alternate Tax (MAT) paid by the Company is entitled to be carried forward and utilized in subsequent years. In the opinion of management, on the basis of projections 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. 118 Lacs for the Quarter ending 30 June 2010 (corresponding figure for 2009-10 was Rs 1270.00 lakhs including in respect of earlier years).
- There were no investors' complaints pending at the beginning of the quarter. The Company has not received any complaints during the quarter.

**On behalf of the Board of Directors  
For INOX Leisure Limited**

**Place : Mumbai  
Date : 30<sup>th</sup> July , 2010**

**Sd /-  
Deepak Asher  
Director**