



INOX LEISURE LIMITED
ANNUAL REPORT | 2012 - 13

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. Haigreave 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

14th Annual General Meeting

Day : Friday
Date : 23 August, 2013
Time : 11.00 a.m.
Venue : Maple Hall, Hotel Express Residency,
18/19, Alkapuri Society,
Vadodara – 390 007

Contents

Notice.....	02
Directors' Report	05
Management Discussion and Analysis.....	12
Corporate Governance Report	14
Independent Auditors' Report.....	25
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes.....	33

NOTICE

Notice is hereby given that the Fourteenth ANNUAL GENERAL MEETING of the Members of **INOX LEISURE LIMITED** will be held on Friday, 23 August, 2013 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 31 March, 2013, 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. Siddharth Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Haigreve Khaitan, 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**:

Payment of Managerial Remuneration to Mr. Rajeev Patni, Manager & Director - Operations of erstwhile Fame India Limited:

“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), Company do approve the managerial remuneration of ₹ 580,262 (Rupees Five Lacs Eighty Thousand Two Hundred Sixty Two only) paid to Mr. Rajeev Patni as a Manager of erstwhile Fame India Limited for a period from 1 April 2013 to 25 May 2013”.

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

Alteration of the Articles of Association of the Company:

“RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be altered as follows:

After Article 137 (Nominee Director or Corporation Director), the following new Article to be inserted as Article 137A:

Right to Appoint Directors	137A Notwithstanding anything contained in these Articles, Gujarat Fluorochemicals Limited (“GFL”) shall be entitled to appoint majority of the directors on the Board, if GFL holds not less than forty per centum of the issued, subscribed and paid up equity share capital of the Company.
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**By order of the Board of Directors
For Inox Leisure Limited**

**Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal**

Place: Noida

Date: 29 May 2013

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 Nos. 5 & 6 hereinabove is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16 August 2013 to Friday, 23 August 2013 (both days inclusive).
4. Re-appointment of Directors:
Mr. Siddharth Jain and Mr. Haigreve Khaitan 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	Mr. Siddharth Jain	Mr. Haigreve Khaitan
Date of Birth	21 – September – 1978	13 – July – 1970
Date of Appointment	10 – September – 2004	22 – October – 2007
Directors Identification Number	00030202	00005290
Expertise in Specific Functional Area	He has over 10 years of work experience in various management positions.	His main areas of expertise are commercial & corporate laws, tax laws, mergers and acquisitions, restructuring, foreign collaboration, licensing.
Qualification	Graduate from the University of Michigan – Ann Arbor, with a Bachelor of Science in Mechanical Engineering and has an MBA from INSEAD, France	Law Graduate.
Directorships held in other Companies (Excluding Foreign Companies)	<ol style="list-style-type: none"> Inox Air Products Limited Inox Leasing And Finance Limited Inox India Limited Inox Wind Limited Inox Chemicals Private Limited Siddhapavan Trading & Finance Private Limited Devansh Gases Private Limited Rajni Farms Private Limited Megnasolace City Private Limited 	<ol style="list-style-type: none"> Ambuja Cements Limited Bajaj Corp Limited CEAT Limited First Source Solutions Limited Harrisons Malayalam Limited JSW Ispat Steel Limited Jindal Steel & Power Limited National Engineering Industries Limited Sterlite Technologies Limited The West Coast Paper Mills Limited Torrent Pharmaceuticals Limited Xpro India Limited AVTEC Limited Great Eastern Energy Corporation Limited Vinar Systems Private Limited.
Membership/Chairmanship of Committees of other public Companies (includes only Audit Committee and Shareholders' and Investors' Grievance Committee)	<ol style="list-style-type: none"> Inox Leasing And Finance Limited (Member of Audit Committee) Inox India Limited (Member of Audit Committee) Inox Wind Limited (Member of Audit Committee) 	<ol style="list-style-type: none"> Harrisons Malayalam Limited (Member of Audit Committee) JSW Ispat Steel Limited (Member of Audit Committee and Share Transfer and Investors' Grievance Committee) Jindal Steel & Power Limited (Member of Audit Committee) National Engineering Industries Limited (Member of Audit Committee and Shareholder Grievance Committee) Sterlite Technologies Limited (Member of Audit Committee) Torrent Pharmaceuticals Limited (Member of Audit Committee) AVTEC Limited (Member of Audit Committee)
Shareholding in the Company	Nil	Nil

- 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.
- 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 2013 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**

NOTICE

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 / Proxies are requested to bring their attendance Slip filled in and their copy of Annual Report to the Meeting.
9. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.
10. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

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

ITEM NO. 5:

Mr. Rajeev Patni was appointed by the Board of Directors of erstwhile Fame India Limited as a Manager with effect from 1 April 2013 and such appointment was made pursuant to the provisions of part II, Section II (B) of Schedule XIII of the Companies Act, 1956, which required the approval of the Shareholders by passing a Special Resolution.

The Composite Scheme of Amalgamation between Fame India Limited and its subsidiaries, viz., Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited (the Transferor Companies) with Inox Leisure Limited (the Transferee Company) have been sanctioned by the Hon'ble High Court of Gujarat vide its order dated 12 March 2013, read with order dated 20 March 2013 and Hon'ble High Court of Judicature at Bombay vide its order dated 10 May 2013 with an appointed date being 1 April 2012. Consequent upon filing of the Order of the Hon'ble High Courts with the Registrar of Companies, Ahmadabad and Mumbai, the merger has become effective from 25 May 2013 and the Transferor Companies now stands dissolved. On merger becoming effective, Mr. Rajeev Patni ceases to be a Manager of erstwhile Fame India Limited. He has been appointed as a Vice President – Operations of the Company.

To regularize the salary paid to Mr. Rajeev Patni as Manager of erstwhile Fame India Limited for a period from 1 April 2013 to 25 May 2013, the approval of shareholders of Inox Leisure Limited is sought by way of a Special Resolution.

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

ITEM NO. 6

As members are aware, your Company belongs to INOX group. INOX is a professionally managed business group, with interests in diverse businesses including Industrial Gases, Refrigerants, Chemicals, Carbon Credits, Cryogenic Engineering, Renewable Energy and Entertainment. Your company's promoter and holding company, GFL, is a part of the INOX group of companies. As an integral part of the INOX group, it is necessary to ensure that the synergy of the Company with the INOX group should be adequately safeguarded. The Board also considers it appropriate that the long term business and organizational strategies should be aligned with INOX group. In order to achieve the objective of ensuring that the vision of the INOX group is effectively implemented, the Board considers it appropriate that GFL should be granted a right to nominate a majority of the directors of the Company, subject however to GFL continuing to hold not less than forty per centum of the paid up equity share capital of the Company.

The directors recommend the Resolution as stated at Item No 6 of the Notice for approval of the Members by way of a Special Resolution for alteration of Articles of Association of the Company pursuant to provisions of Section 31 of the Companies Act, 1956.

Mr Pavan Jain, Mr Vivek Jain & Mr Deepak Asher being directors of GFL as well as in your Company and Mr Siddharth Jain being relative of Mr Pavan Jain & Mr Vivek Jain are interested in this resolution.

**By order of the Board of Directors
For Inox Leisure Limited**

**Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal**

**Place: Noida
Date: 29 May 2013
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 Fourteenth Report on the business and operations of the Company together with the Audited Accounts for the year ended 31 March, 2013.

I. FINANCIAL RESULTS:

(₹ In Lacs)

Particulars	For the year ended 31 March, 2013*	For the year ended 31 March, 2012
Income		
Sales and other Income	76891.02	42477.62
Profit before Finance Cost, Depreciation and Tax	9913.39	5033.94
Less: Depreciation	4307.50	2015.76
Profit before Finance Cost and Tax	5605.89	3018.18
Less: Finance Cost	2669.77	1758.85
Profit before Tax (PBT)	2936.12	1259.33
Less: Provision for Taxation		
• For the year	1275.72	385.56
• Earlier Years	(184.23)	(153.92)
Profit after Tax (PAT)	1844.63	1027.69
Add: Profit brought forward from previous year	7907.07	6879.38
Less: On account of Amalgamation	(443.30)	NIL
Balance carried to Balance Sheet	9308.40	7907.07

* Includes figures of Fame India Limited and its subsidiaries (see para 2 below).

NEW PROPERTIES:

During the year under review, 5 Multiplex Cinema Theatres with 27 screens and seating capacity of 6,743 were added taking the tally of Multiplex Cinema Theatres to 46 with 182 screens and 50,123 seats as of 31 March, 2013. Further, on merger of Fame India Limited with the Company (see para 2 below), 25 Multiplex Cinema Theatre with 91 screens and 25,391 seats were vested in the Company. Accordingly, the tally of Multiplex Cinema Theatres of your Company stands at 71 Multiplexes with 276 screens and 76,360 seats.

2. MERGER OF FAME INDIA LIMITED AND ITS SUBSIDIARIES WITH THE COMPANY:

The Composite Scheme of Amalgamation between Fame India Limited and its subsidiaries, viz., Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited (the Transferor Companies) with Inox Leisure Limited (the Transferee Company) have been sanctioned by the Hon'ble High Court of Gujarat vide its order dated 12 March 2013, read with order dated 20 March 2013 and Hon'ble High Court of Judicature at Bombay vide its order dated 10 May 2013 with an appointed date being 1 April 2012. Consequent upon filing of the Order of the Hon'ble High Courts with the Registrar of Companies, Ahmedabad and Mumbai, the merger has become effective from 25 May 2013 and the Transferor Companies now stands dissolved.

Key details of the said amalgamation are summarized as follows:

Appointed Date	1 April 2012
Effective Date	25 May 2013
Transferor Companies	Fame India Limited (FAME) Fame Motion Pictures Limited (FMPL) Big Pictures Hospitality Services Private Limited (BPHSPL) Headstrong Films Private Limited (HFPL)

Share Exchange Ratio	5 (Five) fully paid up equity shares of ₹ 10/- each of the Company for every 8 (Eight) fully paid equity shares of ₹ 10 each held by such shareholder in FAME; and 1 (One) fully paid up equity share of ₹ 10/- each of the Company for every 74 (Seventy Four) fully paid equity shares of ₹ 10 each held by such shareholder in HFPL.
Equity Shares to be issued	3,45,62,206 Equity Shares of ₹10 of the Company will be issued to the shareholders of the Transferor Companies.

Pending allotment of 3,45,62,206 Equity shares to the shareholders of the transferor companies, an amount of ₹ 3456.22 Lacs is shown in "Share Capital to be issued Account" in the Balance Sheet. The new equity shares will rank pari passu with the existing equity shares of the Company in all respects. The Board is delighted to welcome the new shareholders and look forward to their support to the Company in its' endeavours to enhance shareholder value.

As per the Scheme, in respect of the equity shares of Fame India Limited held by the Company, 2,44,31,570 equity shares of the Company will be issued to the Inox Benefit Trust, set up pursuant to the Scheme, for the benefit of the Company.

3. DIVIDEND:

With a view to finance the Company's ongoing projects and considering future expansion plans, no dividend has been recommended by the Board of Directors for the year ended 31 March, 2013.

4. TRANSFER OF FUNDS TO IEPF:

Provisions of Section 205C of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, requires the Company to transfer all such amount, as specified under that Section, which remain unclaimed for a period of Seven Years from the date they became due for payment, to Investor Education and Protection Fund. In compliance with the same, your Company has transferred a sum of ₹ 37,55,450 to the Investors Education and Protection Fund, as the same had remained as Unclaimed Share Application Money for a period of Seven Years.

5. APPROVAL OF CENTRAL GOVERNMENT FOR APPOINTMENT OF AND REMUNERATION PAYABLE TO, MR. ALOK TANDON:

- Central Government vide its letter dated 9 November 2012 has approved remuneration paid to Mr. Alok Tandon for FY 2010-11.
- Central Government vide its letter dated 1 December 2012 has also approved appointment of, and payment of remuneration to, Mr. Alok Tandon as a Manager of the Company for a period of Eighteen Months from 1 October 2011 till 31 March 2013.
- In respect of appointment of, and payment of remuneration to, Mr. Alok Tandon, Manager of the Company for a period of Two years from 1 April 2013 to 31 March, 2015, the Company is in the process of making an application to the Ministry of Corporate Affairs (MCA), Central Government.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

DIRECTORS' REPORT

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

7. DIRECTORS:

Mr. Siddharth Jain and Mr. Haigreve Khaitan, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

In accordance with Clause 49 of the Listing Agreement, a brief resume of Mr. Siddharth Jain and Mr. Haigreve Khaitan 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 6 November, 2012 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. Accordingly, the Board of Directors of the Company has appointed M/s. Y. S. Thakar & Co. (Registration Number - 000318) as Cost Auditors of the Company to conduct the Cost Audit for the Financial Year 2013 - 2014.

Particulars of Cost Audit Report Submitted by M/s. Y. S. Thakar & Co. in respect of Financial Year 2011-12 is as follows.

Financial Year :	2011-12
Due Date of Filing Cost Audit Report:	28 February 2013 (Vide MCA General Circular No. 2/2013 dated 31 January 2013)
Date of Filing Cost Audit Report:	31 January 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 the Company. 5,000 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

DIRECTORS' REPORT

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:

- Digital projectors have been installed at all the Multiplexes of the Company. This consumes 20% less amount of energy as compared with conventional projection systems.
- 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 has also reduced which leads to increase life cycle of the equipments like Motors and Heaters.
- 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, Magrath Road -Bangalore, Chennai, Crystal Palm - Jaipur, Nagpur and Nariman Point multiplexes.
- 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.
- 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.
- 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, Vashi, Kalyan, Malad, Kandivali, Bangalore - Prestige, Kolkata - South City, Hiland Park and Panchkulla properties, 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.
- 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.
- In Bangalore Prestige, Audi Numeric Signage has been converted from Neon to LED for energy Conservation.

DIRECTORS' REPORT

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)

		Current Year	Previous Year
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outflow		
	CIF value of Capital Goods imported	7602.72	39.02
	Travelling	34.72	7.57
	Advertisement Expenses	Nil	0.41
	Total	7637.44	47.00

15. SUBSIDIARY:

On Composite Scheme of Amalgamation of Fame India Limited, Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited (Transferor Companies) with Inox Leisure Limited becoming effective on 25 May 2013, all the Transferor Companies which were earlier subsidiaries of the Company ceased to be a subsidiary of the Company. Company doesn't have any other subsidiaries.

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 : Noida
Date : 29 May 2013

Vivek Jain **Deepak Asher**
Director **Director**

Annexure "A"

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

A	Options granted	NIL	
B	The price formula / Exercise Price	15	
C	Options vested	5,000	
D	Options exercised	5,000	
E	The total number of shares arising as a result of exercise of option	5,000	
F	Options lapsed	NIL	
G	Variation of terms of options	NOT APPLICABLE	
H	Money realized by exercise of option	NIL	
I	Total number of options in force	5,000	
J	Employee-wise details of options granted to		
	i. senior managerial personal	Nil	
	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	Nil	
	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	
K	Diluted Earnings Per Share (EPS) (as on 31 March, 2013) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 'Earnings per Share'	1.92	
L	If Employee Compensation Cost (ECC) 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	<p>Difference in ECC: The ECC would have been higher by ₹ 0.06 Lacs.</p> <p>Impact of the difference on the Profit: Profit After Tax would have been lower by ₹ 0.06 lacs.</p> <p>Impact on EPS: EPS would have been lower by less than ₹ 0.01 each.</p>	
M	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	Weighted Average Exercise Price	Weighted Average Fair Value
	Exercise price equals market price	Nil	Nil
	Exercise price exceeds market price	Nil	Nil
	Exercise price is less than the market price	₹ 15	For options granted on 29 January 2007 – ₹ 153.01 For options granted on 27 October 2009 – ₹ 43.91

N	<p>Method and significant assumptions used during the year to estimate fair values of options, including following weighted-average info-</p> <ul style="list-style-type: none"> 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 	<p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>
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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The film exhibition business and the domestic box office is expanding at a healthy pace. The industry is projected to grow at a Compound Average Growth Rate (CAGR) of 11.5%* to touch ₹ 193 billion in 2017. Domestic theatrical revenues are expected to continue dominating the overall film exhibition pie. Significantly, 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 trajectory going forward.

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.

In 2012, 152 screens were added – most of these were multiplex screens. A significant part of these screens were in either Tier II or Tier III cities, thanks to the level of real estate developments and rapid urbanization in these cities.

By 2013, it is expected that the industry will achieve 100 percent digitization of screens – which is currently at about 77 percent. Digitization has changed the landscape of Indian cinema in several ways, widespread release of movies across several screens, curtailment of piracy, reduced cost of prints, lower storage and maintenance expenditure and release of small budget films in a cost effective manner are some advantages offered by this technology.

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 offer high-end 3D technology – thereby providing an improved viewing experience.

The multiplex industry has been the torch bearer of transparency in 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.

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 each others’ 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.

As per the Motion Pictures Distributors Association, India is among the top nations in the world in terms of video piracy. MPA India estimates that the loss due to piracy in 2012 was USD 1.1 billion, an increase of 15.79 percent from that in 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Controlled ticket rates in some of the States and high entertainment taxes make it difficult to keep pace with increasing costs and improving technology. Allowing markets to determine the ticket rates would provide more flexibility to the exhibitors and make investments in these states viable.

SEGMENT WISE ANALYSIS:

Upto last year, the Company had classified operating & managing multiplexes / cinema theatres and production & distribution of movies as separate business segments. During the current year, the Company has not carried out any activity for production and distribution of movies. Accordingly, the Company operates in a single business segment viz. theatrical exhibition. All activities of the Company are in India and hence there are no geographical segments.

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 statutes, 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

At INOX, our talented pool of 4735 employees (including 1585 employees of erstwhile Fame India Limited) make live the concepts of providing quality service and guest delight. Our focused recruitment and selection process ensures we have on board the best talent in the industry. Our professional expertise, sourced from the services and the hospitality industry have helped us to redefine our standards of service. We take pride in having a stable manpower strength giving us a strategic advantage to sustain long-term business objectives.

B. TRAINING & DEVELOPMENT

Our employees continue to thrive as our most valuable assets. With a constructive work culture designed to promote a positive and a progressive work environment, our strength lies in our ability to unlearn outdated concepts and learn new ones. Our rationale at encouraging learning & a growing environment has paved way for attaining our long term business objectives.

C. INDUSTRIAL RELATIONS

We believe and practice in providing a congenial and a positive work environment. Our fair and just management practices help us to maintain healthy relationships at work at all times.

** The power of a billion – Realizing the Indian Dream– FICCI-KPMG Indian Media and Entertainment Industry Report 2013.*

CORPORATE GOVERNANCE REPORT

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 as well as better and timely financial reporting. Corporate Governance therefore generates long term economic value for all 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 consist of 4 non-executive-non independent and 3 independent Directors and the same meets the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Your Company held 7 (Seven) Board Meetings during the year, one each on 24 May, 2012, 15 June, 2012, 3 July, 2012, 27 July, 2012, 13 September 2012, 26 October, 2012, and 2 February, 2013.

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 in other Board Committees as on 31 March, 2013 are as under:-

Name of the 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 - Non Independent	5	No	7	4(3)
Mr. Vivek Jain	Non-Executive – Non Independent	6	No	6	4
Mr. Deepak Asher	Non-Executive – Non Independent	7	Yes	9	3
Mr. Siddharth Jain	Non-Executive – Non Independent	7	No	4	3
Mr. Haigreve Khaitan	Non-Executive - Independent	6	No	14	9
Mr. Sanjeev Jain	Non-Executive - Independent	5	Yes	NIL	NIL
Mr. Amit Jatia	Non-Executive - Independent	3	No	5	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.

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

- Audit Committee
- Share Transfer & Investors' Grievance Committee
- Compensation & Remuneration Committee

CORPORATE GOVERNANCE REPORT

a. **Audit Committee:**

The Audit Committee comprises of four Directors with Mr. Sanjeev Jain as the Chairman of the Committee.

Your Company held four Audit Committee Meetings during the year, one each on 24 May, 2012, 27 July, 2012, 26 October, 2012, and 2 February, 2013.

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

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

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 27 July 2012.

b. **Share Transfer & Investors' Grievance Committee:**

Your Company has formed a Share Transfer & Investors' Grievance Committee under the Chairmanship of Mr. Pavan Jain, a 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. The Committee also oversees the performance of the Registrar and Share Transfer Agents and recommends measures for improvement in the quality of investor services.

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

Name of the Director	Position	Committee Meetings held during the year	Number of Meetings attended
Mr. Pavan Jain	Chairman	2	2
Mr. Vivek Jain	Member	2	1
Mr. Deepak Asher	Member	2	2

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

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2013, your Company received 15* complaints from investors. All the complaints were resolved / replied. The complaints were mainly in respect of non receipt of Dividend Warrant, non receipt of Electronic Credits and non receipt of Annual Report.

* Including complaints from investors of erstwhile Fame India Limited.

A total of 1900 equity shares of the Company had remained unclaimed subsequent to the initial public issue of the Company in 2006. In compliance with provisions of Clause 5A of the Listing Agreement, aforesaid shares have been transferred to “**Inox Leisure Limited – Unclaimed Suspense Account**”.

Particulars	No of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	38	1900
Number of shareholders who approached the Company for transfer of shares from suspense account during the year;	0	0
Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	38	1900

Also, 632 shares pertaining to 4 shareholders of erstwhile Fame India Limited had remained unclaimed subsequent to the initial public issue of the Company in 2005. They were successfully transferred to “**Fame India Limited Unclaimed Suspense Account**”.

Particulars	No of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; / transferred to Fame India Limited Unclaimed Suspense Account during the year	4	632
Number of shareholders who approached the Company for transfer of shares from suspense account during the year;	0	0
Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	4	632

The voting rights in respect of above shares shall remain frozen till the rightful owner claims such shares.

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.

CORPORATE GOVERNANCE REPORT

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 the Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Sanjeev Jain	Chairman	2	1
Mr. Deepak Asher	Member	2	2
Mr. Haigreve Khaitan	Member	2	2
Mr. Amit Jatia	Member	2	2

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 each 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 Directors for the year 2012-13 are given below:

Name of the 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	25000	-	10000	-	35000
Mr. Vivek Jain	30000	-	5000	-	35000
Mr. Deepak Asher	35000	20000	10000	10000	75000
Mr. Siddharth Jain	35000	-	-	-	35000
Mr. Haigreve Khaitan	30000	20000	-	10000	60000
Mr. Sanjeev Jain	25000	15000	-	5000	45000
Mr. Amit Jatia	15000	10000	-	10000	35000
Total	195000	65000	25000	35000	320000

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(s) Passed
2009-10	11 th AGM on 9 July, 2010 at 11.00 a.m.	Maple Hall, Hotel Express	Nil
2010-11	12 th AGM on 15 July, 2011 at 11.00 a.m.	Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. Approval for payment of remuneration to Mr. Alok Tandon, Manager of the Company for a period from 1 October 2010 to 30 September 2011 2. Re-appointment of Mr. Alok Tandon for a period of Eighteen months with effect from 1 October, 2011 to 31 March 2013.
2011-12	13 th AGM on 27 July, 2012 at 11.00 a.m.		1. Re-appointment of Mr. Alok Tandon for a period of Two Years with effect from 1 April, 2013 to 31 March 2015.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March, 2013, following special resolution was passed by your Company's members through postal ballot.

Sr. No.	Resolution passed	Date of Passing the Resolution
I.	Waiver of recovery of excess remuneration paid to Mr. Alok Tandon – Manager of the Company for the Financial Year 2010-11.	4 October 2012

Details of voting pattern:

Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	41202553	41202553	100.00%	41202553	0	100.00%	0.00%
Public – Institutional holders	568352	NIL	NIL	NIL	NIL	NIL	NIL
Public-Others	20124643	3108625	15.45	3085180	23445	99.25	0.75
Total	61895548	44311178	71.59	44287733	23445	99.95	0.05

The Board of Directors had appointed M/s. S. Samdani & Associates, Vadodara, Practicing Company Secretaries, as scrutinizer for conducting the Postal Ballot process in fair and transparent manner.

No special resolution is proposed to be conducted through postal ballot at the current Annual General Meeting of the Company.

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 forming part of the Annual Report.

e) **CEO/CFO Certification:**

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

CORPORATE GOVERNANCE REPORT

- f) All the mandatory requirements of Clause 49 of the Listing Agreement have been complied by the Company.
- **Compliance with Non Mandatory requirements:**
 - a. **Remuneration Committee:** The Company has a remuneration committee. Please refer relevant paragraph of this report.
 - b. **Audit qualification:** For the year ended March 31, 2013, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

6. Means of communication:

The quarterly / annual financial results of your Company during / for the year ended 31 March 2013 were submitted with 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 and quarterly / annual financial results of erstwhile Fame India Limited were posted on www.fame.co.in.

7. General Shareholder information:

Annual General Meeting:

- Date : Friday, 23 August, 2013
- Time : 11.00 a.m.
- Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara - 390 007
- Financial year : 31 March, 2013
- Book Closure Dates : Friday, 16 August 2013 to Friday, 23 August 2013 (**both days inclusive**)

Listing on Stock Exchanges

1. National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

2. BSE Limited (BSE)

Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Stock Code:

National Stock Exchange of India Limited **INOXLEISUR**

BSE Limited **532706**

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

Month	NSE High	NSE Low	BSE High	BSE Low
April' 12	55.65	48.45	55.75	48.20
May' 12	53.90	46.00	55.00	46.00
June' 12	54.45	47.30	54.40	47.30
July' 12	58.80	48.80	59.90	48.50
August' 12	68.00	50.05	67.65	50.50
September' 12	68.00	56.00	64.70	56.00

CORPORATE GOVERNANCE REPORT

Month	NSE High	NSE Low	BSE High	BSE Low
October' 12	81.75	61.60	81.50	61.60
November' 12	88.45	72.00	87.95	72.40
December' 12	97.45	77.90	96.90	80.00
January' 13	92.80	75.00	92.90	76.10
February' 13	84.25	65.00	84.15	65.05
March' 13	83.15	62.00	78.00	61.80

The opening NIFTY, as on 2 April, 2012, was 5296.35 and the closing NIFTY, as on 28 March, 2013, was 5,682.55 (7.29%). On 2 April 2012, the Opening price of the Company's Share on NSE was ₹ 51.85 and as on 28 March, 2013 closing price on NSE was ₹ 64.65 (+24.69%).

The opening BSE Sensex as on 2 April, 2012, was 17,429.96 and the closing BSE Sensex as on 28 March, 2013 was 18,835.77 (8.07%). On 2 April, 2012, the Opening price of the Company's Share on BSE was ₹ 51.60 as on 28 March, 2013 closing price on BSE was ₹ 64.95 (+25.87%).

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

Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. However, physical shares lodged for transfer and other related requests are processed by the said Share Transfer Agent and the same are approved by the Company.

Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31 March, 2013					
Shareholding of nominal value	No. of Shareholders	% to total	No. of Shares	Amount in Rupees	% to Total
1 – 5000	32296	93.59	3128492	31284920	5.05
5001 – 10000	1136	3.29	945106	9451060	1.53
10001 – 20000	509	1.47	780207	7802070	1.26
20001 – 30000	187	0.54	477896	4778960	0.77
30001 – 40000	86	0.25	309395	3093950	0.50
40001 – 50000	69	0.20	326927	3269270	0.53
50001 – 100000	103	0.30	753798	7537980	1.22
100001 & Above	123	0.36	55173727	551737270	89.14
TOTAL	34509	100.00	61895548	618955480	100.00

Particulars of shares held by Non-Executive Directors:

Name of the Director	No. of shares as on 31 March 2013
Mr. Pavan Jain	* 15,83,157
Mr. Vivek Jain	** 12,50,445
Mr. Deepak Asher	25,000
Mr. Sanjeev Jain	100

CORPORATE GOVERNANCE REPORT

* Out of these shares 3,33,157 equity shares are held as Trustee of “Inox Leisure Limited – Employees Welfare Trust” and 6,00,000 equity shares are held jointly with Mr. Siddharth Jain.

** Out of these 6,00,000 equity shares are held jointly with Mr. Devansh Jain.

Shareholding Pattern as on 31 March, 2013		
Category	No. of Shares Held	Percentage of Shareholding
Promoter's holding		
- Indian Promoters	41202553	66.57%
Sub-Total	41202553	66.57%
Non-Promoters Holding		
Institutional Investors		
- Mutual Funds /UTI	1393462	2.25%
- Banks, Financial Institutions	2141	0.00%
- FII's	3854	0.01%
Sub-Total	1399457	2.26%
Others		
Bodies Corporate	5767455	9.32%
Indian Public	12681361	20.49%
NRIs / OCBs	471046	0.76%
Any other		
- Trusts	340370	0.55%
- Clearing Members	33306	0.05%
Sub-Total	19293538	31.17%
Grand Total	61895548	100.00%

Dematerialization of shares and liquidity:

Your Company's equity shares are traded compulsorily in dematerialized form. Approximately 97.50% 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 (Including properties of erstwhile Fame India Limited (Fame) which amalgamated with the Company with effect from 25 May 2013):

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 I, Sector I, 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.

CORPORATE GOVERNANCE REPORT

Sr. No.	City	Location
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	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata.
21	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada.
22	Faridabad	3rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad.
23	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur.
24	Bangalore	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore.
25	Burdwan	4th Floor, Burdwan Arcade, 60, B.B Ghosh Road, Burdwan.
26	Hyderabad	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad.
27	Siliguri	5th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri.
28	Rajarhath	3rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata.
29	Indore	4th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore.
30	Thane	3rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane.
31	Vizag	Survey No. 120 & 121, Maharani Pet, Rama Krishna Beach Road, Visakhapatnam.
32	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam.
33	Bangalore	3rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bangalore.
34	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka.
35	Jaipur	Pink Square Mall, Raja Park, Jaipur.
36	Kanpur	3rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur.
37	Bangalore	5th Floor, Bangalore Central, 45th Cross, J. P. Nagar 2nd Phase, Bangalore.
38	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal.
39	Siliguri	City Centre, Matigara, Siliguri, West Bengal.
40	Vijaywada	3rd Floor, LEPL Icon, Patamata, Vijayawada.
41	Hyderabad	5th Floor, Maheshwari Parameshwari Mall, Kachiguda Cross Road, Hyderabad.
42	Kharghar	Glomax Mall, Kharghar, Navi Mumbai.
43	Pune	2nd Floor, Amanora Park Town, East Blok, Hadapsar, Pune.
44	Bhubaneswar	4th Floor, BMC Bhawani Mall, Saheed Nagar, Opp. Arya Samaj, Bhubaneswar.
45	Udaipur	5th Floor, Lake City Mall, Porawalaji Ki Wadi, Ashok Nagar, Udaipur.
46	Bhopal	1st Floor, Century 21 Mall, Hoshangabad Road, Bhopal.
47	Nashik	Old Vijay Mamta Theatre, Opp. Prasad Chambers, Nashik Pune Road, Nashik.
48	Kandivali	Raghuleela Mall, Behind Poisar Bus Depot, Off S.V. Road, Kandivali (W), Mumbai.
49	Kolkata	Metropolis Mall, Hiland Park, Opp. Pearlless Hospital, E.M. By Pass' Kolkata.
50	Malad	Inorbit Mall, New Link Road, Near Subkuch Market, Malad (West) Mumbai.
51	Pune	Jai Ganesh Vision Mall, Near Olympia Service Station Akurdi, Pune.
52	Aurangabad	Old Anuradha Anupama Cinema, Next To Hotel Windsor Castle, Cidco, Aurangabad.

CORPORATE GOVERNANCE REPORT

Sr. No.	City	Location
53	Dadar	Nakshatra Cine Shoppe, Rande Road, Near Dadar Railway Station, Dadar (W), Mumbai.
54	Anand	City Pulse Theaters Ltd., Nr. Hero Honda Showroom, S.N. Motors, Anand - Vidyanagar Road, Anand.
55	Dahisar	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira – Bhayander, Thane.
56	Kandivali	CTS No. 809-A-1/1/1, Village Poisar, Kandivali.
57	Bangalore	Next To Ista Hotel,, Off M.G. Road, Ulsoor, Bangalore.
58	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata.
59	Vashi	Raghulila Mall, 3rd Floor Opp. Vashi Railway station, Vashi, Navi Mumbai.
60	Bangalore	Public Utility Building, M G Road, Bangalore.
61	Pune	1st Floor, Fun & Shop Mall, Opp. Bhairoba Nallah,, Fatima Nagar, Hadapsar, Pune.
62	Ghatkopar	Neelyog Bulding Patel Chowk, R.B. Road,, Ghatkopar (E), Mumbai.
63	Punchkula	4th Floor, Shalimar Mega Mall, Sector -5 Panchkula.
64	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan.
65	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung , Vadodara.
66	Bharuch	Shalimar Takies, Station Road, Bharuch.
67	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad.
68	Bangalore	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road, Bangalore.
69	Surat	Raj Empire, Bhathar Road, Opposite Akashwani, Surat.
70	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai.
71	Kolkata	Hind Cinema, Bow Bazar, Kolkata.

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 2013-14 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 under Clause 49 I (D) of the Listing Agreement:

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 31.3.2013.

Place: Noida

Date: 29 May 2013

Alok Tandon
Chief Executive Officer

AUDITORS' REPORT

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 31 March, 2013 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 31 March, 2013, 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**

**Place: Pune
Dated: 29 May 2013**

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

INDEPENDENT AUDITORS' REPORT

To the Members of Inox Leisure Limited

Report on the financial statements

We have audited the accompanying financial statements of Inox Leisure Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2013, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. 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 Act, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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.
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Patankar & Associates
Chartered Accountants
Firm's Registration No: 107628W

Place: Pune
Date: 29th May, 2013

M Y Kulkarni
Partner
Membership No: 035524

AUDITORS' REPORT

ANNEXURE REFERRED TO IN THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INOX LEISURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

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 taken loans from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 2200 lacs and the year-end balance is ₹ 1100 lacs. In our opinion, the rate of interest and other terms and conditions on which these loans are 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 and exceeding value of rupees five lakhs in respect of any party during the year.
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.

AUDITORS' REPORT

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
Income-tax Act	TDS on certain payments	11.32	Commissioner of Income-tax (Appeals), Mumbai
The Customs Valuation Rules, 1988	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
Customs Act, 1962	Custom duty	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, Nhava sheva
Maharashtra Value Added Tax Act, 2002 ('MVAT')	Levy of MVAT on Copy Right	39.61	Commissioner of Sales Tax

In respect of levy of service tax on renting of immovable properties, see note no. 31(b) 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 not given guarantee for loans taken by others from banks or financial institution during the year.
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 funds raised on short term basis have not been used for long term investment by 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. 035524

Place : Pune

Dated : 29th May 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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.

Figures for the previous year have been re-grouped wherever necessary to confirm with the classification of the current year. In view of amalgamation during the year, figures of the previous year are not directly comparable with that of the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Change in accounting policy

The Company has opted for accounting of exchange differences arising on reporting of long term monetary items under Clause 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates" as per notification no. G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India. Accordingly, such exchange difference, being gain of ₹ 28.79 lacs on the reporting of long term foreign currency monetary items at the rates different from those at which they were initially recorded, in so far they relate to acquisition of depreciable capital assets, have been adjusted in the cost of fixed assets and shall be depreciated over the balance useful life of the assets. Due to adoption of this accounting policy, the profit before tax for the current year ended 31st March 2013 is lower by ₹ 27.56 lacs (net of depreciation charge of ₹ 1.23 lacs), and the carrying amount of fixed assets are lower by ₹ 27.56 lacs.

b) Revenue Recognition:

Income from Box Office 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 the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable. 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.

c) 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. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised. Foreign exchange differences arising on translation of long term foreign currency monetary items are adjusted in cost of respective fixed assets.

d) Depreciation on Tangible 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.

e) Amortization of Intangible assets:

Cost of film distribution rights and negative rights is amortized in proportion to the management's estimate of gross revenue expected to be realized over a period. Cost of movie script acquired is amortized over a period of five year from the date of agreement. Cost of software is amortized on straight line basis @ 16.21% p.a.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 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. 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:
- (i) 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, except as mentioned in para (ii) below.
 - (ii) The Central Government has vide its notification no. G.S.R. 914(E) dated 29th December, 2011, amended AS 11-'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after 1st April 2011. As stipulated in the Notification, the Company has exercised the option to adopt the following policy irrevocably:
Long term foreign currency monetary items are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion and on settlement of the liability, is adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets.
- 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.

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
I EQUITY AND LIABILITIES			
I Shareholders' Funds			
(a) Share Capital	4	6,156.24	6,155.74
(b) Share Capital to be issued	4 & 30	3,456.22	-
(c) Reserves and Surplus	5	41,193.72	26,673.52
		50,806.18	32,829.26
2 Non-Current Liabilities			
(a) Long-term borrowings	6	22,373.76	20,798.09
(b) Deferred tax liabilities (Net)	7	2,275.57	1,941.20
(c) Other long term liabilities	8	3,948.48	76.79
(d) Long-term provisions	9	390.15	187.97
		28,987.96	23,004.05
3 Current liabilities			
(a) Short term borrowings	10	2,229.34	-
(b) Trade payables	11	5,610.51	3,678.33
(c) Other current liabilities	12	9,470.99	4,057.40
(d) Short-term provisions	9	2,584.78	809.27
		19,895.62	8,545.00
TOTAL		99,689.76	64,378.31
II ASSETS			
I Non-Current Assets			
(a) Fixed assets	13		
(i) Tangible assets		55,028.55	33,043.55
(ii) Intangible assets		246.89	269.19
(iii) Capital work-in-progress	14	4,225.73	2,414.24
		59,501.17	35,726.98
(b) Non-current investments	15	18,444.42	17,925.40
(c) Long term loans and advances	16	13,298.49	7,414.69
(d) Other non-current assets	17	248.96	192.53
		91,493.04	61,259.60
2 Current Assets			
(a) Current investments	15	10.54	0.21
(b) Inventories	18	546.48	311.85
(c) Trade receivables	19	3,666.79	1,417.28
(d) Cash and bank balances	20	2,333.44	713.93
(e) Short-term loans and advances	21	1,373.92	628.90
(f) Other current assets	22	265.55	46.54
		8,196.72	3,118.71
TOTAL		99,689.76	64,378.31

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

Vivek Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 29th May 2013

Place : Noida
Dated : 29th May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
I INCOME			
Revenue from operations	23	76,528.56	41,873.24
Other Income	24	362.46	604.38
Total Revenue		76,891.02	42,477.62
II EXPENSES			
Entertainment tax		10,204.08	5,206.00
Exhibition Cost	25	20,994.27	11,994.52
Cost of Food and Beverages	26	4,259.09	2,226.24
Employee benefits expense	27	4,269.40	2,625.93
Finance costs	28	2,669.77	1,758.85
Depreciation & amortization	13	4,307.50	2,015.76
Other Expenses	29	27,000.79	14,417.70
Total Expenses		73,704.90	40,245.00
III Profit Before Exceptional items and tax		3,186.12	2,232.62
IV Less: Exceptional items	31	250.00	973.29
V Profit Before Tax		2,936.12	1,259.33
VI Tax expenses			
Current tax		1,039.00	447.00
MAT Credit Entitlement		(310.00)	(412.00)
Deferred tax		546.72	350.56
Deferred Tax in respect of earlier years		(184.23)	(153.92)
		1,091.49	231.64
VII Profit for the year		1,844.63	1,027.69
Earnings Per Equity Share of ₹ 10 each	53		
Basic		1.92	1.67
Diluted		1.92	1.67

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

Vivek Jain
 Director

Deepak Asher
 Director

Place : Pune
 Dated : 29th May 2013

Place : Noida
 Dated : 29th May 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
A Cash flow from operating activities		
Net profit before tax	2,936.12	1,259.33
Adjustments for :		
Depreciation and amortization	4,307.50	2,015.76
Loss of retirement/disposal of fixed assets (net)	454.95	27.84
Bad debts and remissions	0.02	4.07
Provision for doubtful debts	13.02	79.46
Provision for doubtful advances	0.00	12.11
Liabilities written back	(145.12)	(149.29)
Provision for doubtful advances written back	0.00	(5.00)
Provision for diminution in value of investment	250.00	0.00
Amortization of value of Stock Options	1.06	(4.78)
Expenses on Abandoned Projects Written Off	0.00	29.31
Interest income	(131.88)	(404.56)
Gain on sale of current investments	(84.94)	(42.25)
Finance cost	2,669.78	1,758.85
Operating profit before working capital changes	10,270.51	4,580.85
Changes in working capital		
Trade payables	286.81	1,360.84
Long-term provisions	97.19	24.67
Short-term provisions	293.95	641.07
Other current liabilities	(4,101.02)	296.22
Other long term liabilities	3,867.69	51.55
Trade receivables	(1,676.65)	(230.64)
Inventories	(132.56)	(49.79)
Long-term loans and advances	(1,099.16)	3,430.92
Short-term loans and advances	(371.95)	251.64
Cash generated from operation	7,434.81	10,357.33
Direct taxes paid (net)	(303.84)	(576.63)
Net cash from/(used in) operating activities	7,130.97	9,780.70
B Cash flow from investing activities		
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(9,017.80)	(2,855.26)
Sale of fixed assets	519.91	17.93
Acquisition of Intangible Assets	(48.42)	(170.18)
Investment in subsidiary company	(469.10)	(9,376.62)
Purchase of other non-current investment	(7.40)	(12.62)
Purchase of current investments	(4,400.00)	(5,200.00)
Sale/redemption of current investments	6,334.94	5,242.25
Inter-organize Deposit given / received back	(75.00)	1,200.00
Movement in bank fixed deposits with original maturity of more than 3 months (net)	28.07	(36.79)
Interest received	178.72	480.08
Net cash from/(used in) investment activities	(6,956.08)	(10,711.21)
C Cash flow from financing activities		
Shares issued under ESOP	0.75	2.34
Proceeds from / Repayment of Inter-organize Deposit (net)	970.00	4,200.00
Proceeds from / Repayment of Term Loans (net)	719.24	(2,273.85)
Proceeds from short term borrowings (net)	2,014.98	0.00
Finance cost	(2,650.27)	(1,983.52)
Net cash from/(used in) financing activities	1,054.70	(55.03)
Net (Decrease) / Increase in cash and cash equivalents	1,229.59	(985.54)
Cash and cash equivalents at the beginning of the year	459.62	1,445.13
Add: On amalgamation (Refer Note I below)	415.79	0.00
	875.41	1,445.13
Cash and cash equivalents at the end of the year	2,105.00	459.62

1. The figures of the current year include changes in the cash flow of the erstwhile Transferor Companies (Refer Note 30) which were amalgamated with the Company w.e.f 1st April 2012, and are therefore to that extent not comparable with previous year figure.

2. The amalgamation of Transferor Companies (Refer Note 30) with the Company is a non cash transaction and hence no impact on the Companies cash flow for the year.

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

Vivek Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 29th May 2013

Place : Noida
Dated : 29th May 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

4: Share Capital

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Authorised Capital		
14,00,50,000 (previous year 7,50,00,000) Equity Shares of ₹ 10/- each	14,005.00	7,500.00
10,000 (31 March 2012: Nil) preference shares of ₹ 10/- each	1.00	-
	<u>14,006.00</u>	<u>7,500.00</u>
For increase in Authorised Capital pursuant to scheme of amalgamation - see note no. 30		
Issued, Subscribed and fully paid up shares		
6,18,95,548 Equity Shares of ₹ 10/- each	6,189.56	6,189.56
Less: 3,33,157 (previous year 3,38,157) Equity Shares of ₹ 10/- each, issued to ESOP Trust but not allotted to employees (see note no. 33)	33.32	33.82
	<u>6,156.24</u>	<u>6,155.74</u>
Adjusted Issued, Subscribed and Paid-up Capital		
Share Capital to be issued		
3,45,62,206 Equity Shares of ₹ 10/- each fully paidup to be issued to members of erstwhile Fame India Limited pursuant to Amalgamation of Fame India Limited with the Company (see note no. 30)	3,456.22	0.00
	<u>3,456.22</u>	<u>0.00</u>

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

Particulars	As at 31st March 2013		As at 31st March 2012	
	No	₹ in lacs	No	₹ in lacs
At the beginning of the year	61,557,391	6,155.74	61,541,811	6,154.18
Issued during the year - ESOP	5,000	0.50	15,580	1.56
Outstanding at the end of the year	<u>61,562,391</u>	<u>6,156.24</u>	<u>61,557,391</u>	<u>6,155.74</u>

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 entitled to receive the remaining assets of the Company, in proportion to their shareholding.

c) Equity shares held by holding/ultimate holding company

Particulars	As at 31st March 2013		As at 31st March 2012	
	No	₹ in lacs	No	₹ in lacs
Gujarat Fluorochemicals Ltd. - 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	587,461	58.75

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

Particulars	As at 31st March 2013		As at 31st March 2012	
	No	%	No	%
Gujarat Fluorochemicals Ltd. - 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, see note no. 33

5: Reserves & Surplus

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Capital redemption reserves		
Balance as per last Balance Sheet		
Add: Addition on Amalgamation (see note no. 30)	0.10	-
Balance as at the end of the year	0.10	
Amalgamation Reserve		
Balance as per last Balance Sheet	387.90	387.90
Add: Addition on Amalgamation (see note no. 30)	362.76	-
Balance as at the end of the year	750.66	387.90
Securities Premium Account		
Balance as per last Balance Sheet	12,996.86	13,005.24
Add: Addition on Amalgamation (see note no. 30)	12,754.70	-
Less: Reduction on account of lapse of Employee Stock Options	-	(8.38)
	25,751.56	12,996.86
Less: Premium on shares issued to ESOP Trust but not allotted to employees	18.72	21.03
Balance as at the end of the year	25,732.84	12,975.83
Employee Stock Options Outstanding		
Balance as per last Balance Sheet	2.72	25.43
Less: On account of options granted/lapsed/exercised and amortisation of value of stock options (net)	(1.00)	(22.71)
Balance as at the end of the year	1.72	2.72
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	7,907.07	6,879.38
Less: On account of Amalgamation (see note no. 30)	(443.30)	-
Add: Profit for the year	1,844.63	1,027.69
Balance as at the end of the year	9,308.40	7,907.07
Total	41,193.72	26,673.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

6 : Long-term borrowings

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Term Loans from Banks (secured)	5,600.03	3,771.92
Loans & Advances from related parties (unsecured)		
Inter-corporate Deposits		
- from Holding Company	19,170.00	18,700.00
- from Ultimate Holding Company	1,100.00	600.00
	<u>20,270.00</u>	<u>19,300.00</u>
Total borrowings	25,870.03	23,071.92
Less: Current maturities disclosed under the note no. 12 "Other current liabilities"	(3,496.27)	(2,273.83)
Total	<u>22,373.76</u>	<u>20,798.09</u>

Nature of Security and terms of repayment for secured borrowings:

- Term loan from Axis Bank amounting to ₹ 220.29 lacs (previous year ₹ 660.81 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 Burdhan, Indore Central, Rajarhat (Kolkata), Jayanagar (Bangalore), Siliguri and Malleshwaram (Bangalore) multiplexes. The loan is repayable in 16 equal quarterly installments beginning from 31st December, 2009.
- Term loan from Axis Bank amounting to ₹ 3,510.00 lacs (previous year ₹ Nil) carries interest @ bank base rate + 1.25 % p.a which is 11.25% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaypur, Bhuvaneshwar, Bhopal and five future properties. The loan is repayable in 16 equal quarterly installments beginning from 30th June, 2013.
- Term loan from Axis Bank amounting to ₹ 91.96 lacs (previous year ₹ 1,108.63 lacs) carries interest @ bank base rate + 2.75 % p.a which is 12.75% and is secured against first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future. The loan is repayable in 18 equal quarterly installments beginning from 1st April, 2009 . The loan is further secured by first charge by way of equitable mortgage of property at Anand, Gujarat.
- Term loan from Axis Bank amounting to ₹ 500.00 lacs (previous year ₹ Nil) carries interest @ bank base rate + 2.25% p.a which is 12.25% and is secured against first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future. The loan is repayable in 10 equal quarterly installments beginning from 1st April, 2013. The loan is further secured by first charge by way of equitable mortgage of property at Anand, Gujarat.
- Term loan from Citi Bank amounting to ₹ 499.99 lacs (previous year ₹ 1,166.66 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, Rajapark (Jaipur) and Madurai multiplexes and four future properties. The loan is repayable in 12 equal quarterly instalments beginning from 29th January, 2011
- Term loan from ING Vysya Bank amounting to ₹ 777.79 lacs (previous year ₹ 1,944.44 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), Kharghar multiplexes and one 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 3-5 years from the date of the respective deposits beginning from 8th June 2014 and carry interest in the range of 10% to 11%.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

7: Deferred Tax Liabilities (net)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Deferred Tax Liabilities		
On account of difference between book depreciation and tax depreciation (net of unabsorbed depreciation)	3,082.74	2,321.22
Total Liabilities	3,082.74	2,321.22
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act	598.98	323.56
Amalgamation Expenses	154.47	-
Provision for doubtful debts and advances	53.72	56.46
Total Assets	807.17	380.02
Net Deferred Tax Liability	2,275.57	1,941.20

8: Other Long-term liabilities

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Security Deposits Received	19.20	14.87
Retention Money	28.38	61.92
Creditors for capital expenditure	3,900.90	-
Total	3,948.48	76.79

9: Provisions

(₹ in lacs)

Particulars	Long-term		Short-term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
for Gratuity	257.27	128.43	34.44	24.53
for Leave benefits	132.88	59.54	57.50	21.40
for Municipal tax - see note no. 51(a)	-	-	207.40	154.60
for MVAT - see note no.51(c)	-	-	39.61	-
for Service tax - see note no. 31(b)	-	-	1,033.14	608.74
for Amalgamation expenses - see note no. 51(b)	-	-	500.00	-
for Taxation (net of payments)	-	-	712.69	-
Total	390.15	187.97	2,584.78	809.27

10: Short terms borrowings

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Short Term Loan from Bank (secured)	800.00	-
Loans repayable on demand from banks (secured)		
- Bank overdraft	929.34	-
Loans & Advances from related parties (unsecured)		
- Inter-corporate Deposits - from Holding Company	500.00	-
Total	2,229.34	-

- a) Short Term loan from Axis Bank amounting to ₹ 800.00 lacs (previous year ₹ Nil) carries interest @ bank base rate + 1.75 % p.a which is 11.75% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaypur, Bhuvaneshwar, Bhopal and five future properties. The loan is repayable in 3 equal monthly installments beginning from 30th November, 2013.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- b) Bank overdraft is secured against first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future. Further secured by first charge by way of equitable mortgage of property at Anand, Gujarat
- c) Short term inter-corporate deposits are repayable on demand and carry interest @ 10%.

I1: Trade Payables

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Trade payables		
- Dues to Micro and Small Enterprises (see note no. 52)	1.42	2.39
- Others	5,609.09	3,675.94
Total	5,610.51	3,678.33

I2: Other Current Liabilities

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Current maturities of long-term debt (from note no.6)	3,496.27	2,273.83
Interest accrued and due on borrowings	56.57	24.00
Interest accrued but not due on long term liabilities	42.67	-
Income Received in advance	699.96	521.74
Unclaimed Dividend (see note below)	3.74	3.84
Advances from customers	289.14	101.78
Statutory dues and taxes payable	655.17	371.21
Creditors for capital expenditure	3,674.53	494.43
Retention Money	283.15	76.83
Security Deposit	262.69	183.17
Other Payables	7.10	6.57
Total	9,470.99	4,057.40

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at 1st April 2012	On Amalgamation	Additions	Deductions	Other Adjustments - Exchange Fluctuation	Other Adjustments - Borrowing Costs	As at 31st March 2013	As at 1st April 2012	On Amalgamation	For the year	Deductions	As at 31st March 2013	As at 31st March 2012
A) Tangible Assets													
Land (Freehold)	2,182.42	487.23	-	-	-	-	2,669.65	-	-	-	-	2,669.65	2,182.42
Land (Leasehold)	367.58	-	-	-	-	-	367.58	40.05	-	5.86	-	321.67	327.52
Buildings (*)	11,437.54	221.70	1,882.82	-	-	-	13,542.06	1,388.12	18.71	217.04	-	11,918.19	10,049.42
Lease hold improvements	9,375.56	10,431.48	2,141.93	402.84	-	32.82	21,578.95	1,780.81	4,327.45	1,638.02	199.26	14,031.93	7,594.75
Plant & Equipment	13,934.60	5,232.02	8,300.87	1,196.87	(17.24)	30.19	26,283.57	3,993.98	1,721.57	1,457.43	298.63	19,409.22	9,940.62
Furniture & Fixtures	3,619.18	2,107.36	1,132.11	118.19	-	13.51	6,753.97	1,342.29	861.79	573.96	64.20	4,040.13	2,276.89
Vehicles	124.99	20.05	8.63	9.66	-	-	144.01	19.15	15.26	14.88	7.43	102.15	105.84
Office Equipments	1,253.02	784.12	2,003.07	17.46	(6.32)	-	4,016.43	686.93	483.26	321.88	11.25	2,535.61	566.09
Total	42,294.89	19,283.96	15,469.43	1,745.02	(23.56)	76.52	75,356.22	9,251.33	7,428.04	4,229.07	580.77	55,028.55	33,043.55
B) Intangible Assets													
Software	338.86	146.36	48.42	2.01	-	-	531.63	218.71	138.27	47.34	1.64	128.95	120.15
Negative rights	-	2.66	-	-	-	-	2.66	-	2.66	-	-	-	-
Distribution rights	-	73.22	-	48.51	-	-	24.71	-	73.22	-	48.51	-	-
Script	155.50	-	-	-	-	-	155.50	6.46	-	31.10	-	117.94	149.04
Total	494.36	222.24	48.42	50.52	-	-	714.50	225.17	214.15	78.44	50.15	246.89	269.19
Total fixed assets(A+B)	42,789.25	19,506.20	15,517.85	1,795.54	(23.56)	76.52	76,070.72	9,476.50	7,642.19	4,307.51	630.92	55,275.44	33,312.74
Previous year	41,636.32	-	1,376.80	240.83	-	16.97	42,789.24	7,655.81	-	2,015.76	195.06	33,312.74	

Notes:

- Freehold land (₹ 487.23 lacs) and buildings (₹ 221.70 lacs) received pursuant to Scheme of Amalgamation is yet to be transferred in the name of the Company. (Refer Note 30)
- Building includes ₹ 4,681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

14: Capital work-in-progress

(₹ in lacs)

Particulars	As at	
	31st March 2013	31st March 2012
Capital work-in-progress	3,441.06	1,977.96
Pre-operative expenditure pending allocation	784.67	436.28
Total	4,225.73	2,414.24
Pre-operative expenditure pending allocation		
Opening Balance	436.29	255.32
Add: On Amalgamation	179.06	-
	615.35	255.32
Add: Expenses incurred during the year		
Salaries and wages	291.34	172.68
Contribution to Provident and other funds	16.84	0.45
Staff Welfare	5.47	1.26
Legal & Professional fees and expenses	260.99	104.08
Travelling & Conveyance	299.82	102.57
Insurance	6.00	4.04
Power & Fuel	54.03	14.84
Communication Expenses	5.90	2.02
House keeping expenses	11.49	4.08
Outsourced Personnel Cost	40.51	11.09
Security expenses	76.91	38.32
Miscellaneous Expenses	20.15	7.37
Finance costs	140.40	31.25
Sub-Total	1,229.85	494.05
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	6.08	4.45
Sub-Total	1,839.12	744.92
Less: Capitalised	1,054.45	279.33
Less: Expenses on Abandoned Projects Written off	-	29.31
Closing balance	784.67	436.28

15: Non-Current Investments

(Non-trade, at cost)

(₹ in lacs)

Particulars	Non - Current Investments		Current Portion	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
a] Investments in Equity Instruments (quoted)				
Investment in subsidiary	-	17,879.35	-	-
Nil (previous year - 3,84,38,312) equity shares of Fame India Limited of ₹ 10/- each, fully paid-up. (amalgamated w.e.f. 1.4.2012 - see note no. 30)				
Market value of quoted investment - ₹ Nil (previous year - ₹ 26,522.44 lacs)				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Non - Current Investments		Current Portion	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
b] Investments in joint ventures (unquoted) 1,640,000 equity shares of ₹10 each, fully paid-up, held in Swanston Multiplex Cinemas Private Limited - received pursuant to scheme of amalgamation Less: Provision diminution in value of the investment	279.52 (250.00)	- -	- -	- -
c] Investments in Government Securities (unquoted) National Savings Certificates (Held in the name of Directors/Employees and certificates worth ₹ 76.99 lacs (previous year ₹ 46.26 lacs) are pledged with Government Authorities)	29.52 66.45	- 46.05	- 10.54	- 0.21
d] Others (unquoted) Interest in Inox Benefit Trust (refer note below and see note no. 30)	18,348.45	-	-	-
Total	18,444.42	17,925.40	10.54	0.21

Note: Investment in Inox Benefit Trust represents beneficial interest of the Company in the Trust. Pursuant to the scheme of Amalgamation (see note no. 30), the Trust will receive 2,44,31,570 equity shares of Inox Leisure Limited in lieu of 390,90,512 equity shares of ₹ 10 each of the Fame India Ltd. held by Inox Leisure Limited. The Trust will hold these shares together with all additions or accretions thereto exclusively for the benefit of Inox Leisure Limited.

16: Long-term loans and advances

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Capital Advances	57.53	2.64
Security Deposits		
- Considered Good	7,777.23	3,896.35
- Considered Doubtful	62.32	-
	7,839.55	3,896.35
Advances recoverable in cash or in kind		
- Considered Good	334.37	212.99
- Considered Doubtful	5.00	5.00
	339.37	217.99
Balance in Cenvat Credit account	394.99	74.54
Entertainment Tax Refund Claimed	1,238.44	1,093.08
Income Tax paid (net of provisions)	529.29	132.09
MAT Credit Entitlement	2,576.81	2,003.00
Electricity charges refund claimed (refer note no 35(i))	389.83	-
	13,365.81	7,419.69
Less: Provision for doubtful advances and deposits	67.32	5.00
Total	13,298.49	7,414.69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

17: Other non-current assets

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Non-current bank balances (from note no. 20)	90.22	70.48
Interest accrued:		
on long term investments	18.99	10.51
others	139.75	111.54
Total	248.96	192.53

18: Inventories

(valued at lower of cost and net realizable value)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Food & Beverages	355.23	187.66
Stores, Spares & Fuel	191.25	124.19
Total	546.48	311.85

19: Trade Receivables

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Considered Good		
Outstanding for a period exceeding six months	820.98	286.60
Others	2,845.81	1,130.68
	3,666.79	1,417.28
Considered Doubtful		
Outstanding for a period exceeding six months	127.02	174.03
	3,793.81	1,591.31
Less: Provision for doubtful trade receivables	127.02	174.03
Total	3,666.79	1,417.28

20: Cash & Bank Balances

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Cash and Cash equivalents		
Balances with banks		
in Current accounts	1,433.78	195.74
Deposit accounts with original maturity of less than 3 months	119.71	106.24
	1,553.49	301.98
Cash on Hand	551.51	157.64
Total cash and cash equivalents	2,105.00	459.62
Other bank balances		
in Unpaid dividend accounts	3.74	3.84
Deposits with original maturity for more than 3 months but less than 12 months	201.77	233.75
Deposits with original maturity for more than 12 months	113.15	87.21
Total other bank balances	318.66	324.80

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31st March 2013	31st March 2012
Total cash and bank balances	2,423.66	784.41
Less: Amount disclosed under note no. 17 "Other non-current assets"	(90.22)	(70.48)
Total	2,333.44	713.93
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
Deposits with original maturity for more than 12 months	113.15	87.21
	<u>113.15</u>	<u>105.01</u>

21: Short-term loans & advances

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Prepaid expenses	139.39	121.64
Security Deposits	36.75	15.29
Inter Corporate Deposits	175.00	100.00
Balance in Cenvat Credit account	514.20	23.31
Advances recoverable in cash or in kind	239.43	135.72
Advances to suppliers		
- Considered Good	269.14	232.94
- Considered Doubtful	64.28	54.44
	<u>333.42</u>	<u>287.38</u>
Less: Provision for doubtful advances	64.27	54.44
	<u>269.15</u>	<u>232.94</u>
Total	1,373.92	628.90

22: Other current assets

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Assets held for disposal	189.77	-
Interest accrued		
on bank fixed deposits	15.30	4.39
on long term investments	6.18	0.13
others	54.30	42.02
Total	265.55	46.54

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

23: Revenue from operations

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
a) Sale of services:		
Box Office Revenue	55,876.26	31,310.40
Conducting Fees	1,320.16	1,125.43
Advertising Income	3,244.26	1,779.92
Management Fees	209.83	113.18
Parking Charges	92.64	84.02
	<u>60,743.15</u>	<u>34,412.95</u>
b) Sale of products (see note no. 39)		
Food & Beverages	14,175.63	7,084.29
Sale of Power	11.75	11.13
	<u>14,187.38</u>	<u>7,095.42</u>
c) Other operating revenue	1,598.03	364.87
Total	<u>76,528.56</u>	<u>41,873.24</u>

24: Other Income

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Interest		
On Bank Fixed Deposits	38.95	89.70
On Long Term Investments	7.16	3.99
On Income Tax Refunds	24.40	1.57
On Inter-corporate Deposits	5.96	76.36
Other Interest	55.41	232.93
	<u>131.88</u>	<u>404.55</u>
Gain on Sale of Current Investments	84.94	42.25
Provisions and Liabilities Written Back	145.12	149.29
Provision for doubtful advances written back	-	5.00
Foreign exchange fluctuation gain (net)	-	1.72
Miscellaneous Income	0.52	1.57
Total	<u>362.46</u>	<u>604.38</u>

25: Exhibition Cost

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Distributors' share	20,227.51	11,521.48
Other exhibition cost	706.84	473.04
Share of joint venture investors (see note below)	59.92	-
Total	<u>20,994.27</u>	<u>11,994.52</u>

The Company has entered into joint venture agreements for management of multiplex operations for few multiplexes / single screen theatres. These joint venture investors do not have any control over these operations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

26: Cost of food and beverages

(see note no. 39)

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Opening Stock	187.66	150.28
Add: Addition on Amalgamation (see note no. 30)	86.49	-
Add: Purchases	4,340.16	2,263.62
	4,614.31	2,413.90
Less: Closing stock	355.22	187.66
Cost of Food and Beverages	4,259.09	2,226.24

27: Employee benefits expense

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Salaries and Wages	3,706.03	2,332.71
Contribution to Provident and other Funds	293.00	163.35
Expense on ESOP (net)	1.06	(4.78)
Gratuity	92.32	39.22
Staff Welfare Expenses	176.99	95.43
Total	4,269.40	2,625.93

28: Finance Costs

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Interest on borrowings	2,450.31	1,750.04
Interest on deferred credit	182.05	-
Other interest	12.98	2.10
Other borrowing cost	24.43	6.71
Total	2,669.77	1,758.85

29: Other Expenses

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Outsourced Personnel Cost	1,678.53	1,039.76
Power & Fuel	4,567.39	2,231.78
Water Charges	95.47	57.16
Property Rent and Conducting Fees	9,266.62	5,077.27
Common Facility Charges	2,523.59	1,692.05
Rates & Taxes	577.64	194.90
Service Tax	1,946.68	919.23
Travelling & Conveyance	305.43	176.24
Communication Expenses	220.14	143.68
Printing & stationary	257.23	152.30
Advertising & sales promotion	287.62	217.93
House keeping expenses	967.46	505.79
Security expenses	970.89	536.60
Repairs & Maintenance - Building	196.22	132.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31st March 2013	31st March 2012
Repairs & Maintenance - Plant and Equipments	843.01	500.59
Repairs & Maintenance - Others	220.35	158.76
Legal & Professional Fees & Expenses	560.67	302.31
Director Sitting Fees	3.20	3.55
Insurance	107.01	50.19
Amalgamation Exp	568.07	-
Loss of retirement/disposal of fixed assets (net)	454.95	27.84
Bad Debts and remissions (net of provision for doubtful debts adjusted - ₹ 98.30 lacs - previous year ₹ Nil)	0.02	4.07
Provision for doubtful debts	13.02	79.46
Provision for doubtful advances	-	12.11
Foreign Exchange Fluctuation Loss (net)	0.79	-
Miscellaneous Expenses	368.79	171.95
Expenses on Abandoned Projects Written Off	-	29.31
Total	27,000.79	14,417.70

30. Composite Scheme of Amalgamation of subsidiary of the Company - Fame India Limited, and subsidiaries of Fame India Limited - Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited with the Company
- Pursuant to the Composite Scheme of Amalgamation (“the Scheme”) under Section 391 to 394 read with Section 78, 100-104 of the Companies Act 1956, sanctioned by the Hon’ble High Courts of Judicature at Gujarat and Bombay vide their orders dated 12 March 2013 (read with order dated 20 March 2013) and 10 May, 2013, respectively, Fame India Limited (FAME), Fame Motion Pictures Limited (FMPL), Big Pictures Hospitality Services Private Limited (BPHSPL) and Headstrong Films Private Limited (HFPL) (hereinafter collectively referred as “Transferor Companies”) were merged with the Company. The Scheme has become effective on 25 May 2013 viz. the date on which the last of the certified copy of the order of the Bombay High Court and the High Court of Gujarat sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai and Registrar of Companies, Gujarat at Ahmedabad. Accordingly, all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, etc. and all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Companies, as on the Appointed Date vested in the Company with effect from 1 April, 2012 (the appointed date). The Scheme has accordingly been given effect to in the accounts.
 - Nature of business of the amalgamating companies:
 - FAME was engaged in the business of owning, operating and managing multiplexes and cinema theatres in India.
 - FMPL was engaged in the business of exploitation of movie rights (including distribution) and programming.
 - BPHSPL was engaged in the business of operating food courts and restaurants in India.
 - HFPL was engaged in the business of film production and distribution in India.
 - The amalgamation is accounted for under the “Pooling of Interest” method as prescribed in Accounting Standard (AS-14) notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves of FAME, FMPL, BPHSPL and HFPL as at 1 April, 2012 have been taken over at their book value, except to ensure uniformity of accounting policies. The details of the same are given below:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in lacs	₹ in lacs
Gross Assets		21,313.71
Less: Loans and other Liabilities	5,183.23	
Reserves and Surplus (net)	12,311.50	17,494.73
Net Amount (A)		3,818.98
Shares to be issued on amalgamation		
a) 5 (Five) fully paid up equity shares of ₹ 10/- each of the Company to be issued/allotted for every 8 (Eight) fully paid equity share of ₹ 10 each held by shareholders of FAME		3,456.22
b) 1 (One) fully paid up equity share of ₹ 10/- each of the Company to be issued/allotted for every 74 (Seventy Four) fully paid equity shares of ₹ 10 each held by shareholders of HFPL, other than shares held by FAME.		Nil Being fraction less than ₹ 0.50
c) Since FMPL and BPHSPL were wholly owned subsidiaries of FAME, no shares are required to be issued and allotted in respect of the equity shares held by Fame in FMPL and BPHSPL; and no equity shares are required to be issued for the preference shares held by FMPL in Fame. These equity shares and preference shares (held by FAME and FMPL respectively) are deemed to be cancelled and stand extinguished.		Nil
Face Value of shares to be issued (B)		3,456.22
Net Surplus (A-B) Credited to Amalgamation Reserve.		362.76

- d. As per the terms of the Scheme, the authorised share capital of each of the Transferor Companies has been merged with that of the Company.
- e. In terms of the Scheme, the equity shares to be issued and allotted by the Company shall rank for dividend, voting rights and in all respects pari-passu with the existing equity shares of the Company.
- f. As per the Scheme, in respect of the equity shares of FAME held by the Company, 2,44,31,570 equity shares of the Company will be issued to the Inox Benefit Trust, set up pursuant to the Scheme, for the benefit of the Company. The same are reflected as 'Interest in Inox Benefit Trust' under Non-current Investments at cost of ₹ 18,348.45 lacs.

31. Exceptional items:

- a. Swanston Multiplex Cinemas Private Limited, a joint venture of erstwhile Fame India Limited (amalgamated with the Company w.e.f. 1 April 2012) which was running FAME BIG CINEMAS Multiplex at Andheri (West), Mumbai, has stopped operations w.e.f. 13th July 2012 as the lease agreement of the property was terminated. Estimated provision of ₹ 250 lacs for diminution in the value of investment in the joint venture has been made during the current year and has been shown as an exceptional item.
- b. During the previous year, the levy of service tax on renting of immovable property was 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 these circumstances, the Company had provided for service tax on renting of immovable properties. The amount of such service tax of ₹ 973.29 lacs being the charge for the period upto 31st March 2011 was shown as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2012.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

(₹ in lacs)

Particulars	Current Year	Previous Year
Opening Balance	608.74	Nil
Add: Addition on Amalgamation	719.97	Nil
Provided during the year (including ₹ Nil -previous year ₹ 973.29 lacs for earlier years)	33.51	1,498.37
Amount paid and adjusted during the year	329.08	889.63
Closing balance	1,033.14	608.74

32. Rights Issue In case of erstwhile Fame India Ltd

Through the Letter of Offer dated 30 January 2012, Fame India Limited (one of the Transferor Company, since amalgamated w.e.f 1st April, 2012 with the Company) had made Rights Issue of 20,290,508 equity shares with a face value of ₹ 10/- each at a premium of ₹ 34/- per equity share. Allotment of 20,290,508 equity shares was made on 02 March 2012.

The purpose of Rights Issue and its actual utilization as on 31 March 2013 is as under:

(₹ In Lacs)

Sr. No.	Particulars	Projection in offer document	Actual funds utilized till March 31, 2013
1	Repayment of Loan	7,000.00	7,000.00
2	Issue Expenses	180.04	171.24
3	General corporate purposes	1,747.78	1,756.58
	Total	8,927.82	8,927.82

The above utilization of Rights Issue proceeds is in accordance with the 'object of the issue' as mentioned in the letter of offer.

33. 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, 166,843 shares have been transferred to employees up to 31st March 2013. 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 29 th January 2007 (First Grant)	244,120 shares
On 27 th 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

The summary of stock options is as under:

Outstanding on 1 st April 2012	10,000
Granted during the year	Nil
Lapsed during the year	Nil
Exercised during the year	5,000
Outstanding as on 31 st March 2013	5,000
Exercisable as on 31 st March 2013	Nil
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 27 th October 2009	1.08 years
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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 ₹ 1.06 lacs (previous year credit of ₹ 4.78 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 ₹ 0.06 lacs, profit after tax lower by ₹ 0.06 lacs and the basic and diluted earnings per share would have been lower by less than ₹ 0.01 each.

As per the terms of the Scheme of Amalgamation (referred to in Note no. 30), the stock options granted by erstwhile Fame India Limited ("Fame") to its employees automatically stand cancelled. The Company will issue stock options to the eligible employees of Fame either under (i) existing or revised ESOP Scheme of the Company or (ii) a distinct and separate employee stock option plan of the Company formed and organized for granting stock options to employees of Fame. These stock options will be granted in the ratio of 5 options (each option being equal to one share) of Company for every 8 options (each option being equal to one share) held under ESOP of Fame.

34. In respect of taxation matters

- 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 this basis to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.
- 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 ₹ 310.00 lacs (Previous year ₹ 412.00 lacs) towards MAT credit entitlement and the cumulative amount as on 31st March, 2013 is ₹ 2,576.81 lacs (previous year ₹ 2,003.00 lacs).

35. Contingent Liabilities:

- Claims against the Company not acknowledged as debt – ₹ 7,818.95 lacs (Previous Year ₹ 130.85 lacs)
- Municipal Tax demand – ₹ 621.28 lacs (Previous Year ₹ 548.33 lacs)
- Entertainment Tax demand – ₹ 1,043.85 lacs (Previous Year ₹ 2.22 lacs). This includes ₹ 1,040.83 lacs in respect of Pune Multiplex demand notice received pertaining to exemption period and for which the Company is contesting the matter by way of appeal before appropriate authority.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- d. Service Tax demand – ₹ 97.31 lacs (Previous Year ₹ 97.31 lacs).
- e. Stamp duty demand – ₹ 263.81 lacs (Previous Year ₹ 263.81 lacs)
- f. Custom duty for import of capital goods – ₹ 4.36 lacs (Previous Year Nil)
- g. The Company has received a show cause cum demand notice dated 5 December 2005 for custom duty payable by them on import of cinematographic films under Rule 2 (2), Rule 7 (A) and Rule 9 (2) of the Customs Valuation Rule 1988. Nothing has been deposited with the authorities as the amount is not quantified by the authorities. However, on 28 September 2006, the Company has filed an appeal against the Commissioner's Order to the Appellate Tribunal under Section 129-A of The Customs Act, 1962 and the same is pending hearing.
- h. TDS matters under Income-tax Act – ₹ 11.32 lacs (Previous Year Nil)
- i. The Company 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 the Company and carried forward as capital work-in-progress. The party has made a counter claim of ₹ 6,943.44 lacs towards rent for lock in period and other costs which is included in (a) above.. At present the matter is pending before the Arbitrator.
- j. The Company may be required to charge additional cost of ₹ 389.83 lacs (previous year Nil) 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. The Company has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances')
36. 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 ₹ 382.07 lacs (Previous Year ₹ 413.37 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March 2013 is ₹ 3,389.17 lacs (Previous Year ₹ 3,007.10 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.
37. 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 ₹ 18.28 lacs. (Previous Year ₹ 18.23 lacs) Total amount of interest receivable upto 31st March, 2013 is ₹ 129.82 (Previous Year ₹ 111.54 lacs). The said award has been challenged before the District Court and the matter is pending.
38. Commitments:
- a. Capital commitments:
- Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - ₹ 1,822.77 lacs (Previous Year ₹ 996.41 lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 – ₹ 15,730.92 lacs (previous year ₹ 6,852.52 lacs).

39. Particulars of sale of products and inventories

Particulars of purchases:

(₹ in lacs)

Particulars	Current Year	Previous Year
Food	2,372.11	859.24
Beverages	1,418.22	1,067.44
Other items	549.84	336.94
Total	4,340.17	2,263.62

Particulars of sales

(₹ in lacs)

Particulars	Current Year	Previous Year
Food	6,700.65	3,966.51
Beverages	7,474.98	3,117.78
Others	11.75	11.13
Total	14,187.38	7,095.42

Particulars of cost of food and beverages

(₹ in lacs)

Particulars	Current Year	Previous Year
Food	2,355.54	850.07
Beverages	1,412.50	1,056.06
Other items	491.06	320.11
Total	4,259.10	2,226.24

Particulars of opening 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

Particulars of Addition on Amalgamation

(₹ in lacs)

Particulars	Current Year	Previous Year
Food	21.48	Nil
Beverages	27.48	Nil
Other items	37.53	Nil
Total	86.49	Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars of closing stock

(₹ in lacs)

Particulars	Current Year	Previous Year
Food	71.12	33.08
Beverages	100.83	67.62
Other items	183.27	86.96
Total	355.22	187.66

40. Expenditure incurred/payments in Foreign Currency:

(₹ in lacs)

Particulars	Current Year	Previous Year
Travelling expenses (including expenditure capitalized)	34.72	7.57
Advertisement Expenses	Nil	0.41
CIF Value of capital goods imported	7602.72	39.02

41. Particulars of remuneration to Manager:

(₹ in lacs)

Particulars	Current Year	Previous Year
Salary, Allowances & Perquisites	76.68	75.72
Contribution to Provident Fund	3.97	3.89
Total	80.65	79.61

Managerial remuneration in case of erstwhile Fame India Ltd (amalgamated with Company w.e.f 1st April, 2012)

(₹ in lacs)

Particulars	Current Year
Managerial remuneration	38.42

The above does not include gratuity benefit as the provision is determined for the Company as a whole and therefore liability, if any, with respect to the managerial personnel is not separately available.

42. Amount of ₹ 79.67 lacs (Previous year ₹ 38.94 lacs) is paid towards Legal & Professional fees to firms in which one of the directors is a partner.

43. Particulars of payment to Auditors :

(₹ in lacs)

Particulars	Current Year	Previous Year
Statutory Audit	14.00	8.50
Tax Audit	6.00	3.50
Limited Review, Corporate Governance & Consolidation of Accounts	6.00	5.25
For taxation matters	2.00	2.00
Certification matters	1.25	1.70
Fees for other matters	0.50	1.00
Out of pocket expenses	0.31	0.18
Total	30.06	22.13

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

44. 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	204.99	180.06
Water Charges	1.59	1.17
Advertisement & Sales Promotion	0.43	0.57
Housekeeping Expenses	4.56	3.50
Security Expenses	6.95	5.35

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

- 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 ₹ 3.26 lacs (Previous Year ₹ 3.05 lacs) are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.
- 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 ₹ 9,263.36 lacs (Previous Year ₹ 5,074.22 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	9,555.49	4,557.43
Later than one year and not later than five years	38,906.33	19,977.05
Later than five years	99,840.68	70,812.89
Total	1,48,302.50	95,347.37

46. Segment Information

Upto last year, the Company had classified operating & managing multiplexes and cinema theatres and distribution of movies and production of Movies as separate business segments. During the current year, the Company has not carried out any activity for distribution of movies and production of Movies. Accordingly The Company operates in a single business segment viz. theatrical exhibition. All activities of the Company are in India and hence there are no geographical segments.

47. Interest in joint ventures

The Company's interests in Swanston Multiplex Cinemas Private Limited ('SMCPL'), acquired on amalgamation of erstwhile Fame India Limited (refer to note no. 30), is accounted for in accordance with the principles and procedures set out in AS – 27, Financial Reporting of Interests in Joint Ventures specified in the Companies (Accounting Standards) Rules, 2006.

The interest in the joint venture is reported as non-current investment (refer note 15) and stated at cost, less provision for diminution, other than temporary, in the value of investment. The Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in the joint ventures, based on audited financial statements is:

(₹ in lacs)

Particulars	Current Year
i) Assets	120.04
ii) Liabilities	92.30
iii) Income	174.52
iv) Expenses	272.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

48. Foreign currency exposures not hedged as at Balance Sheet date:

Particulars	Current Year (USD)	Previous Year (USD)
Creditors for capital goods'	1,19,30,466	Nil

49. Employee Benefits:

a) Defined Contribution Plans: Contribution to Provident Fund of ₹ 247.79 lacs (Previous year ₹ 140.81 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 16.52 lacs (Previous Year ₹ 8.67 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 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
1. Change in Benefit Obligation				
Liability at the beginning of the year	152.95	130.67	72.67	62.02
Addition on Amalgamation	73.84	Nil	37.92	Nil
Interest Cost	20.39	9.78	9.82	4.41
Current Service Cost	78.06	44.61	72.92	47.85
Benefit paid	(27.40)	(16.94)	(22.00)	(13.76)
Actuarial (Gain)/Loss	(6.14)	(15.17)	(15.69)	(27.85)
Liability at the end of the year	291.70	152.95	155.64	72.67
2. Expenses recognized in the statement of profit and loss				
Current Service Cost	78.06	44.61	72.92	47.85
Interest Cost	20.39	9.78	9.82	4.41
Actuarial (Gain)/Loss	(6.14)	(15.17)	(15.69)	(27.85)
Expenses recognized in the statement of profit and loss	92.31	39.22	67.05	24.40
3. Actuarial Assumptions				
Discount Rate	8.06%	8.57%	8.06%	8.57%
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			
4. Other disclosure				

(₹ in lacs)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Gratuity					
Present value of defined benefit obligation	270.35	152.95	130.78	95.61	84.93
Experience adjustment on plan liabilities – (Gain)/loss	(12.86)	(9.09)	(3.13)	(21.72)	(5.72)
Leave Benefits					
Present value of defined benefit obligation	151.68	72.66	62.03	49.92	52.29
Experience adjustment on plan liabilities – (Gain)/loss	(19.42)	(25.05)	(18.80)	(30.20)	8.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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.

50. 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 (amalgamated w.e.f. 1st April, 2012)
- d. Fame Motion Pictures Limited – subsidiary of Fame India Ltd (amalgamated w.e.f. 1st April, 2012).
- e. Big Pictures Hospitality Services Private Limited – subsidiary of Fame India Ltd (amalgamated w.e.f. 1st April, 2012)
- f. Headstrong Films Private Limited – subsidiary of Fame India Ltd (amalgamated w.e.f. 1st April, 2012).

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

- a. Fellow Subsidiary - Inox Motion Pictures Limited
- b. Key Management Personnel – Mr. P K Jain – Director (There are no transactions with Mr. P K Jain. The transactions with enterprises in which he or his relative has significant influence are included in (iii) below)
- c. Key Management Personnel - Mr. Alok Tandon - Manager
- d. Key Management Personnel - Mr. Rajeev Patni – Manager of Fame India Ltd., amalgamated w.e.f. 1st April 2012.
- e. Joint Venture - Swanston Multiplex Cinemas Private Limited ('SMCPL')

(iii) Enterprises over which Key Management Personnel, or his relative, has significant influence

- a. Devansh Trading and Finance Private Limited
- b. Sidhapavan Trading and Finance Private Limited

(iv) Particulars of Transactions:

(₹ in lacs)

Particulars	Current Year	Previous Year
A) Transactions during the year		
Interest Paid		
Gujarat Fluorochemicals Limited	1,917.16	1,159.65
Inox Leasing & Finance Limited	17.17	139.48
Devansh Trading and Finance Private Limited	42.61	Nil
Sidhapavan Trading and Finance Private Limited	35.51	Nil
	2,012.45	1,299.13
Remuneration Paid		
Mr. Alok Tandon	80.36	79.61
Mr. Rajeev Patni	38.42	Nil
	118.78	79.61
Projector hiring charges received Joint Venture – SMCPL	5.06	14.51
Purchase of Refrigerant Gas		
Gujarat Fluorochemicals Limited	1.84	0.67
Acquisition of shares through rights issue Fame India Limited	N.A.	8,893.37

Particulars	Current Year	Previous Year
Interest Received Fame India Limited	N.A.	73.05
Reimbursement of expenses paid Joint Venture – SMCPL	2.18	4.87
Reimbursement of expenses received		
Fame India Limited	N.A.	14.85
Joint Venture - SMCPL	3.50	3.85
Inox Motion Pictures Limited	6.95	0.01
	10.45	18.71
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	970.00	9,650.00
Inox Leasing & Finance Limited	1,100.00	Nil
Devansh Trading and Finance Private Limited	600.00	Nil
Sidhapavan Trading and Finance Private Limited	500.00	Nil
	3,170.00	9,650.00
Inter-corporate Deposit Received back Fame India Limited	N.A.	1,200.00
Inter-corporate Deposits Repaid		
Gujarat Fluorochemicals Limited	Nil	4,250.00
Inox Leasing & Finance Limited	600.00	Nil
Devansh Trading and Finance Private Limited	600.00	Nil
Sidhapavan Trading and Finance Private Limited	500.00	Nil
	1,700.00	4,250.00
Corporate guarantee given to bank towards credit facility to Fame India Limited	N.A.	3,716.00
B) Amounts Outstanding		
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	19,670.00	18,700.00
Inox Leasing & Finance Limited	1,100.00	600.00
	20,770.00	19,300.00
Other Receivables - Inox Motion Pictures Limited	Nil	6.26
Corporate guarantee given to bank towards credit facility to Fame India Limited	N.A.	1372.99

Additional disclosure as required by Listing Agreement in respect of loans and advances in the nature of loans given to erstwhile subsidiary company (since amalgamated – see note no. 30): (₹ in lacs)

Particulars	Current Year	Previous Year
Name of the Loanee	Fame India Limited	
Amount of loan at the year end	N.A.	Nil
Maximum balance during the year	N.A.	1,200.00
Investment by the loanee in the shares of the Company	N.A.	Nil

51. Particulars in respect of provision for expenses

- a. 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	154.60	131.80
Provided during the year	52.80	52.80
Paid during the year	Nil	30.00
Closing balance	207.40	154.60

- b. The Company has recognised a provision towards estimated liability in respect of amalgamation expenses as under: (₹ in lacs)

Particulars	Current Year	Previous Year
Opening Balance	Nil	Nil
Provided during the year	500.00	Nil
Paid during the year	Nil	Nil
Closing balance	500.00	Nil

- c. The Company has recognised a provision towards MVAT as under: (₹ in lacs)

Particulars	Current Year	Previous Year
Opening Balance	Nil	Nil
Addition on Amalgamation	39.61	Nil
Paid during the year	Nil	Nil
Closing balance	39.61	Nil

52. 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 31st March 2013	As at 31st March 2012
Principal amount due to suppliers under MSMED Act at the year end	1.42	2.39
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.05	0.01
Payment made to suppliers (other than interest) beyond the appointed day during the year	14.07	48.25
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	0.16	0.46
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	3.34	3.13

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

53. Calculation of Earnings per share :

Particulars	Current Year	Previous Year
Profit after tax as per statement of profit and loss (₹ in lacs)	1844.63	1027.69
Weighted average number of equity shares used in computing basic earnings per shares (nos.) (including 3,45,62,206 equity shares to be issued pursuant to the scheme of amalgamation)	96121268	61546774
Weighted average number of equity shares used in computing diluted earnings per shares (nos.) (including 3,45,62,206 equity shares to be issued pursuant to the scheme of amalgamation)	96124584	61550625
Basic Earnings per share of ₹ 10/- each (₹)	1.92	1.67
Diluted Earnings per share of ₹ 10/- each (₹)	1.92	1.67

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

Vivek Jain
 Director

Deepak Asher
 Director

Place : Pune
Dated : 29th May 2013

Place : Noida
Dated : 29th May 2013



INOX LEISURE LIMITED

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

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

PLEASE FILL IN ATTENDANCE SLIP 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 FOURTEENTH ANNUAL GENERAL MEETING of the Company held on Friday, 23rd August, 2013 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 FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, 23rd August, 2013 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 _____ 2013

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.

BOOK - POST



If undelivered please return to:

INOX Leisure Ltd.
5th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (East),
Mumbai - 400 093.

www.inoxmovies.com

FORM A


Covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Inox Leisure Limited	
2	Annual financial statements for the year ended	31 March 2013	
3	Type of Audit observation	Un-qualified	
4	Frequency of observation	Not applicable	
5	To be signed by-	Name and Signature	
	Chief Executive Officer	Mr. Alok Tandon	
	Chief Finance Officer	Mr. Upen Shah	
	Auditor of the company	M/s. Patankar & Associates By Partner Mr. M Y Kulkarni	
	Audit Committee – Chairman	Mr. Sanjeev Jain Independent Director	



FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Inox Leisure Limited
2	Annual financial statements for the year ended	31 March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	To be signed by-	Name and Signature
	Chief Executive Officer	Mr. Alok Tandon 
	Chief Finance Officer	Mr. Upen Shah 
	Auditor of the company	M/s. Patankar & Associates By Partner Mr. M Y Kulkarni 
	Audit Committee – Chairman	Mr. Sanjeev Jain Independent Director 

CERTIFIED TRUE COPY
FOR INOX LEISURE LIMITED


MIKET S. DAHUYA
DEPUTY COMPANY SECRETARY
& SENIOR MANAGER-LEGAL

