

# FAME INDIA LIMITED

(formerly Shringar Cinemas Limited)

## UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2010

Rs in lacs

Sr No	Particulars	Standalone				
		3 months ended 31/12/2010 (Unaudited)	Corresponding 3 months ended in the previous period 31/12/2009 (Unaudited)	Year to date figures for current period ended 31/12/2010 (Unaudited)	Year to date figures for previous period ended 31/12/2009 (Unaudited)	Previous accounting year ended 31/03/2010 (Audited)
1	Income from operations	4,628.39	5,303.87	12,767.43	10,440.78	14,488.54
2	Other Operating Income	105.49	141.67	353.80	336.03	458.18
	<b>Total Revenue</b>	<b>4,733.88</b>	<b>5,445.54</b>	<b>13,121.23</b>	<b>10,776.81</b>	<b>14,946.72</b>
3	Direct cost					
	a) Distributors' share	1,394.57	1,658.23	3,765.59	3,036.97	4,134.25
	b) Consumption of food & beverages	327.06	363.69	891.88	743.39	1,004.37
	c) Other direct cost	67.72	69.42	163.20	131.76	172.96
4	Employment cost	405.21	345.45	1,239.53	1,001.51	1,340.44
5	Rent (Refer note No.4)	380.51	955.57	2,470.62	2,542.35	3,945.46
6	Electricity and water charges	307.06	309.39	936.76	780.87	1,022.96
7	Amortisation of FCMTDA / foreign exchange difference	(17.63)	-	(54.57)	-	(64.37)
8	Depreciation	420.69	441.99	1,292.28	1,272.53	1,697.59
9	Other expenses	381.77	468.41	1,271.86	1,233.52	1,755.71
	<b>Total Expenditures</b>	<b>3,666.96</b>	<b>4,612.15</b>	<b>11,977.15</b>	<b>10,742.90</b>	<b>15,009.37</b>
	<b>Profit / (Loss) from operations before other income, interest and tax</b>	<b>1,066.92</b>	<b>833.39</b>	<b>1,144.08</b>	<b>33.91</b>	<b>(62.65)</b>
10	Other income	25.63	46.38	69.65	124.20	126.70
	<b>Profit / (Loss) before interest and tax</b>	<b>1,092.55</b>	<b>879.77</b>	<b>1,213.73</b>	<b>158.11</b>	<b>64.05</b>
11	Interest expense	137.36	192.85	480.70	514.95	688.54
	<b>Profit / (Loss) after interest but before tax</b>	<b>955.19</b>	<b>686.92</b>	<b>733.03</b>	<b>(356.84)</b>	<b>(624.49)</b>
12	Tax expense (including amount of previous years Rs 31.84 lacs)	181.02	-	181.02	-	-
	<b>Net Profit / (Loss) for the period / year</b>	<b>774.17</b>	<b>686.92</b>	<b>552.01</b>	<b>(356.84)</b>	<b>(624.49)</b>
13	Paid up equity share capital (face value Rs 10/- each)	3,494.70	3,479.53	3,494.70	3,479.53	3,479.53
14	Reserves (net of debit balance in Profit and Loss Account and excluding revaluation reserves)		-	-		3,911.84
15	Earnings Per Share (EPS) – (in Rupees)					
	a) Basic earnings per equity share*	2.22	1.97	1.58	(1.03)	(1.79)
	b) Diluted earnings per equity share*	1.80	1.62	1.23	(1.03)	(1.79)
16	Public shareholding					
	- Number of shares**	34,947,018	19,590,355	34,947,018	19,590,355	34,795,248
	- Percentage of shareholding	100.00%	56.30%	100.00%	56.30%	100.00%

17	Promoters and promoter group shareholding	-	-	-	-	-
a)	Pledged/encumbered	-	-	-	-	-
-	Number of shares	-	-	-	-	-
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
-	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b)	Non-encumbered	-	-	-	-	-
-	Number of shares	14	15,204,907	14	15,204,907	14
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
-	Percentage of shares (as a % of the total share capital of the company)	0.00%	43.70%	0.00%	43.70%	0.00%

\* Quarterly and nine monthly figures are not annualised

\*Include 1,50,57,751 shares held by Inox Leisure Limited in "SCB A/C South Yarra Holding Inox Escrow A/c" pending completion of Open Offer under Securities and Exchange Board of India (Substantial Acquisitions of Shares and takeover) Regulations, 1997. The same have since been released upon completion of Open Offer formalities on 6<sup>th</sup> January 2011.

### SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2010

Rs in lacs

Sr No	Particulars	Standalone				Previous accounting year ended 31/03/2010 (Audited)
		3 months ended 31/12/2010 (Unaudited)	Corresponding 3 months ended in the previous period 31/12/2009 (Unaudited)	Year to date figures for current period ended 31/12/2010 (Unaudited)	Year to date figures for previous period ended 31/12/2009 (Unaudited)	
<b>1</b>	<b>Segment Revenue (Income from operations)</b>					
	a) Theatrical Exhibition	4,704.72	5,418.40	13,042.43	10,723.22	14,878.23
	b) Others	29.16	27.14	78.80	53.59	68.49
	<b>Revenue from operations</b>	<b>4,733.88</b>	<b>5,445.54</b>	<b>13,121.23</b>	<b>10,776.81</b>	<b>14,946.72</b>
<b>2</b>	<b>Segment results Profit / (Loss) before tax and Interest</b>					
	a) Theatrical Exhibition	1,162.93	835.06	1,409.55	276.20	211.42
	b) Others	29.16	27.14	78.80	53.59	68.70
	<b>Total</b>	<b>1,192.09</b>	<b>862.20</b>	<b>1,488.35</b>	<b>329.79</b>	<b>280.12</b>
	Less:					
	Interest	137.36	192.85	480.70	514.95	688.54
	Other un-allocable expenditure net of un-allocable income	99.54	(17.57)	274.62	171.68	216.06
	<b>Profit before tax</b>	<b>955.19</b>	<b>686.92</b>	<b>733.03</b>	<b>(356.84)</b>	<b>(624.49)</b>
<b>3</b>	<b>Capital employed</b>					
	a) Theatrical Exhibition	16,503.15	16,407.24	16,503.15	16,407.24	17,087.62
	b) Others	324.01	409.36	324.01	409.36	483.59
	c) Un-allocable assets less liabilities	(9,242.50)	(9,093.36)	(9,242.50)	(9,093.36)	(10,179.75)
	<b>Total</b>	<b>7,584.66</b>	<b>7,723.24</b>	<b>7,584.66</b>	<b>7,723.24</b>	<b>7,391.46</b>

## Notes to the Unaudited Financial Results for quarter and nine months ended 31<sup>st</sup> December 2010

1. The above results were reviewed by the Audit Committee and have been taken on record by the Board of Directors at its meeting held on 12th February 2011.
2. The above results have been subjected to "Limited Review" by the Statutory Auditors of the Company.
3. Information on investors complaints – (Nos) for the quarter: Opening Balance – Nil, Received – 1, Resolved / replied – 1, Closing Balance – Nil.
4. As per the amendment made by the Finance Act 2010, renting of immovable property is defined as a taxable service with retrospective effect from 1<sup>st</sup> June 2007. Accordingly, during the quarter ended 31<sup>st</sup> March 2010, the Company accounted for Rs 463.35 lacs being service tax on lease rentals for the period upto 31<sup>st</sup> March 2010. Further, the Company continued to provide for service tax on lease rentals up to the quarter ending 30<sup>th</sup> September 2010. According to legal opinion obtained by the Company in the current quarter, the levy of service tax on renting of immovable property cannot be said to be final. On the basis of the same, the Company has not provided for Rs 69.83 lacs for the current quarter and has reversed the provision standing in the books as of 30<sup>th</sup> September 2010 aggregating to Rs 576.89 lacs.
5. Figures for the 9 months are not strictly comparable with the corresponding 9 months in the previous period ended 31<sup>st</sup> December 2009 on account of business interruption due to the strike called by the United Producers and Distributors Forum in the quarter ended 30<sup>th</sup> June 2009 and on account of the service tax on rentals.
6. During the quarter ended 31<sup>st</sup> March 2010, the Promoters' shareholding comprising 43.28% of Share Capital of the Company was transferred to Inox Leisure Limited (Inox), followed by acquisition of additional equity shares of the Company by Inox to the extent of 7.21% in two separate block deals in the Open Market. Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, Inox along with Persons Acting in Concert (PAC) made an open offer to the equity shareholders of the Company to acquire 8,321,759 equity shares of Rs 10/- each fully paid up. Reliance Media Works Limited (RMW), along with PACs made a voluntary open offer as a competitive bid to the equity shareholders of the Company to acquire 21,700,000 equity shares of Rs 10/- each fully paid up. Both the above open offers were open from 16<sup>th</sup> December 2010 to 4<sup>th</sup> January 2011. Post the conclusion of the open offers, Inox now holds 50.27% of total issued and paid up equity share capital of the Company while RMW holds 35.39%. Accordingly, the Company has now become a subsidiary of Inox.
7. As at 31<sup>st</sup> December 2010, the Company has term loan of Rs 1733.31 lacs due for repayment within next twelve months. Further, in accordance with the terms and conditions of the FCCBs, (a) an amount of Rs 602.52 lacs (worth face value of USD 1 million and accrued interest, subject to tax) would become payable to bondholders upon receipt of RBI approval and (b) unless converted into equity shares of the Company prior to 12 April 2011, an amount of Rs 7,283.97 lacs (worth face value of USD 12 million and accrued interest, subject to tax) would become payable to bondholders on 22<sup>nd</sup> April 2011. In view of the contingent nature of the financial obligation due to the possibility of the conversion of bonds into equity and on the financial strength and management support of the Inox Group, the Company continues to adopt the going concern basis in preparing the financial statements.
8. Mr Shravan Shroff was reappointed as Managing Director of the Company wef 19<sup>th</sup> December 2010. The remuneration paid to the Managing Director for the period 19<sup>th</sup> December 2010 to 31<sup>st</sup> December 2010 is subject to requisite approvals of shareholders and the Central Government. Further, on 21<sup>st</sup> January 2011, Mr Shravan Shroff has resigned as Director and consequently as Managing Director of the Company, while Mr Shyam Shroff, Ms Susan Thomas and Mr Salim Govani have resigned as Directors of the Company. Accordingly, the strength of the Board of Directors of the Company is now 4 Directors, of which 2 are independent Directors.

9. The IPO proceeds have been utilised in full as of 31<sup>st</sup> December 2010 as under:

Sr No	Particulars	Projection in prospectus	Actual funds utilized till 31 <sup>st</sup> December 2010
1	Funding exhibition growth	3,370.00	*1,390.56
2	Funding distribution growth through subsidiary	599.50	-
3	Issue expenses	350.00	**441.62
4	Repayment of loans***	-	*2,487.32
	<b>Total</b>	<b>4,319.50</b>	<b>4,319.50</b>

\*The above utilisation of IPO proceeds is in accordance with 'objects of the issue' read with the interim use of proceeds' clause as mentioned in the prospectus.

\*\*The issue expense was higher by Rs 91.62 lacs as compared to the projections in the Prospectus. This is due to increase in lead management fee, underwriting and selling commission, advertising and marketing expenses and legal and professional charges. The issue expenses incurred were adjusted in the year of issue against the Securities Premium Account.

\*\*\*The shareholders of the Company, at their Annual General Meeting held on 30 September 2009 had approved vide a special resolution, the utilization of balance unutilized IPO proceeds of Rs 1,600 lacs inter-alia for expansion activities of the Company in India for opening up new multiplexes and expenses related thereto, including but not limited to repayment of loans taken for such purposes. Accordingly, during the quarter, the Company has utilised Rs.364.04 lacs for repayment of Term Loans taken for its multiplex capital expenses.

10. Previous period figures have been reclassified / regrouped wherever necessary.

For Fame India Limited (Formerly Shringar Cinemas Limited)

Deepak Asher  
Director

Place: Mumbai  
Date: 12<sup>th</sup> February, 2011