

**FORM A**

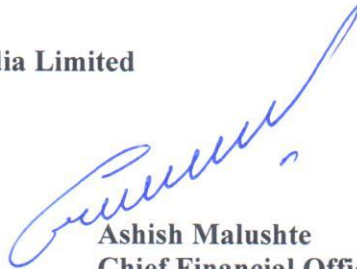
**Covering letter of the annual audit report for the financial year 2014-15 to be filed with  
the Stock Exchange(s)**  
(Pursuant to Clause 31(a) of the Listing Agreement)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the Company	UFO Moviez India Limited
2.	Annual financial statements (unconsolidated and consolidated) for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

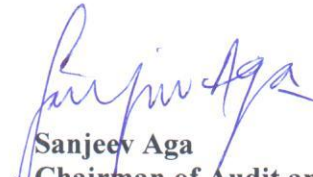
For **UFO Moviez India Limited**



**Sanjay Gaikewad**  
Managing Director



**Ashish Malushte**  
Chief Financial Officer



**Sanjeev Aga**  
Chairman of Audit and Risk  
Management Committee

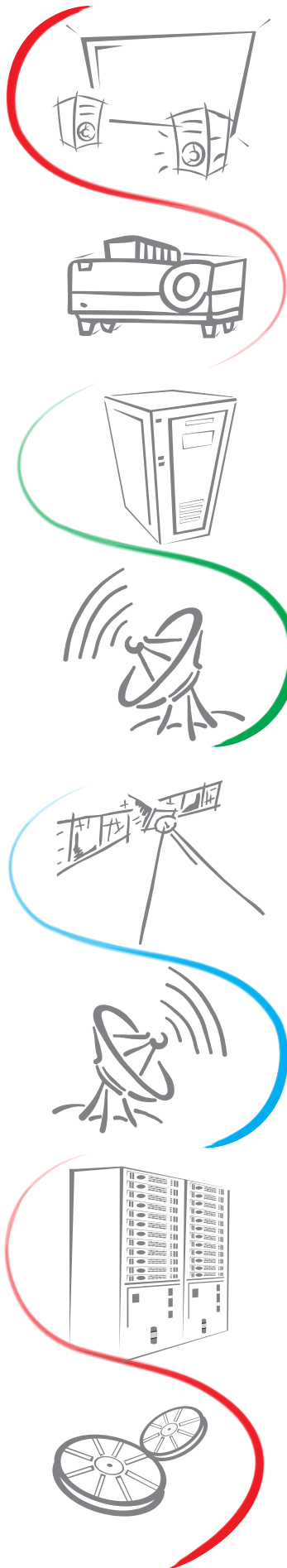
For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.:101049W



**per Govind Ahuja**  
Partner  
Membership No.: 48966

Place: Mumbai  
Date: July 23, 2015

**UFO MOVIEZ INDIA LIMITED**



**UFO**  
digital cinema

**UFO Moviez India Limited**

Annual Report  
2014 - 2015

# CORPORATE INFORMATION

## Board of Directors

Sanjeev Aga	Chairman & Independent Director
Ameya Hete	Non-Executive Director
Biswajit Subramanian	Non-Executive Director
Kapil Agarwal	Joint Managing Director
Lynn de Souza	Independent Director
Raaja Kanwar	Non-Executive Director
S. Madhavan	Independent Director
Sanjay Gaikwad	Managing Director
Varun Laul	Non-Executive Director

## Chief Financial Officer

Ashish Malushte

## Company Secretary

Sameer Chavan

## Auditors

S.R. Batliboi & Associates LLP, Chartered Accountants

## Bankers

Axis Bank Limited  
HDFC Bank Limited

## Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Financial District  
Nanakramguda, Gachibowli, Hyderabad – 500 032  
Tel No.: 040 6716 2222; Fax No.: 040 2300 1153  
Toll Free No.: 1800 345 4001  
Email: einward.ris@karvy.com

## Registered Office

Office No. 12, 3rd Floor, 312 Surya Kiran Building,  
19 Kasturba Gandhi Marg, New Delhi 110 001.  
Tel: 011 4370 4300/11  
Email: investors@ufomoviez.com  
Website: www.ufomoviez.com

## Corporate Office

Valuable Techno Park, Plot No.53/1, Road No.07,  
Marol MIDC, Andheri East, Mumbai 400093  
Tel: 022 4030 5060  
Email: investors@ufomoviez.com  
Website: www.ufomoviez.com

## Corporate Identity Number

U22120DL2004PLC164728

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### Annual General Meeting

Date:	Tuesday, September 15, 2015
Time:	12:00 noon
Venue:	FICCI K. K. Birla Auditorium, Tansen Marg, Near Mandi House, New Delhi - 110001

## NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of UFO Moviez India Limited ("the Company") will be held on Tuesday, the 15th day of September 2015 at 12:00 noon at FICCI K. K. Birla Auditorium, Tansen Marg, Near Mandi House, New Delhi - 110001 to transact the following business:

### Ordinary Business

1. To consider and adopt the audited financial statements for the financial year ended March 31, 2015 together with the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the audited consolidated financial statements for the financial year ended March 31, 2015 together with the report of the Auditors thereon.
3. To appoint a Director in place of Mr. Raaja Kanwar (DIN No. 00024402), who retires by rotation, and being eligible, offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditors.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, having ICAI Firm Registration No.101049W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year ending March 31, 2016, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of actual out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the duly appointed company secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

**Sameer Chavan**  
Company Secretary  
M. No. F7211

Date: July 23, 2015  
Place: Mumbai

### Registered Office Address:

Office No.12, 3rd Floor, 312, Surya Kiran Building,  
19, Kasturba Gandhi Marg, New Delhi 110001, India  
E-mail:investors@ufomoviez.com  
CIN: U22120DL2004PLC164728

### Notes:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- B. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:

i) it is signed by the Member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Member first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.

ii) it is duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent.

- C. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

- D. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic)

are Karvy Computershare Private Limited having their office premises at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Andhra Pradesh, India.

- E. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 am to 12.00 noon except Saturday and Sunday, up to the date of the Annual General Meeting.
- F. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 9, 2015 to Tuesday, September 15, 2015 (both days inclusive).
- G. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH - 13 duly filled in to Karvy Computershare Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Karvy Computershare Private Limited / the Company immediately.
- H. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2014-15 are being sent by e-mail to those members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. Karvy Computershare Private Limited, as the case may be.
- I. Members are requested to: a) intimate to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form; b) intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form; c) quote their folio numbers DP ID Client ID in all correspondence; d) consolidate their holdings into one folio in case they hold shares under multiple folios in the

identical order of names.

- J. Voting through electronic means in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility to its Members in respect of the businesses to be transacted at the 11th Annual General Meeting (AGM). The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the authorised agency to provide remote e-Voting facility. The procedure and instructions for remote e-voting are as under:

Open your web browser during the voting period and navigate to 'http://evoting.karvy.com'. Enter the login credentials (i.e., user-id & password) mentioned on the E-mail or in the Attendance Slip. Your Folio No./DP ID Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID. For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company.
Password	Your Unique password is printed on the Electronic Voting Particulars / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- i. Please contact toll free No. 1-800-34-54-001 for any further clarifications.
- ii. Members can cast their vote online from Saturday, September 12, 2015, 9.00 AM to Monday, September 14, 2015, 5.00 PM. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 8, 2015, may cast their vote electronically. Once the vote on resolution is cast by Member, the Member shall not be allowed to change it subsequently.
- iii. The voting rights of a Member shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, September 8, 2015.
- iv. After entering these details appropriately, click on "LOGIN".
- v. Members holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login

- password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for remote e-voting through Karvy Computershare Private Limited remote e-voting platform. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- viii. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- ix. On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
- x. After selecting the resolution if you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- xii. Corporate/Institutional Members (corporate /FIs/ FII/ FPIs /Trust/Mutual Funds/Banks/etc.,) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to chetan.joshi181@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- K. The Company is also providing facility for voting through ballot or polling paper at the 11th Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- L. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- M. During the period when facility for remote e-voting is provided, the members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Tuesday, September 8, 2015, may opt for remote e-voting. Provided that once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
- N. After the end of the remote e-voting period i.e. Monday, September 14, 2015 at 5.00 PM, the facility shall forthwith be blocked.
- O. Mr. Chetan Anant Joshi, Practicing Company Secretary (ACS: 20829 CP: 7744), has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- P. The Scrutinizer after scrutinizing the votes cast at the Meeting through ballot or polling paper and through remote e-voting, shall within 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- Q. The results declared alongwith the consolidated Scrutinizer's Report shall be hosted on the website of the Company (www.ufomoviez.com) and on the website of the Karvy (https://evoting.karvy.com). The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
- R. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 15, 2015 subject to receipt of the requisite number of votes in favour of the resolutions.

By order of the Board of Directors

**Sameer Chavan**

Company Secretary

M. No. F7211

Date: July 23, 2015

Place: Mumbai

**Registered Office Address:**

Office No.12, 3rd Floor, 312, Surya Kiran Building,  
19, Kasturba Gandhi Marg, New Delhi 110001, India

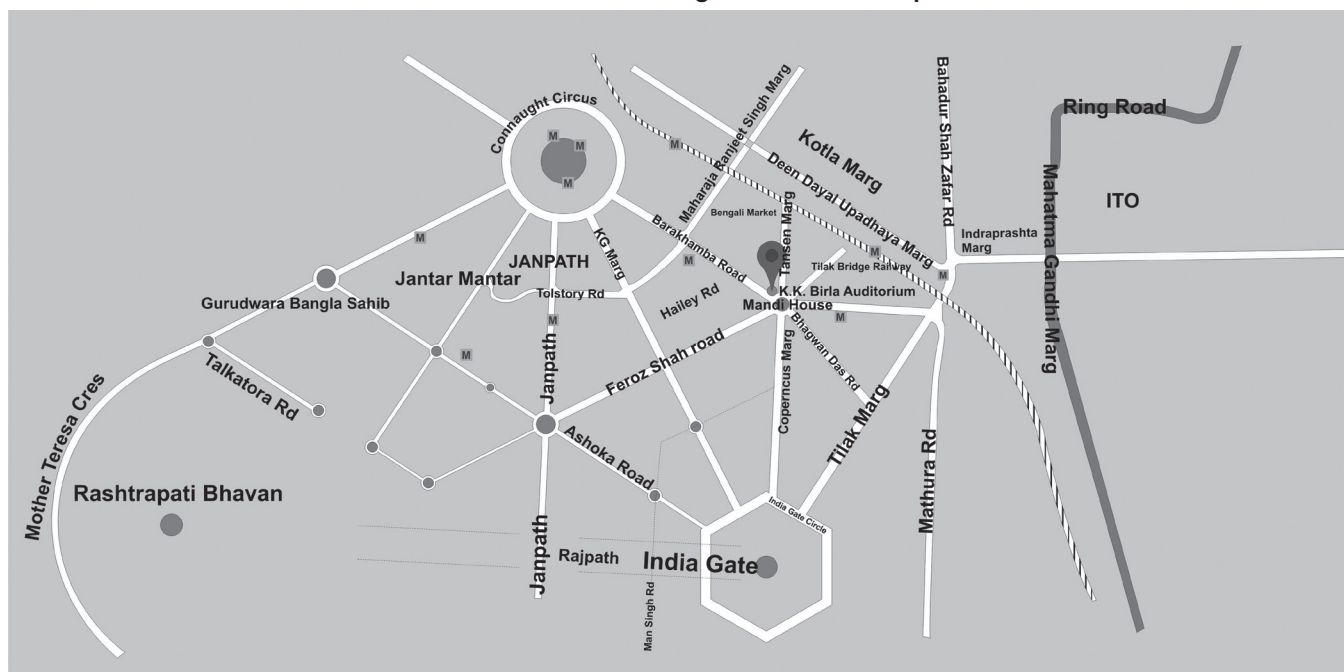
E-mail:investors@ufomoviez.com

CIN: U22120DL2004PLC164728

**Details of the Director seeking Re-appointment in the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.**

Name of Director	Mr. Raaja Kanwar
Date of Birth:	February 4, 1970
Date of Initial Appointment:	May 13, 2005
Expertise in specific functional areas:	He is an Entrepreneur and has expertise in strategic guidance. He has total experience of 20 years. He has been associated with the Company since 2005 as a Director.
Qualifications:	Bachelor's degree in business administration from Drexel University, Pennsylvania, United States of America.
Other Companies in which Directorship is held as on March 31, 2015:	<b>Indian Companies</b> Apollo International Limited Apollo Logisolutions Limited AR SPA Enterprises Private Limited; and Kashipur Infrastructure and Freight Terminal Pvt Ltd <b>Foreign Companies</b> Edridge Limited Cloe Holdings Private. Limited; and UFO International Limited.
Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2015:	None
Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2015.	<b>Audit Committee:</b> Apollo International Limited
Shareholding in the Company as on March 31, 2015:	566,214
Other	Mr. Raaja Kanwar is not related to any of the Directors, Manager and Key Managerial Personnel of the Company.

**Annual General Meeting Venue - Route Map**



## DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the eleventh report on the business and operations of your Company for the year ended March 31, 2015.

### RESULT OF OUR OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2015 is summarized below:

(in ₹ Million)

Particulars	Standalone			Consolidated		
	FY15	FY14	Growth	FY15	FY14	Growth
Revenue from Operations	2,999	2,691	11.5%	4,758	4,242	12.2%
Other Income	9	9	4.2%	35	8	320.2%
<b>Total Income</b>	<b>3,008</b>	<b>2,699</b>	<b>11.4%</b>	<b>4,793</b>	<b>4,250</b>	<b>12.8%</b>
<b>Total Expenses</b>	<b>1,906</b>	<b>1,711</b>	<b>11.4%</b>	<b>3,185</b>	<b>2,918</b>	<b>9.1%</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>1,102</b>	<b>988</b>	<b>11.5%</b>	<b>1,608</b>	<b>1,332</b>	<b>20.7%</b>
EBITDA Margin	36.6%	36.6%		33.6%	31.3%	
Depreciation and Amortisation	594	546	8.8%	769	655	17.4%
<b>Earnings before interest and tax (EBIT)</b>	<b>507</b>	<b>442</b>	<b>14.9%</b>	<b>839</b>	<b>677</b>	<b>24.0%</b>
Finance Cost	151	154	(2.3)%	201	199	1.3%
Finance Income	(42)	(23)	78.7%	(50)	(34)	47.7%
<b>Profit before tax (PBT)</b>	<b>398</b>	<b>311</b>	<b>28.2%</b>	<b>688</b>	<b>512</b>	<b>34.3%</b>
Tax	143	(39)	NA	180	(11)	NA
<b>Profit after tax (PAT)</b>	<b>255</b>	<b>349</b>	<b>(26.9)%</b>	<b>509</b>	<b>523</b>	<b>(2.8)%</b>
Profit from Associates	-	-	-	19	(8)	NA
Minority Interest	-	-	-	39	39	1.7%
<b>Profit after tax, Profit from Associates &amp; Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488</b>	<b>477</b>	<b>2.4%</b>

For a detailed analysis of financial performance, please refer to the "Management Discussion and Analysis" section which is forming part of the Annual Report.

There are no material changes or commitments affecting the financial position of the Company between the end of the Financial Year in question and the date of this report.

### SHARE CAPITAL

The paid up equity share capital as on March 31, 2015 was ₹ 258,976,690/-. During the year under review, the Company has not issued any shares with or without differential voting rights. Further, during the year under review, the Company introduced a new employee stock option scheme (ESOP-2014) and has granted 932,500 stock options to the employees thereunder. Further, during the year under review, the Company has also not issued any sweat equity shares. As at March 31, 2015, none of the Directors of the Company hold instruments convertible

into equity shares of the Company except stock options granted under the relevant employee stock option schemes of the Company.

### EMPLOYEES STOCK OPTIONS

The Company has three employee stock options schemes viz ESOP-2006, ESOP-2010 and ESOP-2014. The Board has terminated ESOP-2006 and ESOP-2010 and no options can be granted under these employee stock option schemes other than the stock options already granted.

ESOP 2010 has been amended in October 2014 accelerate vesting of the unvested options. The exercise period has been amended for all vested options, which were granted under ESOP 2010 and are not exercised, from October 25, 2014 to until the expiry of one (1) year from the date of listing of the equity shares of the Company.



Your Company was an unlisted company at the time of grant of employee stock options and was hence not required to be compliant with the SEBI ESOP Regulations with respect to employee stock options.

ESOP-2006 was compliant with the SEBI ESOP Regulations, except to the extent of clauses with respect to formation/ composition of the compensation committee; appointment of a registered merchant banker; placing of the auditors' certificate before the annual general meeting of the company and disclosures required to be made to the option grantees at the time of the grant and in the directors' report.

ESOP-2010 was compliant with the SEBI ESOP Regulations, except to the extent of clauses with respect to inclusion of consultants, promoters, persons belonging to the promoter group and directors holding more than 10% of the outstanding equity shares for grant of employee stock options; formation/ composition of the compensation committee; cancellation of all vested options which were not exercised as on the date of submission of resignation or date of termination of the option grantee prior to listing of shares of the company; allowing for earlier vesting of options in case the existing shareholders intend to sell more than 50% of their equity shares held in the company prior to listing of the equity shares of the company; appointment of a registered merchant banker; placing of the auditors' certificate before the annual general meeting of the company and disclosures required to be made to the option grantees at the time of the grant and in the directors' report.

ESOP-2014 was compliant with the SEBI ESOP Regulations.

The following directors and key managerial personnel were granted stock options during the year under review:

- |  |                         |
|--|-------------------------|
| 1) Mr. Kapil Agarwal,<br>Joint Managing Director | - 212,500 stock options |
| 2) Mr. Rajesh Mishra,<br>CEO - Indian Operations | - 45,000 stock options  |
| 3) Mr. Ashish Malushte, CFO                      | - 37,500 stock options  |
| 4) Mr. Sameer Chavan,<br>Company Secretary       | - 6,500 stock options   |

Mr. Kapil Agarwal, Joint Managing Director of the Company, received a grant of 212,500 stock options amounting to 5% or more of the options granted during the year under review.

There are no Directors or employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant.

The details of employee stock option schemes and grants made in three years prior to the Initial Public Offering under each scheme of the Company are available on the website of the Company [www.ufomoviez.com](http://www.ufomoviez.com)

The details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

#### **FIXED DEPOSITS**

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as "Annexure-1" to this report.

#### **FINANCIAL STATEMENTS**

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on a historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of the underlying transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2015.

The auditors have modified the consolidated audit report under the Companies (Auditor's Report) Order, 2015 ("the Order") to the extent of stating that the controls relating to customer contracting and tracking of amounts billable in the joint venture of your Company (viz. Mukta VN Films Limited) need to be strengthened. The operating management of that entity has assured the Company's management that requisite corrective steps are being taken to strengthen the internal controls in the area of contracting and invoicing and this will be monitored by the nominee directors of your Company in that joint venture's Board of Directors.

Apart from the above, there is no other qualification in the standalone or in the consolidated financial statements by the statutory auditors for the year under review.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of the Annual Report.

**SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In terms of the provisions of Clause 49 of the Listing Agreement with the stock exchanges, the Management discussion and analysis is set out in the Annual Report.

**INITIAL PUBLIC OFFERING**

During the year under review, your Company was an unlisted public limited company. On April 28, 2015, the Company made an Initial Public Offering of 96,00,000 equity shares of a face value of ₹ 10 each for cash at a price of ₹ 625 per equity share including a share premium of ₹ 615 per equity share aggregating to ₹ 600 crore through an 'Offer For Sale' by certain existing shareholders of the Company. The equity shares of the Company was listed with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on May 14, 2015.

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

At the beginning of the year, your Company had 5 direct subsidiaries, 10 step-down subsidiaries, 4 associates and 1 joint venture. As on March 31, 2015, your Company has 6 direct subsidiaries, 10 step-down subsidiaries, 4 associates and 1 joint venture.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013, and form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed format AOC-1 is attached as annexure to the financial statements. The statement also provides the details of performance and financial position of each of the subsidiaries, associates and joint ventures.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com). These documents are also available for inspection during business hours at the Company's registered office in New Delhi, India.

During the year under review, the Company had made investments in Valuable Digital Screens Private Limited, which consequently become a subsidiary of your Company. Further, the Company had also made investments in its subsidiaries Scrabble Entertainment Limited and Southern Digital Screenz India Private Limited. The details of these investments are available in the financial statements provided in the Annual Report.

During the year under review, the Company was a foreign owned and controlled company in accordance with the provisions of the Foreign Exchange Management Act, 1999 and notifications / circulars issued by the Reserve Bank of India and was hence required to obtain a certificate from the statutory auditors regarding the status of compliance with the instructions on downstream investments of the Company under the provisions of the Foreign Exchange Management Act, 1999. The statutory auditors of the Company have issued a certificate that the Company is in compliance with the instructions governing downstream investments of the Company and in compliance with Foreign Exchange Management Act, 1999 provisions for the year ended March 31, 2015 except that the Company did not notify the Foreign Exchange Promotion Board and Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion of its downstream investments within 30 days of such investment. However, the Company has subsequently notified these agencies of its downstream investments in the prescribed format.

**CORPORATE GOVERNANCE**

The Corporate governance report for the financial year ended March 31, 2015 forms part of the Annual Report.

**BOARD DIVERSITY**

Your Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives, appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at the Board level as an essential element in maintaining competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences are considered in determining the optimum composition of the Board and wherever possible balanced appropriately. The Board has adopted a Board Diversity Policy which sets out its approach in this regard. The Board Diversity Policy is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

**NUMBER OF MEETINGS OF THE BOARD**

The Board met 10 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two board meetings was within the period prescribed by the Companies Act, 2013.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The current policy is to have an optimum combination of executive and non-executive directors with an independent non-executive chairman to maintain the independence of the Board, and separate the functions of governance and management in the Company.

As on March 31, 2015, the Board consisted of nine members, two of whom are executive and the balance seven are non-executive directors. Out of the seven non-executive directors, three are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining the qualifications, the positive attributes, independence and other matters, provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as "Annexure-2" to this report. The remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the stock exchanges.

#### **BOARD EVALUATION**

Clause 49 of the Listing Agreement with the stock exchanges mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance evaluation of all the individual directors, the Board as a whole and that of its committees was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Chairman of the Nomination and Remuneration Committee. None of the independent directors are due for re-appointment.

#### **TRAINING OF INDEPENDENT DIRECTORS**

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of your Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. The details of such familiarization programme are available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The terms and conditions of their appointment are available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

#### **INDUCTIONS**

On the recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza as Independent members of the Board for a period of three consecutive years with effect from November 20, 2014. The Board has also appointed Mr. Sanjeev Aga as the Chairman of the Board for a period of three consecutive years with effect from November 20, 2014.

We thank the shareholders for their support in confirming Mr. Sanjeev Aga, Mr. S Madhavan and Ms. Lynn de Souza's appointment at the Extra-ordinary General Meeting held on November 20, 2014.

#### **RETIREMENT AND RE-APPOINTMENTS**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Raaja Kanwar retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, all the independent directors, were appointed by the shareholders at the general meeting as required under Section 149(10) for a period of three years.

Further, according to Sub-section (11) of Section 149, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to such independent directors.

None of the independent directors will retire at the ensuing Annual General Meeting.

#### **RESIGNATIONS**

During the year under review, the following Directors resigned from the directorship of the Company. Mr. Tushar Agarwal resigned as non-executive director with effect from October 31, 2014. Mr. John Carl Hahn resigned as non-executive director with effect from November 7, 2014. Mr. Manu Chandra and Mr. Samir Palod resigned as non-executive directors with effect from November 10, 2014. These Directors have resigned from the directorship of the Company during the process of restructuring of the Board for complying with the listing requirements regarding Board's composition for the purposes of the Company's Initial Public Offering.

The Board has placed on record its appreciation for the outstanding contributions made by Mr. Tushar Agarwal,

Mr. John Hahn, Mr. Manu Chandra and Mr. Samir Palod during their respective tenures in office.

**INDEPENDENT DIRECTORS’ MEETING**

During the year under review, the Independent Directors met on July 23, 2015 inter alia, to:

- (a) review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (c) assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present during the Meeting.

**KEY MANAGERIAL PERSONNEL**

During the year under review, the Company has designated the following persons as key managerial persons under Section 203 of the Companies Act, 2013:

Sr. No.	Name of the Person	Designation
1	Mr. Rajesh Mishra	Chief Executive Officer-Indian Operations
2	Mr. Ashish Malushte	Chief Financial Officer
3	Mr. Sameer Chavan	Company Secretary

**INTERNAL FINANCIAL CONTROLS**

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

**COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee of the Company as on March 31, 2015 comprised of two independent Directors, namely Mr. Sanjeev Aga and Mr. S. Madhavan and one Non Executive Non-Independent Director namely Mr. Varun Laul. Mr. Sanjeev Aga is the Chairman of the Committee. All members of the Audit and Risk Management Committee possess strong knowledge of accounting and financial management. For further details on the Audit and Risk Management Committee, please refer to the Corporate Governance Report forming part of the Annual Report.

**WHISTLEBLOWER POLICY**

The Company has a whistleblower policy to report genuine

concerns or grievances. The details of the Whistleblower policy are available on the Company’s website [www.ufomoviez.com](http://www.ufomoviez.com). For further details, refer to the Corporate Governance Report forming part of the Annual Report.

**RISK MANAGEMENT**

During the year under review, the Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the stock exchanges. The Risk Management Policy defines the risk management approach of the Company and includes a periodic review of such risks and also the documentation, mitigating measures and reporting mechanism of such risks.

**DIRECTORS’ RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company’s internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) the financial statements for the financial year ended March 31, 2015 have been prepared on a going concern basis following the applicable accounting standards, and there is no material departure from the accounting standards;
- b) the accounting policies selected were applied consistently and the judgments and estimates related to financial statements have been made on a reasonable and prudent basis so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**CORPORATE SOCIAL RESPONSIBILITY**

The Board has constituted a CSR Committee headed by Mr. Sanjay Gaikwad as Chairman with Ms. Lynn de Souza and Mr. Kapil Agarwal as Members. The Committee is responsible for formulating and monitoring the CSR policy of the Company. The

Company has adopted a CSR policy in compliance with the provisions of the Companies Act, 2013.

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013, during the three immediately preceding financial years was ₹ 2155.13 lacs. It was hence required to spend a minimum of ₹ 43.10 lacs on CSR activities during the Financial Year 2014-2015, being 2% of the average net profits of the three immediately preceding financial years.

As part of its efforts under the CSR initiative, during the year under review, the Company had contributed to the Swachh Bharat Mission Campaign of the Ministry of Information and Broadcasting, Government of India by screening the Swachh Bharat Mission Campaign, free of cost, in the cinema theatres under its digital cinema distribution network empaneled with the Directorate of Advertising and Visual Publicity for a total value of ₹ 165.94 Lacs. The screening of the Swachh Bharat Mission Campaign in the cinema theatres is in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy.

The annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure-3" forming part of this Report.

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as "Annexure-4" to this report.

#### **GREEN INITIATIVES**

Your Company is publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com). Electronic copies of the Annual Report 2014-15 and Notice of the 11th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015 and the Notice of the 11th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

#### **AUDITORS**

##### **Statutory Auditors**

At the Annual General Meeting held on September 4, 2014, S.R. Batliboi & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of S.R. Batliboi & Associates LLP,

Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the members of the Company. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed as auditors of the Company for financial year 2015-16, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

##### **Secretarial Auditor**

Mr. Chetan Anant Joshi, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2014-15 forms part of the Annual Report as "Annexure-5" to this report. There are no qualifications or observations by the Secretarial Auditors of the Company for the year under review.

The Board has appointed Mr. Chetan Anant Joshi, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2015-16.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure-6" to this report.

#### **HUMAN RESOURCES**

Your Directors believe that the key to success of any company are its employees. Your Company has a team of able and experienced professionals, whose dedicated efforts and enthusiasm has been an integral part of your Company's growth. Your Directors would like to place on record their deep appreciation of their continuous effort and contribution to the Company.

##### **Particulars of employees**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 disclosing the ratio of the remuneration of each director to the median employee's remuneration and such other details is appended as "Annexure-7" to this report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as "Annexure-7" to this report.

##### **Policy on prevention, prohibition and redressal of sexual harassment at workplace**

The Company has zero tolerance for sexual harassment at workplace, and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2014-15.

**SHIFTING OF REGISTERED OFFICE**

During the year under review the registered office of the Company was shifted from 1-B, First Floor, Sagar Apartments, 6, Tilak Marg, New Delhi 110001 to Office No. 12, 3rd Floor, 312 Surya Kiran Building, 19 Kasturba Gandhi Marg, New Delhi-110 001.

**CAUTIONARY STATEMENT**

Statements in this Report and the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Important factors that could influence the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes

in government regulations, tax laws, economic developments within the country and other incidental factors.

**ACKNOWLEDGMENT**

We thank all our stakeholders viz. customers, vendors, investors and bankers and other business partners for their excellent support received during the year. We place on record our appreciation of the contribution made by our employees at all levels for their commitment and continued contribution to our Company.

We also take this opportunity to place on record our appreciation for continued co-operation and unstinted support received from the film producers, distributors, exhibitors and advertisers who have contributed to the success of our Company.

We thank the Central Government and the various State Governments and other Government agencies/bodies for their support, and look forward to their continued support in the future.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai

Date: July 23, 2015

**FORM NO. AOC-2**

**Particulars of contracts / arrangements made with related parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit and Risk Management Committee for approval. The policy on Related Party Transactions as approved by the Board is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

**Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship:	Southern Digital Screenz India Private Limited, subsidiary of the Company
(b) Nature of contracts/arrangements/transactions	(i) Fixed Monthly Rental (ii) Virtual Print Fees (iii) Advertisement Sharing and (iv) Rent Agreement
(c) Duration of the contracts / arrangements/transactions	For (i) to (iii) originally entered in year 2008 and subsequently amended on dated September 1, 2010 and further amended on August 22, 2011, for a period of 10 years, renewable on similar and mutually agreeable terms. For (iv) contract dated 01, November 2014 for a period of 11 months.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(i) Providing Digital Cinema Equipment's on lease basis (ii) Software encryption and digital transmission service (iii) Generating and sharing of advertisement revenue. (iv) The subsidiary Company has granted the permission to use and occupy the leased premises to the Company. For the value of the transactions, refer the notes to the financial statements forming part of the Annual Report.
(e) Date(s) of approval by the Board, if any:	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
(f) Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai

Date: July 23, 2015

**NOMINATION AND REMUNERATION POLICY**

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns its recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 and Clause 49(IV) (B)(4) of the Listing Agreement.

**Nomination and Remuneration Policy**

The Company considers human resources as one of its most valuable assets. Its objective is to pay such remuneration to its employees as is commensurate with the employees' role and responsibilities and the performance of each of its employees in the Company. The Company has adopted a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and Other Employees, which is aligned to this objective.

The key objectives of this policy are as under:

- To lay down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company.
- To lay down criteria to carry out evaluation of every Director's performance.
- To formulate criteria for determining qualification, positive attributes and independence of a Director.
- To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and Other Employees to work towards the long term growth and success of the Company.

**Qualifications:** The criteria for identifying persons who are qualified to be appointed as Directors / KMPs / Senior Management Personnel / Other Employees of the Company are:

**Directors:** Section 164 of the Companies Act, 2013 specifies the disqualifications for appointment of director of any company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as a Director of the Company.

**Independent Directors:** For appointing any person as an independent Director, he/she should possess qualifications as mentioned in Section 149 of the Companies Act, 2013, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Agreement.

**KMPs, Senior Management Personnel and Other Employees:** The Company has an Organogram displaying positions of Senior Management Personnel including KMP and other positions with the minimum qualifications and experience requirements for each position which is commensurate with the size of the Company's business and the nature and complexity of its operations. Any new recruit in the Company has to match the requirements prescribed in the Organogram of the Company.

The term/tenure of Directors / KMPs / Senior Management Personnel / Other Employees shall be as per the provisions of the Companies Act, 2013, the Listing Agreement, any prevailing policies of the Company, and the terms of any appointment letters issued to them by the Company.

**Structure of remuneration for the Executive Directors, KMPs and Senior Management Personnel:**

The Executive Directors, KMPs and Senior Management Personnel (other than non-executive Directors) receive Basic Salary and other Allowances/Perquisites/Benefits such as leave travel concession, medical reimbursement, club fees, company maintained car and driver and fuel. They are also entitled to provident fund, gratuity, group term life insurance, group mediclaim insurance and group personal accident insurance. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities.
- The level of skill, knowledge and experience of individuals.
- Core performance requirements and expectations of individuals.
- The Company's performance and strategy.
- Legal and commercial obligations and considerations.
- The table below depicts the standard components of remuneration package.

Fixed Component		
Basic Salary	Allowances /Perquisites / Benefits such as leave travel concession, medical reimbursement, club fees, company car and driver, fuel and maintenance for company car, group term life insurance, group mediclaim insurance and group personal accident insurance.	Superannuation / statutory contributions to provident fund and group gratuity scheme.



The Executive Directors, KMPs and Senior Management Personnel may also hold and be entitled to stock options of the Company.

### Structure of Remuneration for Non-executive Directors

Independent Directors are paid remuneration in recognition of the responsibilities, accountability and associated risks of Directors. The total remuneration of Independent Directors may include all, or any combination of following elements:

- Fees for attending meetings of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
- Fees for attending meetings of committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board/shareholders from time to time to be payable to any of the Independent Directors.
- Independent Directors are also entitled to payment of travel and other expenses they incur for attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees.
- Independent Directors shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the Listing Agreement.
- Non-executive Directors other than the Independent Directors are not currently paid any remuneration by the Company.
- The managerial remuneration payable by the Company shall be subject to the conditions specified under the

Companies Act, 2013 and the Listing Agreement, including in terms of monetary limits, approval requirements and disclosure requirements. Any increase in the maximum aggregate remuneration payable beyond the permissible limit under the Companies Act, 2013 shall be subject to the approval of the shareholders of the Company at a General Meeting by special resolution and/or of the Central Government, as may be applicable.

- Structure of Remuneration for Other Employees: The power to decide the structure of remuneration for Other Employees has been delegated to the Human Resource Department of the Company.

### Evaluation:

*Criteria for evaluating performance of Board members:*  
Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 states that (i) the independent directors shall, at their separate meeting, review the performance of non-independent directors and the Board as a whole and (ii) the performance evaluation of independent directors shall be done by the entire Board excluding the director(s) being evaluated. Framework for performance evaluation of the Board members, including independent directors, is specified in Annexure A to the NR Policy. A copy of the NR Policy is available on the Company website [www.ufomoviez.com](http://www.ufomoviez.com).

*Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:*  
The performance evaluation of KMP and Senior Management Personnel is carried out by the Managing Director or the Joint Managing Director on the basis of performance management system and development plan of the Company. The performance evaluation of the Managing Director and the Joint Managing Director is carried out by the Board on the basis of performance management system and development plan of the Company.

*Criteria for evaluating performance of Other Employees:*  
The power to decide criteria for evaluating performance of Other Employees has been delegated to the Human Resource Department of the Company.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai

Date: July 23, 2015

**ANNUAL REPORT ON CSR ACTIVITIES**

[Pursuant to Section 135 of the Companies Act, 2013]

Your Company is committed to operate and grow its business in a socially responsible way with a vision to be an environment friendly corporate citizen. The Company has taken up various corporate social responsibility initiatives earlier and will continue to do so in future.

**Our CSR vision**

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

**CSR committee**

Your Company has a board committee (CSR Committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. The CSR committee comprises of: Mr. Sanjay Gaikwad as Chairman, Ms. Lynn de Souza and Mr. Kapil Agarwal as Member.

**Our focus areas**

While your Company strives to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, it proposes to promote activities relating to any of the departments of the Central Government, or any of the State Governments, or any of the Union Territories of India or any other eligible trusts, with respect to their activities specified in Schedule VII to the Act.

**Financial details**

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

₹ In Lacs

Sr. No.	Particulars	
1.	Average net profit of the Company for last three financial years	2155.13
2.	Prescribed CSR expenditure (2% of the average net profit as computed above)	43.10
3.	Details of CSR expenditure during the financial year:	
a)	Total amount to be spent for the financial year	43.10
b)	Amount unspent, if any	Nil
c)	The manner in which the amount spent during the financial year is detailed below:	

<b>CSR project or activity identified</b>	Swachh Bharat Mission Campaign of the Ministry of Information and Broadcasting, Government of India
<b>Sector in which the project is covered</b>	Healthcare and Sanitation
<b>Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken</b>	Swachh Bharat Mission Campaign has been screened in DAVP empaneled digital cinema theatres across India.
<b>Amount outlay (Budget) project or program wise</b>	₹ 165.94 Lacs
<b>Amount spent on the projects or programs Sub-heads (1) district expenditure on projects or programs. (2) overheads</b>	₹ 165.94 Lacs
<b>Cumulative expenditure up to the reporting period</b>	₹ 165.94 Lacs
<b>Amount spent direct or through implementing agency</b>	Directly

**Our CSR responsibilities**

Your directors hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Visit Company's website [www.ufomoviez.com](http://www.ufomoviez.com) for more details related to our CSR Policy.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
Chairman, CSR Committee

**Kapil Agarwal**  
Joint Managing Director

Place: Mumbai  
Date: July 23, 2015

**Annexure-4****CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Particulars pursuant to the Companies (Accounts) Rules, 2014]

**A. Conservation of Energy**

The Company is in the business of providing digital cinema services and provides digital cinema equipments to the cinema theatres comprising of a sophisticated digital projector and industrial grade digital cinema server supported by a 3KVA UPS system. Typically, digital cinema equipment requires cooling sourced from a 0.75 or 1 tonne air conditioner having a power consumption rating of 3KVA. The combined power consumption for a cinema theatre works out to approximately 6KVA which translates into 4.8 Kilo Watts of power consumption per hour. The Company's digital cinema equipments replace the conventional analog projectors which typically operate at 8 to 10 KVA capacity, consuming approximately 6.4 to 8 Kilo Watts of power consumption per hour. Replacement of analog projectors with digital projectors brings substantial savings in power consumption for the cinema theatres. Further, replacement of conventional analog projectors with digital projectors also makes the environment clean by replacing the conventional polyester films used by analog projectors for projection, with digital files used for projection by digital projectors.

**B. Research and Development, Technology Absorption, Adaptation and Innovation**

The Company provides digital cinema equipments to the cinema theatres, sourced from the equipment manufacturers/dealers and delivers the film content at the cinema theaters through a two-way VSAT setup across India. To reduce power consumption and time required for delivery of the film content, the Company has developed a low power Download Box which runs for longer periods on available battery back-up. This development has augmented the backup duration. As a process of continuous improvement in the digital cinema services, the Company evaluates and selects the right combination of hardware/software for effective digital cinema services. Adoption of right combination of hardware/software allows the Company to deliver film content with greater speed while maintaining quality and also reduces the file size, which consequently increases the no. of times the film content can be delivered.

The Company is also working on improvements in various other areas of digital cinema services like audio, network operating centre for cinema theater management and theater-end servers.

**C. Foreign Exchange Earnings and Outgo**

Particulars of foreign exchange earnings and outgo during the year are given in note no. 36, 37 and 39 of the notes to the financial statements forming part of the Annual Report.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai

Date: July 23, 2015

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**for the financial year ended March 31, 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
UFO Moviez India Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. UFO Moviez India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The Cinematograph Act, 1952.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of Regulations mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has approved Draft Red Herring Prospectus in the Board meeting held on 18th December, 2014. The Board has approved Red Herring Prospectus on 16th April, 2015. Prospectus was approved in the Finance Committee meeting held on 11th May, 2015.

Place : Thane  
Date : 23/07/2015

**Chetan Anant Joshi**  
Practicing Company Secretary  
(ACS: 20829, CP: 7744)

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,  
The Members,  
UFO Moviez India Limited.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Thane  
Date : 23/07/2015

**Chetan Anant Joshi**  
Practicing Company Secretary  
(ACS: 20829, CP: 7744)

**EXTRACT OF ANNUAL RETURN**

**FORM NO. MGT-9**

**as on the financial year ended on 31st March, 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i) CIN:	U22120DL2004PLC164728
ii) Registration Date:	14/06/2004
iii) Name of the Company :	UFO Moviez India Limited
iv) Category / Sub-Category of the Company:	Public Company limited by shares
v) Address of the Registered office and contact details :	Office No. 12, 3rd Floor, 312 Surya Kiran Building, 19 Kasturba Gandhi Marg, New Delhi-110001 Tel No.: 011 – 4370 4300/11 Fax No.: 011– 4370 4322 E-mail: investors@ufomoviez.com Website: www.ufomoviez.com
vi) Whether listed company Yes / No :	Yes. Listed w.e.f. 14 <sup>th</sup> May, 2015
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Financial District Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel No.: 040 6716 2222 Fax No.: 040 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Digital Cinema Services and related activity	59	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Scrabble Entertainment Limited Plot No. A- 20, Cross Road B, MIDC, Andheri (East), Mumbai 400 093.	U92190MH2008PLC178456	Subsidiary	91.33	2(87) (ii)
2.	Southern Digital Screenz India Private Limited 33/1, Wallajah Road, Chepauk, Chennai – 600002, Tamil Nadu	U92120TN2008PTC068443	Subsidiary	84.18	2(87) (ii)

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	V N Films Private Limited Office No 303, 3rd Floor, DLF Courtyard, Saket, New Delhi – 110017	U92490DL2007PTC159649	Subsidiary	100	2(87) (ii)
4.	UFO Software Technologies Private Limited 1-B, First Floor, Sagar Apartments, 6, Tilak Marg, New Delhi 110 001.	U74899DL2005PTC140965	Subsidiary	95.97	2(87) (ii)
5.	Valuable Digital Screens Private Limited 53/1, Media Info Tech Park, Road No. 7, near Akruiti Trade Centre, Andheri (East), Mumbai	U72900MH2006PTC163092	Subsidiary	80	2(87) (ii)
6.	Edridge Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 174845	Subsidiary	100	2(87) (ii)
7.	UFO International Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 180142	Subsidiary	100	2(87) (ii)
8.	United Film Organisers (UFO) (Mauritius) Private Limited C/o First Island Secretarial Limited, Court, Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Registration No.: C071429	Subsidiary	100	2(87) (ii)
9.	United Film Organisers Nepal Private Limited Shova Complex, 344/41, Dhobidhara Marg, Kamalpokari, Kathmandu, Nepal.	Registration No.: 48014	Subsidiary	100	2(87) (ii)
10.	UFO Lanka (Private) Limited No. 12, Rotunda Gardens, Colombo 03.	Registration No.: PV 62107	Subsidiary	100	2(87) (ii)
11.	UFO Europe Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus. [Strike Off]	Registration No.: HE 181371	Subsidiary	100	2(87) (ii)
12.	Scrabble Entertainment (Mauritius) Limited 6th Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius	Registration No.: C105426	Subsidiary	100	2(87) (ii)
13.	Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT) Units No.2405&2406, 1-Lake Plaza, Plot No. PH2-T2, Jumeirah Lakes Towers, Dubai, U.A.E.	Registration No.: JLY2591	Subsidiary	100	2(87) (ii)

## UFO Moviez India Limited

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S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
14.	Scrabble Entertainment (Lebanon) Sarl Achrafieh, Beirut.	Registration No.: 10151121	Subsidiary	100	2(87) (ii)
15.	Scrabble Entertainment (Israel) Limited Rival 7 Tel Aviv, Israel 67778.	Registration No.: 514 787 779	Subsidiary	100	2(87) (ii)
16.	Scrabble Digital INC 10550 Camden Drive, Cypress, California 90630.	Registration No.: C3546619	Subsidiary	100	2(87) (ii)
17.	Scrabble Digital Limited 501,503,504,509, Fifth Floor, Janki Centre, Off Veera Desai Road, Andheri (West), Mumbai 400053	U74999MH2011PLC213170	Associate	33.33	2(6)
18.	Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT) Post Box 51899, 2301 and 2308 Jumeira Lake Towers, 1 Lake Plaza, Dubai, U.A.E.	Not Applicable	Associate	33.33	2(6)
19.	Scrabble Ventures LLC 10550 Camden Drive, Cypress, California 90630.	Not Applicable	Associate	30.00	2(6)
20.	Scrabble Ventures, S. de R.L. de C.V., Mexico Paseo de las Palmas 405, 1901 Lomas de Chapultec I Seccion, Miguel Hidalgo Distrito Federal 11000	Not Applicable	Associate	30.00	2(6)
21.	Mukta V N Films Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai – 400065	U74120MH2013PLC244220	Joint Venture	45.00	-

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
g) Individual/ HUF	464,497	567,831	1,032,328	3.99	1,032,328	-	1,032,328	3.99	-
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt (s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	6,714,968	2,074,284	8,789,252	33.94	8,749,262	39,990	8,789,252	33.94	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
k) Banks/FI	-	-	-	-	-	-	-	-	-
l) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>7,179,465</b>	<b>2,642,115</b>	<b>9,821,580</b>	<b>37.92</b>	<b>9,781,590</b>	<b>39,990</b>	<b>9,821,580</b>	<b>37.92</b>	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A) (1)+(A)( 2)</b>	<b>7,179,465</b>	<b>2,642,115</b>	<b>9,821,580</b>	<b>37.92</b>	<b>9,781,590</b>	<b>39,990</b>	<b>9,821,580</b>	<b>37.92</b>	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	9,253,740	-	9,253,740	35.73	9,253,740	-	9,253,740	35.73	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>9,253,740</b>	-	<b>9,253,740</b>	<b>35.73</b>	<b>9,253,740</b>	-	<b>9,253,740</b>	<b>35.73</b>	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	89,700	89,700	0.35	-	53,800	53,800	0.21	0.14
ii) Overseas	5,566,570	313,341	5,879,911	22.70	5,566,570	313,341	5,879,911	22.70	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	85,857	85,857	0.33	41,514	44,343	85,857	0.33	-

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	664,398	664,398	2.57	357,648	342,650	700,298	2.70	(0.14)
c) Others (specify) Trust	-	102,483	102,483	0.40	-	102,483	102,483	0.40	-
<b>Sub-total (B)(2):-</b>	<b>5,566,570</b>	<b>1,255,779</b>	<b>6,822,349</b>	<b>26.34</b>	<b>5,965,732</b>	<b>856,617</b>	<b>6,822,349</b>	<b>26.34</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>14,820,310</b>	<b>1,255,779</b>	<b>16,076,089</b>	<b>62.08</b>	<b>15,219,472</b>	<b>856,617</b>	<b>16,076,089</b>	<b>62.08</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>21,999,775</b>	<b>3,897,894</b>	<b>25,897,669</b>	<b>100.00</b>	<b>25,001,062</b>	<b>896,607</b>	<b>25,897,669</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sanjay Gaikwad	329,773	1.27	0	329,773	1.27	0	0
2	Narendra Hete	134,724	0.52	0	134,724	0.52	0	0
3	Valuable Technologies Limited	3,071,745	11.86	0	3,071,745	11.86	0	0
4	Valuable Media Limited	2,131,782	8.23	0	2,131,782	8.23	0	0
5	Advent Fiscal Pvt. Ltd.	737,182	2.85	0	737,182	2.85	0	0
6	Nifty Portfolio Services Private Limited	542,136	2.09	0	542,136	2.09	0	0
7	Omniscient Consultancy Services Pvt. Ltd.	39,990	0.15	0	39,990	0.15	0	0
8	Uday Gaikwad	1,617	0.01	0	1,617	0.01	0	0
9	Raaja Kanwar	566,214	2.19	0	566,214	2.19	0	0
10	Apollo International Limited	2,266,417	8.75	0	2,266,417	8.75	0	0
	<b>Total</b>	<b>9,821,580</b>	<b>37.92</b>	<b>0</b>	<b>9,821,580</b>	<b>37.92</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9,821,580	37.92	9,821,580	37.92
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	During the year there is no change in Promoters' Shareholding.			
3	At the End of the year	9,821,580	37.92	9,821,580	37.92

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P5 Asia Holding Investments (Mauritius) Ltd.	9,253,740	35.73		No Purchase / Sale	-	-	9,253,740	35.73
				31.03.15	At the end of the year	-	-	9,253,740	35.73
2	3i Research (Mauritius) Limited	5,566,570	21.49		No Purchase / Sale	-	-	5,566,570	21.49
				31.03.15	At the end of the year	-	-	5,566,570	21.49
3	Excelway International Ltd.	313,341	1.21		No Purchase / Sale	-	-	313,341	1.21
				31.03.15	At the end of the year	-	-	313,341	1.21
4	Kanhaiyalal Ganju	168,750	0.65		No Purchase / Sale	-	-	168,750	0.65
				31.03.15	At the end of the year	-	-	168,750	0.65
5	Kapil Agarwal on behalf of M.B.Zaidi Memorial Charitable Trust	101,250	0.39		No Purchase / Sale	-	-	101,250	0.39
				31.03.15	At the end of the year	-	-	101,250	0.39
6	Kristen Buildcon Pvt Ltd	89,700	0.35	26.03.15	Sale	35,900	0.14	35,900	0.14
				31.03.15	At the end of the year	-	-	53,800	0.21
7	Benu Agarwal	-	-		Purchase	35,900	0.14	35,900	0.14
				31.03.15	At the end of the year	-	-	35,900	0.14
8	Pushpa Narendra Karnavat	33,750	0.13		No Purchase / Sale	-	-	33,750	0.13
				31.03.15	At the end of the year	-	-	33,750	0.13
9	Ramu Annamalai Ramasamy	33,750	0.13		No Purchase / Sale	-	-	33,750	0.13
				31.03.15	At the end of the year	-	-	33,750	0.13
10	R. M. Palaniyapan	33,750	0.13		No Purchase / Sale	-	-	33,750	0.13
				31.03.15	At the end of the year	-	-	33,750	0.13
11	Rajesh Mishra	29,892	0.12		No Purchase / Sale	-	-	29,892	0.12
				31.03.15	At the end of the year	-	-	29,892	0.12

# UFO Moviez India Limited

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## (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors</b>									
1	Mr. Sanjeev Aga	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
2	Mr. Ameya Hete	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
3	Mr. Biswajit Subramanian	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
4	Mr. Kapil Agarwal	269,619	1.04	31.03.15	No Purchase / Sale At the end of the year	-	-	269,619	1.04
5	Ms. Lynn De Souza	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
6	Mr. Raaja Kanwar	566,214	2.19	31.03.15	No Purchase / Sale At the end of the year	-	-	566,214	2.19
7	Mr. S. Madhavan	-	-	26.03.15 31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
8	Mr. Sanjay Gaikwad	329,773	1.27	31.03.15	No Purchase / Sale At the end of the year	-	-	329,773	1.27
9	Mr. Varun Laul	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
10	Mr. Tushar Agarwal resigned as director w.e.f. October 31, 2014.	33,750	0.13	31.03.15	No Purchase / Sale At the end of the year	-	-	33,750	0.13
11	Mr. John Carl Hahn resigned as director w.e.f. November 7, 2014.	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
12	Mr. Manu Chandra resigned as director w.e.f. November 10, 2014.	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
13	Mr. Samir Palod resigned as director w.e.f. November 10, 2014.	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-
<b>Key Managerial Personnel</b>									
13	Mr. Rajesh Mishra, CEO	29,892	0.12	31.03.15	No Purchase / Sale At the end of the year	-	-	29,892	0.12
14	Mr. Ashish Malushte, CFO	7,548	0.03	31.03.15	No Purchase / Sale At the end of the year	-	-	7,548	0.03
15	Mr. Sameer Chavan, Company Secretary	-	-	31.03.15	No Purchase / Sale At the end of the year	-	-	-	-

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

₹ In Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (As on 01.04.2014)</b>				
i) Principal Amount	12,891.58	-	-	12,891.58
ii) Interest due but not paid	132.04	-	-	132.04
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>13,023.62</b>	<b>-</b>	<b>-</b>	<b>13,023.62</b>
<b>Change in Indebtedness during the financial year (FY 2014-15)</b>				
• Addition	2,356.66	-	-	2,356.66
• Reduction	(5,979.51)	-	-	(5,979.51)
<b>Net Change</b>	<b>(3,622.85)</b>	<b>-</b>	<b>-</b>	<b>(3,622.85)</b>
<b>Indebtedness at the end of the financial year (FY 2014-15)</b>				
i) Principal Amount	9,304.55	-	-	9,304.55
ii) Interest due but not paid	96.22	-	-	96.22
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,400.77</b>	<b>-</b>	<b>-</b>	<b>9,400.77</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Sanjay Gaikwad, Managing Director	Mr. Kapil Agarwal, Joint Managing Director	
1	Gross salary	₹	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,000,000	25,000,000	50,000,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,600	39,600	49,200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	263,797	585,194	848,991
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	NA	NA	NA
	- others, specify...	NA	NA	NA
5	Others, please specify	-	-	-
	Total (A)	25,009,600	25,039,600	50,049,200
	Ceiling as per the Act	As per Rule 7 (2) of the Companies (Appointment & Remuneration) Rules, 2014.	As per Rule 7 (2) of the Companies (Appointment & Remuneration) Rules, 2014.	As per Rule 7 (2) of the Companies (Appointment & Remuneration) Rules, 2014.

## UFO Moviez India Limited

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### B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Name of Independent Directors			Other Non-Executive Directors				Total Amount
		Mr. S. Madhavan	Ms. Lynn de Souza	Mr. Sanjeev Aga	Mr. Raaja Kanwar	Mr. Biswajit Subramanian	Mr. Ameya Hete	Mr. Varun Laul	
1	Fee for attending board / committee meetings	300,000	350,000	450,000	Nil	Nil	Nil	Nil	1,100,000
	Commission	450,000	400,000	862,500	Nil	Nil	Nil	Nil	1,712,500
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Total Managerial Remuneration	750,000	750,000	1,312,500	Nil	Nil	Nil	Nil	2,812,500
3	Overall Ceiling as per the Act	Overall Ceiling as per the Act (@ 1% of profit calculated under Section 198 of the Companies Act, 2013)							

### c. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Mishra CEO	Mr. Ashish Malushte CFO	Mr. Sameer Chavan Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,452,000	4,968,000	915,921	13,335,921
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	-	79,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	57,149	43,424	6,500	107,073
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	7,491,600	5,007,600	915,921	13,415,121

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai  
Date: July 23, 2015

**Annexure-7**
**PARTICULARS OF REMUNERATION OF EMPLOYEES**

[Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:**

Name of Director/ Key Managerial Personnel	Remuneration (₹ in Lacs)	% increase in Remuneration	Ratio of Director's Remuneration to median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of Net Profit before tax
<b>Non-Executive Directors</b>					
Mr. Sanjeev Aga	4.5	NA	1.11	NA	NA
Mr. S. Madhavan	3.0	NA	0.74	NA	NA
Ms. Lynn de Souza	3.5	NA	0.86	NA	NA
Mr. Raaja Kanwar	Nil	NA	NA	NA	NA
Mr. Ameya Hete	Nil	NA	NA	NA	NA
Mr. Biswajit Subramanian	Nil	NA	NA	NA	NA
Mr. Varun LauL	Nil	NA	NA	NA	NA
<b>Executive Directors</b>					
Mr. Sanjay Gaikwad	250.09	Nil	61.78	0.83	6.28
Mr. Kapil Agarwal	250.40	Nil	61.78	0.83	6.28
<b>Key Managerial Personnel</b>					
Mr. Rajesh Mishra	74.52	(23.73)	18.42	0.25	1.87
Mr. Ashish Malushte	49.68	(19.83)	12.28	0.17	1.25
Mr. Sameer Chavan	9.16	Nil	2.26	0.03	0.23

Non-Executive Directors remuneration represents only Sitting Fees and Key Managerial Personnel remuneration is excluding perquisites.

Requirement	Disclosure
The Percentage increase in median remuneration of employees in financial year	17.15%
Number of permanent employees on the rolls of the Company	As at March 31, 2015 – 430
The explanation on the relationship between average increase in remuneration and Company's performance	The average increment of 9.61% during the year was in line with the market trend. In order to ensure that remuneration reflects Company performance, the performance incentive is also linked to organization performance, apart from individual performance.
Comparison of the remuneration of the key managerial personnel against the performance of the Company (Standalone)	The aggregate remuneration of Executive Directors & Key Managerial Personnel was 2.11% of turnover and 15.90% of Net Profit (before tax) during financial year.

## UFO Moviez India Limited

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Requirement	Disclosure
Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous financial year	Not Applicable as the Company is listed w.e.f. May 14, 2015.
Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	Not Applicable as the Company is listed w.e.f. May 14, 2015.
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 9.61%, while there was no increase in managerial remuneration during the year.
Key parameters for any variable component of remuneration availed by the Directors	There is no variable component of remuneration availed by the Director.
The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

### B. Particulars of Employees whose remunerations exceeded ₹ 60 Lacs per annum or ₹ 5 Lacs per month during financial year 2014-15

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 60 lacs or more per annum.

Name & Designation	Qualification	Age	Experience	Gross Remuneration ₹	Date of Commencement of Employment	Previous employment & designation	Shares held	Stock Options Held
Mr. Sanjay Gaikwad - Managing Director	B.E.(Chemical), MBA (Operations)	50 Yrs	21 Yrs	25,009,600	01-Jan-07	Apollo International Ltd – COO	Nil	263,797
Mr. Kapil Agarwal - Joint Managing Director	FCA	54 Yrs	28 Yrs	25,039,600	01-Mar-09	Apollo International Ltd - Executive Director	Nil	585,194
Mr. Deepak Ranjan - Chief - Ad Sales	B.Sc (Hon), Diploma in Advertising	47 Yrs	23 Yrs	11,642,770	01-Jan-07	B4U Television India Pvt. Ltd, National – Sales Head	Nil	81,755
Mr. Siddharth Bhardwaj CMO & National Sales Head (Corporate Advertising Revenue)	B.E, MBA	43 Yrs	18 Yrs	12,333,187	01-Aug-12	Reliance Broadcast Network Limited – National Sales Head Radio Business	Nil	42,000
Rajesh Mishra – CEO	B.Com, A.C.A.	48 Yrs	25 Yrs	7,491,600	1-Apr-2006	Bennett, Coleman & Co. Limited General Manager - Corporate Affairs	Nil	102,149
Vishnu Patel – CEO	Masters in Broadcasting & Films from Boston University	58 Yrs	31 Yrs	7,491,600	1-Apr-2006	Zee Telefilms Limited President - Network Programming	Nil	67,250



Name & Designation	Qualification	Age	Experience	Gross Remuneration ₹	Date of Commencement of Employment	Previous employment & designation	Shares held	Stock Options Held
Sanjay Chavan – CTO	B.E.(Electronics)	49 Yrs	25 Yrs	7,491,600	1-Apr-2006	PlayWin Infravest Private Limited Vice President - Special Projects	Nil	84,649
Praveen Sugandh – VP, Ad Sales	BA, MBA	46 Yrs	19 Yrs	8,394,300	1-Aug-2008	Sahara One Media & Entertainment Ltd Regional Sales Head	Nil	13,908
Praveen Pahuja – VP – Enterprise Sales (N&E)	BE, MBA	42 Yrs	17 Yrs	6,357,034	1-Oct-2012	Reliance Broadcast Network Limited – Station Head	Nil	13,500

2. Employed for part of the year and in receipt of remuneration aggregating ₹ 5 lacs or more per month – NIL

**Notes :**

- All appointments are contractual and terminable by notice on either side.
- None of the employees stated above are related to any of the Directors.
- Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
 Managing Director  
 DIN: 01001173

**Kapil Agarwal**  
 Joint Managing Director  
 DIN: 00024378

Place: Mumbai

Date: July 23, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS

**Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014**

### INDUSTRY STRUCTURE & OVERVIEW

Until 2005-06, films used to be largely distributed on reels in analogue form. This was a relatively costly affair as each reel cost around ₹ 60,000 to ₹ 70,000. Another major problem with analogue prints was the difficulty in physical distribution due to the cumbersome nature of the reels and the threat of their being stolen during transport for piracy. The prohibitive cost of the analogue prints restricted the number of prints that could be created for a movie. Typically, for big budget movies, distributors used to get 500 odd analogue prints made while for small budget or niche films, only 30-40 analogue prints were produced. This limited the reach of films and they could only be released in tranches across theatres - select theatres in the metropolitan/ tier I cities/ category A theatres first and then the next level of cities/ theatres. Due to the problems associated with physical distribution, many films were unable to reach a large number of screens especially in small towns and rural areas, thereby losing out on the revenues from these places. Further, this delay, coupled with the lack of any inherent security measures in celluloid prints to prevent piracy, meant that customers in those locations would generally have had access to the movies via pirated media, leading to potential loss of revenue for distributors and exhibitors and a poor viewing experience for audiences due to the viewing of low-quality pirated media. Also, since distributors were unable to predict the actual demand for a movie, they were often unable to produce an optimal number of prints, either producing too few prints, leading to potential loss of revenue, or too many prints, leading to excess investment.

UFO's digitisation and delivery model has been a key driver of the extensive digitisation of Indian cinemas and has enabled wide-spread, same day release of movies across India.

### **The digital integrator space is fairly consolidated**

Of around 9,500-10,000 cinema screens in the country, around 9,200 screens have already been digitized. Out of these 9,200 digitized screens, around 2,100 screens are digitized using D-Cinema technology whereas the balance of around 7,100 screens are digitized using E-Cinema technology.

Your Company (hereinafter in this section your company and its subsidiaries have been collectively referred to as "UFO"), is the market leader and relays movies to theatres across the country in MPEG 4 format, using satellites (E-Cinema), as well as in JPEG 2000 (D-Cinema) formats using physical devices through its subsidiary Scrabble Entertainment.

UFO operates India's largest satellite-based, digital cinema distribution network in terms of number of screens using its UFO-M4 platform, as well as India's largest D-Cinema

network in terms of the number of screens. In fiscal year 2015, UFO digitally delivered more than 1,600 movies in 33 languages to 5,032 screens with aggregate seating capacity of approximately 2.22 million viewers spread across 30 States and Union territories in India and in Nepal. Since the beginning of its operations, UFO has digitally delivered more than 8,800 movies in India until March 31, 2015. As at March 31, 2015, UFO's global network spans 6,636 screens worldwide, including 5,032 screens across India (including Nepal) and 1,604 screens across the Middle East, Israel, Mexico and the USA.

UFO adds value to all stakeholders in the movie value chain, spanning movie producers, distributors, exhibitors and the cinema-going audience. UFO provides value to movie producers and distributors by reducing distribution costs, providing reach to a wide network across India, providing a faster method of delivery of content, and reducing piracy through encryption and other security measures. UFO provides value to movie exhibitors throughout India by providing access to first day release of movies on its digital platform. Audiences benefit from faster access to new movie releases and a consistently high quality viewing experience

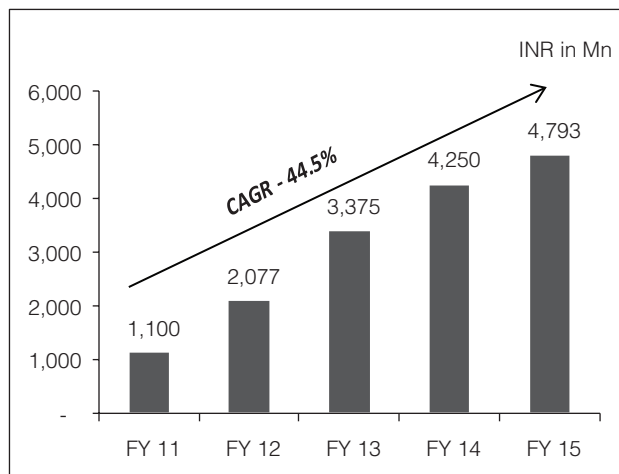
UFO has created a pan-India, high-impact, in-cinema advertising platform with generally long-term advertising rights to 3,784 screens, with an aggregate seating capacity of approximately 1.86 million viewers and a reach of over 1,900 locations across India, as at March 31, 2015. UFO's in-cinema advertising platform enables advertisers to reach a targeted, captive audience with high flexibility and control over the advertising process. UFO's in-cinema advertising platform offers a number of key advantages over traditional advertising methods, including (i) high levels of transparency, such as logging of actual advertisements played, which enhances advertiser confidence in the medium, (ii) remote capability which allows for last minute scheduling and content changes, and (iii) advanced technology, such as multi-lingual support. Further, the in-cinema advertising platform simplifies the logistics of advertising, as UFO controls and arranges advertising on its network, eliminating the need for advertisers to deal with a large and fragmented group of exhibitors. UFO has attracted 1,724 advertisers from private and government sectors in fiscal year 2015, compared with 1,056 advertisers in fiscal year 2014. UFO's in-cinema advertising platform also allows small exhibitors, who otherwise are not able to effectively monetise their advertising inventory due to their limited scale and reach, to receive a greater share of advertisement revenue than they are able to using traditional advertising methods.

Overall, UFO receives revenues primarily from (i) advertisers, through in-cinema advertising, (ii) movie producers and distributors, for the secured delivery and screening of their movies and (iii) exhibitors, through equipment rental and sales for digital cinema equipment and consumables.

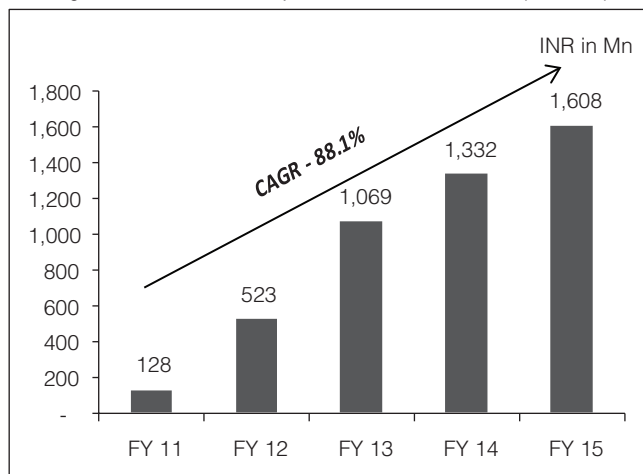
## FINANCIAL PERFORMANCE

### Performance overview (FY 11 – FY 15)

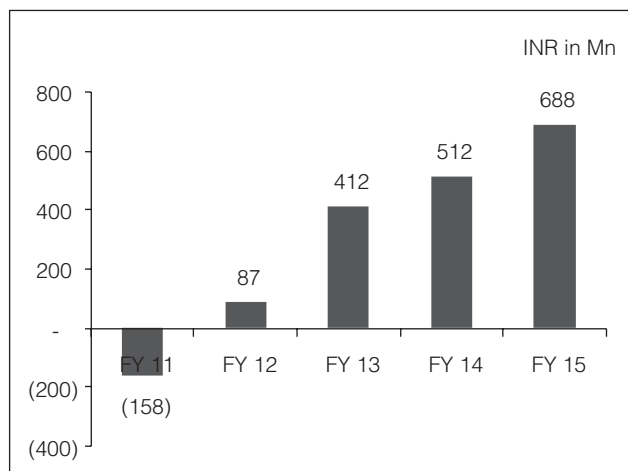
Revenue



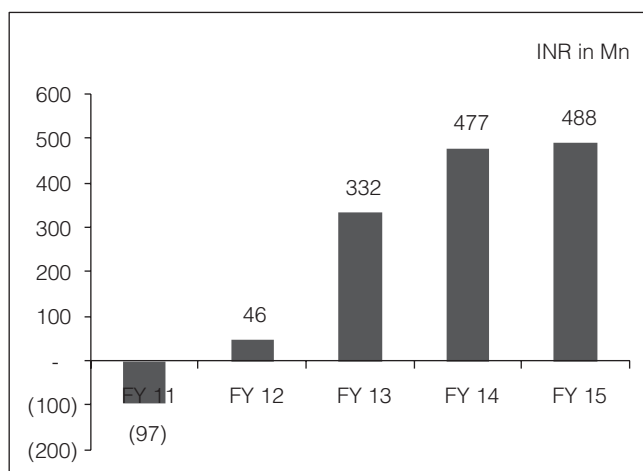
Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



## UFO Moviez India Limited

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### Revenues Analysis

The following table gives an overview of the consolidated revenue of your Company.

Particulars	31 March 15	31 March 14	Growth	% Growth
	₹ in Mn	₹ in Mn	₹ in Mn	
<b>A. Revenue from operations</b>				
<b>I. Advertisement revenue</b>	<b>1,166.68</b>	<b>998.64</b>	<b>168.05</b>	<b>16.83</b>
<b>II. Revenue from Content Owners</b>	<b>2,439.01</b>	<b>2,190.57</b>	<b>248.45</b>	<b>11.34</b>
Virtual Print Fees (VPF) - E-Cinema	893.62	821.27	72.35	8.81
Virtual Print Fees (VPF) - D-Cinema	1,478.16	1,304.14	174.02	13.34
Digitisation income	67.23	65.15	2.08	3.19
<b>III. Revenue from Exhibitors</b>	<b>1,061.52</b>	<b>1,015.69</b>	<b>45.83</b>	<b>4.51</b>
Lease rental income - E-Cinema	363.23	282.31	80.92	28.66
Lease rental income - D-Cinema	160.26	137.26	22.99	16.75
Sales of Products	538.03	596.12	-58.09	-9.74
<b>IV. Other Operating Revenue</b>	<b>91.08</b>	<b>37.07</b>	<b>54.01</b>	<b>145.68</b>
<b>A. Revenue from operations (I to IV)</b>	<b>4,758.29</b>	<b>4,241.97</b>	<b>516.32</b>	<b>12.17</b>
<b>B. Other income</b>	<b>35.15</b>	<b>8.37</b>	<b>26.78</b>	<b>320.16</b>
<b>Total Income (A+B)</b>	<b>4,793.44</b>	<b>4,250.33</b>	<b>543.11</b>	<b>12.78</b>

UFO shares a significant portion of its D-Cinema VPF earned in India and in International territories with the exhibitors under the VPF sharing agreements and as such it is important to analyse the VPF revenues on a net basis which is given in the table below;

Particulars	31-Mar-15	31-Mar-14	Growth	% Growth
	₹ in Mn	₹ in Mn	₹ in Mn	
<b>E-Cinema (India)</b>				
E-Cinema VPF	893.62	821.27	72.35	8.81
less : VPF Sharing with exhibitors	11.72	13.51	(1.79)	(13.25)
<b>E-Cinema VPF (Net)</b>	<b>881.90</b>	<b>807.76</b>	<b>74.14</b>	<b>9.18</b>
<b>D-Cinema (India)</b>				
D-Cinema VPF	862.54	752.32	110.22	14.65
less : VPF Sharing with exhibitors	213.29	140.01	73.29	52.34
<b>D-Cinema India VPF (Net) - (A)</b>	<b>649.25</b>	<b>612.31</b>	<b>36.93</b>	<b>6.03</b>
<b>D-Cinema (International)</b>				
D-Cinema VPF	615.63	551.82	63.80	11.56
less : VPF Sharing with exhibitors	408.07	361.59	46.48	12.85
<b>D-Cinema International VPF (Net) - (B)</b>	<b>207.56</b>	<b>190.23</b>	<b>17.33</b>	<b>9.11</b>
<b>Total D – Cinema VPF (Net) (A+B)</b>	<b>856.80</b>	<b>802.54</b>	<b>54.26</b>	<b>6.76</b>
<b>Total VPF Sharing</b>	<b>633.08</b>	<b>515.11</b>	<b>117.97</b>	<b>22.90</b>

## Expense Details

The following table gives an overview of the consolidated expenses of your Company.

Particulars	31 March 15	31 March 14	Growth	% Growth
	₹ in Mn	₹ in Mn	₹ in Mn	
Operating direct costs	1,915.75	1,697.72	218.03	12.84
Employee benefit expenses	572.26	553.20	19.06	3.45
Other expenses	697.10	667.41	29.69	4.45
<b>Total Expenses</b>	<b>3,185.11</b>	<b>2,918.34</b>	<b>266.78</b>	<b>9.14</b>

### Operating direct costs

Operating direct costs in fiscal year ended March 31, 2014 increased by ₹ 218.03 million, a 12.84% increase over previous year, which was principally attributable to (i) increased advertisement revenue share payments which has increased by ₹ 84.31 million from ₹ 309.58 million for the fiscal year ended March 31, 2014 to ₹ 393.89 million for the fiscal year ended March 31, 2015 and (ii) increased VPF D-Cinema share payments to D-Cinema exhibitors by ₹ 119.76 million from ₹ 501.60 million the fiscal year 2014 to ₹ 621.36 million in the fiscal year 2015.

### Earnings before interest, tax, depreciation and amortisation (EBITDA)

Consolidated EBITDA increased by 20.75% from ₹ 1,331.99 million in the fiscal year ended March 31, 2014 to ₹ 1,608.33 million in the fiscal year ended March 31, 2015. As a percentage of total revenue, the consolidated EBITDA increased from 31.34% in the fiscal year ended March 31, 2014 to 33.55% in the fiscal year ended March 31, 2015.

### Profit before tax

Consolidated profit before tax increased 34.31% from ₹ 512.46 million in the fiscal year ended March 31, 2014 to ₹ 688.30 million in the fiscal year ended March 31, 2015. As a percentage of total revenue, the profit before tax increased from 12.06% in the fiscal year ended March 31, 2014 to 14.36% in the fiscal year ended March 31, 2015.

### Profit for the year attributable to equity shareholders of the Company

Despite an increase of 34.31% in PBT, the PAT has increased merely 2.42%, from ₹ 476.61 million in the fiscal year ended March 31, 2014 to ₹ 488.13 million in the fiscal year ended March 31, 2015. This is because year ended March 31, 2014 PAT had a total deferred tax credit of ₹ 109.46 million which resulted in increase in PAT, however correspondingly in year ended March 31, 2015 the PAT had a lower deferred tax credit of ₹ 59.66 million.

## STRATEGIES & OUTLOOK

### Leverage existing platform for growth of advertising business

UFO intends to grow the revenue from its advertising business through by deepening advertiser engagement, attracting new advertisers to its platform, expanding the on-screen advertising offerings, growing the advertising spot rates and monetizing below-the-line advertising opportunities. UFO has successfully proven the advertising monetization potential of its platform by increasing consolidated advertisement revenues from ₹ 97.37 million in fiscal year 2010 to ₹ 1166.68 million in fiscal year 2015.

UFO plans to deepen its relationships with its existing advertising clients and increase their usage of in-cinema advertising by making it establishing itself as an integral part of their overall advertising activities plan. UFO also seeks to expand its advertising client base by attracting attract new advertising clients, both from the government and the private sector. UFO, and has dedicated teams to service its government and private sector advertising clients. Your Company and has been able to grow its advertising clients from 563 advertisers in fiscal year 2013 to 1,724 advertisers in fiscal year 2015.

In addition to selling advertising inventory to existing/ new clients As a complement to traditional on-screen advertising, UFO is also developing innovative products format such as movie previews and screen savers to expand its advertising business.

In addition to maximizing its on-screen advertising inventory utilization, UFO also has the opportunity to monetize below-the-line advertising opportunities at each cinema. In majority of its advertising screens, UFO also has the rights to monetize exploit additional commercial space.

### Leverage existing platform for growth of exhibition business.

UFO has the opportunity to leverage its technology platform and its relationships with distributors and advertisers to expand the movie exhibition market in India through innovative models. India is an under-penetrated movie exhibition market relative to developed and other emerging markets. UFO's technology platform has improved the digitisation of the Indian exhibition sector and led to improved economics for exhibitors.

Given the potential growth of the exhibition business in India, UFO plans to facilitate the growth of innovative low capital expenditure exhibition and advertising models. For example, UFO has recently entered the Caravan Cinema and Club Cinema formats through the acquisition of Valuable Digital Screens Private Limited.

Caravan Cinema provides movie screenings with low capital expenditure in under-penetrated media, dark parts of rural India through its cinema-on-wheels solution, creating a unique opportunity for advertisers to reach a captive audiences by partnering with various brands. Currently, movies are screened free to viewers and Caravan Cinema derives its revenues through advertising. This is an effective advertisement platform for companies targeting rural markets.

Club Cinema provides movie screenings of recently released films in clubs and community centers at private screens, such as remote industrial townships, corporate auditoriums, housing complexes and educational institutions. By providing a complete digital cinema solution to such customers, UFO will be able to reach an untapped and niche segment of the Indian exhibition sector.

### **Continue to innovate in new areas that leverage its platforms.**

UFO intends to continue innovative business development efforts which leverage its technology platform to add value to key stakeholders, such as distributors, exhibitors and advertisers. For example, UFO has the opportunity to work with content owners and exhibitors to screen high-impact alternate content, such as sport events and award nights. UFO believes that as one of the largest in-cinema advertising companies in India in terms of number of screens, It has opportunities to work with television, print and other media companies for advertising partnerships.

### **THREATS AND RISKS**

This section lists key risks relating to operations of your Company.

UFO's digital cinema equipment rental contracts with exhibitors are usually for a fixed-monthly fee for duration of five to ten years and there is no assurance that these contracts will be renewed at existing or favourable commercial terms, or it at all. Further, these rental contracts generally allow termination rights to exhibitors after a certain period. UFO relies on its ability to create value and additional streams of revenue, including from advertising, to retain its exhibitor customers, but there is no assurance that exhibitors will not terminate the rental contracts prior to their expiration date or continue to renew their contracts with UFO.

UFO's rights to collect D-Cinema VPF under its agreements with major Hollywood studios (which forms part of its total D-Cinema VPF) are set to expire by June 2018. UFO does not expect to extend or renew these contracts and if these are not extended or renewed, UFO will be unable to continue to collect D-Cinema VPF from major Hollywood studios.

UFO is presently involved in certain disputes with another company that competes with it in the field of digital cinema services in India with respect to certain patents held by that other company. The competitor's claim that UFO's business processes are covered by the patent of that company has been carefully examined by UFO. While your Company is confident upon legal advice that the business processes and methods deployed by UFO are clearly not covered by that company's patent, your Company is in an advanced stage of discussion with that company and believes that this issue will be amicably settled in the foreseeable future.

### **INTERNAL CONTROLS & THEIR ADEQUACY**

Your Company has controls and procedures in place that are designed to provide reasonable assurance that material information relating to the Company is disclosed on a timely basis. Management has reviewed the Company's disclosure controls and has concluded that they were effective during the reporting period. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company's disclosure controls and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements.

The Company's management, with the participation of its CEO and CFO, is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian GAAP. The company has robust financial controls in place through a combination of internal controls and processes. The controls ensure that transactions are recorded in timely manner, they are complete in all aspects, resources of the company are effectively utilized and its assets are adequately safeguarded.

Your Company has deployed a qualified independent firm as its Internal Auditor. The Internal Audit scope includes review of efficacy of the business processes and review of the procedures and policies in place as designed by the management across all functional areas, and assessing the internal control strength in all areas. Also the Internal Auditor findings are discussed with the process owners and corrective action is taken as necessary.

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**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES & NUMBER OF PEOPLE EMPLOYED**

The Human Resources (HR) function in UFO remains focused on developing human resources through improved organizational effectiveness and providing a conducive and ethical work place amidst a rapidly changing business environment such that employees can offer their best.

It is the Company's endeavor to promote a healthy and safe work environment for all the employees.

**Material development in human resources:**

**Recruitment & Selection:**

UFO has a talented pool of employees that prides itself in providing effective and efficient customer service to its clients.

The focused recruitment & selection process ensures that the Company hire the best talent for the job that aligns with the

overall goals of the organization. The Company takes pride in having a stable manpower strength coupled with low rate of attrition that gives it a strategic advantage to sustain long term business objectives.

As on March 31, 2015 the on roll employee strength was 430.

**Training & Development:**

The Company, from time to time, plans and arrange for training of its employees for their overall development to achieve long term business objectives of the Company.

**Industrial Relations:**

The Company believes in maintaining cordial and friendly relations with its employees and resolves conflict, controversies and disputes, if any, between the employees and management in an amicable manner.

## **CORPORATE GOVERNANCE REPORT**

### **COMPANY'S GOVERNANCE PHILOSOPHY**

The Company firmly believes that effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. The Corporate Governance is essentially a system by which companies are directed and controlled by the management in the best interest of all stakeholders. Corporate governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. The Company recognizes that strong corporate governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. The Company, therefore, continues to lay great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

During the year under review, the Company was an unlisted public limited company. On April 28, 2015, the Company made an Initial Public Offering of 96,00,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 625 per equity share including a share premium of ₹ 615 per equity share aggregating to ₹ 600 crore through an Offer For Sale by certain existing shareholders of the Company. The equity shares of the Company got listed with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on May 14, 2015.

Although the requirements of corporate governance as laid down in Clause 49 of the Listing Agreements with BSE and NSE were not mandatory to the Company during the year under review, as a good governance practice and considering its philosophy on corporate governance, the Company, to the extent possible, has voluntarily prepared this report on corporate governance. Certain data required to be provided under Clause 49 of the Listing Agreement which was not applicable to the Company prior to May 14, 2015 has not been provided in this report and full details of such data which are applicable to the current financial year 2015-16 shall be provided by the Company from next year.

The Company has voluntarily obtained a certificate from a Practicing Company Secretary Mr. Chetan Anant Joshi, Company Secretary regarding compliance of conditions of the corporate governance as stipulated in Clause 49 of the Listing Agreement.

### **BOARD OF DIRECTORS**

The Board is broad based and consists of eminent individuals having experience of industry, management, technical, financial and marketing functions. The Board periodically evaluates the need for change in its composition and size.

As on March 31, 2015, the composition of the Board is as below:

<b>Category</b>	<b>No. of Directors</b>
Non-Executive & Independent Directors including the Chairman	3
Other Non-Executive Directors	4
Executive Directors (Managing Director and Joint Managing Director)	2
<b>Total</b>	<b>9</b>

The Chairman of the Board of Directors is an Independent Director. As required under Section 149 of the Companies Act, 2013, Ms. Lynn de Souza, a lady Director, has been appointed as an Independent Director on the Board.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Raaja Kanwar, retires by rotation and is eligible for re-appointment. The details of Mr. Raaja Kanwar, Director seeking re-appointment in the forthcoming Annual General Meeting (AGM) are disclosed in the notice of the AGM.

### **CATEGORY AND ATTENDANCE OF DIRECTORS**

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last AGM, as also the number of Directorships and Committee positions held by them in public limited companies (including the Company) are given below:



Name of Director	Category	No. of Board Meetings attended during 2014-15/ (No. of meetings held during the tenure)	Attendance at AGM held on September 4, 2014	Number of Directorship* (As on 31.03.2015)			No. of committee positions in Mandatory Committees** (As on 31.03.2015)		
				Chairman	Board Member	Total	Chairman	Committee Member	Total
Mr. Sanjeev Aga	Chairman, Non-Executive, Independent	3 (3)	NA	1	5	6	3	4	7
Mr. Ameya Hete	Non-Executive^	5 (10)	No	Nil	5	5	Nil	Nil	Nil
Mr. Biswajit Subramanian	Non-Executive^	4 (10)	No	Nil	3	3	Nil	Nil	Nil
Mr. Kapil Agarwal	Executive	10 (10)	No	Nil	2	2	Nil	2	2
Ms. Lynn de Souza	Non-Executive, Independent	3 (3)	NA	Nil	2	2	Nil	2	2
Mr. Raaja Kanwar	Non-Executive^	2 (10)	No	Nil	3	3	Nil	1	1
Mr. S. Madhavan	Non-Executive, Independent	2 (3)	NA	Nil	3	3	3	2	5
Mr. Sanjay Gaikwad	Executive^	10 (10)	Yes	Nil	6	6	Nil	1	1
Mr. Varun Laul	Non-Executive^	10 (10)	No	Nil	1	1	1	1	2
Mr. Tushar Agarwal resigned as director w.e.f. October 31, 2014.	Non-Executive^	2 (5)	No	NA	NA	NA	NA	NA	NA
Mr. John Carl Hahn resigned as director w.e.f. November 7, 2014.	Non-Executive^	0 (5)	No	NA	NA	NA	NA	NA	NA
Mr. Manu Chandra resigned as director w.e.f. November 10, 2014.	Non-Executive^	5 (5)	Yes	NA	NA	NA	NA	NA	NA
Mr. Samir Palod resigned as director w.e.f. November 10, 2014.	Non-Executive^	4 (5)	No	NA	NA	NA	NA	NA	NA

\* Excludes directorships in associations, private limited companies, foreign companies, government bodies and companies registered under Section 8 of the Companies Act, 2013.

\*\* Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Clause 49 of the Listing Agreement.

^ Mr. Sanjay Gaikwad is one of the promoters of the Company, and Mr. Ameya Hete and Mr. Raaja Kanwar form part of the promoter group. Mr. Biswajit Subramanian and Mr. Varun Laul are nominated by P5 Asia Holding Investments (Mauritius) Limited. Mr. Ameya Hete and Mr. Sanjay Gaikwad are nominated by Valuable Group. Mr. Raaja Kanwar is nominated by Apollo International

Limited. Mr. Tushar Agarwal was nominated by Valuable Group. Mr. Manu Chandra and Mr. Samir Palod were nominated by 3i Research (Mauritius) Limited and Mr. John Carl Hahn was nominated by P5 Asia Holding Investments (Mauritius) Limited.

∞ In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Raaja Kanwar, retires by rotation and is eligible for re-appointment. The details of Mr. Raaja Kanwar, Director seeking re-appointment in the forthcoming AGM are disclosed in the notice of the AGM.

During the year under review, the Board met 10 times on the following dates: April 4, 2014, June 27, 2014, August 5, 2014, October 15, 2014, October 22, 2014, November 11, 2014, November 20, 2014, December 12, 2014, December 18, 2014 and March 4, 2015. The gap between two meetings did not exceed 120 days.

**BOARD PROCEDURE**

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Annexure X to Clause 49 is made available to the Board.

**CODE OF CONDUCT**

The Company has adopted a Code of Conduct for all employees of the Company, including the Managing Director and the Joint Managing Director. The Board has also approved a Code of Conduct for Directors and Senior Management of the Company, which also incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code of Conduct for Directors and Senior Management is posted on the Company’s website [www.ufomoviez.com](http://www.ufomoviez.com).

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management. A declaration to this effect, signed by the Chief Executive Officer, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Directors are inter-se related to each other.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

**REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS**

During the year under review, the non-executive independent directors were paid sitting fees at the rate of ₹ 1 lac for attending each of the board meetings and ₹ 50,000/- for attending each of the committee meetings.

The non-executive independent directors were appointed at a fixed remuneration consisting of sitting fees and commission on net profits of the Company. The total remuneration agreed with Mr. Sanjeev Aga, Chairman and Independent Director is ₹ 35 lacs p.a. and the total remuneration agreed with each of Ms. Lynn de Souza and Mr. S. Madhavan, both Independent Directors is ₹ 20 lacs p.a. as approved by the shareholders at their extra-ordinary general meeting held on November 20, 2014. The total remuneration payable to Independent Directors for the financial year ended March 31, 2015 is as below:

Name of Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Sanjeev Aga	4,50,000	8,62,500	1,312,500
Ms. Lynn de Souza	3,50,000	4,00,000	7,50,000
Mr. S. Madhavan	3,00,000	4,50,000	7,50,000

The terms and conditions of the appointment of aforesaid independent directors are disclosed on the Company’s website [www.ufomoviez.com](http://www.ufomoviez.com).

No sitting fees is payable to non-executive non-independent directors as they have waived their entitlement for the same.

As on date, except Mr. Raaja Kanwar and Mr. S. Madhavan who hold 200,369 and 750 equity shares of the Company respectively, none of the non-executive directors hold any equity shares of the Company.

**REMUNERATION TO THE EXECUTIVE DIRECTORS**

Mr. Sanjay Gaikwad, Managing Director of Company had been appointed for a period of five years from October 17, 2013 to October 16, 2018. Mr. Kapil Agarwal, Joint Managing Director of Company had been appointed for a period of five years from March 1, 2014 to February 28, 2019. During the year under review, the Company had paid ₹ 250 lacs each (excluding value of perquisites as per Sec 17 (2) of Income Tax Act, 1961) to Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director of the Company. As on date, Mr. Sanjay Gaikwad and Mr. Kapil Agarwal do not hold any equity shares of the Company. The details of the employee stock options held by each of Mr. Sanjay Gaikwad and Mr. Kapil Agarwal is disclosed elsewhere in the Annual Report.

None of the Directors of the Company are entitled to any benefit upon termination of their directorship.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and

members of Management, was held on July 23, 2015, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. At the meeting, the Independent Directors:

- a) reviewed the performance of Non-Independent Directors and the Board as a whole;
- b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- c) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza attended the Meeting of Independent Directors. Mr. Sanjeev Aga chaired the Meeting.

#### **BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION**

For the year under review, the Board has carried out an evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance evaluation process of the Board members. The criteria for evaluation include inter alia, knowledge to perform the role, time and level of participation, performance of duties and level of oversight, professional conduct and independence.

#### **BOARD TRAINING AND INDUCTION**

The Company familiarizes its Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The Managing Director and the Joint Managing Director also have a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The familiarization programme for Independent Directors is disclosed on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com)

#### **COMMITTEES OF THE BOARD**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee and Finance Committee. Each of these Committees has been mandated to operate within a given framework. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairmen, who also inform the Board about the summary of discussions held in those Meetings. The minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

#### **AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The audit committee has been renamed and reconstituted by a meeting of the Board of Directors held on November 20, 2014 as the Audit and Risk Management Committee. The scope and function of the Audit and Risk Management Committee is in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The powers of the Audit and Risk Management Committee include the power to (i) investigate any activity within its terms of reference; (ii) seek information from any employee; (iii) obtain outside legal or other professional advice; and (iv) secure attendance of outsiders with relevant expertise, if it considers the attendance of such outsiders necessary.

The Audit and Risk Management Committee shall mandatorily review amongst others, (i) the management discussion and analysis of financial condition and results of operations; (ii) the statement of significant related party transactions submitted by management; (iii) the management letters / letters of internal control weaknesses issued by the statutory auditors; (iv) the internal audit reports relating to internal control weaknesses; and (v) the appointment, removal and terms of remuneration of the chief internal auditor/ internal auditor.

The role of the Audit and Risk Management Committee includes the scope as specified in clause 49 III D of the Listing Agreement with stock exchanges in addition to the requirements of Section 177 of the Companies Act, 2013. Also the Audit and Risk Management Committee is responsible for monitoring and reviewing the risk management plan of the Company.

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The composition of the Audit and Risk Management Committee as at March 31, 2015 and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the committee	Category	No. of meetings attended during the year 2014-15 / (No. of meetings held during the tenure)
Mr. Sanjeev Aga (Appointed w.e.f. November 20, 2014)	Chairman	Non-executive, Independent Director	2 (2)
Mr. S. Madhavan (Appointed w.e.f. November 20, 2014)	Member	Non-executive, Independent Director	1 (2)
Mr. Varun Laul	Member	Non-executive Director	5 (5)
Mr. Kapil Agarwal (Ceased to be Member w.e.f. November 20, 2014)	Member	Executive Director	3 (3)
Mr. Ameya Hete (Ceased to be Member w.e.f. November 20, 2014)	Member	Non-executive Director	2 (3)
Mr. Manu Chandra (Ceased to be Member w.e.f. November 10, 2014)	Member	Non-executive Director	2 (2)
Mr. Raaja Kanwar (Ceased to be Member w.e.f. November 20, 2014)	Member	Non-executive Director	0 (3)

Necessary quorum was present at the above Committee Meetings. All the Members on the Audit and Risk Management Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are invited to attend the Meeting of the Audit and Risk Management Committee. They have attended all the meetings where their Audit Reports were tabled for discussion. The Managing Director, Joint Managing Director, Chief Executive Officer and Chief Financial Officer usually attend all the Audit and Risk Management Committee Meetings. The Company Secretary is the Secretary to the Committee.

During the year under review, 5 meetings of the Committee were held on August 5, 2014, October 15, 2014, November 20, 2014, December 18, 2014 and March 4, 2015.

### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the requirements of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the Company has constituted the Nomination and Remuneration Committee at a meeting of the Board of Directors, held on November 20, 2014.

The scope of Nomination and Remuneration Committee includes recommending to the Board from time to time the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as more specifically detailed in Clause 49 IV B of the Listing Agreement with stock exchanges in addition to the requirements of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy is part of the Directors Report.

The composition of the Nomination and Remuneration Committee as at March 31, 2015 and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Category
Mr. S. Madhavan	Chairman	Non-executive, Independent Director
Mr. Sanjeev Aga	Member	Non-executive, Independent Director
Mr. Biswajit Anna Subramanian	Member	Non-Executive Director
Mr. Ameya Hete	Member	Non-Executive Director

The Nomination and Remuneration Committee has not met during the financial year 2014-15.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on November 20, 2014. The terms of reference of the Stakeholders Relationship Committee of the Company shall be in accordance with the section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with BSE and NSE which inter alia include:

- a) Redressal of grievances of shareholders, debenture holders and other security holders.
- b) Consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

The Members of the Stakeholders' Relationship Committee are:

Name of the member	Position in Committee	Category
Mr. Varun Laul	Chairman	Non-Executive Director
Mr. Sanjay Gaikwad	Member	Executive Director
Mr. Kapil Agarwal	Member	Executive Director

The Stakeholders' Relationship Committee has not met during financial year 2014-15. During the year under review, no investor complaints were received by the Company.

Mr. Sameer Chavan, Company Secretary of the Company is the Compliance Officer of the Company.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms of reference of the Corporate Social Responsibility Committee broadly comprises:

- a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Corporate Social Responsibility Committee as at March 31, 2015 is as under:

Name of the Director	Position in Committee	Category
Mr. Sanjay Gaikwad	Chairman	Executive Director
Mr. Kapil Agarwal	Member	Executive Director
Ms. Lynn de Souza	Member	Non-executive, Independent Director

## COMPENSATION COMMITTEE

The scope and terms of reference of Compensation Committee shall be in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which inter alia includes:

- a) Administration and superintendence of the employee stock options schemes.
- b) Formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard.
- c) Frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the Company and its employees, as applicable.

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The Members of the Compensation Committee are as below:

Name of the Director	Position in Committee	Designation	No. of meetings attended during the year 2014-15 / (No. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-executive, Independent Director	1 (1)
Mr. Sanjeev Aga	Member	Non-executive, Independent Director	1 (1)
Mr. Biswajit Subramanian	Member	Non-Executive	1 (2)
Ms. Lynn de Souza	Member	Nonexecutive, Independent Director	1 (1)
Mr. Sanjay Gaikwad	Member	Executive Director	1 (1)
Mr. Ameya Hete (Ceased to be Member w.e.f. November 20, 2014)	Member	Non-executive Director	1 (1)
Mr. Kapil Agarwal (Ceased to be Member w.e.f. November 20, 2014)	Member	Executive Director	1 (1)
Mr. Manu Chandra (Ceased to be Member w.e.f. November 10, 2014)	Member	Non-executive Director	1 (1)
Mr. Raaja Kanwar (Ceased to be Member w.e.f. November 20, 2014)	Member	Non-executive Director	0 (1)

During the year under review, 2 compensation committee meetings were held on November 8, 2014 and December 12, 2014.

### FINANCE COMMITTEE

The Board of Directors of the Company had constituted an IPO Committee of the Board on October 22, 2014 comprising of Mr. Varun Laul, Mr. Sanjay Gaikwad, Mr. Kapil Agarwal and Mr. Ameya Hete to oversee the IPO process and attend to all activities related to IPO.

On November 20, 2014, the Board of Directors has merged the roles and responsibilities of three of its committees namely Share Transfer Committee, Allotment Committee and Loan Committee looking in to matters related to transfer of shares, allotment of shares and borrowing of funds, respectively and renamed the IPO committee as Finance Committee.

### SUBSIDIARY COMPANIES

The Company has a material subsidiary namely Scrabble Entertainment Limited who has generated more than 20% of the consolidated income of the Company during the year under review.

The Board has approved a policy for determining material subsidiaries of the Company which has been uploaded on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

The audited annual financial statements of the subsidiary companies are tabled at the Audit and Risk Management Committee and Board Meetings. Copies of the Minutes of the Audit Committee / Board Meetings of subsidiary companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

### ANNUAL GENERAL MEETINGS

The Annual General Meetings of the Company during the preceding three years were held at 1-B Sagar Apartments, 6 Tilak Marg, New Delhi, India - 110001. The date and time of Annual General Meetings held during the preceding three years and special resolutions passed thereat are as follows:

Financial Year	Date	Time	Special Resolution passed
2013-14	September 4, 2014	11.00 AM	No special resolution passed
2012-13	September 4, 2013	03.00 PM	No special resolution passed
2011-12	September 29, 2012	03.00 PM	Alternation of Articles of Association of the Company.

## **SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT**

No Special Resolution was passed through postal ballot during the financial year 2014-15.

## **DISCLOSURES**

### **Related Party Transactions**

All transactions entered in to with the related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year under review were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

Except as disclosed in Annexure-1 to the Directors' Report, there were no materially significant transactions with related parties during the year under review. Related party transactions have been disclosed in the notes to the financial statements in accordance with Accounting Standards 18.

As required under Clause 49, the Company has formulated a policy on related party transactions. The Policy is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

### **Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

### **Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Whistle Blower Policy for establishing a vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Employees and Directors who may use such mechanism and makes provision for direct access to the Chairman of the Audit and Risk Management Committee. None of the personnel of the Company has been denied access to the Chairman of the Audit and Risk Management Committee. The details of the Whistle Blower policy are available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

### **Financial Calendar for the Financial Year 2015-16**

<b>Financial Year</b>	<b>April to March</b>
Board Meeting for consideration of Accounts for the financial year ended March 31, 2015	July 23, 2015
Book Closure Dates	September 9, 2015 to September 15, 2015 (both days inclusive)
Last date for receipt of Proxy Forms	Sunday, September 13, 2015 before 12.00 noon

## **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under Clause 49**

The Company has to the extent applicable complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. As to non-mandatory requirements the company has appointed separate persons to the posts of Chairman, Managing Director(s), and Chief Executive Officer.

### **Communication with the Members / Shareholders**

The unaudited quarterly / half yearly results will be announced within forty-five days of the close of the quarter. The audited annual results will be announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges.

The aforesaid financial results will be sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after they are approved by the Board. The results thereafter will be given by way of a press release to various news agencies/analysts and will be published within forty-eight hours in leading English and Hindi daily newspapers. The audited financial statements form part of the Annual Report which will be sent to the Members well in advance of the AGM.

The Company will also inform by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members/investors and subsequently issues a press release in regard to the same.

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company will also be placed on the Company's website: [www.ufomoviez.com](http://www.ufomoviez.com) and can be downloaded.

In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

### **GENERAL SHAREHOLDER INFORMATION**

The Company is registered with the Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U22120DL2004PLC164728.

## UFO Moviez India Limited

Annual Report 2014 - 15

Financial Year	April to March
Day, Date, Time & Venue of the 11th Annual General Meeting	Tuesday, September 15, 2015 at 12.00 noon at FICCI K. K. Birla Auditorium, Tansen Marg, Near Mandi House, New Delhi-110001.
Board Meeting for consideration of unaudited quarterly results for the financial year ended March 31, 2016	Within forty-five days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges.
Audited results for the current financial year ending March 31, 2016	Within sixty days from the end of the last quarter, as stipulated under the Listing Agreement with the Stock Exchanges.

### Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges:

Name & Address of the Stock Exchanges	Stock Code / Scrip Code	ISIN for NSDL/CDSL (Dematerialized Shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	UFO / 539141	INE527H01019
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	UFO	

The Company has paid the listing fees to these Stock Exchanges for the financial year 2015-16.

### Market Price Data: High, Low during each month in last financial year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

The shares of the Company were listed on May 14, 2015 and hence the market price data and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc. for the financial year 2014-15 are not available.

### Share Transfer System and other related matters

Share transfers: Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

### Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Registrar & Share Transfer Agent of the Company M/s. Karvy Computershare Private Limited or download the same from their website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

### Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

### Distribution of shareholding as on March 31, 2015

Range	Shareholding	Amount (₹)	% to capital	No. of shareholders	% to total shareholder
1-500	3,864	38,640	0.01	12	13.19
501-1,000	15,321	153,210	0.06	25	27.47
1,001-2,000	23,757	237,570	0.09	18	19.78
2,001-3,000	13,008	130,080	0.05	5	5.49
3,001-4,000	3,243	32,430	0.01	1	1.10
4,001-5,000	-	-	0.00	-	0.00
5,001-10,000	29,514	295,140	0.11	4	4.40
Above 10,000	25,808,962	258,089,620	99.66	26	28.57
<b>Total</b>	<b>25,897,669</b>	<b>258,976,690</b>	<b>100</b>	<b>91</b>	<b>100</b>



## Shareholding Pattern as on March 31, 2015

Category	No. of shares held	Percentage
Promoters	9,821,580	37.92
FII/FVCI/Foreign Bodies corporates, etc.	15,133,651	58.44
Individuals	786,155	3.04
Others	156,283	0.60
<b>Total</b>	<b>25,897,669</b>	<b>100</b>

### Dematerialization of shares

The Company's shares are tradable compulsorily in the electronic form. Through Karvy Computershare Private Limited, Registrars and Share Transfer Agents, we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE527H01019.

### Percentage of shares held in physical and dematerialization form as on March 31, 2015 are as mentioned below

Physical form : 03.46%  
Dematerialization form : 96.54%

### Investor Correspondence

For any assistance regarding share transfers, transmissions, change of address, duplicate share certificates and other relevant matters, please write to the Registrar & Share Transfer Agent of the Company at the address given below:

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Financial District,  
Nanakramguda, Gachibowli, Hyderabad – 500 032  
Tel No.: 040 6716 2222; Fax No.: 040 2300 1153  
Toll Free No.: 1800 345 4001  
Email: einward.ris@karvy.com

For Investor correspondence and queries relating to financial statements:

Mr. Ashish Malushte  
Chief Financial Officer  
Tel: +91 22 40305060  
Email: ashish.malushte@ufomoviez.com

Mr. Ashwin Chhugani  
Manager - Investor Relations  
Tel: +91 22 40305060  
Email: ashwin.chhugani@ufomoviez.com

For queries relating to shares / compliance

Mr. Sameer Chavan  
Company Secretary and Compliance Officer  
Tel : +91 22 40305060  
Email: investors@ufomoviez.com

### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments issued by the Company except employees stock options, the details of which are disclosed in the Annual Report.

### Plant Locations

The Company has regional offices at Delhi, Ahmadabad, Amaravati, Bengaluru, Chennai, Cochin, Cuttack, Guwahati, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Nagpur, Mumbai, Patna and Raipur with corporate office in Mumbai.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai  
Date: July 23, 2015

## **DECLARATION BY CHIEF EXECUTIVE OFFICER**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Directors and Senior Management for the year ended March 31, 2015.

**For UFO Moviez India Limited**

Place: Mumbai  
Date: July 23, 2015

**Rajesh Mishra**  
Chief Executive Officer

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## **JMD & CFO CERTIFICATION**

To  
The Board of Directors of  
UFO Moviez India Limited

We the undersigned, in our respective capacities as Joint Managing Director and Chief Financial Officer of UFO Moviez India Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit and Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit and Risk Management Committee:
  - a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

**For UFO Moviez India Limited**

Place: Mumbai  
Date: July 23, 2015

**Kapil Agarwal**  
Joint Managing Director

**Ashish Malushte**  
Chief Financial Officer

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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
UFO Moviez India Limited

I have examined the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement for the financial year ended on March 31, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management, my examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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.

The Equity Shares of the Company have been listed on May 14, 2015 which is after the completion of financial year under consideration.

In my opinion and to the best of my information and according to the explanations given to me and representations made by the management, even though, the provisions of Clause 49 of the Listing Agreement were not applicable for the financial year under consideration, I certify that, the Company has complied with nearly all the provisions of Clause 49 of the Listing Agreement, to the extent possible.

I 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.

**Chetan Anant Joshi**  
Practicing Company Secretary  
(ACS: 20829 CP: 7744)

Place : Thane  
Dated : July 23, 2015

## INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as 'UFO' or 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associates and jointly controlled entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associates and jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, its subsidiaries, associate company and jointly controlled entity incorporated in India, to whom the Order applies (together referred to as "the Covered entities" in this report), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated statement of Profit and Loss and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act and of its subsidiary companies, associate company and jointly controlled company incorporated in India, none of the directors of the Group's companies, its associate company and jointly controlled company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entity. Refer Note 33 to the consolidated financial statements;
    - ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts;
    - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

#### **Other Matter**

1. The accompanying consolidated financial statements include total assets of ₹ 263,280,251 as at March 31, 2015, total revenues and net cash in flows of ₹ 41,791,276 and ₹ 77,295,675 for the year ended on that date, in respect of two Indian subsidiaries, one Indian step-down subsidiary and one jointly controlled Indian entity, which have been audited by other auditors, whose financial statements, other financial information and auditor's report have been furnished to us by the management. The consolidated financial statements also include the Group's share of profit of one Indian associate of ₹ 9,237,603 for the year ended March 31, 2015, whose financial statements, other financial information have been audited by other auditor and whose reports has been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including step-down subsidiary), jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (including step-down subsidiary), jointly controlled entity and associate, is based solely on the reports of such other auditors.
2. Further, the accompanying consolidated financial statements include total assets of ₹ 687,098,497 as at March 31, 2015, and total revenues and net cash inflows of ₹ 893,514,833 and ₹ 28,525,694 for the year ended on that date, in respect of one foreign subsidiary and six step-down foreign subsidiaries, whose financial statements and financial information prepared under the respective reporting country's generally accepted accounting principles have been audited by other auditors, who have submitted their audit report prepared under auditing standards applicable in respective countries to the management of their respective companies, copies of which have been provided to us by the Holding Company. The consolidated financial statements also include the Company's share of net profit of one foreign associate of ₹ 2,678,387 for the year then ended March 31, 2015, whose financial statements prepared under the reporting country's generally accepted accounting principles have been audited by other auditor, who have submitted their audit report prepared under auditing standards applicable the

reporting country to the management of their company, copy of which has been provided to us by the Holding Company. The management of the Company has converted these financial statements of the Company's subsidiaries (including step-down subsidiaries) and associate to accounting policies generally accepted in India for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including step-down subsidiaries) and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the other subsidiaries (including step down subsidiaries) and associate, is based solely on the reports of such other auditors under the accounting policies generally accepted in respective countries and our audit of the conversion process followed by the management.

3. Further, the accompanying consolidated financial statements include total assets of ₹ 14,282,468 as at March 31, 2015, total revenues and net cash outflows of ₹ Nil and ₹ 731,686 for the year ended on that date, in respect of one foreign subsidiary and one step-down foreign subsidiaries, which have not been audited, whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of two foreign associates of ₹ 6,881,396 for the year ended March 31, 2015, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries (including step-down subsidiaries) and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries (including step-down subsidiaries) and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W

**per Govind Ahuja**  
Partner  
Membership Number: 48966

Place of Signature: Mumbai

Date: July 23, 2015

**Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date for UFO Moviez India Limited (‘the Holding Company’) and its subsidiaries, joint controlled entity and associate incorporated in India and to whom the provisions of the Order apply (together referred to as “the Covered entities” in this report).**

- (i) (a) The Holding Company and the Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management of the Holding Company and certain Covered entities during the year and no material discrepancies were identified on such verification. In respect of the other Covered entities, there is a regular programme of verification which, as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entity and associate, is reasonable having regard to the size of the Covered entities and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) management of the Holding Company and certain Covered entities have conducted physical verification of inventory at reasonable intervals during the year. The business of other Covered entities does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to these other Covered entities.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and certain Covered entities and the nature of their business.
- (c) The Holding Company and certain Covered entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company has granted loans that are re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”). We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular. Certain covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to those Covered entities and hence not commented upon. Certain Covered entity has granted loan to Company covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Covered entities, except as reported by one auditor of a jointly controlled entity, that, the controls relating to customer contracting and tracking of amounts billable need to be strengthened. The activities of certain Covered entities do not involve purchase of inventory and sale of goods. During the course of our audit and as reported by the other auditors who audited the financial statements of Covered entities, no major weakness were observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities in respect of these areas other than mentioned above.
- (v) The Holding Company and Covered entities of the Group have not accepted any deposits from the public..
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of the Covered entities, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Holding Company and the Covered entities.
- (vii) (a) The Holding Company and the Covered entities are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee’s state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, wealth tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Holding Company and the Covered entities.
- (b) According to the information and explanations given to us in respect of the Holding Company and certain covered entities, and as reported by other auditors who audited the financial statements of the other Covered entities, no undisputed amounts are payable in respect of provident fund, employees’ state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

The provisions relating to excise duty are not applicable to the Holding Company and the Covered entities.

- (c) According to the records of the Holding Company and certain Covered entities and as reported by other auditors who audited the financial statements of the other Covered entities, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
<b>Holding Company</b>				
West Bengal VAT Act, 2003	Value Added Tax	4,195,703	2007-08	Tribunal
Bihar VAT	Value Added Tax	579,512	2007-08 and 2008-09	Commercial tax Officer
Income Tax Act, 1961	Penalty	717,353	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	22,710,000	2007-08 to 2009-10	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	9,800,897	2010-11	Dispute Resolution Panel (DRP)
<b>Subsidiaries</b>				
Income Tax Act, 1961	Income Tax	2,020,890	Assessment Year 2011-12	CIT (Appeals)
Income Tax Act, 1961	Income Tax	66,661,050	Assessment Year 2012-13	CIT (Appeals)
Kerala VAT	Value added tax	984,323	2011-12	Deputy Commissioner (Appeals)

The provisions relating to excise duty are not applicable to the Holding Company and the Covered entities.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Covered entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder..
- (viii) The Holding Company and Covered entities have no accumulated losses at the end of the financial year except for one Covered entity, where the accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Holding Company and the Covered entities have not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company and certain Covered entities have not defaulted in the repayment of dues to a financial institution and banks. The Holding Company does not have any dues to the debenture holders. As reported by the other auditors who audited the financial statements of certain Covered entities, these Covered entities do not have any dues to the financial institution, banks and debenture holders.
- (x) According to the information and explanations given to us the Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. Based on the reports of the other auditors who audited the financial statements of the Covered entities, the Covered entities have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained by the Holding Company and certain Covered entities. Based on the report of the other auditor who audited the financial statements of the other Covered entities, the other Covered entities did not have any term loans outstanding during the year.



- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and report of the other auditors who audited the financial statements of the Covered entities, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W

**per Govind Ahuja**  
Partner  
Membership Number: 48966

Place of Signature: Mumbai  
Date: July 23, 2015

**Consolidated Balance Sheet as at 31 March 2015**

(In ₹)

	Notes	31 March 2015	31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	258,976,690	258,976,690
Reserves and surplus	4	4,273,661,935	3,708,030,011
		<b>4,532,638,625</b>	<b>3,967,006,701</b>
Minority Interest		73,093,367	148,425,291
<b>Non-current liabilities</b>			
Long-term borrowings	5	559,718,532	999,148,604
Other long-term liabilities	7	564,609,187	443,163,450
Long-term provisions	6	7,841,937	10,961,490
		<b>1,132,169,656</b>	<b>1,453,273,544</b>
<b>Current liabilities</b>			
Short-term borrowing	8	94,320,729	8,592,323
Trade payables	7	633,879,103	591,587,842
Other current liabilities	7	1,219,151,704	1,178,574,284
Short-term provisions	6	43,857,407	44,506,333
		<b>1,991,208,943</b>	<b>1,823,260,782</b>
<b>TOTAL</b>		<b>7,729,110,591</b>	<b>7,391,966,318</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	9	3,023,355,619	3,412,255,697
Intangible assets	9	45,969,627	49,310,618
Capital work-in-progress		89,302,749	198,739,233
Goodwill on consolidation		1,683,161,813	1,329,155,610
Non-current investments	10	58,110,219	55,026,687
Deferred tax assets (net)	11	192,248,610	131,387,753
Long-term loan and advances	12	407,899,365	378,368,444
Non-current trade receivables	15	-	999,986
Other non-current assets	17	160,895,477	36,513,270
		<b>5,660,943,479</b>	<b>5,591,757,298</b>
<b>Current Assets</b>			
Current investments	13	67,092,366	52,987,764
Inventories	14	110,523,960	97,428,325
Trade receivables	15	1,053,675,260	912,310,608
Cash and bank balances	16	539,054,320	517,500,211
Short-term loan and advances	12	121,075,913	150,676,925
Other current assets	17	176,745,293	69,305,187
		<b>2,068,167,112</b>	<b>1,800,209,020</b>
<b>TOTAL</b>		<b>7,729,110,591</b>	<b>7,391,966,318</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

ICAI Firm Registration No.: 101049W

Chartered Accountants

**per Govind Ahuja**

Partner

Membership No.: 48966

Place of signature: Mumbai

Date: July 23, 2015

 For and on behalf of the Board of Directors  
of UFO Moviez India Limited

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Sameer Chavan**

Company Secretary

Place of signature: Mumbai

Date: July 23, 2015

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Ashish Malushte**

Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended 31 March 2015

(In ₹)

	Notes	31 March 2015	31 March 2014
<b>Income</b>			
Revenue from operations	18	4,758,292,745	4,241,968,223
Other income	19	35,147,089	8,365,231
<b>Total Income (I)</b>		<b>4,793,439,834</b>	<b>4,250,333,454</b>
<b>Expenses</b>			
Operating direct costs	20	1,915,747,251	1,697,719,000
Employee benefit expenses	21	572,261,749	553,201,921
Other expenses	22	697,101,669	667,414,472
<b>Total Expenses (II)</b>		<b>3,185,110,669</b>	<b>2,918,335,393</b>
<b>Earnings before interest,tax,depreciation and amortisation (EBITDA) (I) -(II)</b>		<b>1,608,329,165</b>	<b>1,331,998,061</b>
Depreciation and amortisation expenses	9	769,367,916	655,156,706
Finance cost	23	201,111,396	198,535,792
Finance income	24	(50,448,158)	(34,155,380)
<b>Profit before tax</b>		<b>688,298,011</b>	<b>512,460,943</b>
<b>Tax expenses</b>			
Current tax		239,182,483	99,574,458
MAT credit entitlement		-	(875,568)
<b>Total current tax expenses</b>		<b>239,182,483</b>	<b>98,698,890</b>
Deferred tax		(59,660,809)	(109,461,881)
<b>Total tax expenses/(credit)</b>		<b>179,521,674</b>	<b>(10,762,991)</b>
<b>Profit for the year before share of profit from associates</b>		<b>508,776,337</b>	<b>523,223,934</b>
Share of profit/(loss) from associates (net)		18,797,386	(7,813,487)
<b>Profit for the year</b>		<b>527,573,723</b>	<b>515,410,447</b>
<b>Attributable to :</b>			
<b>Equity share holder of the parent company</b>		<b>488,125,519</b>	<b>476,614,618</b>
<b>Minority Interest</b>		<b>39,448,204</b>	<b>38,795,829</b>
<b>Profit for the year</b>		<b>527,573,723</b>	<b>515,410,447</b>
<b>Earnings per equity share</b>			
Basic attributable to equity shareholders of parent (Face value of ₹ 10 each)	25	17.65	17.21
Diluted attributable to equity shareholders of parent (Face value of ₹ 10 each)		16.99	17.09
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
 ICAI Firm Registration No.:101049W  
 Chartered Accountants

**per Govind Ahuja**  
 Partner  
 Membership No.: 48966  
 Place of signature: Mumbai  
 Date: July 23, 2015

For and on behalf of the Board of Directors  
 of UFO Moviez India Limited

**Sanjay Gaiwad**  
 Managing Director  
 DIN No.: 01001173

**Sameer Chavan**  
 Company Secretary

Place of signature: Mumbai  
 Date: July 23, 2015

**Kapil Agarwal**  
 Joint Managing Director  
 DIN No.: 00024378

**Ashish Malushte**  
 Chief Financial Officer

**Consolidated Cash flow statement for the year ended 31 March 2015**

(In ₹)

	31 March 2015	31 March 2014
<b>Cash flow from operating activities</b>		
Profit before tax	688,298,011	512,460,943
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation	769,367,917	655,156,706
Unrealised Foreign exchange (gain)/loss (net)	(846,702)	25,468,208
Loss/ (profit) on sale/ discarding of fixed assets	909,017	12,551,456
Provision for doubtful debts and bad debt written off	30,346,649	21,657,530
Employee stock compensation expense	3,658	11,885
Provision for doubtful advances	5,963,716	15,269,264
Utilisation of provision for warranty (net)	(3,429,395)	(3,441,259)
Provision for compensated absences	5,592,377	6,766,142
Provision for gratuity	5,906,133	6,175,258
Provision for diminution in value of fixed assets	3,333,584	2,986,830
Sundry credit balances written back	(13,504,850)	(1,174,378)
Dividend income	(6,065,709)	(4,684,504)
Interest income	(44,382,450)	(29,470,876)
Interest expense	197,290,940	185,914,391
<b>Operating profit before working capital changes</b>	<b>1,638,782,896</b>	<b>1,405,647,596</b>
<b>Movements in working capital :</b>		
(Decrease)/ Increase in trade payable	26,632,591	171,199,991
(Decrease)/ Increase in long-term provisions	(752,449)	1,580,651
(Decrease)/ Increase in short-term provisions	(8,671)	(6,319,652)
(Decrease)/ Increase in other current liabilities	12,162,298	153,237,930
(Decrease)/ Increase in other non current liabilities	372,375	37,948,363
Decrease/ (increase) in trade receivables ( Non - Current)	995,318	3,496,577
Decrease/ (Increase) in trade receivables	(112,455,011)	(193,513,173)
Decrease/ (Increase) in inventories	(12,018,010)	8,040,729
Decrease/ (Increase) in long-term loans and advances	35,483,744	(46,558,547)
Decrease/ (Increase) in short-term loans and advances	(1,650,560)	(76,133,490)
Decrease/ (Increase) in other current assets	(158,388,653)	(77,251,191)
Decrease/ (Increase) in other non-current assets	(7,492,160)	(293,727)
<b>Cash generated from operations</b>	<b>1,421,663,708</b>	<b>1,381,082,058</b>
Direct taxes paid (net of refunds)	(284,047,694)	(166,232,729)
<b>Net cash flow from operating activities (A)</b>	<b>1,137,616,014</b>	<b>1,214,849,329</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including intangible, Capital-work-in-progress and capital advances	(359,143,319)	(1,343,164,678)
Purchase of shares in subsidiaries (from minority)	(160,500,421)	(117,393,465)
Investment in subsidiary	(5,926,990)	-
Investment in associates	-	(26,936,753)
Purchase of current investment including dividend reinvestment	(347,065,198)	(488,848,951)
Advance for purchase of Investment	(3,300,000)	(20,000,000)
Refund of advances paid for purchase of investments	20,000,000	-
Loan repayment from Associates	-	8,763,926
Proceeds from redemption of current investment	332,960,596	552,979,610
Proceeds from sale of fixed assets	27,934,491	12,934,110
Interest received	34,968,442	26,748,661
Dividend received	19,114,797	4,200,787

## Consolidated Cash flow statement for the year ended 31 March 2015

(In ₹)

	31 March 2015	31 March 2014
Placement of bank deposits (having original maturity of more than three months)	(188,379,849)	(39,383,270)
Redemption/maturity from bank deposits (having original maturity of more than 3 months)	6,400,000	111,211,268
<b>Net cash flow used in investing activities (B)</b>	<b>(622,937,451)</b>	<b>(1,318,888,755)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long- term borrowings	256,072,402	1,261,754,852
Repayment of long-term borrowings	(743,973,539)	(745,079,125)
Proceeds from short-term borrowings	94,310,415	48,984,851
Repayment of short term borrowings	(8,582,009)	(156,473,459)
Interest and finance cost paid	(197,162,064)	(179,082,471)
<b>Net cash flow used in financing activities (C)</b>	<b>(599,334,795)</b>	<b>230,104,647</b>
<b>Net decrease in cash and cash equivalent (A + B + C)</b>	<b>(84,656,232)</b>	<b>126,065,221</b>
Cash and cash equivalents at the beginning of the year	337,031,871	302,562,580
Cash and cash equivalents in respect of subsidiary acquired during the year	12,656,771	7,764,603
Unrealised Gain on Foreign Currency Cash and Cash equivalents	23,529,214	10,287,596
<b>Cash and cash equivalents at the end of the year</b>	<b>288,561,624</b>	<b>446,680,000</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1,180,025	1,466,723
Balance with banks:		
- on current accounts	277,367,938	319,433,598
- on fixed deposits account with original maturity of less than three months	10,013,661	125,779,679
<b>Cash &amp; cash equivalents [refer note 16]</b>	<b>288,561,624</b>	<b>446,680,000</b>
Summary of significant accounting policies	2.1	

### Notes:

- Figures in bracket denote outflow
- The above Cash flow statement has been prepared under the “ Indirect Method” set out in Accounting Standard (AS-3) “ Cash Flow Statements”

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
 ICAI Firm Registration No.:101049W  
 Chartered Accountants

**per Govind Ahuja**  
 Partner  
 Membership No.: 48966  
 Place of signature: Mumbai  
 Date: July 23, 2015

For and on behalf of the Board of Directors  
 of UFO Moviez India Limited

**Sanjay Gaikwad**  
 Managing Director  
 DIN No.: 01001173

**Sameer Chavan**  
 Company Secretary

Place of signature: Mumbai  
 Date: July 23, 2015

**Kapil Agarwal**  
 Joint Managing Director  
 DIN No.: 00024378

**Ashish Malushte**  
 Chief Financial Officer

## Notes to Consolidated financial statements as at for the year ended 31 March 2015

### 1. Corporate information

UFO Moviez India Limited ('UFO' or 'the Parent Company' or 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ('the Act'). The Company and its subsidiaries, associates and joint ventures collectively referred to as "the Group" is primarily engaged in the business of providing digital cinema services.

Subsequent to the year end, on May 14, 2015, the Company completed the Initial Public Offering (IPO) through offer for sale of 9,600,000 equity shares of Rs 10 each at a price of ₹ 625 per equity share of Qualified Institutional Bidders, Non Institutional Bidders and Retail Individual Bidders aggregating upto ₹ 6,000,000,000 and the equity shares of the Company were listed on the National Stock Exchange of India Limited and The BSE Limited.

#### Basis of preparation

The consolidated financial statements (CFS) of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

### 2. Principles of Consolidation

- (i) The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense after eliminating intra-group balances and transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements"
- (ii) The excess of cost to the Parent Company of its investments in the subsidiaries over its portion of equity in the subsidiaries, as at the date on which investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statement of the subsidiary companies as on the date of investment.
- (iii) **Minority Interest:**  
Minority interest share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company. In case where losses applicable to minority interest exceed the minority interest in the equity of the subsidiary, the excess of, any further losses applicable to minority interest are adjusted against the Parent Company's portion of equity in the subsidiary, until all previous losses absorbed by parent are recovered.
- (iv) The financial statement of the Group includes the share of profit / loss of associate companies in which the Group has significant influence and which is neither a subsidiary nor a joint venture, which are accounted under "Equity Method" in accordance with Accounting standard (AS) 23 on Accounting for Investment in Associates, as per which the share of profit/(loss) of associate company has been added and restricted to the cost of investment.
- (v) The financial statements of the Company and its Joint venture entities have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense after eliminating intra-group balances and transactions, by applying "Proportionate consolidation" Method, as per Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Venture"
- (vi) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible across the group and are presented, to the extent possible, in the same manner as per the parent's separate financial statement.

(vii) The list of Subsidiaries included in consolidation are mentioned below :

Subsidiary Name	Country of Incorporation	Proportion of ownership interest of the Company/ Subsidiary as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
<b>Subsidiaries of UFO</b>			
Scrabble Entertainment Limited (SEL)	India	91.33%	76.41%
V N Films Private Limited	India	100%	100%
Southern Digital Screenz India Private Limited	India	84.18%	75.18%
Valuable Digital Screen Private Limited (from December 31, 2014)	India	80.00%	-
Edridge Limited	Cyprus	100%	-
United Film Organisers Nepal Private Limited	Nepal	100%	100%
<b>Subsidiary of Edridge Limited &amp; stepdown subsidiary of UFO</b>			
UFO International Limited	Cyprus	100%	100%
<b>Subsidiaries of UFO International Limited &amp; step-down subsidiaries of UFO</b>			
United Film Organisers (UFO) (Mauritius) Private Limited.	Mauritius	100%	100%
UFO Lanka Private Limited.	Sri Lanka	100%	100%
UFO Software Technologies Private Limited.	India	100%	100%
<b>Subsidiaries of SEL &amp; stepdown subsidiaries of UFO</b>			
Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT)	UAE	100%	100%
Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
Scrabble Digital Inc	United States of America	100%	-

(viii) The list of associates of SEL included in consolidation are mentioned below:

Associate Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
Scrabble Digital Ltd	India	33.33%	33.33%
Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT)	UAE	33.33%	33.33%
Scrabble Venture LLC	United States of America	30.00%	30.00%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30.00%	30.00%

- (ix) The list of Joint venture entities of V N Films Private Limited included in consolidation are mentioned below:

Joint Venture Entity Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
Mukta V N Films Ltd	India	45.00%	45.00%

- (x) The list of Companies not included in consolidation as these are in the process of being liquidated are mentioned below:

Subsidiary Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
Scrabble Entertainment Israel Ltd	Israel	100%	100%
UFO Europe Ltd	Cyprus	100%	100%

- (xi) The financial statement of the subsidiary/associates are drawn upto the same reporting date of the Parent Company other than the following:

Entity Name	Relationship	For the year ended 31- Mar-15	For the year ended 31- Mar-14
Scrabble Digital DMCC (Erstwhile known as Scrabble Digital JLT)	Associate	Year ended Dec-14	Year ended Dec-13
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended Dec-14	Year ended Dec-13

## 2.1 Summary of significant accounting policies

### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### (b) Change in accounting estimate

Pursuant to the Act being effective from 1 April 2014, the Company has revised the depreciation rates on certain tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31st March 2015 is higher by ₹ 10,064,479. In respect of assets whose useful life is already exhausted as on 1st April 2014, depreciation of ₹ 3,043,658 (after reducing deferred tax impact of ₹ 1,367,622) has been adjusted in surplus in statement of profit and loss in accordance with the requirement of Schedule II of the Act.

### (c) Tangible fixed assets

Tangible fixed assets are stated at cost, net accumulated depreciation and accumulated impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.



Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

**(e) Depreciation on tangible assets & amortization of intangible assets**

Depreciation is provided using the Straight Line Method ('SLM') as per the useful lives of the assets estimated by the management.

The Company has used the following useful lives to provide depreciation on its fixed assets.

	Management's estimate of useful lives (SLM) (years)
Exhibition Equipment	7 – 10
Plant & Machinery	4 – 6
Computer	3
Furniture and Fixtures	6
Office Equipments	5
Vehicles	5

Except computer, useful life of above fixed assets are different from those prescribed under schedule II. These rates are based on evaluation of useful life by internal technical expert.

Leasehold improvements are written off over the period of lease or over a period of 4 periods whichever is lower.

Intangible assets are amortised over their estimated useful life as follows.

	Management's estimate of useful lives (SLM) (years)
Computer Software	5 – 10

**(f) Goodwill on consolidation**

Goodwill on consolidation is not amortised and is tested for impairment on an annual basis. Such evaluation determines impairment in value if any, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The group also considers projected future operating results, trends and other circumstances in making such evaluations.

In addition to the annual impairment test, the Group performs an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value or the reporting unit below its carrying amount.

**(g) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**(h) Leases****Where the Group is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Where the Group is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

**(i) Investments**

Investments, which are readily realizable and intended to be held for not more than one period from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(j) Inventories**

Inventories comprise of stores and spares and are valued at cost or at net realisable value whichever is lower. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Income from services**

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognized in the period in which the services are rendered.
- Advertisement income is recognised in the period during which advertisement is displayed.
- Income from digitization charges is recognized on rendering of services.
- Theatre programming revenue is recognized for the period of exhibition of movies.
- Registration fee is recognised in the period in which the services are rendered.
- Revenue from annual maintenance is recognised on time proportion basis for the period falling in the reporting period
- Lease rental income on equipment is recognised as mentioned in note 2.1(h) above.
- Revenue from commission and technical service income is recognised in period in which services are rendered.

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are recorded net of returns, trade discounts, and value added tax.

The Group recognizes revenue from sales of equipment and stores as and when these are dispatched/issued to customers.

**Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## **Dividends**

Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

### **(l) Foreign currency translation**

Foreign currency transactions and balances

#### **(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### **(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

### **(m) Translation of foreign operations**

Translation of foreign subsidiaries and associates are done in accordance with AS – 11 (Revised) "The Effects of Changes in Foreign Exchange Rates". The financial statements of Integral operations are translated as if the transactions of foreign operations have been those of the Company.

In case of non- integral foreign operations, all assets and liabilities are converted at the closing rate at the end of the period and items of income and expenditure items have been translated at the average rate, which approximates the actual rates. All the resulting exchange differences are accumulated in the foreign currency translation reserves until the disposal of the net investment.

Any goodwill / Capital reserve arising on acquisition of a non – integral foreign operation is translated at the closing rate.

Exchange gain / loss arising on conversion are recognized under Foreign Currency Translation Reserve.

### **(n) Retirement and other benefits**

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employee render related services. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation. The Company has an Employees' Gratuity Fund managed by the Life Insurance Corporation of India.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(o) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is "virtual certainty" (as defined in Accounting Standard 22 ) supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or "virtually certain", as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or "virtually certain", as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a period is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**(p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

**(r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(s) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

**(t) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(u) Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(v) Segment reporting**

The Group's operations predominantly relate to providing digital cinema services to exhibitors and distributors of films under E-Cinema and D-Cinema. The Group's operating businesses are organized and managed according to the services and are identified as reportable segment based on the dominant source and nature of risks and returns as primary and secondary segments. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

**(w) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expense, finance costs, finance income and tax expense.

**3. Share capital**

(In ₹)

	31 March 2015	31 March 2014
<b>Authorised share capital</b>		
45,000,000 (March 31, 2014: 45,000,000) equity shares of ₹ 10 each	450,000,000	450,000,000
1,385,000 (March 31, 2014: 1,385,000) preference shares of ₹ 1000/- each	1,385,000,000	1,385,000,000
	<b>1,835,000,000</b>	<b>1,835,000,000</b>
<b>Share capital</b>		
<b>Issued, subscribed and fully paid-up shares</b>		
25,897,669 (March 31, 2014 : 25,897,669) equity shares of ₹ 10/- each fully paid-up	258,976,690	258,976,690
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>258,976,690</b>	<b>258,976,690</b>

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

Equity shares	31 March 2015		31 March 2014	
	No.	₹	No.	₹
At the beginning of the year	25,897,669	258,976,690	25,897,669	258,976,690
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,897,669</b>	<b>258,976,690</b>	<b>25,897,669</b>	<b>258,976,690</b>

**(b) Terms/rights attached to equity shares**
**Voting rights:**

Each holder of equity shares having a par value of ₹ 10 per equity share is entitled to one vote per equity share.

**Rights to Dividend:**

The equity shareholders have right to receive dividend when declared by the Board of Directors, subject to approval in the General Meeting.

Subsequent to the year end, the following rights and restrictions as at March 31, 2015 were automatically terminated on the commencement of trading of the Equity Shares of the Company on any recognised stock exchange pursuant to the IPO i.e. on May 14, 2015.

**Pre-emption rights:**

In the event the Company proposes to issue any securities to any person, then P5 Asia Holding Investments (Mauritius) Ltd. (P5) and 3i Research (Mauritius) Limited (3i) (collectively called Investor Group and individually Investor) have a right to subscribe to the issue on a pro-rata basis, in proportion to their respective shareholding in the Company on the same terms, as the issue is proposed, such that their respective shareholding is maintained at least at the level prior to such issuance.

**Right of First Offer, Right of Sale and Tag Along Rights:**

In the event Apollo Group (comprising of Apollo International Limited and an individual shareholder) and VTL Group (comprising of Valuable Technologies Limited, Valuable Media Limited and two individual shareholders) (collectively called Group A Shareholders) propose to transfer all or part of their securities to any person, shall first offer to the Investor Group, a pro-rata right to purchase all their Shares. Investors Group shall have the right to exercise certain specified tag along rights in case the Group A shareholders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

In the event either of 3i or P5 propose to sell any or all of their securities held by them in the Company, it shall first offer the other Investor and the Group A Shareholders a right to purchase all their shares.

**Exit Rights and Drag Along Rights:**

The Investor Group has the right to sell their entire shareholding in the Company at any time after expiry of certain specified period subject to certain specified conditions as defined in the AOA of the Company. Such shareholders also have the right to exercise drag along rights as stipulated in the AOA of the Company.

**Rights pertaining to repayment of capital:**

In the event of certain specified liquidation events as defined in the AOA, the proceeds of such events will be distributed between shareholders in the manner specified in the AOA of the Company.

**Other rights:**

P5, 3i, Apollo Group and VTL Group have right to have their representatives on the Board of Directors of the Company.

Certain specified reserved matters such as change in the share capital of the Company, material related party transactions, raising of debt, declaration of dividends, change in senior management including key business matters requires the consent of the Investor Group Shareholders.

**Restrictions**

The Securities held by Group A Shareholders are locked-in and they cannot transfer any securities held by them without Investors' consent, until the shareholding of each of the Investors in the Company falls below the Minimum Requisite Shareholding as defined in the AOA.

The Investor Group cannot transfer shares held by them in favour of any competitor as defined in the AOA of the Company or enter into an agreement for the transfer of shares to any competitor, subject to certain specified conditions.

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2015		31 March 2014	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs 10 each fully paid</b>				
P5 Asia Holding Investments (Mauritius) Limited	9,253,740	35.73	9,253,740	35.73
3i Research (Mauritius) Limited	5,566,570	21.49	5,566,570	21.49
Valuable Technologies Limited	3,071,745	11.86	3,071,745	11.86
Apollo International Limited	2,266,417	8.75	2,266,417	8.75
Valuable Media Limited	2,131,782	8.23	2,131,782	8.23

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 27.

**(e) Aggregate number of bonus shares, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

	31 March 2015	31 March 2014
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	13,068,626	13,068,626

**4. Reserves and surplus**

(In ₹)

	31 March 2015	31 March 2014
<b>Legal Reserve</b>		
Balance as per the last financial statements	17,682,543	4,930,482
Add: Transferred from statement of profit and loss	608,741	12,752,061
<b>Closing Balance</b>	<b>18,291,284</b>	<b>17,682,543</b>
<b>Securities premium account</b>		
Balance as per last financial statements	3,481,215,682	3,481,215,682
Add : Group's share on post acquisition premium on issue of equity shares by subsidiary	8,325,315	-
<b>Closing balance</b>	<b>3,489,540,997</b>	<b>3,481,215,682</b>
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted in earlier years	60,768	48,883
Add : Deferred Employee Stock Compensation	3,658	11,885
<b>Closing Balance</b>	<b>64,426</b>	<b>60,768</b>
<b>Foreign Currency Translation Reserve</b>		
Balance as per last financial statements	157,128,228	91,517,235
Prior period adjustment (refer note below)	9,101,754	-
Addition during the year (Net)	35,186,427	65,610,993
<b>Closing Balance</b>	<b>201,416,409</b>	<b>157,128,228</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	51,942,790	(411,919,768)
Adjustment of depreciation (net of deferred tax (refer note 2.1(b)))	(2,979,441)	-
Prior period adjustment (refer note below)	27,868,692	-
Profit for the year	488,125,519	476,614,619
Less: Transferred to Legal reserve	(608,741)	(12,752,061)
<b>Net (deficit) / Surplus in the statement of profit and loss</b>	<b>564,348,819</b>	<b>51,942,790</b>
<b>Total reserves and surplus</b>	<b>4,273,661,935</b>	<b>3,708,030,011</b>

Note:

The audited consolidated financial statements for the year ended March 31, 2013 were adopted by the board of directors after adoption of the consolidated financial statements for the year ended March 31, 2014.

Accordingly, the adjustment pertaining to difference between unaudited and audited financial statements for the year ended March 31, 2013 have been adjusted in opening balance of reserves for the year ended 31 March 2015.



**5. Long-term borrowings**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Term loans (Secured)</b>				
Rupee loan from banks				
Term loan 1 from HDFC Bank	-	-	-	112,500,000
Term loan 2 from HDFC Bank	4,492,508	112,492,509	108,000,000	108,000,000
Term loan 3 from Axis Bank	85,416,198	290,416,194	204,999,996	204,999,996
Term loan 4 from Axis Bank	227,802,900	293,285,146	124,992,000	124,992,000
Term loan 5 from Axis Bank	96,222,376	-	56,250,000	-
Term loan 6 from Yes Bank	100,000,000	185,714,285	85,714,286	85,714,286
Term loan 7 from HDFC Bank	35,499,860	32,192,211	20,285,613	8,779,694
<b>Sub Total (a)</b>	<b>549,433,842</b>	<b>914,100,345</b>	<b>600,241,895</b>	<b>644,985,976</b>
Rupee Loan from Financial Institutions (secured) (b)	-	-	-	1,258,249
<b>Other Loans (secured)</b>				
Vehicle finance from banks and financial institutions (secured against hypothecation of vehicles)				
Loan 1	10,284,690	21,239,488	13,918,570	16,930,034
Loan 2	-	95,640	116,048	133,944
<b>Sub Total (c)</b>	<b>10,284,690</b>	<b>21,335,128</b>	<b>14,034,618</b>	<b>17,063,978</b>
Deferred Payment liabilities (Unsecured) (d)	-	63,713,131	-	43,872,263
Less :Amount disclosed under the head "Other Current Liabilities" (note 7)	-	-	(614,276,513)	(707,180,466)
<b>Net amount (a+b+c+d)</b>	<b>559,718,532</b>	<b>999,148,604</b>	<b>-</b>	<b>-</b>

Term loan 1 to 5 are secured by first charge on all fixed assets (except vehicles) and all current assets of the Company.

Term loan 1 having interest of bank base rate plus 2.60% @ 12.60% p.a. (March 31, 2014 :12.40% p.a.) is repayable in 31 monthly installments of ₹ 93,75,000/- each along with interest from September 30, 2012.

Term loan 2 having interest of bank base rate plus 2.40% @ 12.40% p.a. (March 31, 2014 : 12.40%) is repayable in 31 monthly installments of ₹ 90,00,000/- each along with interest from July 31, 2013.

Term loan 3 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of ₹ 17,083,333/- each along with interest from September 30, 2012.

Term loan 4 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of ₹ 10,416,000/- each along with interest from April 30, 2014.

Term loan 5 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of ₹ 4,687,500/- each along with interest from December 31, 2014.

The term loan 6 from Yes Bank Limited (YBL) is secured against the first pari-passu charge with HDFC Bank over entire current and fixed assets of Scrabble Entertainment Limited, both present and future (excluding assets charged to Tata Capital Ltd for term loan). The loan carries a floating interest rate of YBL Base Rate plus 3.00 p.a. (@ 12.50% p.a.) and is repayable in 42 monthly installments along with interest after 7 months from disbursement.

The term loan 7 from HDFC Bank Ltd is secured against the First pari passu charge with YBL on all fixed assets of Scrabble Entertainment Limited, except assets charged to Tata Capital and Second pari-passu charge with YBL on all the current assets of the company both present and future. The loan carries a floating interest rate of HDFC Base Rate plus 2.50 p.a. (@ 12.50% p.a.) and is repayable in 42 monthly installments along with interest from July 31, 2014. The term loan from financial institution is from Tata Capital Limited and is secured against the hypothecation of specific equipments and assignment of future rent receivable arising from Cinemax.

The loan carries a floating interest of long term lending rate minus 2.25% p.a. subject to a minimum of 12% p.a. and is repayable in 60 monthly installments of ₹ 139,600/- each along with interest. During the year ended March 31, 2015, the loan has been fully repaid.”

Vehicle Loan 1 from Axis Bank is having interest rate ranges from 10.01% to 10.80%, repayable in 48 monthly installments and are secured against hypothecation of vehicles.

Vehicle Loan 2 from Kotak Mahindra Prime Limited is having interest rate range from 11.43% to 17.44% repayable in 36 to 60 monthly installments and are secured against hypothecation of vehicles.

Deferred payment liability is amount payable to the supplier for purchase of digital cinema equipment on a deferred payment basis and bears interest at the rate of 7% p.a and it is payable in 48 equal monthly installments along with interest upto October 15, 2016. This liability is repaid as at March 31, 2015.

**6. Trade payables and other current liabilities**

(In ₹)

	Non-Current portion		Current Maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for gratuity (refer note 26)	4,480,824	4,989,701	3,326,364	1,275,343
Provision for compensated absences	-	-	28,531,821	23,866,590
Provision for warranty	3,361,113	5,971,789	2,633,210	3,451,929
Provision for indirect taxes	-	-	1,017,025	3,000,000
Provision for income tax	-	-	8,348,987	12,912,471
	<b>7,841,937</b>	<b>10,961,490</b>	<b>43,857,407</b>	<b>44,506,333</b>

**Provision for Warranty**

A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the cost of repairs and maintenance. The table below gives information about movement in warranty provisions.

(In ₹)

	31 March 2015	31 March 2014
At the beginning of the year	9,423,718	12,864,977
Arising during the year	50,000	450,000
Utilized during the year	(3,479,395)	(3,891,259)
<b>At the end of the year</b>	<b>5,994,323</b>	<b>9,423,718</b>
Current portion	2,633,210	3,451,929
Non-current portion	3,361,113	5,971,789

(i) The table below gives information about movement in provision for indirect taxes

(In ₹)

	31 March 2015	31 March 2014
At the beginning of the year	3,000,000	1,850,000
Arising during the year	-	1,150,000
Utilized during the year	(1,982,975)	-
<b>At the end of the year</b>	<b>1,017,025</b>	<b>3,000,000</b>

**7. Trade Payable & Other Liabilities**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Trade payables (refer note 36 for details of dues to micro and small enterprises)	-	-	633,879,103	591,587,842
<b>Other liabilities</b>				
Current maturities of long-term borrowings (refer note 5)	-	-	614,276,513	707,180,466
Interest accrued but not due on borrowings	-	-	15,014,285	19,095,030
Deferred lease rental income	23,070,134	25,061,841	6,473,087	6,185,361
Deferred advertisement income	-	-	38,400,583	1,931,202
Deferred revenue on AMC services	-	-	9,532,359	9,738,545
Advance from customers	-	-	176,308,209	167,056,392
<b>Others</b>				
Deposit from theatre and regional dealers	441,551,677	418,101,609	109,769,169	123,878,683
Payables for purchase of fixed assets	-	-	15,764,552	74,878,568
Trade / Security deposits received	-	-	1,702,249	-
Bank book overdraft	-	-	3,538,435	-
Payable for purchase of Investments	99,987,376	-	126,498,117	-
Salary & reimbursement payable	-	-	39,517,138	8,084,476
Other creditors (other than trade)	-	-	22,711,344	16,671,962
<b>Statutory dues payable</b>				
Employee related liabilities	-	-	9,906,559	3,888,315
Sales tax payable	-	-	9,044,785	14,031,825
TDS payable	-	-	20,417,484	25,645,973
Other taxes payable	-	-	100,646	307,486
	<b>564,609,187</b>	<b>443,163,450</b>	<b>1,219,151,704</b>	<b>1,178,574,284</b>

**8. Short-term borrowings**

(In ₹)

	31 March 2015	31 March 2014
<b>Secured</b>		
Cash credit Axis bank	10,314	8,592,323
Overdraft facility from YES bank Ltd	94,310,415	-
	<b>94,320,729</b>	<b>8,592,323</b>

Cash credit from Axis bank is secured by first charge on all the fixed assets of the Company except vehicles and first charge on all the current assets. The cash credit is repayable on demand and carries interest @ 12.15 % p.a.

Overdraft facility from Yes Bank Limited is secured by charges on all the movable and immovable assets of Mukta V N Films Limited. The cash credit is repayable on demand and carried interest at 12.75%



**10. Non-current Investments**

(In ₹)

	31 March 2015	31 March 2014
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in subsidiaries</b>		
(In subsidiary under liquidation)		
1 (March 31, 2014: 1) Equity Shares of USD 1 each fully paid up in UFO Europe Ltd	63	60
Less : Provision for diminution in value of investments	(63)	(60)
	-	-
1 (March 31, 2014: 1) Equity Shares of USD 1 each fully paid up in DCLP Ltd	63	60
Less : Provision for diminution in value of investments	(63)	(60)
	-	-
1 (March 31, 2014: 1) Equity Shares of USD 1 each fully paid up in Scrabble Entertainment Israel Limited	63	60
	<b>63</b>	<b>60</b>
<b>Investment in Associates</b>		
197,714 (March 31, 2014: 128,000) Equity Shares of ₹ 10 each fully paid up in Scrabble Digital Limited including post -acquisition share of profit or loss	49,019,712	41,530,529
Add/(Less) : Post - acquisition share of Profit/(Loss) for the year	9,237,603	7,489,184
Less: Dividend distribution by associate	(13,049,088)	-
	<b>45,208,227</b>	<b>49,019,713</b>
100 (March 31, 2014: 100) Ordinary shares of AED 1000 each at par fully paid up in Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT) including post-acquisition share of profit or loss	3,342,146	3,272,732
Add : Post - acquisition share of Profit for the year	2,678,387	2,734,182
	<b>6,020,533</b>	<b>6,006,914</b>
2,500 (March 31, 2014: 2500) Equity Shares of Mexican Pesos each fully paid up in Scrabble Venture S.de R.L.De C.V, Mexico (refer note a)	12,051	11,516
Less: 1,000 (March 31, 2014: 1000)shares held on behalf of the others where the group is not a beneficial owner (refer note a)	(4,817)	(4,603)
	<b>7,234</b>	<b>6,913</b>
Add/(Less) : Post - acquisition share of Profit/(Loss) for the year ₹ (59,999,111)/- (March 31, 2014: ₹ (27,895,550)) restricted to value of Investment	(7,234)	(6,913)
	-	-
5,000 (March 31, 2014: 5000)Equity Shares in Scrabble Venture LLC, USA of no par value. (note a)	31,295,400	30,049,900
Less: 2,000 shares held on behalf of the others where the group is not a beneficial owner	(12,518,160)	(12,019,960)
	<b>18,777,240</b>	<b>18,029,940</b>
Less : Recoupment of unaccounted losses	(25,506,032)	-
Add/(Less) : Post - acquisition share of Profit /(Loss) for the year restricted to value of investment	13,610,188	(18,029,940)
	<b>6,881,396</b>	-
<b>Investment in Others</b>		
Nil (March 31,2014 : 1,86,500) ordinary shares of US \$ 1 each, fully paid, in DG2L Technologies Pte. Limited, Singapore (refer note b)	-	81,440,625
Less : Provision for diminution in value of investments	-	(81,440,625)
	<b>58,110,219</b>	<b>55,026,687</b>

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### Note:

- a) The Group is holding 2000 shares of scrabble Venture LLC and 1000 shares of Scrabble venture S.de R.L.De C.V, Mexico on behalf of others, where group is not a beneficial owner.

The groups total investment in these entities is presented net of shares held on behalf of others, where the group is not a beneficial owner.

- b) The Company has written off the investment made in DG2L Technologies Pte. Limited, Singapore pursuant to approval from Reserve Bank of India (RBI).

### 11. Deferred tax assets / (liability)

(In ₹)

	31 March 2015	31 March 2014
<b>A Deferred tax assets</b>		
Effect on account of carry forward of losses	-	10,203,968
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	143,759,142	95,357,914
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	5,595,176	10,444,038
Provision for doubtful debts and advances	29,901,683	19,075,794
Provision for gratuity and leave encashment	10,438,299	9,120,078
Provision for warranty	2,037,470	3,057,525
Provision for litigation cases	805,537	-
Deferred revenue expenses/other difference	-	-
Gross deferred tax assets	<b>192,537,307</b>	<b>147,259,317</b>
<b>B Deferred tax liabilities</b>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	236,753	4,255
Deferred revenue expenses/other difference	51,944	91,904
<b>Gross deferred tax liabilities</b>	<b>288,697</b>	<b>96,159</b>
<b>Net deferred tax assets (A-B)</b>	<b>192,248,610</b>	<b>147,163,158</b>
<b>Net deferred tax assets recognised</b>	<b>192,248,610</b>	<b>131,387,753</b>

In the previous year, one of the subsidiary of the group had accounted deferred tax assets to the extent of deferred tax liability of ₹ 91,904 in absence of virtual certainty as defined in Accounting Standard 22

**12. Loan and advances**

(In ₹)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Unsecured, considered good unless otherwise stated</b>				
Capital advances	6,453,730	7,344,929	-	-
Security deposit to others	49,916,276	51,133,115	9,173,157	7,755,054
Loan and advances to related parties (refer note 31)	-	-	8,094,241	23,801,109
Loan and advances to others	-	-	410,589	-
<b>Advances recoverable in cash or kind</b>	-	-	-	-
Considered good	16,963,861	-	21,731,433	20,083,334
Considered doubtful	16,193,902	-	2,396,394	-
	<b>33,157,763</b>	<b>-</b>	<b>24,127,827</b>	<b>20,083,334</b>
Provision for doubtful advances	(16,193,902)	-	(2,396,394)	-
	<b>16,963,861</b>	<b>-</b>	<b>21,731,433</b>	<b>20,083,334</b>
<b>Other loans and advances (unsecured considered good)</b>				
Advance income-tax (net of provision for tax)	310,364,955	240,052,288	-	-
<b>Balance with statutory / government authorities</b>				
Considered good	13,815,740	21,831,676	11,055,067	18,981,989
Considered doubtful	1,465,752	-	-	-
Less: Provision for doubtful receivable	(1,465,752)	-	-	-
	<b>13,815,740</b>	<b>21,831,676</b>	<b>11,055,067</b>	<b>18,981,989</b>
Advance for Purchase of Investments	-	20,000,000	-	-
Advances to Supplier	-	-	4,750,554	11,473,835
Advance to employees	-	-	1,600,299	44,261
Insurance claim receivable	-	-	8,842,881	3,686,291
Prepaid expenses	7,052,298	10,865,706	33,294,319	25,151,547
Service tax credit receivable	-	-	21,683,105	37,685,348
Vat credit receivable	-	-	440,268	644,181
MAT credit entitlement	-	27,104,048	-	-
Others	32,505	36,682	-	1,369,976
Share Application Money	3,300,000	-	-	-
	<b>407,899,365</b>	<b>378,368,444</b>	<b>121,075,913</b>	<b>150,676,925</b>

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### 13. Current Investments (valued at lower of cost or market value) (In ₹)

	31 March 2015	31 March 2014
<b>Unquoted mutual funds</b>		
NIL (March 31, 2014: 47,596.69) units of ₹ 10.03 each fully paid up in HDFC Cash Management Fund	-	477,466
67,071.78 (March 31, 2014: 52,498.11) units of ₹ 1,000.31 each fully paid up in Axis Liquid Fund	67,092,366	52,510,298
	<b>67,092,366</b>	<b>52,987,764</b>

Aggregate amount of unquoted investments (Market value : 67,094,176 (March 31, 2014 : 53,000,626/-)

### 14. Inventories (valued at lower of cost or net realisable value) (In ₹)

	31 March 2015	31 March 2014
Consumables and spares	110,523,960	97,428,325
	<b>110,523,960</b>	<b>97,428,325</b>

### 15. Trade receivables (In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
- considered good	-	-	87,209,831	95,206,159
- considered doubtful	-	-	77,145,906	60,187,968
	-	-	<b>164,355,737</b>	<b>155,394,127</b>
Provision for doubtful receivables	-	-	(77,145,906)	(60,187,968)
<b>(A)</b>	-	-	<b>87,209,831</b>	<b>95,206,159</b>
<b>Others trade receivables</b>				
- Considered good	-	999,986	966,465,429	817,104,449
- Considered doubtful	-	55,207	-	-
	-	<b>1,055,193</b>	<b>966,465,429</b>	<b>817,104,449</b>
Provision for doubtful receivables	-	(55,207)	-	-
<b>(B)</b>	-	<b>999,986</b>	<b>966,465,429</b>	<b>817,104,449</b>
<b>TOTAL (A + B)</b>	-	<b>999,986</b>	<b>1,053,675,260</b>	<b>912,310,608</b>



**16. Cash and bank balances**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Cash and cash equivalents</b>				
<b>Balances with banks :</b>				
– On current accounts	-	-	277,367,938	319,208,597
– In EEFC Account	-	-	5,603,661	-
– Deposits with original maturity of less than three months	-	-	4,410,000	3,438,035
– Margin money deposit with original maturity of less than three months	-	-	-	12,693,513
Cheques in hand	-	-	-	225,000
Cash on hand	-	-	1,180,025	1,466,723
	-	-	<b>288,561,624</b>	<b>337,031,868</b>
<b>Other bank balances</b>				
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	3,793,033	8,429,242
– Margin money deposit with original maturity for more than 3 months but less than 12 months	-	-	5,406,075	110,083,131
			<b>9,199,108</b>	<b>118,512,373</b>
– Deposits with original maturity for more than 12 months	96,227,508	30,000	230,783,793	51,093,325
– Margin money deposits with original maturity for more than 12 months	59,264,917	36,483,270	10,509,795	10,862,645
	<b>155,492,425</b>	<b>36,513,270</b>	<b>241,293,588</b>	<b>61,955,970</b>
Amount disclosed under non - current assets	(155,492,425)	(36,513,270)	-	-
	-	-	<b>539,054,320</b>	<b>517,500,211</b>

**Margin money deposits:**

Margin money deposits with original maturity of less than 12 months are against guarantees given to statutory authorities and are kept under lien with bank for opening of Letter of Credit.

Margin money deposits with original maturity of more than 12 months are kept under lien with banks for opening of Letter of Credit.

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### 17. Other assets

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Non-current bank balances (refer note 16)	155,492,425	36,513,270	-	-
Unbilled revenue	-	-	89,751,052	65,820,275
Interest accrued but not due on fixed deposit	5,403,052	-	5,171,027	3,484,912
Other receivables (refer note 37)	-	-	81,823,214	-
	<b>160,895,477</b>	<b>36,513,270</b>	<b>176,745,293</b>	<b>69,305,187</b>

### 18. Revenue from operations

(In ₹)

	31 March 2015	31 March 2014
<b>Sale of Services</b>		
Advertisement revenue	1,166,682,310	998,636,229
Virtual Print Fees - Non - DCI ( E-Cinema )	893,621,008	821,274,159
Virtual Print Fees - DCI ( D-Cinema )	1,478,164,940	1,304,144,017
Lease rental income - Non - DCI ( E-Cinema )	363,230,642	282,309,882
Lease rental income - DCI ( D-Cinema )	160,258,020	137,263,288
Digitisation income	67,227,332	65,149,500
Registration fees income	9,143,061	8,753,031
Others (refer note 1)	81,935,446	28,319,465
<b>(A)</b>	<b>4,220,262,759</b>	<b>3,645,849,571</b>
<b>Sales of products</b>		
Lamp and spares sale	320,085,392	300,528,956
Sale of digital cinema equipments	217,944,594	295,589,696
<b>(B)</b>	<b>538,029,986</b>	<b>596,118,652</b>
<b>(A)+(B)</b>	<b>4,758,292,745</b>	<b>4,241,968,223</b>

Note 1: Other services include revenue from theatre programming activity and annual maintenance.

### 19. Other income

(In ₹)

	31 March 2015	31 March 2014
Miscellaneous income	9,947,997	5,942,060
Commission income	4,262,312	-
Technical service income	7,431,898	-
Sundry balance written back	13,504,882	2,423,171
	<b>35,147,089</b>	<b>8,365,231</b>

**20. Operating direct cost**

(In ₹)

	31 March 2015	31 March 2014
Advertisement revenue share	393,891,867	309,580,721
Running and maintenance - exhibition equipments	174,400,444	137,103,591
Van operation expenses	10,302,696	-
Technical service fees	69,280,448	53,511,112
Bandwidth charges	55,162,679	52,759,859
Purchase of digital cinema equipments	177,376,091	251,898,116
Purchase of lamps	228,495,793	233,998,899
Rent on equipments	24,326,005	11,949,756
Delivery and distribution charges	35,553,031	29,597,876
Content download charges	3,093,785	-
Content processing charges	30,033,147	28,114,241
Virtual print fees sharing	633,081,716	515,109,835
Other expenses	10,353,125	25,056,320
<b>(Increase)/decrease in inventories of digital cinema equipments</b>		
Inventories at the end of the year	8,490,221	2,405,565
Inventories at the beginning of the year	2,405,565	6,477,650
	<b>(6,084,656)</b>	<b>4,072,085</b>
<b>(Increase)/decrease in inventories of lamps</b>		
Inventories at the end of the year	69,048,336	64,439,994
Inventories at the beginning of the year	64,439,994	61,485,376
	<b>(4,608,353)</b>	<b>(2,954,618)</b>
<b>Consumables and spares</b>		
Inventories at the beginning of the year	30,845,314	35,195,214
Add : purchases	83,229,522	43,571,306
Less : Inventories at the end of the year	(32,985,403)	(30,845,314)
	<b>81,089,433</b>	<b>47,921,206</b>
	<b>1,915,747,251</b>	<b>1,697,719,000</b>

**21. Employee benefit expense**

(In ₹)

	31 March 2015	31 March 2014
Salaries & wages	506,353,959	479,593,712
Contribution to provident and other funds	25,588,537	23,754,744
Employee stock option scheme cost	3,658	11,885
Gratuity expenses & other employee benefits(refer note 26)	12,635,857	13,749,026
Staff welfare expenses	27,679,738	36,092,554
	<b>572,261,749</b>	<b>553,201,921</b>

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**22. Other expenses**

(In ₹)

	31 March 2015	31 March 2014
Rent	97,023,478	86,990,212
Freight and forwarding charges	57,350,659	65,398,226
Legal, professional and consultancy charges	98,792,032	73,915,923
Directors sitting fees including commission	2,812,500	-
Commission on advertisement revenue	84,887,014	90,942,970
Corporate social responsibility expenses	16,594,255	-
Commission on other revenue	33,661,899	34,970,398
Sales promotion expenses	30,978,366	31,599,879
Electricity charges	19,137,390	15,753,972
Rates and taxes	17,136,768	13,236,109
Auditor's remuneration	6,208,511	7,467,413
Repairs and maintenance		
- Plant and machinery	3,302,827	7,491,618
- Building	166,022	99,322
- Furniture and fixtures	514,712	2,627,391
- Others	17,526,768	7,241,114
Insurance	13,373,193	12,131,355
Travelling and conveyance expenses	45,283,202	67,056,212
Communication and courier expenses	23,125,265	21,958,115
Printing and stationery	5,391,083	5,550,197
Bad debts written-off	8,623,258	
Less: Provision utilised	<u>(2,307,308)</u>	3,705,655
Provision for doubtful debts	24,030,699	17,951,875
Provision for doubtful advances	5,963,716	
Less: Provision utilised	<u>-</u>	15,269,264
VAT receivable written off	12,547,116	-
Less: Adjusted against provision for doubtful advances	<u>(12,547,116)</u>	-
Loss on sale and write off of fixed assets (net)	877,773	12,551,456
Bank charges	409,510	1,248,926
Advance written off	10,828	-
Donations	416,250	-
Provision for diminution in value of fixed assets	3,333,584	1,054,830
Miscellaneous expenses	59,795,686	45,733,831
Foreign exchange loss (net)	22,681,729	25,468,209
	<b><u>697,101,669</u></b>	<b><u>667,414,472</u></b>

**23. Interest and finance expense**

(In ₹)

	31 March 2015	31 March 2014
<b>Interest on</b>		
- Term loan	181,118,659	181,126,546
- Others	16,172,281	4,787,845
Bank charges	2,828,856	4,308,437
Other borrowing costs	991,600	8,312,964
	<b>201,111,396</b>	<b>198,535,792</b>

**24. Finance income**

(In ₹)

	31 March 2015	31 March 2014
<b>Interest received</b>		
- Bank deposits	37,134,838	24,035,279
- Others	7,247,611	5,435,597
Dividend on current investment	6,065,709	4,684,504
	<b>50,448,158</b>	<b>34,155,380</b>

**25. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

(In ₹)

	31 March 2015	31 March 2014
<b>Basic</b>		
Net profit after tax as per statement of profit and loss	488,125,519	476,614,617
Less : dividends on convertible preference shares & tax thereon	(31,002,198)	(31,002,198)
<b>Net profit for calculation of basic EPS</b>	<b>457,123,321</b>	<b>445,612,419</b>
Weighted average number of equity shares in calculating basic EPS	25,897,669	25,897,669
<b>Earning per share</b>	<b>17.65</b>	<b>17.21</b>
<b>Diluted</b>		
Net profit for calculation of basic EPS	457,123,321	445,612,419
Add : dividends on convertible preference share	-	-
<b>Net profit for calculation of diluted EPS</b>	<b>457,123,321</b>	<b>445,612,419</b>
Weighted average number of equity shares in calculating basic EPS	25,897,669	25,897,669
Effect of dilutions on stock options granted under ESOP	1,008,501	184,180
Total no of shares outstanding (weighted average) (including dilution)	<b>26,906,170</b>	<b>26,081,849</b>
<b>Earning per share</b>	<b>16.99</b>	<b>17.09</b>

**26. Gratuity and other post-employment benefit plans**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

**Net employee benefit expense recognized in the employee cost**

(In ₹)

	<b>Gratuity</b>	
	<b>31 March 2015</b>	<b>31 March 2014</b>
Current service cost	7,121,978	4,665,197
Interest cost on benefit obligation	2,068,434	1,222,716
Expected return on plan assets	(1,759,333)	(1,092,604)
Net actuarial (gain) / loss recognized in the year	1,699,200	1,379,949
<b>Net benefit expense</b>	<b>9,130,279</b>	<b>6,175,258</b>
<b>Actual return on plan assets</b>	<b>1,759,333</b>	<b>1,092,604</b>

**Balance sheet**

<b>Benefit asset/ liability</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Present value of defined benefit obligation	32,021,086	22,573,355
Fair value of plan assets	(24,213,898)	(16,308,310)
<b>Plan liability</b>	<b>7,807,188</b>	<b>6,265,045</b>

**Changes in the present value of the defined benefit obligation are as follows:**

	<b>31 March 2015</b>	<b>31 March 2014</b>
Opening defined benefit obligation	22,544,163	15,283,953
Current service cost	7,147,247	5,190,738
Interest cost	2,068,434	1,222,716
Benefits paid	(434,800)	(504,001)
Actuarial losses on obligation	696,042	1,379,949
<b>Closing defined benefit obligation</b>	<b>32,021,086</b>	<b>22,573,355</b>

**Changes in the fair value of plan assets are as follows:**

	<b>31 March 2015</b>	<b>31 March 2014</b>
Opening fair value of plan assets	16,308,310	9,746,594
Expected return	1,745,443	1,092,604
Contributions by employer	6,204,100	5,973,113
Benefits paid	(191,826)	(504,001)
Actuarial gains	147,871	-
<b>Closing fair value of plan assets</b>	<b>24,213,898</b>	<b>16,308,310</b>

**The principal assumptions used in determining gratuity as shown below:**

	Gratuity	
	31 March 2015	31 March 2014
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.75%	8.75%
Employee turnover	15%	1% to 3% depending on age

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**Amounts for the current year and previous four years are as follows:**

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	32,021,086	22,573,355	15,832,688	11,090,656	6,465,673
Plan assets	(24,213,898)	(16,308,310)	(9,746,594)	(7,296,327)	(4,883,223)
Surplus / (deficit)	7,807,187	6,265,045	6,086,094	3,794,329	1,582,450
Experience adjustments on plan liabilities	696,037	1,379,949	1,532,494	1,071,236	1,201,701
Experience adjustments on plan assets	147,866	-	-	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Investments with insurer	100%	100%	100%	100%	100%

**27. Employee stock option plans**

The Parent company has three ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014.

**Employee Stock Option Scheme 2006 ('ESOP Scheme 2006')**

All Options granted under ESOP Scheme 2006 are vested. The Shareholders of the Parent company in their Annual General Meeting held on August 17, 2011 had revised the terms and conditions of the Exercise Period of the Options granted under ESOP Scheme 2006 to make it in consonance with ESOP Scheme 2010. The salient features with respect to the revised terms and conditions of the Exercise Period for ESOP Scheme 2006 are as follows:

- i) For the employees while in employment of the Company : All options vested can be exercised within a period of one year from the date on which the shares of the Company get listed on a recognized stock exchange.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of listing with a recognised stock exchange.

The details of activity under the Scheme 2006 are summarised below:

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	211,324	100.18	211,597	100.18
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(273)	100.18	(273)	100.18
Outstanding at the end of the year	211,051	100.18	211,324	100.18
Exercisable at the end of the year	211,051	100.18	211,324	100.18
Weighted average remaining contractual life (in month)	14		Not ascertainable	

#### Employee Stock Option Scheme 2010 ('ESOP Scheme 2010')

Based on the recommendations of the Compensation Committee the ESOP Scheme 2010 was approved by the Board at its meeting held on October 15, 2010 and was subsequently approved by the shareholders at the annual general meeting held on November 22, 2010.

Under ESOP Scheme 2010 a total number of 1,413,497 options were granted in the year ended March 31, 2011 at an exercise price of ₹ 161.87 per share. As per the ESOP Scheme 2010, 25% of the options shall vest at the end of each year from the date of grant. The exercise period for the same is within a period of two years from the date on which the shares of the Parent company get listed on a Recognized Stock Exchange.

During the year 2013-14, the Parent company granted a total number of 174,157 options at an exercise price of ₹ 178.18 per share to certain employees and key managerial personnel of the Company and certain employees of subsidiaries. Out of the options granted, in respect of 82,157 options 25% vest equally over a period of 4 years from the date of grant and in respect of 92,000 options entire options vest at the end of one year from the date of grant.

#### Exercise period for options under ESOP 2010 is as follows:

- i) For the employees while in employment of the Company: All options vested can be exercised within a period of one year from the date on which the shares of the Company get listed on a Recognized Stock Exchange.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of listing with a recognised stock exchange.
- iii) The Board approved at its Extra Ordinary General Meeting held on October 24, 2014, the modification in vesting period, in respect of 82,157 options granted from being vested 25% equally over period of 4 years from the date of grant to one year from the date of grant.



**The details of activity under the Scheme 2010 are summarised below:**

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,505,489	163.76	1,363,865	161.87
Granted during the year	-	-	174,157	178.17
Exercised during the year	-	-	-	-
Forfeited during the year	(2,000)	178.17	(32,533)	161.87
Outstanding at the end of the year	1,503,489	163.74	1,505,489	163.76
Exercisable at the end of the year	1,503,489	161.87	1,004,722	161.87
Weighted average remaining contractual life (in month)	14		21	

The range of exercise price for options outstanding at the end of the year was ₹ 100.18 to ₹ 178.17 (March 31, 2014: ₹ 100.18 to ₹ 161.87)

**Employee Stock Option Scheme 2014 (ESOP 2014) :**

The Compensation Committee recommended the new ESOP Scheme 2014. Board approved the new ESOP Scheme 2014 at its meeting held on November 11, 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on November 20, 2014.

Under ESOP Scheme 2014, the aggregate number of options to be granted is such number of stock options exercisable into 1,150,000 Equity Shares. Each option granted under the ESOP 2014 is convertible into one Equity Share. During the period 932,500 options were granted at an exercise price of ₹ 600 per share. As per the ESOP Scheme 2014, 25% of the options shall vest at the end of each year from the date of grant.

**The exercise period of these options is as follows:**

- i) For the employees while in employment of the Company : All options vested can be exercised within a period of two years from the date of Vesting of the respective Employee Stock Options.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of retirement, termination due to physical disability and death respectively.

**The details of activity under the Scheme 2014 are summarised below:**

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	932,500	600	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(2,750)	600	-	-
Outstanding at the end of the year	929,750	600	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in months)	51		-	

**Stock Options granted under ESOP 2010 Scheme**

The fair value of stock options granted during the previous year ended March 31, 2014 with vesting period of 4 years is ₹ 63.11. The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2015 *	31 March 2014
Expected volatility	-	25%
Risk-free interest rate	-	8.75%
Weighted average share price	-	178.17
Exercise price	-	178.17
Expected life of options granted in years	-	4

\*Not applicable since no ESOP's were granted during the year.

The fair value of stock options granted during the previous year ended March 31, 2014 with vesting period of 1 year is ₹25.46. The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2015 *	31 March 2014
Expected volatility	-	25%
Risk-free interest rate	-	8.75%
Weighted average share price	-	178.17
Exercise price	-	178.17
Expected life of options granted in years	-	1

\*Not applicable since no ESOP's were granted during the year.

**Stock Options granted under ESOP 2014 Scheme**

The fair value of stock options granted during the year with vesting period of 4 year is ₹ 315.08 (March 31, 2014: Nil). The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2015	31 March 2014
Expected volatility	0.5%	-
Risk-free interest rate	8.13%	-
Weighted average share price	378.71	-
Exercise price	600	-
Expected life of options granted in years	3.5	-

There is no effect of the employee share-based payment plans on the statement of profit and loss and on its financial position.

Had the compensation cost been determined in a manner consistent with fair value approach, the group net income and earning per share as reported would have changed to amount indicated below.

(In ₹)

	31 March 2015	31 March 2014
Net profit for calculation of basic EPS	457,123,321	445,612,420
Less: Employee stock compensation under fair value method	(56,524,477)	(9,140,251)
Proforma profit	<b>400,598,844</b>	<b>436,472,169</b>
<b>Earnings per share</b>		
<b>Basic</b>		
- As reported	17.65	17.21
- Proforma	15.47	16.85
<b>Diluted</b>		
- As reported	16.99	17.09
- Proforma	14.89	16.73

## 28. Investments during the year

### Investments by the Group

#### (a) Scrabble Entertainment Limited (SEL):

During the year ended March 31, 2014, the Company exercised the option to redeem all 34,782 6% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 1,150 each of ₹ 39,999,300 invested in SEL.

During the year ended March 31, 2015, the Company acquired additional 14.91% stake (114,568 equity shares) in Scrabble Entertainment Limited from the minority shareholders for ₹ 249,987,376. Out of the above the Company has paid ₹ 50,000,000 and balance of ₹ 199,987,376 is payable in four six monthly equal installment ending on December 31, 2016. Post this investment, the Company holds 91.33% of equity share capital of SEL as at March 31, 2015.

#### (b) Southern Digital Screenz India Private Limited (SDS)

During the year ended March 31, 2015, the Company acquired additional 9% stake 386,895 equity shares in Southern Digital Screenz India Private Limited (SDS) from the minority shareholders for ₹109,998,117. Out of above the Company has paid ₹ 83,500,000 and balance of ₹ 26,498,117 has been paid by June 30, 2015. Post this investment, the Company holds 84.18% of equity share capital of SDS as at March 31, 2015.

#### (c) Valuable Digital Screens Private Limited (VDSPL)

During the year ended March 31, 2015, the Company acquired 7105 equity shares representing 71.05% of equity share capital of VDSPL from Valuable Technologies Limited (VTL) for a consideration of ₹ 27,000,421. Subsequent to the acquisition, the Company invested Rs 17,005,895 in 4475 equity shares (fresh issue) of VDSPL. Post this investment, the Company now holds 80% equity share capital of VDSPL. Further the Company has incurred ₹ 5,926,990 towards acquisition cost of this Investment.

The Parent company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

Pursuant to this acquisition, VDSPL has become subsidiary of the Group from December 31, 2014 and the effect of the acquisition on Consolidated financial position is as follows:

Assets and liabilities of VDSPL consolidated in Group

Particulars	Amount (In ₹)
<b>EQUITY AND LIABILITIES</b>	
Shareholders' funds	(9,876,169)
Non - current liabilities	167,573
Current - liabilities	50,380,858
<b>Total</b>	<b>40,672,262</b>
Non - current assets	16,375,432
Current assets	24,296,830
<b>Total</b>	<b>40,672,262</b>
Total revenue from operations and other income considered in the consolidated financial statements	11,083,238
Total expenses considered in the consolidated financial statements	16,552,262
Profit/(loss) considered in consolidated financial statements	(5,469,024)

- (d) The Advance of ₹ 20,000,000 paid during the year ended March 31, 2014 for acquiring stake in a company has been received back by the Company as the deal was terminated.

## 29. Leases

### Operating lease : Group as lessee

The Group's significant leasing arrangements are in respect of operating leases taken for office premises, stores & digital equipments. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the office lease generally is for 11 to 36 months. The initial tenure of the digital equipments on lease generally is for 36 to 72 months.

(In ₹)

	Office Premises & Digital Cinema Equipment	
	31 March 2015	31 March 2014
Lease payments for the period	121,349,483	98,939,968

**Operating lease commitments – Group as lessor**

The Group has leased out Digital Cinema Equipment to theaters and franchisees on operating lease arrangement. The lease term is generally for 5 to 10 years. The Group as well as the theaters and franchisees have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement. Based on the management assumptions there is a reasonable certainty that the lease will continue for the lease term of 5 to 10 years.

**Details of digital cinema equipments given on operating lease as follows:**

(In ₹)

	Digital Cinema Equipment	
	31 March 2015	31 March 2014
Gross carrying amount	4,105,567,935	3,777,293,966
Accumulated depreciation	1,289,307,053	829,141,209
Depreciation recognized in the statement of Profit & Loss	508,624,129	426,680,816

**30. Segment reporting**

The Group is engaged primarily in the business of Digital Cinema Services and the financial statements reflect the result of this business segment, which is the primary segment in accordance with the requirement of Accounting Standard 17 on Segment Reporting. The Group's operations are based on the distribution of the group by geographical markets, based on the location of the assets.

(In ₹)

	For the year ended	
	31 March 2015	31 March 2014
<b>Revenue by Geographical Market</b>		
- Within India	3,861,728,288	3,375,270,233
- Middle east	804,984,506	795,029,032
- Rest of the world	91,579,951	71,668,958
	<b>4,758,292,745</b>	<b>4,241,968,223</b>
<b>Carrying Amount of Segment Assets</b>		
- Within India	5,723,571,176	5,637,879,563
- Middle east	463,310,344	469,710,403
- Rest of the world	1,039,615,506	913,031,793
	<b>7,226,497,026</b>	<b>7,020,621,759</b>
<b>Cost incurred to acquired Segment Fixed Assets</b>		
- Within India	417,379,414	1,276,863,603
- Middle east	1,952,939	4,400,518
- Rest of the world	-	178,063,868
	<b>419,332,353</b>	<b>1,459,327,989</b>

**31. Related party disclosure**
**1. Names of related parties where transactions have taken place during the year**

<b>Associate Enterprises</b>	Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT) Scrabble Digital Limited Scrabble Venture LLC, USA Scrabble Ventures, S. de R.L. de C.V.
<b>Joint Venture entity</b>	Mukta VN Films Limited (w.e.f June 10, 2013)
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Media Infotek Park Valuable Media Limited Valuable Technologies Limited Qwik Entertainment India Limited Impact Media Exchange Limited Dusane Infotech (India) Private Limited Shree Enterprises
<b>Key management personnel</b>	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director
<b>Relatives of Key management personnel</b>	Ms. Apeksha Agarwal

**2. Details of transaction with related parties during the year**

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>1</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Expenses reimbursed</b>		
i)	Media Infotek Park	9,767,042	8,332,740
ii)	Valuable Media Limited	-	42,000
iii)	Valuable Technologies Limited	-	3,472,166
iv)	Dusane Infotech (India) Private Limited	16,501	-
<b>B</b>	<b>Software development charges</b>		
i)	Dusane Infotech (India) Private Limited	3,523,200	3,523,200
<b>C</b>	<b>Technical services (expense)</b>		
i)	Valuable Technologies Limited	69,280,448	53,511,112
<b>D</b>	<b>Direct Expenses (License fees on 3D movie)</b>		
i)	Valuable Technologies Limited	99,871	54,545
<b>E</b>	<b>Direct Expenses (Licensee fees – Impact)</b>		
i)	Impact Media Exchange Limited	3,715,951	1,736,510
<b>F</b>	<b>Licensee fee- Club X (income)</b>		
i)	Valuable Media Limited	1,066,314	1,064,180

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(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>G</b>	<b>Rent paid (expense)</b>		
	i) Media Infotek Park	43,820,138	45,091,112
<b>H</b>	<b>Advertisement revenue</b>		
	i) Qwik Entertainment India Limited	7,680,271	-
<b>I</b>	<b>Consultancy &amp; reimbursement expenses</b>		
	i) Shree Enterprises	671,938	555,133
<b>J</b>	<b>Purchase of Spares and Equipment</b>		
	i) Valuable Technologies Limited	2,001,391	-
	ii) Dusane Infotech (India) Private Limited	-	379,790
<b>K</b>	<b>Bank Guarantee given (refer note 33 (c))</b>		
	i) Impact Media Exchange Private Limited	10,000,000	-
<b>L</b>	<b>Recovery of expenses</b>		
	i) Qwik Entertainment India Limited	17,250	-
<b>M</b>	<b>Purchase of equity shares in Valuable Digital Screens Private Limited</b>		
	i) Valuable Technologies Limited	27,000,421	-
<b>2</b>	<b>Associate Enterprises</b>		
<b>A</b>	<b>Sale of goods</b>		
	i) Scrabble Digital Ltd	201,193	4,652,397
	ii) Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT)	38,424	-
<b>B</b>	<b>Digital Conversion Expenses &amp; Content Processing Charges</b>		
	i) Scrabble Digital Limited	25,618,677	13,678,450
<b>C</b>	<b>Performance Guarantee given</b>		
	i) Scrabble Ventures LLC	312,954,000	-
<b>D</b>	<b>Delivery Distribution Income</b>		
	i) Scrabble Digital Limited	24,998,821	18,790,500
<b>E</b>	<b>Recovery of expenses</b>		
	i) Scrabble Digital Limited	1,082,916	895,920
<b>F</b>	<b>Rent</b>		
	i) Scrabble Digital Limited	1,490,885	1,243,146
<b>G</b>	<b>Recovery of Expenses</b>		
	i) Scrabble Ventures LLC	3,280,544	-
<b>H</b>	<b>Dividend received</b>		
	ii) Scrabble Digital Limited	13,049,088	-
<b>3</b>	<b>Joint Venture Entity</b>		
<b>A</b>	<b>Corporate Guarantee given on borrowing (refer note 33 (b))</b>		
	i) Mukta V N Films Limited	70,000,000	-

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>4</b>	<b>Remuneration to key managerial personnels</b>		
<b>A</b>	i) Mr. Sanjay Gaikwad, Managing Director	25,000,000	-
	ii) Mr. Kapil Agarwal, Joint Managing Director	25,000,000	-
<b>5</b>	<b>Remuneration to relative of key managerial personnel</b>		
<b>A</b>	i) Ms. Apeksha Agarwal	761,603	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

**6. Balance outstanding at the year end**

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>1</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Amount receivable</b>		
	i) Valuable Media Limited	218,787	133,273
	ii) Qwik Entertainment India Limited	498,582	-
<b>B</b>	<b>Deposit receivable</b>		
	i) Media Infotek Park	35,771,540	35,771,540
<b>C</b>	<b>Bank Guarantee given (refer note 33 (c))</b>		
	i) Impact Media Exchange Private Limited	10,000,000	-
<b>2</b>	<b>Associate enterprise</b>		
<b>A</b>	<b>Amount receivable</b>		
	i) Scrabble Digital Limited	2,631,950	6,657,967
<b>B</b>	<b>Loan and advance given</b>		
	i) Scrabble Digital DMCC (Including interest receivable) (erstwhile known as Scrabble Digital JLT)"	8,094,241	12,539,123
<b>C</b>	<b>Guarantee Given</b>		
	a) Performance Guarantee given on behalf of associate		
	i) Scrabble Ventures LLC	312,954,000	-
<b>D</b>	<b>Amount recoverable in cash or Kind</b>		
	i) Scrabble Venture LLC	-	10,851,397
<b>3</b>	<b>Joint Venture Entity</b>		
<b>A</b>	<b>Corporate Guarantee given on borrowing (refer note 33 (b))</b>		
	i) Mukta V N Films Limited	70,000,000	-

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### 32. Capital and other commitments

(In ₹)

	31 March 2015	31 March 2014
<b>Capital commitments</b>	51,977,395	51,266,592
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))		
Other Commitments	17,315,991	24,619,511
	<b>69,293,386</b>	<b>75,886,103</b>

- a) The Parent company has issued a letter of comfort to a bank for term loan of ₹ 300,000,000 (March 31, 2014 : Nil) and cash credit facility of ₹ 30,000,000 (March 31, 2014 : Nil) taken by subsidiary company, assuring that it will take all necessary steps so that the repayment of the loan by the subsidiary is honored as and when due and payable.
- b) As indicated in note 28 (c) to the financial statements, the Parent company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

### 33. Contingent liabilities

(In ₹)

	31 March 2015	31 March 2014
Dividend on 4,885,925 - 6% Cumulative Convertible Preference Shares of ₹ 100/- each.	31,002,198	31,002,198
Performance guarantees issued by the Group on behalf of Subsidiaries and associates to two studios for the performance of obligation relating to distribution of their digital content by its subsidiaries, step down subsidiaries and associates of subsidiary in certain overseas market. (refer note a below) (USD 35,000,000 (P.Y. USD 30,000,000))	2,190,678,000	1,802,994,000
Financial guarantees issued by the Group on behalf of Subsidiary (USD 1,250,000 (P.Y. USD 1,250,000) (refer note d)	-	75,124,750
Corporate Guarantee to a bank on behalf of Joint venture of Subsidiary (refer note b)	70,000,000	-
Corporate Guarantee to a bank on behalf of enterprises owned or significantly influenced by Key management personnel or their relatives (refer note c)	10,000,000	-
Bank guarantees issued by the Group in favour of various State Government for Sales tax registration	750,000	450,000
Letter of credit	612,785	-
Labour Guarantee	561,719	536,748
<b>Pending litigations/matters</b>		
<b>(i) In respect of income tax matters</b>		
In respect demand order raised against the Group in income tax matter for the financial year 2006-07, 2007-08, 2008-09 and 2009-10	22,710,000	-
In respect of the demand on the Group by the Income Tax Department for Assessment Year 2011-12.	2,020,890	2,020,890
In respect of the demand on the Group by the Income Tax Department for Assessment Year 2012-13.	66,661,050	-
In respect of demand raised against the Group in Mumbai TDS matter for the Financial year 2006-07 & 2007-08, Group has filed an appeal to the commissioner.	1,897,700	1,897,700



(In ₹)

	31 March 2015	31 March 2014
In respect of the demand raised on the Group U/S 271(1)(C) of penalty for the FY 2006-07, the Group has filed an appeal to the commissioner of Income Tax	717,353	717,353
<b>(ii) In respect of Indirect tax matters</b>		
In respect of show cause notice raised against the Group in Mumbai Service Tax matter for the financial year 2008-09,2009-10,2011-12 and 2012-13 ( refer note e)	233,200,000	-
In respect of demand raised against Group in Bihar VAT matter due to non-submission of "F" forms for the Financial Year 2007-08 & 2008-09	5,302,273	5,302,273
In respect of demand raised against Group in West Bengal VAT matter for the Financial Year 2007-08	4,195,703	4,195,703
In respect of demand raised against the Group in Andra Pradesh for VAT matter for the Financial year 2005-06,2006-07,2008-2009,2009-2010 & 2010-2011	-	4,885,802
Penalty on the above claim of input tax credit by Andra Pradesh Commercial Tax officer	-	1,221,260
In respect of demand raised against the Parent company in Kerala, disallowing claim of input tax credit relating to Financial Year 2011-12		984,323
In respect of demand raised against Group in Andhra Pradesh VAT matter due to non-submission of "F" forms for the Financial Year 2008-09 & 2009-10	630,162	630,162
	<b>2,640,939,833</b>	<b>1,931,963,162</b>

- iii) The Parent company had made downstream investments and being a foreign owned or controlled company, there have been delays in filings to be made with the regulators within the specified period as required by exchange control regulations. The ultimate outcome of these delays in filing cannot be estimated currently on the company's financial position and results of operations.
- iv) The Parent company is in discussions with another media company for resolving certain disputes with respect to patents allegedly held by that company. If such disputes are decided against the Parent company, there could be a payment of a fee for use of such patent, which cannot be quantified as of date. Based on legal opinion obtained by the Parent company, the Parent company believes that its position is likely to be upheld.

Notes:

- a) During the year ended March 31 2014, the Group has issued performance guarantees of US\$ 20 Mn each to a studio on behalf of Scrabble Entertainment Mauritius Limited and Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT) by terminating the earlier guarantees of US \$ 10 Mn each. The aggregate liability under the aforesaid two guarantees has been capped at an overall ceiling of US\$ 20Mn.
- US\$ 5 Mn to a studio on behalf of Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT)
- US\$ 5 Mn to a studio on behalf of Scrabble Entertainment Mauritius Limited

During the year ended March 31, 2015, the Group has issued performance guarantee to a studio on behalf of an associate of a subsidiary for similar obligation for US\$ 5 million.

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- b) The Group has provided Corporate guarantee to bank for Overdraft facility of ₹ 70,000,000 (March 31, 2014 : Nil) taken by joint venture of subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.
- c) The Company has provided bank guarantee of ₹ 10,000,000 (March 31, 2014 : Nil) to Chief Secretary, Revenue Department, Government of Maharashtra, on behalf of Enterprises owned or significantly influenced by Key Management Personnel or their relatives, for managing and operating satellite based computer ticketing system provider in Maharashtra .
- d) During the year, the financial guarantee issued by the Group, on behalf of the subsidiary, stands terminated since the subsidiary has repaid its obligation for which the financial guarantee was issued.
- e) The Group has received show cause notices from service tax authorities challenging the qualification of Digital Cinema Equipments as 'capital goods' under the Cenvat Credit legislation, and accordingly denying the Cenvat Credit availed on procurement of such goods which have been leased out to various theatres / third parties. The Group has filed its responses to the authorities. In an event, any liability crystallising on the group, the group will consider capitalising the CENVAT credit. The above liability does not include interest, if any, payable under the provision for service tax from the date of receipt of order to date of financial statements.
- f) The Group is contesting the demand/matter relating to pending litigations listed above and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

### 34. Particulars of un-hedged foreign currency exposure at the reporting date

(In ₹)

Particulars of un-hedged exposure	31 March 2015	31 March 2014
Trade Receivable	₹ 258,826/- (US\$ 4,135.22 @ Closing rate of 1 USD = ₹ 62.5908)	₹ 22,87,504/- (US\$ 38,061.75 @ Closing rate of 1 USD = ₹ 60.0998)
Trade Payable (credit balance)	₹ 19,951,315/- (US\$ 318,758.66 @ Closing rate of 1 USD = ₹ 62.5908)	₹ 58,841,466 (US\$ 979,062 @ Closing rate of 1 USD = ₹ 60.0998)
Advance Recoverable in cash or Kind	₹ 12,813,094/- (US\$ 204,712.24/- @ Closing rate of 1 USD = ₹ 62.5908)	₹ 1,50,61,642/- (US\$ 2,50,610.52 @ Closing rate of 1 USD = ₹ 60.0998)
Import creditors (debit Balance)	₹ 2,916,731/- (US\$ 46,600/- @ Closing rate of 1 USD = ₹ 62.5908)	₹ 4,56,758.48 (US\$ 7,600 @ Closing rate of 1 US\$ = ₹ 60.0998)
Cash Balances	₹ 369,875.44/- (Currency notes 17,649.04 @ Closing rate for particular Currency)	₹ 142,838/- (Currency note 30,699 @ Closing rate for particular Currency)
Bank Balances	₹ 6,088,240/- (US\$ 91946.02 @Closing rate of 1 USD = ₹ 62.5908 & AED 19,578.76 @ Closing rate of 1 AED = ₹ 17.0218 )	₹ 2,45,795 (US\$ 2444.65 @ Closing rate of 1 US\$ = ₹ 60.0998) (AED 6078.76 @ Closing rate of 1 AED = ₹ 16.2651)
Financial guarantees given for subsidiary	-	₹ 75,124,750 (US\$1,250,000 @ Closing rate of 1 USD = ₹ 60.0998)
Performance guarantees given for subsidiary/associate	₹ 2,190,678,000/- (US\$ 35,000,000 @ Closing rate of 1 US\$ = ₹ 62.5908)	₹ 1,802,994,000 (US\$ 30,000,000 @ Closing rate of 1 US\$ = ₹ 60.0998)

**35. Details of Joint venture entity**

V N Films Private Limited, a subsidiary of UFO Moviez India Limited has 45% stake in joint venture Company Mukta V N Films Limited along with Mukta Arts Limited which has 55% stake in this Joint Venture.

The Group's share of assets, liabilities, income and expenses of the jointly controlled entity are as follows:

(In ₹)

Particulars	31 March 2015	31 March 2014
<b><u>EQUITY AND LIABILITIES</u></b>		
Shareholders' funds	31,252,527	209,575
Non - current liabilities	2,475,000	-
Current - liabilities	149,263,751	15,425
<b>Total</b>	<b>182,991,278</b>	<b>225,000</b>
Non - current assets	18,377,616	-
Current assets	164,613,666	225,000
<b>Total</b>	<b>182,991,282</b>	<b>225,000</b>
Total revenue from operations and other income considered in the consolidated financial statements	27,316,637	-
Total expenses considered in the consolidated financial statements	25,748,685	15,425
Profit/(loss) considered in consolidated financial statements	1,567,952	(15,425)

**36. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on information available with the management, there is no amount due to Micro, small scale and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**37. Other Receivables (share issue expenses)**

Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Company. These receivables includes fees paid to bankers, stock exchanges, SEBI, lawyers, auditors, etc., in connection with the IPO of the Company. As per offer agreement between the Company and the selling shareholders, all expenses with respect to the IPO will be borne by the selling shareholders. Accordingly, the Company has classified the expenses incurred in connection with the IPO as receivable from selling shareholders under Other receivables, since these are not the expenses of the Company.

**38. The list of subsidiaries, associates and joint venture entities included in consolidation and their share of Net Assets and Share in profit and loss after elimination of inter-company balances is as follows:**

	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated profit and loss	Amount (In ₹)
<b>A. UFO Moviez India Limited</b>	86.02%	3,961,627,640	48.30%	254,805,521
<b>B. Subsidiaries and step down subsidiaries</b>				
<b>I. Indian</b>				
(i) Scrabble Entertainment Limited	0.86%	39,562,998	9.20%	48,510,841
(ii) V N Films Private Limited	-0.11%	(5,012,607)	-0.55%	(2,908,292)
(iii) Southern Digital Screenz India Private Limited	0.29%	13,276,927	10.93%	57,640,206
(iv) Valuable Digital Screen Private Limited (from December 31, 2014)	0.13%	6,141,398	-0.41%	(2,183,917)

## UFO Moviez India Limited

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	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated profit and loss	Amount (In ₹)
<b>II. Foreign</b>				
(i) Edridge Limited	3.66%	168,493,042	-0.08%	(422,282)
(ii) United Film Organisers Nepal Private Limited	0.00%	133,114	0.02%	125,403
(iii) UFO International Limited	-1.70%	(78,243,426)	-0.79%	(4,162,956)
(iv) United Film Organisers (UFO) (Mauritius) Private Limited.	0.00%	12,610	-0.04%	(196,481)
(v) UFO Lanka Private Limited.	-0.21%	(9,537,207)	-0.01%	(56,187)
(vi) UFO Software Technologies Private Limited.	-0.01%	(410,131)	0.01%	59,096
(vii) Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT)	5.15%	237,074,472	0.94%	4,955,532
(viii) Scrabble Entertainment Mauritius Limited	3.40%	156,557,518	21.47%	113,250,631
(ix) Scrabble Entertainment Lebanon SARL	-0.07%	(3,177,497)	-0.18%	(933,403)
(x) Scrabble Digital Inc	-0.29%	(13,522,909)	-0.14%	(723,533)
<b>C. Minority Interest in all subsidiaries</b>	1.59%	73,093,367	7.48%	39,448,205
<b>D. Associates (Investment as per equity method)</b>				
<b>I. Indian</b>				
(i) Scrabble Digital Limited	0.98%	45,208,227	1.75%	9,237,603
<b>II. Foreign</b>				
(i) Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT)	0.13%	6,020,533	0.51%	2,678,387
(ii) Scrabble Ventures LLC	0.15%	6,881,396	1.30%	6,881,397
(iii) Scrabble Ventures, S. de R.L. de C.V, Mexico	-	-	-	-
<b>E. Joint Venture of VN Films Private Limited ( as per proportionate consolidation)</b>				
(i) Mukta V N Films Limited	0.03%	1,552,527	0.30%	1,567,952
<b>Total</b>	<b>100.00%</b>	<b>4,605,731,992</b>	<b>100.00%</b>	<b>527,573,723</b>

### 39. Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
ICAI Firm Registration No.:101049W  
Chartered Accountants

**per Govind Ahuja**  
Partner  
Membership No.: 48966  
Place of signature: Mumbai  
Date: July 23, 2015

For and on behalf of the Board of Directors  
of UFO Moviez India Limited

**Sanjay Gaikwad**  
Managing Director  
DIN No.: 01001173

**Sameer Chavan**  
Company Secretary

Place of signature: Mumbai  
Date: July 23, 2015

**Kapil Agarwal**  
Joint Managing Director  
DIN No.: 00024378

**Ashish Malushte**  
Chief Financial Officer

**FORM NO. AOC-1**

**Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures**

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

**Part A : Subsidiaries**

Sr. No.	Name of the subsidiary	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Reporting currency	Share capital	Reserves & surplus	Total Assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding	Country
1	Scrabble Entertainment Limited	1	INR	7,683,870	498,174,420	1,347,866,479	842,008,189	119,023,650	1,187,067,268	148,223,252	43,930,008	104,293,244		91.33	India
2	Southern Digital Screensz India Private Limited	1	INR	215,488,330	(46,710,580)	238,057,408	69,279,657	-	519,863,066	49,919,124	(7,721,083)	57,640,207	-	84.18	India
3	Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT)	17.0218	AED	51,065,400	241,656,452	407,099,599	114,377,747	220,705	815,085,387	165,096,379	-	165,096,379	0	100	UAE
4	Scrabble Entertainment (Mauritius) Limited	62.5908	USD	46,943,163	148,732,891	355,568,007	159,891,954	46,035,220	90,612,639	115,495,736	(982,425)	116,478,161	0	100	Mauritius
5	Scrabble Digital Inc	62.5908	USD	34,424,940	(13,441,582)	20,983,378	-	18,777,240	-	(389,878)	350,759	(740,637)	0	100	USA
6	Scrabble Entertainment (Lebanon) Sarl	0.0408	LBP	204,000	(3,172,844)	4,581,690	7,550,534	-	-	(954,458)	-	(954,458)	0	100	Lebanon
7	Scrabble Entertainment (Israel) Ltd	15.7552	ILS	16	-	16	-	-	-	-	-	-	0	100	Israel
8	Edridge Limited	62.5908	USD	72,728,757	669,646,701	742,866,859	491,400	742,864,606	-	(432,252)	-	(432,252)	-	100	Cyprus
9	UFO International Limited	62.5908	USD	63,130,395	(27,118,466)	37,485,693	1,473,763	19,101,147	3,129,540	(4,261,244)	-	(4,261,244)	-	100	Cyprus
10	UFO Software Technologies Private Limited	1	INR	2,482,190	541,611	3,184,576	160,775	-	126,691	85,391	26,296	59,095	-	95.97	India
11	Valuable Digital Screensz Private Limited	1	INR	144,750	1,515,952	46,673,526	45,012,824	-	49,329,739	(10,370,431)	(129,909)	(10,500,340)	-	80	India
12	V N Films Private Limited	1	INR	100,000	(5,012,607)	37,225,000	42,137,607	-	11,949,937	(2,908,292)	-	(2,908,292)	-	100	India
13	United Film Organisers (UFO) (Mauritius) Private Limited	1.6521	MUR	1,652	12,460	122,835	108,723	-	-	(173,327)	-	(104,913)	-	100	Mauritius
14	UFO Lanka Private Limited	0.4591	LKR	12,744,386	(6,593,209)	6,188,712	37,535	-	-	(55,653)	-	(55,653)	-	100	Sri Lanka
15	United Film Organizers Nepal Private Limited	0.6116	NPR	9,755,020	(4,653,156)	5,194,920	93,056	-	161,487	124,669	-	124,669	-	100	Nepal

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2014
2. The exchange rates considered are as at March 31, 2015.
3. The accounts of Scrabble Digital Inc and United Film Organizers Nepal Private Limited as at March 31, 2015 are not audited and are management accounts.
4. UFO Europe Limited, subsidiary of the Company is under liquidation.

## UFO Moviez India Limited

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### Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

#### Part – B: Associates and Joint Ventures

Sr. no.	Name of the Associates/Joint Ventures	Mukta VN Films Ltd	Scrabble Digital Limited	Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT)	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico
1	Latest Audited Balance Sheet Date	31-Mar-15	31-Mar-15	31-Dec-14	31-Mar-15	31-Mar-15
2	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	NA	NA	17.0218	62.5908	4.583
3	Reporting Currency	INR	INR	AED	USD	Mexican Peso
4	Number of shares held by the Company	2,699,950	197,714	100	3,000	1,500
5	Amount of Investment in Associate / Joint Venture	27,000,000	39,899,900	1,273,000	18,777,240	7,234
6	Extend of Holding %	45.00%	33.33%	33.33%	30%	30%
7	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital	There is significant influence due to percentage (%) of Share Capital	There is significant influence due to percentage (%) of Share Capital	There is significant influence due to percentage (%) of Share Capital	There is significant influence due to percentage (%) of Share Capital
8	Net worth attributable to Shareholding as per latest audited Balance Sheet	31,252,527	41,635,667	7,174,051	7,043,868	(61,854,360)
9	Profit/Loss for the year	3,484,337	34,522,219	8,230,636	46,438,430	(112,931,990)
i)	Considered in Consolidation	1,567,952	11,506,256	2,743,271	13,931,529	-
ii)	Not Considered in Consolidation	1,916,385	23,015,963	5,487,365	32,506,901	(112,931,990)

#### Notes :

- The exchange rates considered are at March 31, 2015.
- The accounts of Scrabble Ventures LLC and Scrabble Ventures, S. de R.L. de C.V, Mexico as at March 31, 2015 are not audited and are management accounts.
- The number of shares held include shares held directly or indirectly through subsidiaries.

For and on behalf of the Board of Directors  
of UFO Moviez India Limited

**Sanjay Gaiwad**  
Managing Director  
DIN No.: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN No.: 00024378

**Sameer Chavan**  
Company Secretary

**Ashish Malushte**  
Chief Financial Officer

Place of signature: Mumbai  
Date: July 23, 2015

## INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of UFO Moviez India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W

**per Govind Ahuja**  
Partner  
Membership Number: 48966

Place of Signature: Mumbai  
Date: July 23, 2015

## Annexure to the Independent Auditors' Report

### Re: UFO Moviez India Limited ('the Company')

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loans that are re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, wealth tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, custom duty, wealth tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of custom duty, wealth tax, sales tax, service tax and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues of value added tax (VAT), and Income tax outstanding on account of any dispute are as follows:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal VAT Act, 2003	Value Added Tax	4,195,703	2007-08	Tribunal
Bihar VAT	Value Added Tax	579,512	2007-08 and 2008-09	Commercial tax Officer
Income Tax Act, 1961	Penalty	717,353	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	22,710,000	2007-08 to 2009-10	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	9,800,897	2010-11	Dispute Resolution Panel (DRP)

The provisions relating to excise duty are not applicable to the Company.



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- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have any dues to debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W

**per Govind Ahuja**  
Partner  
Membership Number: 48966

Place of Signature: Mumbai

Date: July 23, 2015

**Balance Sheet as at 31 March 2015**

(In ₹)

	Notes	31 March 2015	31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	258,976,690	258,976,690
Reserves and surplus	4	3,703,245,554	3,449,810,403
		<b>3,962,222,244</b>	<b>3,708,787,093</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	423,364,613	715,478,463
Other long-term liabilities	6	544,854,935	459,908,414
		<b>968,219,548</b>	<b>1,175,386,877</b>
<b>Current liabilities</b>			
Short-term borrowing	7	10,314	8,592,323
Trade payables	6	151,661,152	164,200,096
Other current liabilities	6	960,041,272	903,222,543
Short-term provisions	8	26,620,496	23,368,848
		<b>1,138,333,234</b>	<b>1,099,383,810</b>
<b>TOTAL</b>		<b>6,068,775,026</b>	<b>5,983,557,780</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	2,350,249,282	2,659,169,760
Intangible assets	9	2,059,708	2,591,702
Capital work-in-progress		68,232,160	106,610,423
Non-current investments	10	2,123,394,019	1,713,475,220
Deferred tax assets (net)	11	148,918,760	104,617,713
Long-term loans and advances	12	247,085,344	260,837,467
Trade receivables	13	-	22,151,836
Other non-current assets	14	60,271,876	5,000
		<b>5,000,211,149</b>	<b>4,869,459,121</b>
<b>Current assets</b>			
Current investments	15	-	35,431,470
Inventories	16	63,274,828	62,454,155
Trade receivables	13	503,551,729	557,689,597
Cash and bank balances	17	218,970,759	344,172,019
Short-term loans and advances	12	89,364,693	69,627,091
Other current assets	14	193,401,868	44,724,327
		<b>1,068,563,877</b>	<b>1,114,098,659</b>
<b>TOTAL</b>		<b>6,068,775,026</b>	<b>5,983,557,780</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

ICAI Firm Registration No.:101049W

Chartered Accountants

**per Govind Ahuja**

Partner

Membership No.: 48966

Place of signature: Mumbai

Date: July 23, 2015

 For and on behalf of the Board of Directors  
of UFO Moviez India Limited

**Sanjay Gaiwad**

Managing Director

DIN No.: 01001173

**Sameer Chavan**

Company Secretary

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Ashish Malushte**

Chief Financial Officer

Place of signature: Mumbai

Date: July 23, 2015

## Statement of profit and loss for the year ended 31 March 2015

(In ₹)

	Notes	31 March 2015	31 March 2014
<b>Income</b>			
Revenue from operations	18	2,999,052,407	2,690,580,461
Other income	19	8,929,196	8,565,672
<b>Total Income (I)</b>		<b>3,007,981,603</b>	<b>2,699,146,133</b>
<b>Expenses</b>			
Operating direct cost	20	957,458,811	801,669,341
Employee benefit expenses	21	441,962,521	416,264,253
Other expenses	22	506,862,457	493,274,018
<b>Total Expenses (II)</b>		<b>1,906,283,789</b>	<b>1,711,207,612</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) -(II)</b>		<b>1,101,697,814</b>	<b>987,938,521</b>
Depreciation & amortisation expenses	9	594,375,028	546,429,035
Finance cost	23	150,685,599	154,240,432
Finance income	24	(41,659,332)	(23,314,398)
<b>Profit Before Tax</b>		<b>398,296,519</b>	<b>310,583,452</b>
<b>Tax expenses</b>			
Current tax		186,185,548	66,645,701
MAT credit entitlement		-	(875,568)
<b>Total current tax expenses</b>		<b>186,185,548</b>	<b>65,770,133</b>
Deferred Tax		(43,289,209)	(104,617,713)
<b>Total tax expenses / (credit)</b>		<b>142,896,339</b>	<b>(38,847,580)</b>
<b>Profit for the year</b>		<b>255,400,180</b>	<b>349,431,032</b>
<b>Earnings per equity share</b>			
	25		
Basic (Face value of ₹ 10 each)		8.66	12.28
Diluted (Face value of ₹ 10 each)		8.34	12.19
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
 ICAI Firm Registration No.: 101049W  
 Chartered Accountants

**per Govind Ahuja**  
 Partner  
 Membership No.: 48966  
 Place of signature: Mumbai  
 Date: July 23, 2015

For and on behalf of the Board of Directors  
 of UFO Moviez India Limited

**Sanjay Gaikwad**  
 Managing Director  
 DIN No.: 01001173

**Sameer Chavan**  
 Company Secretary

Place of signature: Mumbai  
 Date: July 23, 2015

**Kapil Agarwal**  
 Joint Managing Director  
 DIN No.: 00024378

**Ashish Malushte**  
 Chief Financial Officer

**Cash flow statement for the year ended 31 March 2015**

(In ₹)

	31 March 2015	31 March 2014
<b>Cash flow from operating activities</b>		
Profit before tax	398,296,519	310,583,452
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation	594,375,028	546,429,035
Unrealised foreign exchange loss (net)	27,236	7,768
Loss on sale and write off of fixed assets	4,977,848	9,835,721
Bad debts written-off	5,073,479	1,391,195
Provision for doubtful debts	6,590,770	3,643,077
Provision for compensated absences	1,626,366	5,575,252
Provision for gratuity	5,091,556	3,823,794
Provision for diminution in value of fixed assets	1,407,068	1,932,000
Provision for diminution in value of investment in subsidiary company	-	5,000,000
Sundry credit balances written back	(5,120,310)	(1,016,485)
Dividend income	(1,044,372)	(2,761,157)
Interest income	(40,614,960)	(20,553,241)
Interest expense	149,169,090	143,245,139
<b>Operating profit before working capital changes</b>	<b>1,119,855,318</b>	<b>1,007,135,550</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	(12,538,944)	21,574,260
(Decrease) in short-term provisions	(3,466,274)	(5,973,113)
Increase in other current liabilities	58,105,447	102,178,545
(Decrease) in other long-term current liabilities	(15,040,855)	(12,456,876)
Decrease / (increase) in trade receivables	64,625,455	(70,143,002)
(Increase) in inventories	(820,673)	(3,020,463)
Decrease / (increase) in short-term loans and advances	12,012,398	75,967,550
(Increase) in other current assets	(144,794,117)	(27,808,953)
Decrease / (increase) in long term loans and advances	1,036,800	(46,338,964)
<b>Cash generated from operations</b>	<b>1,078,974,555</b>	<b>1,041,114,534</b>
Direct taxes paid (net of refunds)	(194,361,424)	(75,776,997)
<b>Net cash flow from operating activities</b> (A)	<b>884,613,131</b>	<b>965,337,537</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including intangible, CWIP and capital advances	(328,522,390)	(825,478,286)
Purchase of shares of subsidiary	(160,500,421)	(117,393,465)
Investment in subsidiary	(22,932,885)	-
Redemption of preference share in subsidiary	-	39,999,300
Loans given to subsidiary	(74,500,000)	-
Loan repaid back by subsidiary	42,750,000	-
Purchase of current investments	(222,044,294)	(352,733,789)
Redemption of current investments	257,475,764	414,995,961
Advance for purchase of Investment	-	(20,000,000)
Refund of advances paid for purchase of investments	20,000,000	-
Proceeds from sale of fixed assets	12,404,938	8,638,209

## Cash flow statement for the year ended 31 March 2015

	31 March 2015	31 March 2014 <sup>(in ₹)</sup>
Interest received	36,731,536	19,403,960
Dividend received	1,044,372	2,761,157
Placement of bank deposits having original maturity more than 3 months (net)	(42,175,385)	(21,032,705)
<b>Net cash flow used in investing activities (B)</b>	<b>(480,268,765)</b>	<b>(850,839,658)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings	226,044,624	919,758,947
Repayment of long term borrowings	(576,165,484)	(728,392,084)
Repayment of short term borrowings (net)	(8,582,009)	(159,473,459)
Interest paid	(152,751,266)	(142,063,823)
<b>Net cash flow used in financing activities (C)</b>	<b>(511,454,135)</b>	<b>(110,170,419)</b>
<b>Net decrease in cash and cash equivalent (A + B + C)</b>	<b>(107,109,769)</b>	<b>4,327,460</b>
Cash and cash equivalents at the beginning of the year	170,793,536	166,466,076
<b>Cash and cash equivalents at the end of the year</b>	<b>63,683,767</b>	<b>170,793,536</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	306,266	241,560
Balance with banks:		
- on current accounts	63,377,501	157,920,428
- on fixed deposits with original maturity of less than 3 months	-	12,631,548
<b>Cash and cash equivalents [refer note 17]</b>	<b>63,683,767</b>	<b>170,793,536</b>
Summary of significant accounting policies	2.1	

### Notes:

- Figures in bracket denote outflow
- The above Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements"

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
 ICAI Firm Registration No.:101049W  
 Chartered Accountants

**per Govind Ahuja**  
 Partner  
 Membership No.: 48966  
 Place of signature: Mumbai  
 Date: July 23, 2015

For and on behalf of the Board of Directors  
 of UFO Moviez India Limited

**Sanjay Gaiwad**  
 Managing Director  
 DIN No.: 01001173

**Sameer Chavan**  
 Company Secretary

Place of signature: Mumbai  
 Date: July 23, 2015

**Kapil Agarwal**  
 Joint Managing Director  
 DIN No.: 00024378

**Ashish Malushte**  
 Chief Financial Officer

## Notes to financial statements as at and for the year ended 31 March 2015

### 1. Corporate information

UFO Moviez India Limited (the Company) is a public company domiciled in India and incorporated on June 14, 2004 under the provisions of the Companies Act, 1956. The Company is into the business of providing digital cinema services.

On May 14, 2015, the Company completed the IPO through offer for sale of 9,600,000 equity shares of ₹ 10 each at a price of ₹ 625 per equity share of Qualified Institutional Bidders, Non Institutional Bidders and Retail Individual Bidders aggregating upto ₹ 6,000,000,000 and the equity shares of the Company were listed on the National Stock Exchange of India Limited and The BSE Limited.

### 2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### (b) Change in accounting estimate

Pursuant to the Act being effective from 1 April 2014, the Company has revised the depreciation rates on certain tangible fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. As a result of this change, the depreciation charge for the period ended 31 March 2015 is higher by ₹ 7,511,012. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of ₹ 1,965,029 (after reducing deferred tax impact of ₹ 1,011,836) has been adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

##### (c) Tangible fixed assets

Tangible fixed assets are stated at cost, net accumulated depreciation and accumulated impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of an fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### (d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

**(e) Depreciation on tangible and amortization of intangible assets**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

The Company has used the following useful lives to provide depreciation on its fixed assets

	Useful lives as per management's estimate
Exhibition Equipments	7-10
Plant and Machinery	4-6
Computer	3
Furniture and Fixtures	6
Office Equipment	5
Vehicles	5

Except computer and office equipments, useful lives of above fixed assets are different from those prescribed under schedule II. These rates are based on evaluation of useful life by internal technical expert.

Leasehold improvements are written off over the period of lease or over a period of 4 years whichever is lower.

Intangible assets are amortized over their estimated useful life as follows.

	Useful lives as per management's estimate
Computer Software	5

**(f) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**(g) Leases**

**Where the Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(h) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(i) Inventories**

Inventories comprise of stores and spares and are valued at cost or at net realisable value whichever is lower. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Income from services**

- Virtual print fees (VPF) received from distributors of the films from (D-Cinema and E-Cinema) is recognized in the period in which the services are rendered.
- Advertisement income is recognized in the period during which advertisement is displayed.
- Income from digitization charges is recognized on rendering of services.
- Technology service fee is recognized in the period in which services are rendered.
- Registration fee is recognized in the period in which services are rendered.
- Lease rental income on equipment is recognised as mentioned in note 2.1(g) above.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are recorded net of returns, trade discounts, and value added tax.

The Company recognizes revenue from sales of equipment and stores as and when these are dispatched/ issued to customers.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**(k) Foreign currency translation**

Foreign currency transactions and balances

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(l) Retirement and other benefits**

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employee render related services. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation. The Company has an Employees' Gratuity Fund managed by the Life Insurance Corporation of India.



Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(m) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is “virtual certainty” supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or “virtually certain”, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or “virtually certain”, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(n) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(p) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

**(q) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(r) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(s) Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(t) Corporate Social Responsibility (CSR) Expenditure**

CSR expenditure are charged to the statement of profit and loss as an expense in the period in which they are incurred.

**(u) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**3. Share capital**

(In ₹)

	31 March 2015	31 March 2014
<b>Authorised share capital</b>		
45,000,000 (March 31, 2014 : 45,000,000) equity shares of ₹ 10 each	450,000,000	450,000,000
1,385,000 (March 31, 2014 : 1,385,000) preference shares of ₹ 1,000/- each	1,385,000,000	1,385,000,000
	<b>1,835,000,000</b>	<b>1,835,000,000</b>
<b>Share capital</b>		
<b>Issued, subscribed and fully paid-up shares</b>		
25,897,669 (March 31, 2014 : 25,897,669) equity shares of ₹ 10/- each fully paid-up	258,976,690	258,976,690
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>258,976,690</b>	<b>258,976,690</b>

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

Equity shares	31 March 2015		31 March 2014	
	No.	₹	No.	₹
At the beginning of the year	25,897,669	258,976,690	25,897,669	258,976,690
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,897,669</b>	<b>258,976,690</b>	<b>25,897,669</b>	<b>258,976,690</b>

**(b) Terms/rights attached to equity shares**
**Voting rights:**

Each holder of equity shares having a par value of ₹ 10 per equity share is entitled to one vote per equity share.

**Rights to Dividend:**

The equity shareholders have right to receive dividend when declared by the Board of Directors, subject to approval in the General Meeting.

Subsequent to the year end, the following rights and restrictions as at March 31, 2015 were automatically terminated on the commencement of trading of the Equity Shares of the Company on any recognised stock exchange pursuant to the IPO i.e. on May 14, 2015.

**Pre-emption rights:**

In the event the Company proposes to issue any securities to any person, then P5 Asia Holding Investments (Mauritius) Ltd. (P5) and 3i Research (Mauritius) Limited (3i) (collectively called Investor Group and individually Investor) have a right to subscribe to the issue on a pro-rata basis, in proportion to their respective shareholding in the Company on the same terms, as the issue is proposed, such that their respective shareholding is maintained at least at the level prior to such issuance.

**Right of First Offer, Right of Sale and tag along rights:**

In the event Apollo Group (comprising of Apollo International Limited and an individual shareholder) and VTL Group (comprising of Valuable Technologies Limited, Valuable Media Limited and two individual shareholders) (collectively called Group A Shareholders) propose to transfer all or part of their securities to any person, shall first offer to the Investor Group, a pro rata right to purchase all their Shares. Investors Group shall have the right to exercise certain specified tag along rights in case the Group A shareholders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

In the event either of 3i or P5 propose to sell any or all of their securities held by them in the Company, it shall first offer the other Investor and the Group A Shareholders a right to purchase all their shares.

**Exit rights and drag along rights:**

The Investor Group has the right to sell their entire shareholding in the Company at any time after expiry of certain specified period subject to certain specified conditions as defined in the AOA of the Company. Such shareholders also have the right to exercise drag along rights as stipulated in the AOA of the Company.

**Rights pertaining to repayment of capital:**

In the event of certain specified liquidation events as defined in the AOA, the proceeds of such events will be distributed between shareholders in the manner specified in the AOA of the Company.

**Other rights:**

P5, 3i, Apollo Group and VTL Group have right to have their representatives on the Board of Directors of the Company.

Certain specified reserved matters such as change in the share capital of the Company, material related party transactions, raising of debt, declaration of dividends, change in senior management including key business matters requires the consent of the Investor Group Shareholders.

**Restrictions:**

The Securities held by Group A Shareholders are locked-in and they cannot transfer any securities held by them without Investors' consent, until the shareholding of each of the Investors in the Company falls below the Minimum Requisite Shareholding as defined in the AOA.

The Investor Group cannot transfer shares held by them in favour of any competitor as defined in the AOA of the Company or enter into an agreement for the transfer of shares to any competitor, subject to certain specified conditions.

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2015		31 March 2014	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs 10 each fully paid</b>				
P5 Asia Holding Investments (Mauritius) Limited	9,253,740	35.73	9,253,740	35.73
3i Research (Mauritius) Limited	5,566,570	21.49	5,566,570	21.49
Valuable Technologies Limited	3,071,745	11.86	3,071,745	11.86
Apollo International Limited	2,266,417	8.75	2,266,417	8.75
Valuable Media Limited	2,131,782	8.23	2,131,782	8.23

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 27.

**(e) Aggregate number of bonus shares, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

	31 March 2015	31 March 2014
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	13,068,626	13,068,626

**4. Reserves and surplus**

(In ₹)

	31 March 2015	31 March 2014
<b>Securities premium account</b>		
Balance as per last financial statements	3,440,350,871	3,440,350,871
<b>Closing balance</b>	<b>3,440,350,871</b>	<b>3,440,350,871</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	9,459,532	(339,971,500)
Depreciation Adjustment (net of deferred tax) (Refer note 2.1(b))	(1,965,029)	-
Profit for the year	255,400,180	349,431,032
<b>Net surplus in the statement of profit and loss</b>	<b>262,894,683</b>	<b>9,459,532</b>
<b>Total reserves and surplus</b>	<b>3,703,245,554</b>	<b>3,449,810,403</b>

**5. Long-term borrowings (Secured)**

(In ₹)

	Non-Current portion		Current Maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Term loans</b>				
Rupee loan from banks (secured by first charge on all fixed assets (except vehicles) and all current assets of the Company)				
Term loan 1 from HDFC Bank	-	-	-	112,500,000
Term loan 2 from HDFC Bank	4,492,508	112,492,509	108,000,000	108,000,000
Term loan 3 from Axis Bank	85,416,198	290,416,194	204,999,996	204,999,996
Term loan 4 from Axis Bank	227,802,900	293,285,146	124,992,000	124,992,000
Term loan 5 from Axis Bank	96,222,376	-	56,250,000	-
<b>Sub total</b>	<b>413,933,982</b>	<b>696,193,849</b>	<b>494,241,996</b>	<b>550,491,996</b>
<b>Other loans</b>				
Vehicle finance from banks and financial institutions (secured against hypothecation of vehicles)				
Vehicle Loan 1 from Axis Bank Ltd. (ROI from 10.15% to 11.80%, repayable in 48 monthly installments)	9,430,631	19,188,974	12,722,115	14,461,224
Vehicle Loan 2 from Kotak Mahindra Prime Ltd. (ROI 11.43% repayable in 36 monthly installments)	-	95,640	116,048	133,944
<b>Sub total</b>	<b>9,430,631</b>	<b>19,284,614</b>	<b>12,838,163</b>	<b>14,595,168</b>
Amount disclosed under the head "other current liabilities" (refer note 6)	-	-	(507,080,159)	(565,087,164)
<b>Net amount</b>	<b>423,364,613</b>	<b>715,478,463</b>	<b>-</b>	<b>-</b>

Term loan 1 having interest of bank base rate plus 2.60% @ 12.60% p.a. is repayable in 31 monthly installments of Rs 93,75,000/- each along with interest from September 30, 2012.

Term loan 2 having interest of bank base rate plus 2.40% @ 12.40% p.a. is repayable in 31 monthly installments of Rs 90,00,000/- each along with interest from July 31, 2013.

Term loan 3 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of Rs 17,083,333/- each along with interest from September 30, 2012.

Term loan 4 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of Rs 10,416,000/- each along with interest from April 30, 2014.

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Term loan 5 having interest of bank base rate plus 2.00% @ 12.15% p.a. is repayable in 48 monthly installments of Rs 4,687,500/- each along with interest from December 31, 2014.

### 6. Trade payables and other current liabilities

(In ₹)

	Non-Current portion		Current Maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Trade payables (refer note 35 for details of dues to micro and small enterprises)			151,661,152	164,200,096
<b>Other liabilities</b>				
Current maturities of long-term borrowings (refer note 5)	-	-	507,080,159	565,087,164
Interest accrued but not due on borrowings	-	-	9,621,646	13,203,822
Deferred lease rental income	73,968,361	94,783,812	25,296,769	25,009,043
Deferred advertisement income	-	-	37,973,779	1,931,202
Advance from customers	-	-	115,864,984	117,130,037
<b>Others</b>				
Deposit from theatres and regional dealers	220,649,198	186,324,602	55,162,299	65,130,641
Deposit from related parties (refer note 31)	150,250,000	178,800,000	-	-
Payables for purchase of fixed assets	-	-	13,775,988	74,878,568
Payables for purchase of investments	99,987,376	-	126,498,117	-
Salary and reimbursement payable	-	-	39,091,648	7,697,499
<b>Statutory dues payable</b>				
Employee related liabilities	-	-	9,348,617	10,225,239
Service tax payable	-	-	176,191	-
VAT payable	-	-	6,909,472	8,238,175
TDS payable	-	-	13,241,603	14,691,153
	<b>544,854,935</b>	<b>459,908,414</b>	<b>960,041,272</b>	<b>903,222,543</b>

### 7. Short-term borrowings (secured)

(In ₹)

	31 March 2015	31 March 2014
Cash credit from Axis bank (secured)	10,314	8,592,323
	<b>10,314</b>	<b>8,592,323</b>

Cash credit from Axis bank is secured by first charge on all the fixed assets of the Company except vehicles and first charge on all the current assets. The cash credit is repayable on demand and carries interest @ 12.15 % p.a.

### 8. Short term provisions

(In ₹)

	31 March 2015 Rupees	31 March 2014 Rupees
Provision for gratuity (refer note 26)	2,900,625	1,275,343
Provision for compensated absences	23,719,871	22,093,505
	<b>26,620,496</b>	<b>23,368,848</b>

(In ₹)

**9. Fixed Assets**

	Tangible Assets							Intangible Assets		
	Leasehold Improvements	Plant & Machinery (Refer Note 29 for Assets given on lease)	Computer Systems	Office Equipments	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Total	Computer software	Grand Total
<b>Cost</b>										
<b>At 1 April 2013</b>	12,159,573	3,631,304,895	34,759,548	37,472,734	3,910,449	4,861,435	58,733,626	3,783,202,260	31,554,699	3,814,756,959
Additions	4,100,310	825,597,240	4,304,893	3,346,179	1,650,026	231,341	16,887,595	856,117,584	764,048	856,881,632
Disposals	2,736,746	33,854,365	12,983,152	10,242,705	415,619	2,732,870	3,646,853	66,612,310	16,343,583	82,955,893
<b>At 31 March 2014</b>	<b>13,523,137</b>	<b>4,423,047,770</b>	<b>26,081,289</b>	<b>30,576,208</b>	<b>5,144,856</b>	<b>2,359,906</b>	<b>71,974,368</b>	<b>4,572,707,534</b>	<b>15,975,164</b>	<b>4,588,682,698</b>
Additions	2,706,332	270,061,460	4,444,855	2,762,285	535,858	50,090	24,504,852	305,065,732	216,471	305,282,203
Disposals	70,528	38,873,700	4,445,822	4,724,413	613,806	100,188	3,564,410	52,392,867	-	52,392,867
<b>At 31 March 2015</b>	<b>16,158,941</b>	<b>4,654,235,530</b>	<b>26,080,322</b>	<b>28,614,080</b>	<b>5,066,908</b>	<b>2,309,808</b>	<b>92,914,810</b>	<b>4,825,380,399</b>	<b>16,191,635</b>	<b>4,841,572,034</b>
<b>Depreciation/Amortisation</b>										
<b>At 1 April 2013</b>	4,892,702	1,351,277,916	21,842,083	21,853,185	2,169,369	3,456,459	11,414,391	1,416,906,105	28,068,059	1,444,974,164
Charge for the year	3,131,225	518,648,863	4,683,371	4,624,984	915,051	365,500	12,688,022	545,057,016	1,372,019	546,429,035
Disposals	2,732,973	17,950,756	12,567,747	9,755,830	404,108	2,729,078	2,284,855	48,425,347	16,056,616	64,481,963
<b>At 31 March 2014</b>	<b>5,290,954</b>	<b>1,851,976,023</b>	<b>13,957,707</b>	<b>16,722,339</b>	<b>2,680,312</b>	<b>1,092,881</b>	<b>21,817,558</b>	<b>1,913,537,774</b>	<b>13,383,462</b>	<b>926,921,236</b>
Adjustment (Refer note 2.1(b))			2,809,698	167,167				2,976,865		2,976,865
Charge for the year	3,693,201	559,181,079	7,246,939	6,088,862	957,742	368,550	16,090,189	593,626,562	748,465	594,375,027
Disposals	70,528	22,470,532	4,420,674	4,306,237	601,289	90,437	3,050,387	35,010,084	-	35,010,084
<b>At 31 March 2015</b>	<b>8,913,627</b>	<b>2,388,686,570</b>	<b>19,593,670</b>	<b>18,672,131</b>	<b>3,036,765</b>	<b>1,370,994</b>	<b>34,857,360</b>	<b>2,475,131,117</b>	<b>14,131,927</b>	<b>2,489,263,044</b>
<b>Net Block</b>										
<b>At 31 March 2014</b>	<b>8,232,183</b>	<b>2,571,071,747</b>	<b>12,123,582</b>	<b>13,853,869</b>	<b>2,464,544</b>	<b>1,267,025</b>	<b>50,156,810</b>	<b>2,659,169,760</b>	<b>2,591,702</b>	<b>2,661,761,462</b>
<b>At 31 March 2015</b>	<b>7,245,314</b>	<b>2,265,548,960</b>	<b>6,486,652</b>	<b>9,941,949</b>	<b>2,030,143</b>	<b>938,814</b>	<b>58,057,450</b>	<b>2,350,249,282</b>	<b>2,059,708</b>	<b>2,352,308,990</b>

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### 10. Non-current Investments

(In ₹)

	31 March 2015	31 March 2014
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in subsidiaries</b>		
1,161,972 (March 31,2014 : 1,161,972) ordinary shares of US \$ 1 each fully paid, in Edridge Limited, Cyprus	573,879,423	573,879,423
10,000 (March 31,2014 : 10,000) ordinary shares of ₹ 10 each at par, fully paid, in V N Films Private Limited, India.	100,000	100,000
11,580 (March 31, 2014 : Nil) ordinary shares of ₹ 10 each fully paid in Valuable Digital Screens Private Limited, India.	49,933,306	-
701,708 (March 31,2014 : 587,140) ordinary shares of ₹ 10 each fully paid in Scrabble Entertainment Limited, India	891,851,923	641,864,547
3,618,716 (March 31,2014 : 3,231,821) ordinary shares of ₹ 10 each fully paid in Southern Digital Screenz India Private Limited, India	430,160,617	320,162,500
99,600 (March 31,2014 : 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	6,225,000	6,225,000
Less : Provision for diminution in value of investments	(5,000,000)	(5,000,000)
	<b>1,225,000</b>	<b>1,225,000</b>
<b>Preference shares (unquoted)</b>		
<b>Investment in subsidiaries</b>		
59,900 (March 31,2014 : 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	3,743,750	3,743,750
1,725,000 (March 31,2014 : 1,725,000) 10% optionally convertible preference shares of ₹ 100 each fully paid, in Southern Digital Screenz India Private Limited, India	172,500,000	172,500,000
<b>Others</b>		
Nil (March 31,2014 : 1,86,500) ordinary shares of US \$ 1 each, fully paid, in DG2L Technologies Pte. Limited, Singapore (refer note 1)	-	81,440,625
Less : Provision for diminution in value of investments	-	(81,440,625)
	<b>2,123,394,019</b>	<b>1,713,475,220</b>
Aggregate amount of unquoted investments	2,128,394,019	1,794,915,845
Aggregate provision for diminution in value of investments	5,000,000	86,440,625

#### Note:

- During the year ended March 31, 2015, the Company has written off the investment made in DG2L Technologies Pte. Limited, Singapore on receipt of approval from Reserve Bank of India (RBI).



**11. Deferred tax assets (net)**

(In ₹)

	31 March 2015	31 March 2014
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	129,008,531	87,473,973
Provision for doubtful debts	10,861,922	9,200,669
Provision for gratuity and compensated absences	9,048,307	7,943,071
<b>Net deferred tax assets</b>	<b>148,918,760</b>	<b>104,617,713</b>

**12. Loan and advances**

(In ₹)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>(Unsecured, considered good, unless otherwise stated)</b>				
Capital advances	6,453,730	7,344,929	-	-
Security deposit	39,879,212	39,936,115	5,492,916	4,733,999
Loan and advance to others	-	-	410,589	410,589
Loan and advances to related parties (refer note 1 below)	-	-	36,250,000	4,500,000
Advances recoverable in cash or kind	427,200	36,682	8,843,945	8,664,484
<b>Other loans and advances</b>				
Advance income-tax (net of provision for taxation ₹ 187,096,919 (March 31, 2014 : ₹ 92,021,962))	185,601,528	151,173,823	-	-
Balance with statutory / government authorities	11,610,297	16,094,089	465,697	541,686
Advance for purchase of investments	-	20,000,000	-	-
Loans and advances to employees	-	-	1,312,542	1,059,815
Insurance claim receivable	-	-	8,842,881	3,686,291
Prepaid expenses	3,113,377	-	6,079,301	8,292,359
Service tax input credit receivable	-	-	21,358,675	37,500,692
Vat credit receivable	-	-	308,147	237,176
MAT credit entitlement	-	26,251,829	-	-
	<b>247,085,344</b>	<b>260,837,467</b>	<b>89,364,693</b>	<b>69,627,091</b>

**Note:**

- The Company has given loan to V N Films Private Limited towards working capital and / or capital expenditure and / or general corporate purpose. This loan carries interest @ 14% p.a. This loan is repayable on demand.

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**13. Trade receivables**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
- considered good	-	-	58,604,793	64,321,912
- considered doubtful	-	-	31,956,229	27,068,754
Provision for doubtful receivables	-	-	(31,956,229)	(27,068,754)
<b>(A)</b>	-	-	<b>58,604,793</b>	<b>64,321,912</b>
<b>Others receivables</b>				
- considered good	-	22,151,836	444,946,936	493,367,685
<b>(B)</b>	-	<b>22,151,836</b>	<b>444,946,936</b>	<b>493,367,685</b>
<b>TOTAL (A + B)</b>	-	<b>22,151,836</b>	<b>503,551,729</b>	<b>557,689,597</b>

**14. Other assets**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Non-current bank balances (refer note 17)	60,271,876	5,000	-	-
Unbilled revenue	-	-	106,524,884	43,553,981
Interest accrued on loan to related parties	-	-	2,348,063	-
Interest accrued but not due on fixed deposit	-	-	2,705,707	1,170,346
Other receivables (refer note 41)	-	-	81,823,214	-
	<b>60,271,876</b>	<b>5,000</b>	<b>193,401,868</b>	<b>44,724,327</b>

**15. Current investments**

(In ₹)

	31 March 2015	31 March 2014
<b>Unquoted mutual funds</b>		
Nil (March 31, 2014 : 35,420,581 units at 1000.3074) in Axis Liquid Fund-Institutional Daily Dividend reinvest	-	35,431,470
	-	<b>35,431,470</b>

Aggregate amount of unquoted investments (Market value : Nil (March 31, 2014 : 35,431,470))

**16. Inventories (valued at lower of cost and net realisable value)**

(In ₹)

	31 March 2015	31 March 2014
Consumables and spares	63,274,828	62,454,155
	<b>63,274,828</b>	<b>62,454,155</b>

**17. Cash and bank balances**

(In ₹)

	Non-Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>Cash and cash equivalents</b>				
<b>Balances with banks :</b>				
– On current accounts	-	-	63,377,501	157,920,428
– Deposits with original maturity of less than three months	-	-	-	3,438,035
– Margin money deposit with original maturity of less than three months	-	-	-	9,193,513
Cash on hand	-	-	306,266	241,560
	-	-	<b>63,683,767</b>	<b>170,793,536</b>
<b>Other bank balances</b>				
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	735,033	2,437,742
– Margin money deposit with original maturity for more than 3 months but less than 12 months	-	-	3,258,371	109,648,131
	-	-	<b>3,993,404</b>	<b>112,085,873</b>
– Deposits with original maturity for more than 12 months	41,482,389	5,000	140,783,793	51,093,325
– Margin money deposits with original maturity for more than 12 months	18,789,487	-	10,509,795	10,199,285
	<b>60,271,876</b>	<b>5,000</b>	<b>218,970,759</b>	<b>344,172,019</b>
Amount disclosed under non - current assets	<b>(60,271,876)</b>	<b>(5,000)</b>		
	-	-	<b>218,970,759</b>	<b>344,172,019</b>

**Margin money deposits:**

Margin money deposits with original maturity of less than 12 months are against guarantees given to statutory authorities and are kept under lien with bank for opening of Letter of Credit.

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### 18. Revenue from operations (In ₹)

	31 March 2015	31 March 2014
<b>Sale of services</b>		
Advertisement revenue	1,162,574,471	995,576,281
Virtual Print Fees - Non - DCI ( E-Cinema )	622,573,159	594,145,139
Virtual Print Fees - DCI ( D-Cinema )	246,273,289	203,238,609
Lease rental income - Non - DCI ( E-Cinema )	582,778,861	497,026,772
Lease rental income - DCI ( D-Cinema )	121,686,082	125,211,487
Digitisation income	67,227,332	64,524,700
Registration fees income	3,858,300	7,522,650
	<b>2,806,971,494</b>	<b>2,487,245,638</b>
<b>Sales of products</b>		
Lamp sale	167,381,627	171,085,136
Sale of digital cinema equipments	24,699,286	32,249,687
	<b>192,080,913</b>	<b>203,334,823</b>
	<b>2,999,052,407</b>	<b>2,690,580,461</b>

### 19. Other income (In ₹)

	31 March 2015	31 March 2014
Miscellaneous receipts	3,808,886	6,300,395
Sundry balances written back	5,120,310	2,265,277
	<b>8,929,196</b>	<b>8,565,672</b>

### 20. Operating direct cost (In ₹)

	31 March 2015	31 March 2014
Advertisement revenue share	503,104,243	385,069,290
Repair and maintenance - exhibition equipments	68,334,671	63,931,093
Technical service fees	69,280,448	53,511,112
Bandwidth charges	55,162,679	52,759,859
Purchase of digital cinema equipments	16,633,100	33,946,154
Purchase of lamps	143,989,157	152,652,672
Rent on equipments	11,949,756	11,949,756
Content processing charges	10,419,860	14,509,107
Virtual print fees sharing	30,738,438	19,615,350
Other expenses	4,570,870	1,791,055
<b>(Increase) / decrease in inventories of lamps</b>		
Less : Inventories at the end of the year	(46,492,341)	(50,796,791)
Inventories at the beginning of the year	50,796,791	48,764,856
	<b>4,304,450</b>	<b>(2,031,935)</b>
<b>Consumables and spares</b>		
Inventories at the beginning of the year	11,657,364	10,668,836
Add : purchases	44,096,262	14,954,356
Less : Inventories at the end of the year	(16,782,487)	(11,657,364)
	<b>38,971,139</b>	<b>13,965,828</b>
	<b>957,458,811</b>	<b>801,669,341</b>

**Details of components and spares consumed**

(In ₹)

	31 March 2015	31 March 2014
Projector spares	4,941,439	3,367,995
UPS battery	10,785,471	9,001,996
Paper rolls	1,158,584	1,254,223
3D glasses	538,879	341,614
VSAT spares	8,379,934	-
Hard disks	13,166,832	-
	<b>38,971,139</b>	<b>13,965,828</b>

**Details of inventory**

(In ₹)

	31 March 2015	31 March 2014
UPS battery	872,497	540,767
Projector spares	997,203	4,657,777
Paper rolls	3,150,288	3,488,207
3D glasses	2,431,734	2,970,613
VSAT spares	1,099,137	-
Sigma Chips	7,229,760	-
Hard disks	1,001,868	-
	<b>16,782,487</b>	<b>11,657,364</b>

**21. Employee benefit expense**

(In ₹)

	31 March 2015	31 March 2014
Salaries, wages and bonus	390,668,258	360,004,975
Contribution to provident and other funds	22,640,882	20,374,496
Gratuity expenses and other employee benefits	7,402,573	10,215,581
Staff welfare expenses	21,250,808	25,669,201
	<b>441,962,521</b>	<b>416,264,253</b>

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### 22. Other expenses

(In ₹)

	31 March 2015	31 March 2014
Rent	70,601,240	69,061,640
Freight and forwarding charges	39,612,612	45,235,998
Legal, professional and consultancy charges	59,067,282	53,527,284
Directors sitting fees including commission	2,812,500	-
Commission on advertisement revenue	84,887,014	90,942,970
Commission on other revenue	30,277,160	19,161,565
Corporate social responsibility expenses	16,594,255	-
Sales promotion expenses	22,108,411	20,661,577
Electricity charges	15,210,526	12,480,931
Rates and taxes	14,364,839	13,135,449
Payment to Auditor (please refer (i) below)	3,551,472	4,112,954
Repairs and maintenance		
- Plant and machinery	3,302,827	1,431,552
- Furniture and fixtures	514,712	72,182
- Others	15,972,103	12,149,733
Insurance	10,061,584	9,167,394
Travelling and conveyance expenses	34,148,706	44,337,436
Communication and courier expenses	16,406,124	15,565,720
Printing and stationery	4,401,437	4,404,326
Bad debts written-off	6,776,773	
Less: Provision utilised	(1,703,294)	
Loss on sale and write off of fixed assets (net)	4,977,848	9,835,721
Provision for doubtful debts	6,590,770	3,643,077
Provision for diminution in value of investment in subsidiary Company	-	5,000,000
Provision for diminution in value of fixed assets	1,407,068	-
Miscellaneous expenses	44,113,136	25,153,821
Foreign exchange loss (net)	805,352	32,801,493
	<b>506,862,457</b>	<b>493,274,018</b>

#### (i) Payment to auditor comprises

(In ₹)

	31 March 2015	31 March 2014
<b>As Auditor</b>		
Audit Fee	9,328,500	3,500,000
Reimbursement of expenses	358,162	-
<b>In other capacity</b>		
Other services (certification fees)	5,350,000	612,954
Less: Fee for IPO related services disclosed as other receivables (refer note 41)	(11,485,190)	-
	<b>3,551,472</b>	<b>4,112,954</b>

**23. Interest and finance expense**

(In ₹)

	31 March 2015	31 March 2014
<b>Interest on</b>		
- Term loan	137,687,463	138,482,914
- Others	11,481,627	4,762,225
Bank charges	1,514,909	2,682,329
Other borrowing costs	1,600	8,312,964
	<b>150,685,599</b>	<b>154,240,432</b>

**24. Finance income**

(In ₹)

	31 March 2015	31 March 2014
<b>Interest received</b>		
Bank deposits (TDS ₹ 2,585,843 (March 31, 2014 ₹ 1,635,429))	28,540,680	15,929,346
Others (TDS ₹ 1,207,429 (March 31, 2014 ₹ 41,098))	12,074,280	4,623,895
Dividend on current investment	1,044,372	2,761,157
	<b>41,659,332</b>	<b>23,314,398</b>

**25. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

(In ₹)

	31 March 2015	31 March 2014
<b>Basic</b>		
Net profit after tax as per statement of profit and loss	255,400,180	349,431,032
Less : dividends on convertible preference shares and tax thereon	(31,002,198)	(31,002,198)
<b>Net profit for calculation of basic EPS</b>	<b>224,397,982</b>	<b>318,428,834</b>
Weighted average number of equity shares in calculating basic EPS	25,897,669	25,897,669
<b>Earning per share</b>	<b>8.66</b>	<b>12.30</b>
<b>Diluted</b>		
Net profit for calculation of basic EPS	224,397,982	318,428,834
Add : dividends on convertible preference share	-	-
Net profit for calculation of diluted EPS	224,397,982	318,428,834
Weighted average number of equity shares in calculating basic EPS	25,897,669	25,897,669
Effect of dilutions on stock options granted under ESOP	1,008,501	184,420
Total no of shares outstanding (weighted average) (including dilution)	<b>26,906,170</b>	<b>26,082,089</b>
<b>Earning per share</b>	<b>8.34</b>	<b>12.21</b>

**26. Gratuity and other post-employment benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Net employee benefit expense recognized in the employee cost**

(In ₹)

	<b>Gratuity</b>	
	<b>31 March 2015</b>	<b>31 March 2014</b>
Current service cost	4,118,072	2,482,749
Interest cost on benefit obligation	1,406,692	1,053,700
Expected return on plan assets	(1,745,443)	(1,092,604)
Net actuarial (gain) / loss recognized in the year	1,312,235	1,379,949
<b>Net benefit expense</b>	<b>5,091,556</b>	<b>3,823,794</b>
<b>Actual return on plan assets</b>	<b>1,745,443</b>	<b>1,092,604</b>

**Balance sheet**

<b>Benefit asset/ liability</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Present value of defined benefit obligation	24,228,825	17,583,653
Fair value of plan assets	21,328,200	16,308,310
<b>Plan Assets / (liability)</b>	<b>2,900,625</b>	<b>1,275,343</b>

**Changes in the present value of the defined benefit obligation are as follows:**

	<b>31 March 2015</b>	<b>31 March 2014</b>
Opening defined benefit obligation	17,583,653	13,171,256
Current service cost	4,118,072	2,482,749
Interest cost	1,406,692	1,053,700
Benefits paid	(191,827)	(504,001)
Actuarial losses on obligation	1,312,235	1,379,949
<b>Closing defined benefit obligation</b>	<b>24,228,825</b>	<b>17,583,653</b>

**Changes in the fair value of plan assets are as follows:**

	<b>31 March 2015</b>	<b>31 March 2014</b>
Opening fair value of plan assets	16,308,310	9,746,594
Expected return	1,745,443	1,092,604
Contributions by employer	3,466,273	5,973,113
Benefits paid	(191,826)	(504,001)
<b>Closing fair value of plan assets</b>	<b>21,328,200</b>	<b>16,308,310</b>



**The principal assumptions used in determining gratuity as shown below:**

	Gratuity	
	31 March 2015	31 March 2014
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.75%	8.75%
Employee turnover	15%	1% to 3% depending on age

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**Amounts for the current year and four years are as follows:**

(In ₹)

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	22,711,964	17,583,653	13,171,256	9,568,769	6,465,673
Plan assets	21,328,200	16,308,310	9,746,594	7,296,327	4,883,223
Surplus	2,900,625	1,275,343	3,424,662	2,272,442	1,582,450
Experience adjustments on plan liabilities	1,312,235	1,379,949	1,532,494	1,071,236	1,201,701
Experience adjustments on plan assets	-	-	-	-	-

The Company expects to contribute ₹ 3,247,349/- to gratuity in the next year (31 March 2014: 5,973,113/-).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Investments with insurer	100%	100%	100%	100%	100%

**27. Employee stock option plans**

The Company has three ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014.

Employee Stock Option Scheme 2006 ('ESOP Scheme 2006')

All Options granted under ESOP Scheme 2006 are vested. The Shareholders of the Company in their Annual General Meeting held on August 17, 2011 had revised the terms and conditions of the Exercise Period of the Options granted under ESOP Scheme 2006 to make it in consonance with ESOP Scheme 2010. The salient features with respect to the revised terms and conditions of the Exercise Period for ESOP Scheme 2006 are as follows:

- i) For the employees while in employment of the Company : All options vested can be exercised within a period of one year from the date on which the shares of the Company get listed on a recognized stock exchange.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of listing with a recognised stock exchange.

The details of activity under the Scheme 2006 are summarised below:

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	211,324	100.18	211,597	100.18
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(273)	100.18	(273)	100.18
Outstanding at the end of the year	211,051	100.18	211,324	100.18
Exercisable at the end of the year	211,051	100.18	211,324	100.18
Weighted average remaining contractual life (in months)	14		Not ascertainable	

#### Employee Stock Option Scheme 2010 ('ESOP Scheme 2010')

Based on the recommendations of the Compensation Committee the ESOP Scheme 2010 was approved by the Board at its meeting held on October 15, 2010 and was subsequently approved by the shareholders at the annual general meeting held on November 22, 2010.

Under ESOP Scheme 2010 a total number of 1,413,497 options were granted in the year ended March 31, 2011 at an exercise price of ₹ 161.87 per share. As per the ESOP Scheme 2010, 25% of the options shall vest at the end of each year from the date of grant.

During the year 2013-14, the Company granted a total number of 174,157 options at an exercise price of ₹ 178.18 per share to certain employees and key managerial personnel of the Company and certain employees of subsidiaries. Out of the options granted, in respect of 82,157 options 25% vest equally over a period of 4 years from the date of grant and in respect of 92,000 options entire options vest at the end of one year from the date of grant.

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the modification in vesting period of 82,157 options from being vested equally over a period of 4 years from the date of grant to one year from the date of grant.

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the change in exercise period of vested options from two year to one year from the date on which the shares of the Company get listed on a Recognized Stock Exchange.

Exercise period for options under ESOP 2010 is as follows:

- i) For the employees while in employment of the Company : All options vested can be exercised within a period of one year from the date on which the shares of the Company get listed on a Recognized Stock Exchange.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of listing with a recognised stock exchange.

**The details of activity under the Scheme 2010 are summarised below:**

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	1,505,489	163.76	1,363,865	161.87
Granted during the year	-	-	174,157	178.17
Exercised during the year	-	-	-	-
Forfeited during the year	(2,000)	178.17	(32,533)	161.87
Outstanding at the end of the year	1,503,489	163.74	1,505,489	163.76
Exercisable at the end of the year	1,503,489	163.74	1,004,722	161.87
Weighted average remaining contractual life (in months)	14		Not ascertainable	

The range of exercise price for options outstanding at the end of the year was ₹ 100.18 to ₹ 178.17 (March 31, 2014: ₹ 100.18 to ₹ 161.87)

**Employee Stock Option Scheme 2014 ('ESOP Scheme 2014') :**

The Compensation Committee recommended the new ESOP Scheme 2014 and the Board approved the new ESOP Scheme 2014 at its meeting held on November 11, 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on November 20, 2014.

Under ESOP Scheme 2014, the aggregate number of options to be granted is such number of stock options exercisable into 1,150,000 Equity Shares. Each option granted under the ESOP 2014 is convertible into one Equity Share. During the year ended March 31, 2015, 932,500 options were granted at an exercise price of ₹ 600 per share. As per the ESOP Scheme 2014, 25% of the options shall vest at the end of each year from the date of grant.

The exercise period of these options is as follows :

- i) For the employees while in employment of the Company : All options vested can be exercised within a period of two years from the date of Vesting of the respective Employee Stock Options.
- ii) For the retired employees, termination due to permanent disability, death: All vested options may be exercised immediately after but in no event later than six months from the date of retirement, termination due to physical disability and death respectively.

**The details of activity under the Scheme 2014 are summarised below:**

	31 March 2015		31 March 2014	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	932,500	600	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(2,750)	600	-	-
Outstanding at the end of the year	929,750	600	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in months)	51		-	-

**Stock Options granted under ESOP 2010 Scheme**

The fair value of stock options granted during the year ended March 31, 2014 with vesting period of 4 years is ₹ 63.11. The Black Scholes valuation model has been used for computing the fair value considering the following inputs.

	31 March 2015 *	31 March 2014
Expected volatility	-	25%
Risk-free interest rate	-	8.75%
Weighted average share price	-	178.17
Exercise price	-	178.17
Expected life of options granted in years	-	4

\*Not applicable since no ESOP's were granted during the year.

The fair value of stock options granted during the year ended March 31, 2014 with vesting period of 1 year is ₹ 25.46. The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2015 *	31 March 2014
Expected volatility	-	25%
Risk-free interest rate	-	8.75%
Weighted average share price	-	178.17
Exercise price	-	178.17
Expected life of options granted in years	-	1

\*Not applicable since no ESOP's were granted during the year.

**Stock Options granted under ESOP 2014 Scheme**

The fair value of stock options granted during for the year ended March 31, 2015 with vesting period of 4 year is ₹ 315.08 (March 31, 2014: Nil). The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2015	31 March 2014
Expected volatility	0.5%	-
Risk-free interest rate	8.13%	-
Weighted average share price	378.71	-
Exercise price	600	-
Expected life of options granted in years	3.5	-

There is no effect of the employee share-based payment plans on the statement of profit and loss and on its financial position.

Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net income and earning per share as reported would have changed to amount indicated below.

(In ₹)

	31 March 2015	31 March 2014
Net profit for calculation of basic EPS	286,402,378	318,428,834
Less: Employee stock compensation under fair value method	(56,524,477)	(9,140,251)
Proforma profit	<b>229,877,902</b>	<b>309,288,583</b>

	(In ₹)	
	31 March 2015	31 March 2014
<b>Earnings per share</b>		
<b>Basic</b>		
- As reported	11.06	12.30
- Proforma	8.88	11.94
<b>Diluted</b>		
- As reported	10.64	12.21
- Proforma	8.54	11.86

## 28. Investments during the year

### Investments by the Company

#### (a) Scrabble Entertainment Limited (SEL):

During the year ended March 31, 2014, the Company exercised the option to redeem all 34,782 6% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 1,150 each of ₹ 39,999,300 invested in SEL.

During the year ended March 31, 2015, the Company acquired additional 14.91% stake (114,568 equity shares) in Scrabble Entertainment Limited from the minority shareholders for ₹ 249,987,376. Out of the above the Company has paid ₹ 50,000,000 and balance of ₹ 199,987,376 is payable in four six monthly equal installments ending on December 31, 2016. Post this investment, the Company holds 91.33% of equity share capital of SEL as at March 31, 2015.

#### (b) Southern Digital Screenz India Private Limited (SDS)

During the year ended March 31, 2015, the Company acquired additional 9% stake 386,895 equity shares in Southern Digital Screenz India Private Limited (SDS) from the minority shareholders for ₹ 109,998,117. Out of above the Company has paid ₹ 83,500,000 till March 31, 2015 and balance of ₹ 26,498,117 has been paid by June 30, 2015. Post this investment, the Company holds 84.18% of equity share capital of SDS as at March 31, 2015.

#### (c) Valuable Digital Screens Private Limited (VDSPL)

During the year ended March 31, 2015, the Company acquired 7105 equity shares representing 71.05% of equity share capital of VDSPL from Valuable Technologies Limited (VTL) for a consideration of ₹ 27,000,421. Further the Company has incurred ₹ 5,926,990 towards acquisition cost of this Investment. Subsequent to the acquisition the Company invested ₹ 17,005,895 in 4475 equity shares (fresh issue) of VDSPL. Post this investment, the Company now holds 80% equity share capital of VDSPL.

The Company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

#### (d) The advance of ₹ 20,000,000 paid in the previous year for acquiring stake in a company has been received back by the Company as the deal was terminated.

## 29. Leases

### Operating lease : Company as lessee

The Company's significant leasing arrangements are in respect of operating leases taken for Office Premises, Stores & Digital Equipment's. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the office lease generally is for 11 to 36 months. The initial tenure of the digital equipments on lease generally is for 36 to 72 months.

	(In ₹)	
	31 March 2015	31 March 2014
Lease payments for the year	82,550,996	81,011,396

**Operating lease commitments – Company as lessor**

The Company has leased out Digital Cinema Equipment to theaters, franchisees and subsidiary companies on operating lease arrangement. The lease term is generally for 5 to 10 years. The Company as well as the theaters and franchisees have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement.

**Details of digital cinema equipments given on operating lease as follows:**

(In ₹)

	<b>31 March 2015</b>	<b>31 March 2014</b>
Gross carrying amount	3,467,241,253	3,200,621,372
Accumulated depreciation	1,094,314,946	724,767,002
Depreciation recognized in the statement of profit and loss	418,006,229	368,133,287

**30. Segment reporting**

The Company is engaged in the business of Digital Cinema Services and sale of digital cinema equipments ancillary to sale of services, which are subject to same risk and rewards and the financial statements reflect the result of this business segment, which is the primary segment in accordance with the requirement of Accounting Standard 17 on Segment Reporting. The Company's operations are based in same geographical segment, India.

**31. Related party disclosure**

**Names of related parties where control exists irrespective of whether transactions have occurred or not**

<b>Subsidiaries</b>	Edridge Limited, Cyprus V N Films Private Limited Scrabble Entertainment Limited Valuable Digital Screens Private Limited (from December 31, 2014) Southern Digital Screenz India Private Limited United Film Organisers Nepal Private Limited, Nepal
<b>Step-down Subsidiaries</b>	DCLP Limited, Cyprus (upto October 3,2013) UFO Europe Limited, Cyprus* UFO International Limited, Cyprus Scrabble Entertainment DMCC, Dubai (erstwhile known as Scrabble Entertainment JLT) UFO Lanka Private Limited, Sri Lanka Scrabble Entertainment (Lebanon) Sarl, Lebanon UFO Software Technologies Private Limited, India Scrabble Digital Inc. (from August 6, 2013) Scrabble Entertainment Mauritius Limited, Mauritius Scrabble Entertainment Israel Ltd, Israel* United Film Organisers (UFO) (Mauritius) Private Limited, Mauritius
<b>*Under voluntary liquidation</b>	

Names of other related parties with whom transactions have taken place during the year	
<b>Key management personnel</b>	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director
<b>Relatives of Key management personnel</b>	Ms. Apeksha Agarwal
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	
	Media Infotek Park Shree Enterprises Valuable Media Limited Valuable Technologies Limited Qwik Entertainment India Limited Impact Media Exchange Limited Dusane Infotech (India) Private Limited
<b>Associate of Subsidiary</b>	Scrabble Digital Limited
<b>Joint venture of Subsidiary</b>	Mukta VN Films Limited (from June 10, 2013)

		(In ₹)	
Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>1</b>	<b>Subsidiaries Companies</b>		
<b>A</b>	<b>Virtual print fees (Income)</b>		
	i) Southern Digital Screenz India Private Limited	122,368,101	115,027,284
	ii) VN Films Private Limited	2,246	Nil
	iii) Scrabble Entertainment Limited	255,680,857	228,941,344
<b>B</b>	<b>Lease rental income</b>		
	i) Southern Digital Screenz India Private Limited	212,150,248	207,011,237
	ii) Scrabble Entertainment Limited	109,230,846	114,511,923
<b>C</b>	<b>Interest income on loans</b>		
	i) V N Films Private Limited	9,518,116	410,983
<b>D</b>	<b>Rent income (Miscellaneous receipts)</b>		
	i) Southern Digital Screenz India Private Limited	Nil	101,250
	ii) Scrabble Entertainment Limited	277,540	3,684,000
	iii) V N Films Private Limited	Nil	415,800
<b>E</b>	<b>Loan given</b>		
	i) V N Films Private Limited	74,500,000	1,500,000
<b>F</b>	<b>Advertisement revenue share (expense)</b>		
	i) Southern Digital Screenz India Private Limited	143,479,592	125,393,334
<b>G</b>	<b>Advertisement revenue share for onward payment to theatres</b>		
	i) Scrabble Entertainment Limited	3,813,028	7,234,317

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		(In ₹)	
Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>H</b>	<b>Recovery of expenses</b>		
	i) Southern Digital Screenz India Private Limited	2,886,531	2,394,112
	ii) Scrabble Entertainment Limited	1,925,066	1,958,145
<b>I</b>	<b>Rent paid</b>		
	i) Southern Digital Screenz India Private Limited	871,000	594,000
<b>J</b>	<b>Virtual print fee sharing (expenses)</b>		
	i) Scrabble Entertainment Limited	7,704,130	2,656,029
<b>K</b>	<b>Redemption of Preference shares</b>		
	i) Scrabble Entertainment Limited	Nil	39,999,300
<b>L</b>	<b>Lease rental expenses</b>		
	i) Scrabble Entertainment Limited	755,048	Nil
<b>M</b>	<b>Investment in equity shares</b>		
	i) Valuable Digital Screens Private Limited	17,005,895	Nil
<b>N</b>	<b>Security Deposit received back</b>		
	i) Scrabble Entertainment Limited	28,550,000	Nil
<b>O</b>	<b>Loan repaid back</b>		
	i) V N Films Private Limited	42,750,000	Nil
<b>P</b>	<b>Sale of Lamps</b>		
	i) Valuable Digital Screens Private Limited	29,663	Nil
<b>2</b>	<b>Step-down Subsidiaries</b>		
<b>A</b>	<b>Sale of assets</b>		
	i) Scrabble Entertainment DMCC, Dubai (erstwhile known as Scrabble Entertainment JLT)	3,697,823	957,918
<b>3</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Purchase of equipment</b>		
	i) Dusane Infotech (India) Private Limited	Nil	379,790
<b>B</b>	<b>Expenses reimbursed</b>		
	i) Media infotek Park	9,767,042	8,332,740
	ii) Valuable Media Limited	Nil	42,000
	iii) Valuable Technologies Limited	Nil	3,472,166
<b>C</b>	<b>Software development charges (expense)</b>		
	i) Dusane Infotech (India) Private Limited	3,523,200	3,523,200
<b>D</b>	<b>Technical services fees (expense)</b>		
	i) Valuable Technologies Limited	69,280,448	53,511,112
<b>E</b>	<b>Bank guarantee given (Refer Note 33 (b))</b>		
	i) Impact Media Exchange Private Limited	10,000,000	Nil
<b>F</b>	<b>Operating direct expenses (License fees on 3D movie)</b>		
	i) Valuable Technologies Limited	99,871	54,545
<b>G</b>	<b>Operating direct expenses (Licensee fees – Impact)</b>		
	i) Impact Media Exchange Limited	3,715,951	1,736,510



(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2015	31 March 2014
<b>H</b>	<b>Licensee fee- (Other income Club X)</b>		
	i) Valuable Media Ltd	1,066,314	1,064,180
<b>I</b>	<b>Security deposit paid</b>		
	i) Media Infotek Park	Nil	1,680,740
<b>J</b>	<b>Editing Charges (Income)</b>		
	i) Valuable Media Ltd	Nil	70,000
<b>K</b>	<b>Rent paid (expense)</b>		
	i) Media Infotek Park	43,820,138	45,091,112
<b>L</b>	<b>Advertisement revenue</b>		
	i) Qwik Entertainment India Limited	7,680,271	Nil
<b>M</b>	<b>Consultancy &amp; reimbursement expenses</b>		
	i) Shree Enterprises	671,938	555,133
<b>N</b>	<b>Purchase of spares and equipment</b>		
	i) Valuable Technologies Limited	2,001,391	Nil
<b>O</b>	<b>Expenses reimbursed</b>		
	i) Dusane Infotech (India) Private Limited	16,501	Nil
<b>P</b>	<b>Recovery of expenses</b>		
	i) Qwik Entertainment India Limited	17,250	Nil
<b>Q</b>	<b>Purchase of equity shares in Valuable Digital Screens Private Limited</b>		
	i) Valuable Technologies Limited	27,000,421	Nil
<b>4</b>	<b>Associates of Subsidiary</b>		
<b>A</b>	<b>Content processing charges (expense)</b>		
	i) Scrabble Digital Limited	7,513,625	374,000
<b>B</b>	<b>Sales of assets</b>		
	i) Scrabble Digital Limited	Nil	1,431,250
<b>5</b>	<b>Joint Venture of Subsidiary</b>		
<b>A</b>	<b>Corporate guarantee given on borrowing (Refer Note 33 (a))</b>		
	i) Mukta V N Films Limited	70,000,000	Nil
<b>6</b>	<b>Remuneration to key managerial personnels</b>		
<b>A</b>	i) Mr. Sanjay Gaikwad, Managing Director	25,000,000	25,000,000
	ii) Mr. Kapil Agarwal, Joint Managing Director	25,000,000	25,000,000
<b>7</b>	<b>Remuneration to relatives of key managerial personnel</b>		
<b>A</b>	i) Ms. Apeksha Agarwal	761,603	285,568

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Further, the Company has granted employee stock options during year ended March 31, 2015 to key managerial personnels.

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### Balance outstanding at the year end.

(In ₹)

Sr. No.	Particulars	31 March 2015	31 March 2014
<b>1</b>	<b>Subsidiaries Companies</b>		
<b>A</b>	<b>Loan given</b>		
	i) V N Films Private Limited	36,250,000	4,500,000
<b>B</b>	<b>Trade receivables</b>		
	i) Southern Digital Screenz India Private Limited	6,555,365	22,151,836
	ii) V N Films Private Limited	Nil	1,123
	iii) Scrabble Entertainment Limited	782,595	58,114,258
<b>C</b>	<b>Deposit payable</b>		
	i) Scrabble Entertainment Limited	150,250,000	178,800,000
<b>D</b>	<b>Interest accrued on loans</b>		
	i) V N Film Private Limited	2,348,063	Nil
<b>E</b>	<b>Unbilled revenue</b>		
	i) Scrabble Entertainment Limited	50,174,037	Nil
	ii) Southern Digital Screenz India Private Limited	2,349,663	Nil
<b>F</b>	<b>Provision for expenses</b>		
	i) Southern Digital Screenz India Private Limited	7,755,052	Nil
<b>2</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Amount receivable</b>		
	i) Valuable Media Limited	218,787	133,273
<b>B</b>	<b>Deposit receivable</b>		
	i) Media infotek Park	35,771,540	35,771,540
<b>C</b>	<b>Trade receivables</b>		
	Qwik Entertainment India Limited	498,582	Nil
<b>D</b>	<b>Bank guarantee given (Refer Note 33 (b))</b>		
	i) Impact Media Exchange Private Limited	10,000,000	Nil
<b>3</b>	<b>Joint Venture of Subsidiary</b>		
<b>A</b>	<b>Corporate guarantee given on borrowing (Refer Note 33 (a))</b>		
	i) Mukta V N Films Limited	70,000,000	Nil

### 32. Capital and other commitments

(In ₹)

	31 March 2015	31 March 2014
Capital commitments	51,977,395	51,266,592
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))		
Other commitments	17,315,991	24,619,511
	<b>69,293,386</b>	<b>75,886,103</b>

- a) The Company has issued a letter of comfort to a bank for term loan of ₹ 300,000,000 (March 31, 2014 : Nil) and cash credit facility of Rs 30,000,000 (March 31, 2014 : Nil) taken by subsidiary company, assuring that it will take all necessary steps so that the repayment of the loan by the subsidiary is honored as and when due and payable.
- b) As indicated in note 28 (c) to the financial statements, the Company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

**33. Contingent liabilities**

(In ₹)

	31 March 2015	31 March 2014
Dividend on 4,885,925 - 6% Cumulative Convertible Preference Shares of ₹ 100/- each.	31,002,198	31,002,198
Corporate Guarantee to a bank on behalf of Joint venture of Subsidiary (Refer Note a)	70,000,000	Nil
Corporate Guarantee to a bank on behalf of enterprises owned or significantly influenced by Key management personnel or their relatives (Refer Note b)	10,000,000	Nil
<b>Pending litigations / matters</b>		
<b>(i) In respect of Income Tax matters</b>		
In respect demand order raised against the Company in income tax matter for the financial year 2006-07, 2007-08, 2008-09 and 2009-10	22,710,000	Nil
In respect of demand raised against the company in Mumbai TDS matter for the financial year 2006-07 & 2007-08, company has filed an appeal to the Commissioner of Income Tax.	1,897,700	1,897,700
In respect of demand raised against the Company of penalty u/s 271 (1) (C) for the financial year 2006-07, the company has filed an appeal to the Commissioner of Income Tax.	717,353	717,353
<b>(ii) In respect of Indirect Tax matters</b>		
In respect of show cause notice raised against the Company in Mumbai Service Tax matter for the financial year 2008-09,2009-10,2011-12, 2012-13 and 2013-14 ( refer note c)	233,200,000	Nil
In respect of demand raised against Company in Bihar VAT matter due to non-submission of "F" forms for the financial year 2007-08 and 2008-09.	5,302,273	5,302,273
In respect of demand raised against company in West Bengal VAT matter for the financial year 2007-08.	4,195,703	4,195,703
In respect of demand raised against company in Andhra Pradesh VAT matter due to non-submission of "F" forms for the financial year 2008-09 & 2009-10.	630,162	630,162
	<b>379,655,389</b>	<b>43,745,389</b>

(iii) The Company had made downstream investments and being a foreign owned or controlled company, there have been delays in filings to be made with the regulators within the specified period as required by exchange control regulations. The ultimate outcome of these delays in filing cannot be estimated currently on the company's financial position and results of operations.

(iv) The Company is in discussions with another media company for resolving certain disputes with respect to patents allegedly held by that company. If such disputes are decided against the Company, there could be a payment of a fee for use of such patent, which cannot be quantified as of date. Based on legal opinion obtained by the Company, the Company believes that its position is likely to be upheld.

**Notes:**

- The Company has provided Corporate guarantee to bank for Overdraft facility of Rs 70,000,000 (March 31, 2014 : Nil) taken by joint venture of subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.
- The Company has provided bank guarantee of Rs 10,000,000 (March 31, 2014 : Nil) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Exchange Media Private Limited, for managing and operating satellite based computer ticketing system provider in Maharashtra.

- c) The Company has received show cause notices from service tax authorities challenging the qualification of Digital Cinema Equipments as 'capital goods' under the Cenvat Credit legislation, and accordingly denying the Cenvat Credit availed on procurement of such goods which have been leased out to various theatres / third parties. The Company has filed its responses to the authorities. In an event, any liability crystallising on the Company, the Company will consider capitalising the CENVAT credit. The above liability does not include interest, if any, payable under the provision for service tax from the date of receipt of order.
- d) The Company is contesting the demand/matter relating to pending litigations listed above and the management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations to the date of financial statements.

**34. Particulars of unhedged foreign currency exposure at the reporting date** (In ₹)

Particulars of un-hedged exposure	31 March 2015	31 March 2014
Import trade payable (US\$)	₹ 3,428,617 (US\$ 54,779 @ Closing rate of 1 USD = ₹ 62.59)	Rs 10,263,037 (US\$ 170,766 @ Closing rate of 1 USD = ₹ 60.10)
Import Creditors (debit balance) (US\$)	₹ 617,137 (US\$ 9860 @ Closing rate of 1 USD = ₹ 62.59)	Nil

**35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**36. Value of imports calculated on CIF basis** (In ₹)

	31 March 2015	31 March 2014
Consumable, stores and spares	152,421,391	162,946,762
Capital goods	145,303,198	521,619,069
	<b>297,724,589</b>	<b>684,565,831</b>

**37. Expenditure in foreign currency (accrual basis)** (In ₹)

	31 March 2015	31 March 2014
Travelling and conveyance	1,676,850	5,993,008
Others	9,147,015	10,873,251
	<b>10,823,865</b>	<b>16,866,259</b>

**38. Imported and indigenous raw materials, components and spare parts consumed**

	31 March 2015		31 March 2014	
	% of total consumption	Value (In ₹)	% of total consumption	Value (In ₹)
<b>Components</b>				
Imported	81	151,624,201	93	153,175,267
Indigenously obtained	19	35,640,545	7	11,411,298
	<b>100</b>	<b>187,264,746</b>	<b>100</b>	<b>164,586,565</b>

**39. Earnings in foreign currency (accrual basis)**

(In ₹)

	31 March 2015	31 March 2014
Exports at C.I.F. value	3,697,823	Nil
	<b>3,697,823</b>	<b>Nil</b>

**40. Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibilities expenditures are as follows:

(In ₹)

Particulars	31 March 2015
Gross amount required to be spent	4,310,255
Spent during the year in cash towards advertisement activity, (towards promoting sanitation) i.e., Swachh Bharat Abhiyan	16,594,255
Balance unspent during the year	Nil

**41. Other receivables (share issue expenses)**

Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Company. These receivables includes fees paid to bankers, stock exchanges, SEBI, lawyers, auditors, etc., in connection with the IPO of the Company. As per offer agreement between the Company and the selling shareholders, all expenses with respect to the IPO will be borne by the selling shareholders. Accordingly, the Company has classified the expenses incurred in connection with the IPO as receivable from selling shareholders under Other receivables, since these are not the expenses for the Company.

**42. Loans and advances in the nature of loans given to subsidiaries in which directors are interested**

V N Films Private Limited

Balance as at March 31, 2015 ₹ 36,250,000 (March 31, 2014 : ₹ 4,500,000)

Maximum amount outstanding during the year ₹ 79,000,000 (March 31, 2014 : ₹ 4,500,000)

This loan is repayable on demand.

**43. Previous year figures have been regrouped / reclassified, where necessary, to conform to current year classification.**

As per our report of even date

**For S.R. Batliboi & Associates LLP**

ICAI Firm Registration No.:101049W

Chartered Accountants

**per Govind Ahuja**

Partner

Membership No.: 48966

Place of signature: Mumbai

Date: July 23, 2015

 For and on behalf of the Board of Directors  
 of UFO Moviez India Limited

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Sameer Chavan**

Company Secretary

Place of signature: Mumbai

Date: July 23, 2015

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Ashish Malushte**

Chief Financial Officer





**UFO MOVIEZ INDIA LIMITED**

(CIN:U22120DL2004PLC164728)

Registered Office: Office No. 12, 3rd Floor, 312, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi – 110 001, India  
Tel: +91 (11) 4370 4300 / 11 Fax: +91 (11) 4370 4322

Corporate Office: Valuable TechnoPark, Plot No. 53 / 1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India  
Tel: +91 (22) 4030 5060 / 11 Fax: +91 (22) 4030 5110

Email: investors@ufomoviez.com Website: www.ufomoviez.com

**ATTENDANCE SLIP**

**11TH ANNUAL GENERAL MEETING ON SEPTEMBER 15, 2015 AT 12.00 NOON**

(To be signed and handed over at the entrance of the meeting venue)

Folio No. ....	DP ID No. ....	Client ID No. ....
Name of the Member:.....		
Signature:.....		
Name of the Proxyholder:.....		
Signature:.....		

I / We hereby record my / our presence at the 11th Annual General Meeting of the Company on Tuesday, September 15, 2015 at 12.00 noon at FICCI K.K. Birla Auditorium, Tansen Marg, Near Mandi House New Delhi 110 001, India.

**Note:**

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Venue. Attendance Slips shall also be issued at the Venue.
2. Electronic copy of the Annual Report for the year ended March 31, 2015 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for the year ended March 31, 2015 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose e-mail Id is not registered.

# UFO

digital cinema

## UFO MOVIEZ INDIA LIMITED

(CIN:U22120DL2004PLC164728)

Registered Office: Office No. 12, 3rd Floor, 312, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi – 110 001, India  
Tel: +91 (11) 4370 4300 / 11 Fax: +91 (11) 4370 4322

Corporate Office: Valuable TechnoPark, Plot No. 53 / 1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India  
Tel: +91 (22) 4030 5060 / 11 Fax: +91 (22) 4030 5110

Email: investors@ufomoviez.com Website: www.ufomoviez.com

### PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No./ DP ID No.:

Client Id No.:

I / We, being the member(s) of ..... Equity Shares of UFO Moviez India Limited, hereby appoint.

- (1) Name ..... Address .....  
Email Id: ..... Signature ..... or failing him/her;
- (2) Name ..... Address .....  
Email Id: ..... Signature ..... or failing him/her;
- (3) Name ..... Address .....  
Email Id: ..... Signature ..... or failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Tuesday, September 15, 2015 at 12.00 noon at FICCI K.K. Birla Auditorium, Tansen Marg, Near Mandi House New Delhi 110 001 and at any adjournment thereof, in re-spect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions (Ordinary Business)
1.	Adoption of the Audited Financial Statements for the FY ended March 31, 2015 together with the Directors Reports and Auditors Report.
2.	Adoption of the Audited Consolidated Financial Statements for the FY ended March 31, 2015 together with the Auditors Report.
3.	Appointment of a Director in place of Mr. Raaja Kanwar, who retires by rotation, and being eligible, offers himself for re-appointment.
4.	Ratification of appointment of Statutory Auditors and fixing their remuneration.

Signed this ..... day of ..... 2015

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
₹1/-  
Revenue  
stamp

#### Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.





If undelivered, please return to:

**UFO Moviez India Limited**

Valuable Techno Park, Plot #53/1,  
Road #7, MIDC, Marol, Andheri (E),  
Mumbai - 400093

Tel: +91 22 40305060