Date: August 13, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Fax: 022 – 2272 3121

BSE Scrip Code: **539141**

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051
Fax : 022- 2659 8237/ 38

NSE Symbol: **UFO**

Dear Sir / Ma'am,

Sub: Annual Report of the Company for the financial year 2017-18

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith the Annual Report of the Company for the financial year 2017-18 adopted by the shareholders of the Company at the 14th Annual General Meeting of the Company held on August 9, 2018 at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093.

Request you to kindly take the same on your records.

Thanking you.

Yours faithfully,

For **UFO Moviez India Limited**

S. S. Chavan

Sameer Chavan
Company Secretary

Encl: **a/a**

UFO digital cinema

ANNUAL REPORT 2017-18

THE BIGGER PICTURE

UFO MOVIEZ INDIA LIMITED
Annual Report 2017 - 18

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UFO

digital cinema

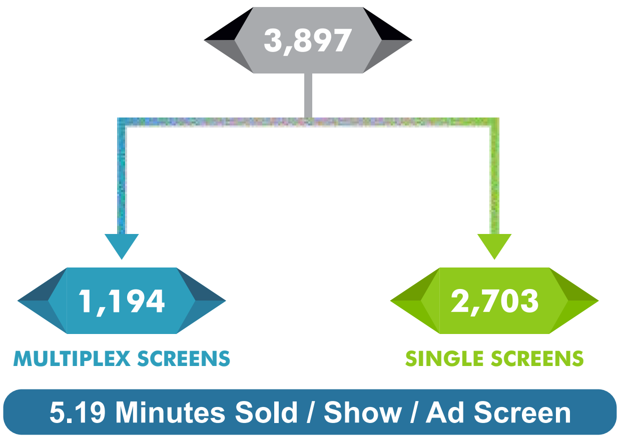
UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest digital cinema distribution network and in-cinema advertising platform. UFO operates India's largest satellite-based, digital cinema distribution network using its UFO-M4 platform, as well as India's largest D-Cinema network. As on March 31, 2018, UFO's global network, along with subsidiaries and associates, spans 6,387 screens worldwide, including 5,322 screens across India and 1,065 screens across the Middle East, Israel, Mexico and the USA.

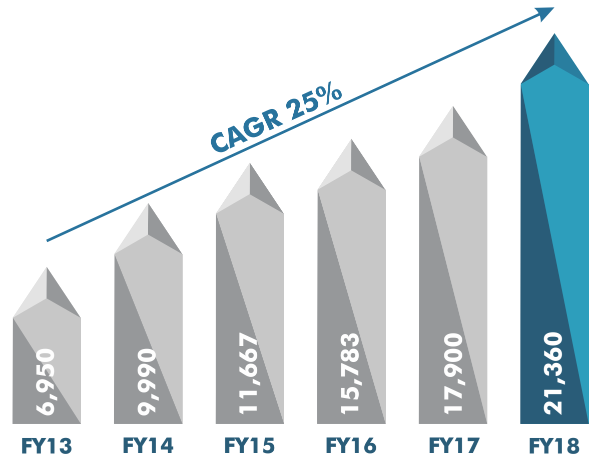
OUR VISION

To be the leader in big screen entertainment by enhancing value for all stakeholders & bringing joy to people's lives, through innovation.

HIGH IMPACT ADVERTISING SCREENS

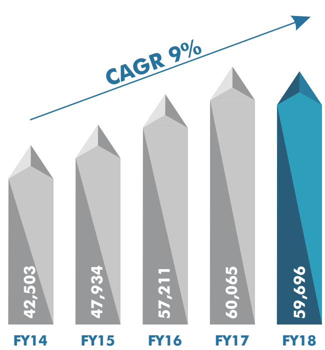


ADVERTISEMENT REVENUE (₹ Lacs)

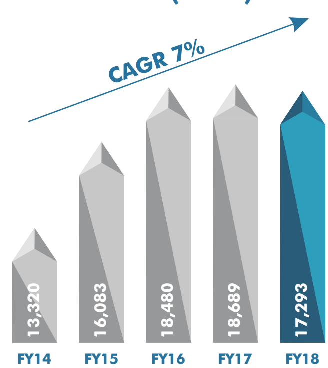


FINANCIAL HIGHLIGHTS

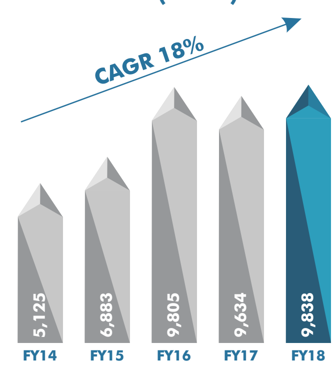
REVENUE (₹ Lacs)



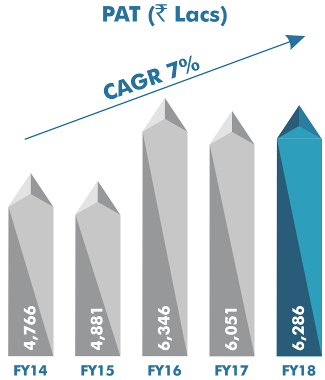
EBITDA (₹ Lacs)



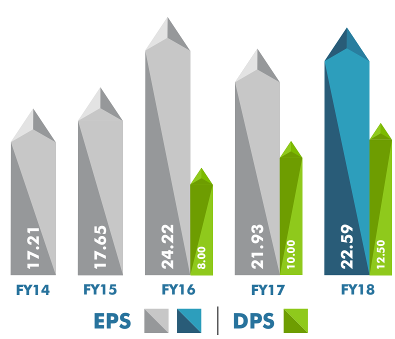
PBT (₹ Lacs)



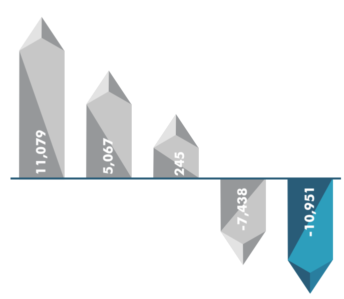
PAT (₹ Lacs)



BASIC EPS & DPS (₹)



NET DEBT / NET CASH (₹ Lacs)



Letter to Shareholders

Dear Shareholders

UFO's healthy operating and financial performance in fiscal 2018 is a reflection of the successful execution of our strategy. We delivered volume driven advertisement growth of 19% despite several headwinds during the year. Our profitability grew notwithstanding the pressure exerted by planned D-Cinema VPF revenue reduction. Our net operating cash flows continued to remain healthy. Thus, the Board declared an enhanced dividend of 125% in fiscal 2018, this marks the third consecutive annual dividend post listing.

"Fiscal 2018 has been a year of strategic progress and we continue to focus on The Bigger Picture"

Advertisement growth is the key for the long-term success of UFO. We continue to focus on driving advertisement growth through both inventory utilization and realizations to achieve our long term goal. Further, UFO is also in the process of institutionalizing measurement and research to enable advertisers to take larger exposures in cinema advertising which will drive advertisement revenues more rapidly.

During the year, your Company embarked upon a defining moment of consolidation which will have a positive impact on advertisement performance. On November 1, 2017, the Company announced the Composite Scheme of Arrangement and Amalgamation between UFO and Qube Cinema Technologies to increase the breadth and depth of UFO's offering. The closing of this transaction is awaiting approvals from the regulatory authorities which is a few months away. Post the merger, all our stakeholders will benefit from our service offerings. UFO's advertising network of 3,897 screens will expand to over 7,000 screens.

Fiscal 2019 has commenced with a strong pipeline of movies and a positive outlook for advertisement growth which will be further supplemented by the positive impact of the merger after it takes effect. The Company's targets are ambitious and we are steadily moving towards achieving them.

In summary, fiscal 2018 has been a year of strategic progress and we continue to focus on The Bigger Picture. Finally, we would like to take this opportunity to thank our shareholders for their unconditional support and would also like to thank all employees for their sincere efforts during the year.

Warm Regards,

Sanjay Gaikwad
Founder & Managing Director

Kapil Agarwal
Joint Managing Director

CORPORATE INFORMATION

Board of Directors

Sanjeev Aga	Chairman & Independent Director
Ameya Hete	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
M/s. S.R. Batliboi & Associates LLP, Chartered Accountants for the financial year 2017-18.

Bankers
HDFC Bank Limited
Yes 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 and Corporate Office
Valuable Techno Park, Plot No.53/1, Road No.07,
Marol MIDC, Andheri (East),
Mumbai- 400 093.
Tel: 022 4030 5060
Email: investors@ufomoviez.com
Website: www.ufomoviez.com

Corporate Identity Number
L22120MH2004PLC285453

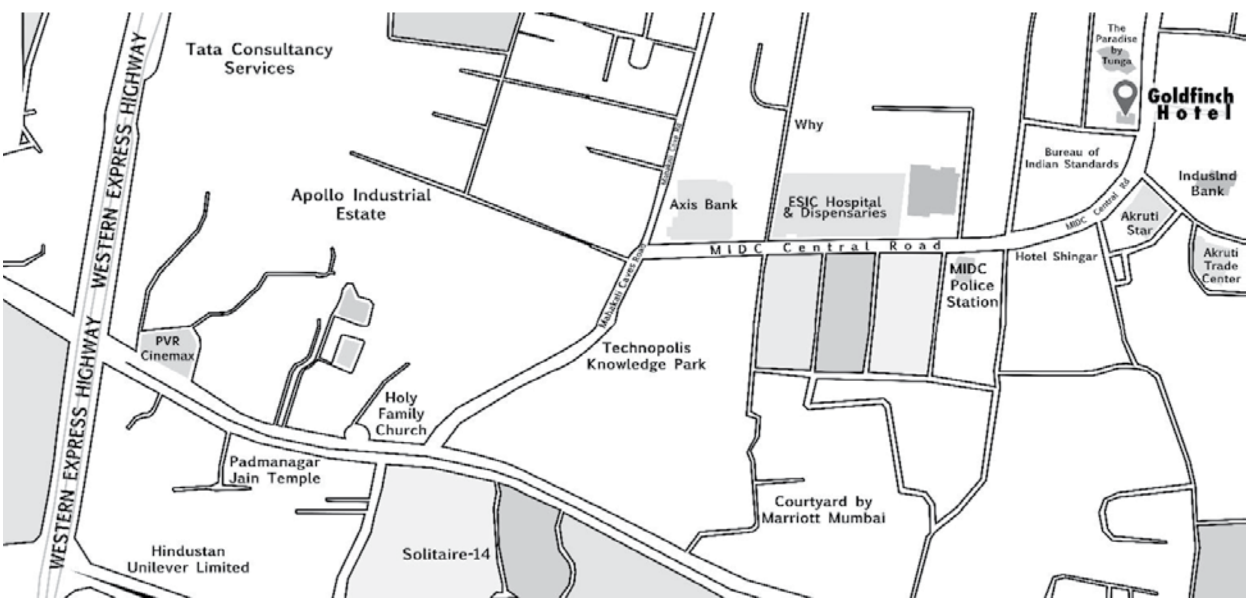
ANNUAL GENERAL MEETING

Day & Date: Thursday, August 9, 2018

Time: 03:00 p.m.

Venue: Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093

ANNUAL GENERAL MEETING VENUE - ROUTE MAP



NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of UFO Moviez India Limited ("the Company") will be held on Thursday, the 9th day of August 2018 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093 to transact the following business(es):

Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of ₹ 12.50 per equity share.
3. Appointment of Statutory Auditors:

   To consider and, if thought fit, to pass 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. B S R & Co. LLP, Chartered Accountants, having ICAI Firm Registration No.101248W / W-100022, who have offered themselves for 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 appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting of the Company held after this Annual General Meeting on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to the applicable taxes 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."

Special Business:

4. **Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director.**

   To consider and, if thought fit, to pass the following resolution as Special Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from October 17, 2018 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, and to authorize the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as maybe necessary, proper or expedient to give effect to this resolution."

5. **Re-appointment of Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director.**

   To consider and, if thought fit, to pass the following resolution as Special Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from March 1, 2019 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice and to authorize the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit.

   RESOLVED FURTHER THAT the Board be and is hereby 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: June 14, 2018
Place: Mumbai

Notes:

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses under Item Nos. 5 and 6 of the accompanying Notice are annexed hereto. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by Institute of Company Secretaries of India as notified by the Central Government

on General Meetings in respect of Directors seeking appointment or re-appointment at the Annual General Meeting is furnished as an annexure to the Notice.

2. 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.

3. 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 a proxy and such person shall not act as a proxy for any other person or shareholder.

4. 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.

5. Corporate Members intending to send their authorised 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.

6. 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.

7. 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 11.00 a.m. to 01.00 p.m. except Saturday, Sunday and public holidays, up to the date of the Annual General Meeting.

8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 3, 2018 to Thursday, August 9, 2018 (both days inclusive).

9. Dividend, if declared, will be paid after Thursday, August 9, 2018 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business on Thursday, August 2, 2018.

10. 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. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH -13 duly filled into 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.

11. 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 2017-18 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.

12. Members are requested to: a) intimate to the Company’s Registrar and Share Transfer Agents, Karvy Computershare Private Limited at the above mentioned 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.

13. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least between seven working days prior to the meeting, so that the required information can be made available at the meeting.

14. Pursuant to the provision of the Companies Act, 2013, the amount of unpaid/unclaimed dividends for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (hereinafter referred to as 'IEPF') established by the Central Government.

    In accordance with provisions of the said Section, no claim shall lie against the Company or the fund in respect of individual amounts of dividend remaining unclaimed for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company http://www.ufomoviez.com/IR_Unpaid_Dividend.aspx and on the website of the Ministry of Corporate Affairs.

15. The due date of transferring unclaimed and unpaid dividend declared by the Company to IEPF:

Equity dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed equity dividend to IEPF
2015-16 (Interim)	March 11, 2016	April 9, 2023	From April 10, 2023 to May 9, 2023
2015-16 (Final)	September 14, 2016	October 13, 2023	From October 14, 2023 to November 12, 2023
2016-17 (Final)	September 26, 2017	October 25, 2024	From October 26, 2024 to November 14, 2024

    Members who have not encashed the dividend warrants so far in respect of the aforesaid dividend are requested to make their claim to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited well in advance to the above due date

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited. Non-Resident Indian members are requested to inform Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, immediately of: (i) Change in their residential status on return to India for permanent settlement; (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

17. Payment of Dividends through electronic mode: In terms of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any the Reserve Bank of India approved electronic mode of payment viz, electronic clearance services (local, regional or national), direct credit, real-time gross settlement, national electronic funds transfer etc. We, therefore, request you to do the following:

    (i) In case of holding of shares in demat form, update your bank account details with your Depository Participants (DP) immediately. (ii) In case of physical shareholding, submit bank details along with a photocopy of the cancelled cheque of your account to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited at its office at Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032.

    This will facilitate the remittance of the dividend account amount as directed by SEBI in the Bank Account electronically.

18. Remote e-voting: 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, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

    (a) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

    i. Launch internet browser by typing the URL:https://evoting.karvy.com.

    ii. Enter the login credentials (i.e. User ID and password).

    In case of the physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of a Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

    iii. After entering these details appropriately, click on "LOGIN".

    iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on the first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

    v. You need to login again with the new credentials.

    vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

    vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at vickyscrutinizer@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate name_event no.”

(b) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

19. Voting at Annual General Meeting (AGM) Venue: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however, those Members are not entitled to cast their vote again in the Meeting.

20. A Member can opt for the only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

21. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. B Srinivas (Unit: UFO Moviez India Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@karvy.com or phone no. 040 – 6716 2222 or call Karvy’s toll free No. 1-800-34-54-001 for any further clarifications.

22. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending a future communication(s).

23. The remote e-voting period commences on Sunday, August 5, 2018 (09.00 am) and ends on Wednesday, August 8, 2018 (05.00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 2, 2018 may cast their votes electronically. A person who is not a Member as on the cut- off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

24. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, August 2, 2018.

25. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Thursday, August 2, 2018, he/ she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy’s toll free number 1800-3454-001.

iv. Member may send an e-mail request to einward.ris@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.

26. Mr. Vicky M. Kundaliya, Practicing Company Secretary (FCS: 7716 CP: 10989), has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.

27. 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.
28. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company http://www.ufomoviez.com/Shareholder_Communication.aspx. 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.
29. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, August 9, 2018 subject to receipt of the requisite number of votes in favour of the resolutions.
30. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

For Item No. 4

Mr. Sanjay Gaikwad, Managing Director, has been the innovator and envisioner of the Company for the past 13 years. His contribution has been immense and his strategic and techno-commercial guidance is the bedrock upon which the plans of the Company and its subsidiaries are developed. Under his leadership, the technological integration of D Cinema operations of Scrabble Entertainment Limited, a subsidiary company, have been completed with the Company's advertisement platform, thereby providing critical reach to the Company to key premium theatres across the country. He has contributed significantly to key strategic initiatives such as UFO Framez and Caravan Talkies. It is important that the Company continues to draw on his expertise, knowledge, and experience.

The members of the Company at the Extra-ordinary General Meeting of the Company held on November 30, 2013, had approved the re-appointment of Mr. Sanjay Gaikwad as the Managing Director of the Company and the terms of remuneration payable to him for the period from October 17, 2013 to October 16, 2018. Further, the members of the Company vide resolution passed by postal ballot on January 25, 2017 have revised his remuneration for remaining tenure. The remuneration paid to Mr. Sanjay Gaikwad for the financial year 2017-18 was ₹ 2,75,00,000/-.

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, and subject to approval of the members of the Company, have re-appointed, Mr. Sanjay Gaikwad as Managing Director of the Company for a further period of 5 (five) years from the expiry of his present term of office, i.e. with effect from October 17, 2018 on the remuneration mentioned hereinbelow, with powers to the Board to effect such variations therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

1. **Salary**

   ₹ 11,00,000 per month.

2. **Perquisites**

   a. Company's contribution to provident fund and superannuation fund as per Company rules.

   b. Gratuity as per Company rules.

   c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.

   d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.

   e. Provision of Company maintained car, reimbursement of driver's salary and petrol and vehicle maintenance expenses for the official use.

   f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.

   g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category.

   h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

3. The total remuneration as per para 1 and 2 shall be restricted to an amount of ₹ 2,75,00,000/- p.a.

4. Mr. Sanjay Gaikwad will also be entitled to a Special Allowance of ₹ 35,00,000/- p.a. payable equally on monthly basis.

5. In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Sanjay Gaikwad will also be entitled for an annual performance incentive not exceeding ₹ 1,90,00,000/-.

6. **Valuation of perquisites**

   Perquisites/Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

7. **Minimum remuneration**

   In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013.

Information about Mr. Sanjay Gaikwad:

Mr. Sanjay Gaikwad one of our Promoters, is the Managing Director (Executive, Non-Independent Director) of our Company. He holds a bachelor's degree in chemical engineering and a master's degree in management studies from the University of Mumbai. Prior to setting up our Company, he was associated with leading media houses of India such as Zee Group and Indian Express Group. He is a recipient of the Maxell – Maharashtra Corporate Excellence Awards, 2014 for Excellence in Innovation.

Directorships:

Sr. No.	Name of the Company	Designation
1	Valuable Technologies Limited	Director
2	Nisarg Building Art & Technology Private Limited	Director
3	Impact Media Exchange Limited	Director
4	Valuable Destinations Private Limited	Director
5	M5 Media Investments Private Limited	Director
6	UFO Moviez India Limited	Managing Director
7	Nifty Portfolio Services Private Limited	Director
8	Qwik Entertainment India Limited	Director
9	Goldencrest Financial Services Private Limited	Director
10	Scrabble Entertainment Limited	Director
11	Valuable Media Limited	Director
12	Edridge Limited, Cyprus *	Director
13	UFO International Limited, Cyprus *	Director

**[As on March 31, 2018, the petition for sanction of the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V.N. Films Private Limited, Edridge Limited, UFO International Limited ("Transferor Companies") and UFO Moviez India Limited ("Transferee Company") and their respective shareholders and creditors was pending before the National Company Law Tribunal.]*

Committee positions:

Name of the Company	Name of Committee	Position
UFO Moviez India Limited	Compensation Committee	Member
	Stakeholders' Relationship Committee	Member
	Corporate Social Responsibility Committee	Chairman & Member
	Finance Committee	Member
	Scheme Implementation Committee	Member
Scrabble Entertainment Limited	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Chairman & Member

Shareholding in the Company:

He holds 2,63,797 Equity Shares of ₹10 each in the Company.

Other Information:

<table>
<tr><td>(1)</td><td>Nature of industry</td><td>Digital cinema distribution and in-cinema advertising</td></tr>
<tr><td>(2)</td><td>Date or expected date of commencement of commercial production</td><td>Not Applicable</td></tr>
<tr><td>(3)</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable</td></tr>
<tr><td>(4)</td><td>Financial performance based on given indicators</td><td>Standalone financial performance of the Company (In ₹ Lacs)
<table>
<tr><th>Title</th><th>IndAS FY 2018</th><th>IndASFY 2017</th><th>IGAAP FY 2016</th></tr>
<tr><td>Turnover</td><td>41,155</td><td>38,821</td><td>35,077</td></tr>
<tr><td>PBT</td><td>9,396</td><td>7,691</td><td>7,242</td></tr>
<tr><td>PAT</td><td>7,251</td><td>5,437</td><td>5,099</td></tr>
</table></td></tr>
<tr><td>(5)</td><td>Foreign investments or collaborations, if any.</td><td>As on March 31, 2018, FII/FVCI/Foreign Bodies Corporates, NRI, etc. holds 65,46,578 (23.09%) equity shares of the Company.
As on March 31, 2018 the foreign investment by the Company is ₹ 5,788.48 Lacs.</td></tr>
<tr><td>(6)</td><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</td><td>As on March 31, 2017
(In ₹ Lacs)
<table>
<tr><th>Title</th><th>PVR</th><th>Inox Lesisure</th><th>UFO</th></tr>
<tr><td>Turnover</td><td>2,06,219</td><td>1,22,977</td><td>38,821</td></tr>
<tr><td>PBT</td><td>14,714</td><td>4,448</td><td>7,691</td></tr>
<tr><td>PAT</td><td>9,292</td><td>3,048</td><td>5,437</td></tr>
<tr><td>Managerial Remunera-tion Paid to one MD/ WTD</td><td>731</td><td>-</td><td>325</td></tr>
</table></td></tr>
<tr><td>(7)</td><td>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</td><td>Apart from receiving directors' remuneration Mr. Sanjay Gaikwad does not have any direct pecuniary relationship with the Company.
There are certain transactions between the Company and companies in which Mr. Sanjay Gaikwad is a director /shareholder. Details of such related party transactions are disclosed in the financial statements of the Company.
Mr. Sanjay Gaikwad does not have any direct or indirect pecuniary relationship with the managerial personnel.</td></tr>
</table>

None of the Directors/Key Managerial Personnel and/or their relatives, except Mr. Sanjay Gaikwad is directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 4 of the Notice.

For Item No. 5

Mr. Kapil Agarwal, Joint Managing Director, has made a tremendous contribution to the growth of the Company since its inception. As head of day-to-day operations of the Company, he has been instrumental in managing the affairs of the Company and bringing it to its present pre-eminent position in the industry. His financial acumen and untiring efforts in running the business have reaped rich dividends for the Company.

Since his appointment as Joint Managing Director in 2009, Mr. Agarwal has lead the Company to new heights both operationally as well as financially. He has been instrumental in capital raising for the Company which ensured that it had access to desired capital from reputed investors at the right time. He led the acquisition of Scrabble Entertainment Limited and Southern Digital Screenz India Private Limited by the Company and played a crucial role in successful integration of their businesses with the Company's business and operations. He lead the global rollout of DCI screens of the Company in geographies such as Middle East Asia, Israel, Mexico and USA. He also spearheaded the Company's IPO and was instrumental in the listing of the shares in May 2015. The Company, under his leadership, has seen significant growth in all financial parameters. It is critical for the Company to continue to draw on his expertise, knowledge, and experience.

The members of the Company at the Extra-ordinary General Meeting of the Company held on February 24, 2014, had approved the re-appointment of Mr. Kapil Agarwal as the Joint Managing Director of the Company and the terms of remuneration payable to him for the period from March 1, 2014 to February 28, 2019. Further, the members of the Company vide resolution passed by postal ballot on January 25, 2017 have revised his remuneration for remaining tenure. The remuneration paid to Mr. Kapil Agarwal for the financial year 2017-18 was ₹ 2,75,00,000/-.

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, and subject to approval of the members of the Company, have re-appointed Mr. Kapil Agarwal as Joint Managing Director of the Company for a further period of 5 (five) years from the expiry of his present term of office, i.e. with effect from March 1, 2019 on the terms of remuneration mentioned hereinbelow, with powers to the Board to effect such variations therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

1. **Salary**

   ₹11,00,000 per month.

2. **Perquisites**

   a. Company's contribution to provident fund and superannuation fund as per Company rules.

   b. Gratuity as per Company rules.

   c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.

   d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.

   e. Provision of Company maintained car, reimbursement of driver's salary and petrol and vehicle maintenance expenses for the official use.

   f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.

   g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category.

   h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

3. The total remuneration as per para 1 and 2 shall be restricted to an amount of ₹ 2,75,00,000/- p.a.

4. Mr. Kapil Agarwal will also be entitled to Special Allowance of ₹ 35,00,000/- p.a. payable equally on monthly basis.

5. In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Kapil Agarwal will also be entitled for an annual performance incentive of an amount not exceeding ₹ 1,90,00,000/-.

6. **Valuation of perquisites**

   Perquisites/Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

7. **Stock Options**

   Stock Options as per the schemes as may be framed by the Company from time to time.

8. **Minimum remuneration**

   In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Joint Managing Director shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013.

Information about Mr. Kapil Agarwal:

Mr. Kapil Agarwal is the Joint Managing Director (Executive, Non-Independent Director) of our Company. A Chartered Accountant by qualification, he has been associated with our Company in various capacities including a Board member since 2005. He took over the responsibilities of day to day operations of the Company as Joint Managing Director on March 1, 2009. In his previous assignments, he was associated with leading industrial houses such as Modi Group, Apollo Tyres, and British Gas. In the year 2013, he was the recipient of CA Business Leader – SME Sector, award for exceptional performance and achievement by the Institute of Chartered Accountants of India.

Directorships:

Sr. No.	Name of the Company	Designation
1.	UFO Moviez India Limited	Joint Managing Director
2.	Scrabble Entertainment Limited	Director
3.	Edridge Limited, Cyprus *	Director
4.	UFO International Limited, Cyprus *	Director
5.	Scrabble Entertainment (Mauritius) Limited	Director
6.	Scrabble Entertainment DMCC	Director
7.	Scrabble Digital Inc	Director
8.	Scrabble Ventures LLC	Director
9.	Scrabble Ventures S. DE R.L. DE C.V	Director
10.	Ipsaa Educity Private Limited	Director

** [As on March 31, 2018, the petition for sanction of the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V.N. Films Private Limited, Edridge Limited, UFO International Limited ('Transferor Companies') and UFO Moviez India Limited ('Transferee Company') and their respective shareholders and creditors was pending before the National Company Law Tribunal.]*

Committee positions:

Name of the Company	Name of Committee	Position
UFO Moviez India Limited	Stakeholders' Relationship Committee	Member
	Corporate Social Responsibility Committee	Member
	Finance Committee	Member
	Scheme Implementation Committee	Member
Scrabble Entertainment Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member

Shareholding in the Company:

He holds 4,62,394 Equity Shares of ₹10 each in the Company.

He is also holding 2,12,500 employees stock option.

Other Information:

(1) Nature of industry	Digital cinema distribution and in-cinema advertising
(2) Date or expected date of commencement of commercial production	Not Applicable
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4) Financial performance based on given indicators	Standalone financial performance of the Company *(In ₹ Lacs)*
(5) Foreign investments or collaborations, if any.	As on March 31, 2018, FII/FVCI/Foreign Bodies Corporates, NRI, etc. holds 65,46,578 (23.09%) equity shares of the Company. As on March 31, 2018 the foreign investment by the Company is ₹ 5,788.48 Lacs.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	*As on March 31, 2017* *(In ₹ Lacs)*
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving directors' remuneration Mr. Kapil Agarwal does not have any direct or indirect pecuniary relationship with the Company and with the managerial personnel.

Item (4) – Standalone financial performance of the Company *(In ₹ Lacs)*

Title	IndAS FY 2018	IndASFY 2017	IGAAP FY 2016
Turnover	41,155	38,821	35,077
PBT	9,396	7,691	7,242
PAT	7,251	5,437	5,099

Item (6) – *As on March 31, 2017* *(In ₹ Lacs)*

Title	PVR	Inox Lesisure	UFO
Turnover	2,06,219	1,22,977	38,821
PBT	14,714	4,448	7,691
PAT	9,292	3,048	5,437
Managerial Remuneration Paid to one MD/WTD	731	-	325

The Company has entered into an agreement with Mr. Kapil Agarwal laying down, inter alia, the terms of remuneration referred to above and the powers and authorities delegated to him. A copy of the said agreement is available for inspection by the members during business hours on any working day between 11.00 a. m. and 01.00 p.m. at the registered office of the Company upto and including the date of the meeting.

None of the Directors/key managerial personnel and/or their relatives, except Mr. Kapil Agarwal is directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 5 of the Notice.

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date: June 14, 2018
Place: Mumbai

Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2.

Name of Director	**Mr. Sanjay Gaikwad**	**Mr. Kapil Agarwal**
Date of Birth and Age	July 26, 1965, 52; years	October 14, 1960, 57 years
Date of Initial Appointment	He was originally appointed as a Director on June 14, 2004 and resigned with effect from June 30, 2006. Subsequently, he was appointed as a Managing Director on October 17, 2008.	He was originally appointed as a Director on May 13, 2005 and he resigned with effect from January 9, 2007. Subsequently he was re-appointed as a Director on October 17, 2008 and then designated as a Joint Managing Director on March 1, 2009.
Qualification	Bachelor's degree in Chemical Engineering and a Master's degree in Management Studies from the University of Mumbai.	Bachelor's degree in Commerce from the University of Meerut and Chartered Accountant
Experience and Expertise in specific functional areas	More than 25 years of experience in the field of technology, finance, strategy, and general Corporate Management.	More than 34 years of experience in the field of finance, strategy, and general Corporate Management.
No. of meetings of the Board attended during the financial year 2017-18.	9 out of 9	8 out of 9
List of Directorship of Board as on March 31, 2018	1. UFO Moviez India Limited 2. Valuable Technologies Limited 3. Nisarg Building Art & Technology Private Limited 4. Impact Media Exchange Limited 5. Valuable Destinations Private Limited 6. M5 Media Investments Private Limited 7. Nifty Portfolio Services Private Limited 8. Qwik Entertainment India Limited 9. Goldencrest Financial Services Private Limited 10. Scrabble Entertainment Limited 11. Valuable Media Limited 12. Edridge Limited, Cyprus * 13. UFO International Limited, Cyprus *	1. UFO Moviez India Limited 2. Scrabble Entertainment Limited 3. Edridge Limited, Cyprus * 4. UFO International Limited, Cyprus * 5. Scrabble Entertainment (Mauritius) Limited 6. Scrabble Entertainment DMCC 7. Scrabble Digital Inc 8. Scrabble Ventures LLC 9. Scrabble Ventures S. DE R.L. DE C.V 10. Ipsaa Educity Private Limited
List of Membership / Chairmanship of as on March 31, 2018	<u>UFO Moviez India Limited</u> 1. Compensation Committee - Member 2. Stakeholders' Relationship Committee - Member 3. Corporate Social Responsibility Committee - Chairman & Member 4. Finance Committee - Member 5. Scheme Implementation Committee - Member <u>Scrabble Entertainment Limited</u> 1. Nomination and Remuneration Committee -Member 2. Corporate Social Responsibility Committee - Chairman & Member	<u>UFO Moviez India Limited</u> 1. Stakeholders' Relationship Committee - Member 2. Corporate Social Responsibility Committee - Member 3. Finance Committee - Member 4. Scheme Implementation Committee - Member <u>Scrabble Entertainment Limited</u> 1. Audit Committee - Member 2. Nomination and Remuneration Committee -Member 3. Corporate Social Responsibility Committee –Member
Shareholding in the Company as on date	2,63,797 equity shares	4,62,394 equity shares

Name of Director	Mr. Sanjay Gaikwad	Mr. Kapil Agarwal
Relationship with other directors, manager and Key Managerial Personnel of the Company	No Relation	No Relation
Terms and conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Forming the part of the explanatory statement of the notice of the annual general meeting.	Forming the part of the explanatory statement of the notice of the annual general meeting.
Justification for choosing the appointee for the appointment as Independent Directors	Not Applicable	Not Applicable

**[As on March 31, 2018 the petition for sanction of the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V.N. Films Private Limited, Edridge Limited, UFO International Limited ("Transferor Companies") and UFO Moviez India Limited ("Transferee Company") and their respective shareholders and creditors was pending before the National Company Law Tribunal.]*

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date: June 14, 2018
Place: Mumbai

Registered Office:

Valuable Techno Park, Plot #53/1,
Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093.
Email: investors@ufomoviez.com
Website: www.ufomoviez.com
CIN: L22120MH2004PLC285453

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the fourteenth report on the business and operations of your Company for the year ended March 31, 2018.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2018 is summarized below:

(₹ in Lacs)

Particulars	Standalone			Consolidated		
	FY18	FY17	Growth	FY18	FY17	Growth
Revenue from Operations	40,819.14	38,688.17	5.5%	59,057.22	59,661.95	-1.0%
Other Operating Income	220.72	45.39	386.3%	345.73	233.54	48.0%
Other Income	115.46	87.45	32.0%	292.90	169.91	72.4%
Total Income	41,155.31	38,821.01	6.0%	59,695.86	60,065.39	-0.6%
Total Expenses	28,488.08	25,841.37	10.2%	42,403.14	41,376.47	2.5%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	12,667.24	12,979.64	-2.4%	17,292.72	18,688.92	-7.5%
EBITDA Margin	31.0%	33.5%		29.3%	31.3%	
Depreciation and Amortisation	6,087.41	6,148.63	-1.0%	7,983.28	9,160.72	-12.9%
Earnings before Interest and Tax (EBIT)	6,579.82	6,831.00	-3.7%	9,309.44	9,528.20	-2.3%
Finance Cost	607.79	802.58	-24.3%	918.08	1,372.01	-33.1%
Finance Income	(3,424.07)	(1,662.12)	106.0%	(798.35)	(799.72)	-0.2%
Profit before Tax (PBT)	9,396.11	7,690.55	22.2%	9,189.71	8,955.91	2.6%
Profit from Associates	-	-		648.58	677.78	-4.3%
Profit before tax and after of profit from associates	9,396.11	7,690.55	22.2%	9,838.29	9,633.68	2.1%
Tax	2,145.13	2,253.21	-4.8%	3,784.14	3,621.12	4.5%
Profit after Tax (PAT)	7,250.99	5,437.33	33.4%	6,054.15	6,012.57	0.7%
Other Comprehensive Income	5.07	(41.34)	-112.3%	(19.28)	(162.28)	-88.1%
Total comprehensive income for the year, net of tax	**7,245.91**	**5,395.99**	**34.3%**	**6,034.86**	**5,850.29**	**3.2%**
Profit for the year attributable to equity shareholder	-	-	-	6,285.65	6,051.48	3.9%
Profit for the year attributable to Non controlling interests	-	-	-	(231.50)	(38.91)	494.9%
Other comprehensive income attributable to equity shareholder	-	-	-	(20.13)	(152.06)	-86.8%
Other comprehensive income attributable to Non controlling interests	-	-	-	0.84	(10.22)	-108.3%
Earnings per share of ₹ 10/- each (for the quarters, not annualised):						
(a) Basic	26.06	19.71	6.71	22.59	21.93	2.99
(b) Diluted	26.01	19.70	6.70	22.55	21.93	2.83

For a detailed analysis of the financial performance, please refer to the "Management Discussion and Analysis" Section, 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.

DIVIDEND

Based on the Company's performance, the directors are pleased to recommend for approval of the members a dividend of ₹ 12.50 per share for the financial year 2017-18. The dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 4,272.30 lacs including dividend tax resulting in a payout of 58.88% of the standalone profits of the Company.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2018, was ₹ 28,35,08,010. During the year under review, on December 16, 2017; the Company had issued and allotted 7,50,000 equity shares and 15,25,000 share warrants, each convertible into one equity share on a preferential basis to the promoters of the Company. The Company has not issued any shares with differential voting rights. Also, during the year under review, the Company has not issued any sweat equity shares.

As on date and as on March 31, 2018; Mr. Sanjay Gaikwad, Managing Director of the Company holds 2,50,000 share warrants, each convertible into one equity share of the Company. As on date and as on March 31, 2018, none of other Directors of the Company hold instruments convertible into equity shares of the Company except stock options granted under the employee stock options scheme of the Company.

EMPLOYEE STOCK OPTIONS

The Company operates the 'UFO Moviez India Limited - Employee Stock Option Scheme - 2014' (ESOP Scheme 2014), which is compliant with SEBI ESOP Regulations. During the year under review, the Company has not granted any stock options under the said ESOP Scheme 2014.

On April 3, 2018, the Board of Directors of the Company on the recommendations of the Compensation Committee of the Board of Directors granted 2,08,578 employee stock options at an exercise price of ₹400 per option to the employees of the Company and its subsidiaries.

Further, members of the Company through special resolutions passed by way of postal ballot have approved repricing and change in exercise period of outstanding 6,28,503 employees stock options granted on December 12, 2014. The exercise price of 6,28,503 employees stock options is repriced from ₹600 per option to ₹400 per option and the exercise period is extended up to December 11, 2020.

Mr. Kapil Agarwal, Joint Managing Director and Key Managerial Personnel of the Company i.e. Mr. Ashish Malushte, Chief Financial Officer; Mr. Rajesh Mishra, Chief Executive Operations – Indian Operations and Mr. Sameer Chavan, Company Secretary have voluntarily provided an undertaking to the Company that they will not dispose-off the equity shares arising out of conversion of the options (which are being repriced) for a period of 2 years from the date of member's approval for revision of exercise price.

The details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report and also available on the Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx.

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.

PUBLIC DEPOSITS

Your Company has not accepted any 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 Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In this financial statements for the year ended March 31, 2018, the financial statements for the previous year ended March 31, 2017 and Balance Sheet as at March 31, 2017, have been prepared and presented as per Ind AS for like-to-like comparison. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated. 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 to reasonably present the state of affairs as on March 31, 2018 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2018.

There is no 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 Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 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 which impact the Company's going concern status and its operations in future.

SCHEME OF ARRANGEMENT

I) **Amalgamation of Southern Digital Screenz India Private Limited, V. N. Films Private Limited, Edridge Limited and UFO International Limited with the Company:**

On July 26, 2016, the Board of Directors of the Company had approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including step down subsidiaries namely Southern Digital Screenz India Private Limited ('SDS'), V. N. Films Private Limited ('VNFPL'), Edridge Limited ('EL') and UFO International Limited ('UIL') (together referred to as the 'merging companies') with the Company, subject to all the necessary statutory / regulatory approvals ('the Scheme'). The appointed date for the amalgamation for VNFPL, EL and UIL is April 01, 2016 and for SDS, the appointed date is July 01, 2016.

The Company had filed the Scheme with the Bombay High Court on October 4, 2016. Pursuant to notification of Section 232 of the Companies Act, 2013 on December 9, 2016, the Company filed the Scheme with National Company Law Tribunal (NCLT), Mumbai Bench on January 20, 2017.

The Company had final hearing with NCLT Mumbai on May 17, 2018 where the Scheme was approved. However, formal order from the NCLT is still awaited hence effect of the Scheme is not given in these financial results for the year ended March 31, 2018.

II) **Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited:**

The members of the Company have vide their meeting held on May 21, 2018; approved the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ('UFO') and Qube Cinema Technologies Private Limited ('QCTPL') and Qube Digital Cinema Private Limited ('QDCPL') and Moviebuff Private Limited ('MPL') and PJSA Technosoft Private Limited ('PJSA') and their respective shareholders and creditors ('Scheme').

On May 25, 2018 the Company has filed the petition with the Hon'ble National Company Law Tribunal, Mumbai Bench to obtain its sanction embodied to the aforesaid Scheme.

Operation of the Scheme

The said Composite Scheme of Arrangement and Amalgamation will operate simultaneously in four stages as under:

- all the businesses of QCTPL which are synergic with the Company will be demerged into QDCPL on a going concern basis leaving behind businesses in QCTPL that are not synergic or have limited growth potential,
- amalgamation of MPL which holds various intellectual properties into QDCPL and thereby consolidating and combining the businesses of QCTPL and MPL in QDCPL and consequent dissolution of MPL without winding up,
- amalgamation of QDCPL into UFO and consequent dissolution of QDCPL without winding up.
- slump sale of the transferred undertaking of UFO into PJSA

Rationale and Key features of the Scheme:

- QCTPL and UFO are engaged in similar business. UFO has developed an efficient satellite delivery mechanism for delivery of content into theatres using MPEG4 technology. QCTPL, on the other hand, uses MPEG2 technology and also developed its own DCI compliant servers. The resultant entity will thus have all the complementary technologies at its disposal and will be in a position to offer its clients a comprehensive bouquet of services. Additionally, based on evaluation of technologies, the resultant entity will be able to use best features of these technologies for growth of its business in a competitive manner.
- While QCTPL has a very strong presence in southern regions of India, UFO has a higher number of its screens in northern regions with reasonable presence in southern regions of India. Thus, the proposed restructuring will ensure an all India presence for the combined entity thereby facilitating provision of wholesome offering across the country to its advertising clients. This will help in substantial growth of the advertising business for the resultant Company.
- The Scheme will bring about synergy of operations and benefit of scale since duplication of administrative efforts and legal and regulatory compliances will be unified.
- The Scheme will provide an opportunity to employees and shareholders of QCTPL to become part of a listed entity. The resultant entity will be able to provide better and more efficient and comprehensive services to all the stakeholders of the industry such as exhibitors, distributors, advertisers etc.
- QCTPL has developed certain new software, technologies and processes ('QCTPL Products') which are currently in the process of commercialization. UFO, in addition to its screen network in India, also has a network of screens overseas. QCTPL products have global application and the combined network post amalgamation will allow faster monetization of QCTPL products not only in India but overseas as well. Post merger of QDCPL into UFO, the business relating to the QCTPL Products i.e. IP business will be hived off into PJSA, thereby creating pure technology play. The IP business derives value significantly from the technical expertise and talent of the QCTPL promoters. Further, synergies will be derived from such talent acquisitions pursuant to the Scheme. Accordingly, the continual support of the QCTPL promoters would be required upon implementation of the Scheme for the technology aspects.

ISSUE AND ALLOTMENT OF EQUITY SHARES AND SHARE WARRANTS ON PREFERENTIAL BASIS

During the year under review, the Company, on preferential basis, had allotted 7,50,000 equity shares and aggregate of 15,25,000 share warrants to certain promoter entities .

Salient features of the Preferential Issue:

- The preferential allotment proceeds will be used for general corporate purposes (which could include partly funding the Company's acquisition of shares in Qube Digital Cinema Private Limited) and to fund the long term growth of the Company.
- The equity shares and share warrants were allotted at an issue price of ₹ 400.13/- each determined in accordance with the Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009. The Company had allotted 7,50,000 equity shares to Valuable Media Limited at an issue price of ₹ 400.13/- each, aggregating to ₹ 3,000.98 Lacs and 2,50,000 share warrants to Mr. Sanjay Gaikwad; 2,50,000 share warrants to Mr. Narendra Hete and 10,25,000 share warrants to Valuable Media Limited aggregating to ₹ 6,101.98 Lacs.
- The share warrants are exercisable with a period of 18 months from the date of their allotment i.e. December 16, 2017, in one or more tranches.
- The Company has received a subscription amount of ₹ 1,525.50 Lacs, i.e. 25% of the issue price of the share warrants at the time of subscription and remaining 75% of the issue price of the share warrants will be received by the Company at the time of exercising of the said share warrant. The share warrants will lapse if not exercised with a period of 18 months from their allotment and subscription amount received by the Company will be forfeited.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") the Management Discussion and Analysis is set out in the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at March 31, 2018, your Company had 7 direct subsidiaries, 9 step-down subsidiaries and 5 associates.

During the year under review, the Company has made an investment of ₹ 1 Lac in PJSA Technosoft Private Limited (PJSA) by purchasing 10,000 (representing 100% of equity share capital of PJSA) equity shares from existing shareholders of PJSA. Post this acquisition, PJSA became a wholly owned subsidiary of the Company.

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 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 under the web link: http://www.ufomoviez.com/IR_Finance.aspx. These documents are also available for inspection during business hours at the Company's registered office in Mumbai, India.

CORPORATE GOVERNANCE

The Corporate Governance Report for the financial year ended March 31, 2018, 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, and background among directors. These differences are considered in determining the optimum composition of the Board. 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 under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

NUMBER OF MEETINGS OF THE BOARD

The Board met 9 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 consecutive 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 to separate the functions of governance and management in the Company.

As on March 31, 2018, the Board consisted of eight members, two of whom are executive directors and six are non-executive directors. Out of the 6 non-executive directors, 3 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 under the Listing Regulations.

BOARD EVALUATION

Regulation 4(2)(f) of the Listing Regulations 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 recommended by the Chairman of the Nomination and Remuneration Committee.

TRAINING OF INDEPENDENT DIRECTORS

The Company familiarizes its Directors including 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. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

The Managing Director and the Joint Managing Director also have one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory framework in which the Company operates and equip themselves to effectively fulfill their role as Directors of the Company.

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 under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

INDUCTIONS

There were no fresh appointments of Directors during the year under review.

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. Varun Laul retires by rotation at the forthcoming Annual General Meeting. However, Mr. Laul has expressed his unwillingness to get re-appointed as a Director of the Company due to some other commitments.

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 with effect from November 20, 2014.

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.

During the year under review, Mr. Sanjeev Aga, Ms. Lynn de Souza and Mr. S. Madhavan were re-appointed as Independent Directors of the Company w.e.f. November 20, 2017 for the second term of five years.

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, and subject to approval of the members of the Company, have re-appointed, Mr. Sanjay Gaikwad as Managing Director and Mr. Kapil Agarwal as Joint Managing Director of the Company for a further period of 5 years from the expiry of their present term of office.

The notice of the 14th Annual General Meeting of the Company contains the resolutions for re-appointment of Mr. Sanjay Gaikwad as Managing Director and Mr. Kapil Agarwal as Joint Managing Director of the Company for a term of five years.

RESIGNATIONS

During the year under review, none of the directors resigned from the Board of the Company.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on May 17, 2017, July 11, 2017 and June 14, 2018 *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.

INTERNAL FINANCIAL CONTROLS

Your Company has laid an Internal Control Framework which is commensurate with the size, scale and complexity of its operations. This framework ensures 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. Controls have been identified along with risks and mitigation processes covering major areas across all business and functions. Internal controls were reviewed by Internal Auditors and based on the evaluation, it was concluded that the Company's internal financial controls are adequate and were operating effectively as of March 31, 2018.

Strengthening of controls is a continuous and evolving process in the Company. Based upon observations, findings and recommendations of the internal auditors, process owners develop preventive and corrective actions which are then deployed across the organization.

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company as on March 31, 2018 comprised of three Independent Directors, Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza and one Non Executive, Non-Independent Director, Mr. Varun Laul. Mr. Sanjeev Aga is the Chairman of the Committee.

All members of the Audit and Risk Management Committee possess requisite experience and 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.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The details of the Whistle blower policy are available on the Company's website under web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx. No complaint has been received during the year under review. For further details on the Whistle blower policy, please refer to the Corporate Governance Report forming part of the Annual Report.

RISK MANAGEMENT

The Company has developed and implemented Risk Management plans in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. The Risk Management plans 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 STATEMENTAS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013

Based upon the framework of internal financial controls and compliance systems established and maintained by the Company, the 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 operating effectively during the financial year 2017-18.

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, 2018 have been prepared on a going concern basis in accordance with relevant Indian Accounting Standards (Ind AS), and there are no material departures from the same;

(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 reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs as on March 31, 2018 and the profit including other comprehensive income and cash flow and the changes in equity 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;

(d) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively; and

(e) 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 (CSR)

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 ₹ 6,797.78 lacs. It was hence required to spend a minimum of ₹ 135.96 lacs on CSR activities during the financial year 2017-18, being 2% of the average net profits of the three immediately preceding financial years.

The Company has contributed an amount of ₹ 218.19 lacs towards CSR activities against its obligation of ₹ 135.96 lacs for the financial year 2017-18.

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 of the Annual Report in the print version. Additional information is available on the Company's website www.ufomoviez.com. Electronic copies of the Annual Report 2017-18 and Notice of the 14th 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 2017-18 and the Notice of the 14th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

AUDITORS

Statutory Auditors

As per the provisions of Section 139 of the Companies, Act, 2013, no listed Company can appoint or re-appoint an audit firm as an auditor for more than two terms of five consecutive years. The second term of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, as Statutory Auditors of the Company will expire on the conclusion of the ensuing 14th Annual General Meeting scheduled to be held on August 9, 2018. Accordingly, the Board of Directors of the Company, at their meeting held on May 29, 2018, subject to the approval of members of the Company, have approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this 14th Annual General Meeting untill the conclusion of 19th Annual General Meeting for a consecutive term of five years. In this regard, the Company has received a certificate from M/s. B S R & Co. LLP, Chartered Accountants to the effect that if they are appointed as statutory auditors of the Company for the financial year 2018-19, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Secretarial Auditor

Mr. Dharmesh Zaveri of M/s. D.M. Zaveri & Co., Practising Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2017-18 forms part of the Annual Report as “Annexure-5” to this report. There are no qualifications or adverse observations by the Secretarial Auditor of the Company for the year under review.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively.

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 2017-18 and in receipt of remuneration for the said financial year which, in the aggregate, was not less than ₹ 102 lacs and employed for a part of the financial year 2017-18, was in receipt of remuneration for any part of the said financial year, at a rate which, in the aggregate, was not less than ₹ 8.5 lacs per month and top 10 employees in terms of remuneration, 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 2017-18.

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

Your directors thank all customers, vendors, investors, bankers, and all other business partners for their excellent support during the year. They wish to place on record appreciation of the strong commitment and contribution made by employees of the Company at all levels.

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

You directors thank the Central Government, various State Governments and other Government agencies and 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	**Kapil Agarwal**
Managing Director	Joint Managing Director
DIN: 01001173	DIN: 00024378

Place: Mumbai
Date: June 14, 2018

Annexure-1

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 http://www.ufomoviez.com/IR_Corporate_Governance.aspx

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, wholly owned 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 10 years, renewable on similar and mutually agreeable terms. (iv) Rent Agreements for various tenure from 11 months to 5 years.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	(i) Providing Digital Cinema Equipments on lease basis (ii) Software encryption and digital transmission service (iii) Generating and sharing of advertisement revenue (iv) The wholly owned subsidiary company has granted the permission to use and occupy the leased premises to the Company. Also, the Company has granted the permission to the wholly owned subsidiary Company to use and occupy the leased premises. For the value of the transactions, refer 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 an arm's length basis.
(f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place: Mumbai	Managing Director	Joint Managing Director
Date: June 14, 2018	DIN: 01001173	DIN: 00024378

Annexure-2

NOMINATION AND REMUNERATION POLICY

The Company's policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which Company's 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 Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

The criteria for identifying persons who are qualified to be appointed as Directors / Committee Members / KMPs / Senior Management Personnel / Other Employees of the Company.

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.

The Nomination and Remuneration Committee of the Board of Directors of the Company shall identify the persons who are qualified to become directors and recommend to the board their appointment / re-appointment.

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.

The Nomination and Remuneration Committee of the Board of Directors of the Company shall identify the persons who are qualified to become independent directors and recommend to the board their appointment / re-appointment.

Committees of the Board: The Nomination and Remuneration Committee of the Board of Directors of the Company shall determine the criteria for selection of the Board Committee members and recommend to the board the members to be appointed to various committees.

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 selection of KMPs and Senior Management Personnel shall be done by the Human Resource Department of the Company after obtaining approval of the Managing Director / Joint Managing Director.

The details of appointment and cessation of KMPs and Senior Management Personnel shall be placed before the Committee periodically.

The selection of other employees shall be done by the Human Resource Department of the Company after obtaining approval of the functional head of the respective department.

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 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.

The Nomination and Remuneration Committee shall recommend the remuneration of Executive Directors to the Board for its approval.

The management of the Company shall decide the remuneration of KMPs and Senior Management Personnel and update about the same to the Nomination and Remuneration Committee periodically.

Structure of remuneration for non-executive Directors

Non-executive Directors other than the Independent Directors are not currently paid any remuneration by the Company.

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.

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.

Employees of the Company (excluding Managing Director or Whole-time Director) may be paid salary advance and loans etc. as per the Company's HR policies.

Criteria for evaluating performance of Board members, Key Managerial Personnel, Senior Management Personnel

Criteria for evaluating performance of Board members: Section 149 of the Companies Act, 2013 read with Schedule IV of the Act 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. 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. Framework for performance evaluation of the Board members, including independent directors, Board committee is specified in the Nomination and Remuneration Policy.

Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel: The performance evaluation of KMPs (excluding Board members) 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.

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: June 14, 2018

Annexure-3

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 Members.

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:

Sr. No.	Particulars	₹ In Lacs
1.	Average net profit of the Company for last three financial years	6,797.78
2.	Prescribed CSR expenditure (2% of the average net profit as computed above)	135.96
3.	Details of CSR expenditure during the financial year:	
a)	Total amount to be spent for the financial year	135.96
b)	Amount unspent, if any	Nil
c)	The manner in which the amount spent during the financial year is detailed below:	218.19

CSR project or activity identified	Advertisement played on UFO network cinemas promoting campaigns “Middle Class Care” and “Khelo India”
Sector in which the project is covered	Promotion of Health Care and Sports
Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	PAN India
Amount outlay (Budget) project or program wise	135.96
Amount spent on the projects or programs Sub-heads (1) district expenditure on projects or programs. (2) overheads	218.19
Cumulative expenditure up to the reporting period	218.19
Amount spent direct or through implementing agency	Direct

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 http://www.ufomoviez.com/IR_Corporate_Governance.aspx for more details related to our CSR Policy.

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: June 14, 2018

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 ton 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 is ₹4,827.08 lacs.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place: Mumbai	Managing Director	Joint Managing Director
Date: June 14, 2018	DIN: 01001173	DIN: 00024378

Annexure-5

SECRETARIAL AUDIT REPORT
FORM NO. MR-3

For the Financial year ended March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial 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 **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 UFO Moviez India Limited'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 March 31, 2018, 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 March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

(iv) 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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not relevant / applicable during the year under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not relevant / applicable during the year under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not relevant / applicable during the year under review)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Following laws are applicable to the Company in addition to laws mentioned above

- (i) The Cinematography Act, 1952

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. including other specific laws to the extent applicable to the Company as represented by management mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, 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 the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 period under review;

1. The Company has acquired 66,609 Equity shares having face value of ₹10/- each of its Subsidiary Company i.e. Scrabble Entertainment Limited **(SEL)** constituting 8.67% of the paid-up equity capital of SEL from Dr. Sunil Patil at the rate of ₹ 2,182/- per Equity Share. As a consequent to this acquisition, Scrabble Entertainment Limited becomes Wholly Owned Subsidiary of the Company.
2. The Company has acquired 10,000 Equity Shares having face value of ₹10/- each of PJSA Technosoft Private Limited **(PJSA),** which constitutes 100% of the paid-up equity share capital of PJSA, from Mr. Pankaj Jaysinh Madhani and Mr. Sushil Kumar Agrawal at the face value of ₹10/- per Equity share.
3. On November 1, 2017, the Board of Directors of the Company had approved the composite scheme of arrangement and amalgamation between the Company and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors ("the Qube Scheme") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (the "Act").After receipt of required approval from National Stock Exchange of India Limited and BSE Limited, the Company had filed the Qube Scheme with the National Company Law Tribunal (NCLT), Mumbai Bench. The above Scheme is subject to approval from the shareholders of the Transferor Companies and other applicable regulatory authorities.
4. The Company had convened and hold an Extra-Ordinary General Meeting on Friday, December 1, 2017, for Issue of 7,50,000 Equity Shares of ₹10/- each at a price of ₹400.13/- per share and 15,25,000 share warrants of ₹10/- each at a price of ₹400.13/- each (including share warrant subscription price and share warrant exercise price), convertible into, or exchangeable for, one equity share of face value of ₹10/- each to two individuals and one company forming part of promoter group on preferential basis. During the year, the Company received 25% of subscription amount of ₹1,525.50 lacs against said warrants.

For D. M. Zaveri & Co
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: June 14, 2018.

Annexure-6

EXTRACT OF ANNUAL RETURN
FORM NO. MGT-9

as on the financial year ended on March 31, 2018

[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:	L22120MH2004PLC285453
ii)	Registration Date:	June 14, 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:	Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093. Tel: +91 22 40305060 Fax: +91 22 40305110 E-mail: investors@ufomoviez.com Website: www.ufomoviez.com
vi)	Whether listed Company Yes / No:	Yes
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:

Sr. 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

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Scrabble Entertainment Limited 3rd Floor, Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093	U92190MH2008PLC178456	Subsidiary	100%	2(87) (ii)
2	Southern Digital Screenz India Private Limited* Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093	U92120MH2008PTC281163	Subsidiary	100%	2(87) (ii)
3	V N Films Private Limited* 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016	U92490MH2007PTC284657	Subsidiary	100%	2(87) (ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
4	PJSA Technosoft Private Limited 2602, Wing C, Oberoi Splendor, Opp. Majas Depot, JVLR, Andheri (East), Mumbai - 400 060	U74999MH2017PTC300940	Subsidiary	100%	2(87) (ii)
5	UFO Software Technologies Private Limited 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016	U74899MH2005PTC284653	Subsidiary	96.97%	2(87) (ii)
6	Valuable Digital Screens Private Limited 53/1, Media Info Tech Park, Road No. 7, Near Akruti Trade Centre, Andheri (East), Mumbai	U72900MH2006PTC163092	Subsidiary	80%	2(87) (ii)
7	Edridge Limited* 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 174845	Subsidiary	100%	2(87) (ii)
8	UFO International Limited* 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 180142	Subsidiary	100%	2(87) (ii)
9	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)
10	United Film Organisers Nepal Private Limited Shova Complex, 344/41, Dhobidhara Marg, Kamalpokari, Kathmandu, Nepal	Registration No.: 48014	Subsidiary	100%	2(87) (ii)
11	UFO Lanka (Private) Limited No. 12, Rotunda Gardens, Colombo 03	Registration No.: PV 62107	Subsidiary	100%	2(87) (ii)
12	Scrabble Entertainment (Mauritius) Limited 6th Floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius	Registration No.: C105426	Subsidiary	100%	2(87) (ii)
13	Scrabble Entertainment DMCC 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)
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. [Under Liquidation]	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)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
17	Scrabble Digital Limited 501,503,504,509, Fifth Floor, Janki Centre, Off Veera Desai Road, Andheri (West), Mumbai- 400 053	U74999MH2011PLC213170	Associate	33.33%	2(6)
18	Scrabble Digital DMCC Post Box 51899, 2301 and 2308	Not Applicable	Associate	33.33%	2(6)
19	Scrabble Ventures LLC 10550 Camden Drive, Cypress, California 90630	Not Applicable	Associate	33.00%	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	33.00%	2(6)
21	Mukta V N Films Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai- 400 065	U74120MH2013PLC244220	Associate	45.00%	2(6)

**[The petition for sanction of the Scheme of Arrangement among Southern Digital Screenz India Private Limited, V.N. Films Private Limited,Edridge Limited,UFO International Limited (“Transferor Companies”) and UFO Moviez India Limited (“Transferee Company”) and their respective shareholders and creditors was approved by the NCLT Mumbai on May 17, 2018. However, final order from the NCLT is awaited.]*

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	
A.	**Promoter and Promoter Group**									
(1)	Indian									
a)	Individual / HUF	77,65,352	--	77,65,352	28.13	85,15,252	--	85,15,252	30.04	1.90
b)	Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
c)	Bodies Corporate	--	--	--	--	--	--	--	--	--
d)	Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
e)	Others	--	--	--	--	--	--	--	--	--
	Sub-Total A(1)	**77,65,352**	**--**	**77,65,352**	**28.13**	**85,15,252**	**--**	**85,15,252**	**30.04**	**1.90**
(2)	Foreign									
a)	Individuals / (NRIs / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b)	Bodies Corporate	--	--	--	--	--	--	--	--	--
c)	Institutions	--	--	--	--	--	--	--	--	--
d)	Qualified Foreign Investor	--	--	--	--	--	--	--	--	--

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	
e)	Others	--	--	--	--	--	--	--	--	--
	Sub-Total A(2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
	Total A=A(1)+A(2)	**77,65,352**	**--**	**77,65,352**	**28.13**	**85,15,252**	**--**	**85,15,252**	**30.04**	**1.90**
B.	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds / UTI	59,26,944	--	59,26,944	21.47	62,08,009	--	62,08,009	21.90	0.42
(b)	Financial Institutions / Banks	22,050	--	22,050	0.08	20,123	--	20,123	0.07	(0.01)
(c)	Central Government / State Government(s)	--	--	--	--	--	--	--	--	--
(d)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
(e)	Insurance Companies	6,52,427	--	652,427	2.36	--	--	--	--	(2.36)
(f)	Foreign Institutional Investor	8,96,920	--	896,920	3.25	10,11,386	--	10,11,386	3.57	0.32
(g)	Foreign Venture Capital Investors	52,51,608	--	52,51,608	19.03	52,51,608	--	52,51,608	18.52	(0.50)
(h)	Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
(i)	Others	--	--	--	--	--	--	--	--	--
	Sub-Total B(1)	**1,27,49,949**	**--**	**1,27,49,949**	**46.19**	**1,24,91,126**	**--**	**1,24,91,126**	**44.06**	**(2.13)**
(2)	Non-Institutions									
(a)	Bodies Corporate	15,59,527	--	15,59,527	5.65	12,41,807	--	12,41,807	4.38	(0.13)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	23,45,988	17,949	23,63,937	8.55	30,66,433	13,460	30,79,893	10.86	2.30
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	25,52,927	10,500	25,63,427	9.29	20,42,732	10,500	20,53,232	7.24	(2.05)
(c)	Others									
	Clearing Members	2,36,734	--	236,734	0.86	39,869	--	39,869	0.14	(0.72)
	Foreign Bodies	--	--	--	--	--	--	--	--	--
	Foreign Nationals	--	--	--	--	12	--	12	0.00	0.00
	NBFC	37,225	--	37,225	0.13	12,110	--	12,110	0.04	(0.09)
	Non-Resident Indians	96,337	--	96,337	0.35	2,08,465	--	208,465	0.74	0.39
	NRI Non-Repatriation	12,855	--	12,855	0.05	75,107	--	75,107	0.26	0.22
	Trusts	2,14,225	1,233	215,458	0.78	1,18,228	1,233	119,461	0.42	(0.36)
(d)	Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
	Sub-Total B(2)	**70,55,818**	**29,682**	**70,85,500**	**25.67**	**73,19,230**	**25,193**	**73,44,423**	**25.91**	**0.23**
	Total B=B(1)+B(2)	**1,98,05,767**	**29,682**	**1,98,35,449**	**71.87**	**1,98,10,356**	**25,193**	**1,98,35,549**	**69.96**	**(1.90)**

	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	
	Total (A+B)	**2,75,71,119**	**29,682**	**2,76,00,801**	**100.00**	**2,83,25,608**	**25,193**	**2,83,50,801**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	--	--	--	--	--	--	--	--	--
(2)	Public	--	--	--	--	--	--	--	--	--
	Grand Total (A+B+C)	**2,75,71,119**	**29,682**	**2,76,00,801**	**100.00**	**2,83,25,608**	**25,193**	**2,83,50,801**	**100.00**	**0.00**

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2017 was: 2,76,00,801 equity shares. The paid-up share capital of the Company at the end of the year i.e. March 31, 2018 increased to 2,83,50,801 equity shares.*

(ii) Share Holding of Promoter

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding 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	Mr. Sanjay Gaikwad	2,63,797	0.96	--	2,63,797	0.93	2,63,797	--
2	Mr. Narendra Hete	Nil	Nil	--	Nil	Nil	Nil	Nil
3	Mr. Uday Gaikwad	101	0.00	--	1	0.00	--	--
4	Mr. Ameya Hete	2,17,797	0.79	--	2,17,797	0.77	2,17,797	(0.02)
5	Advent Fiscal Private Limited	7,37,182	2.67	--	7,37,182	2.60	--	(0.07)
6	Nifty Portfolio Services Private Limited	5,42,136	1.96	--	5,42,136	1.91	--	(0.05)
7	Apollo International Limited	22,66,417	8.21	--	22,66,417	7.99	--	(0.22)
8	Valuable Technologies Limited	22,43,657	8.13	--	22,43,657	7.91	--	(0.22)
9	Valuable Media Limited#	14,94,265	5.41	--	22,44,265	7.92	--	2.51
	Total	**77,65,352**	**28.13**	**--**	**85,15,252**	**30.04**	**4,81,594**	**1.91**

**The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2017 was: 2,76,00,801 equity shares. The paid-up share capital of the Company at the end of the year i.e. March 31, 2018 increased to 2,83,50,801 equity shares.*

#During the year under review, the Company on preferential basis had allotted 7,50,000 equity shares to Valuable Media Limited.

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sr. No.	Name of Shareholder	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	Mr. Sanjay Gaikwad	2,63,797	0.96	--	No Purchase / Sale	--	--	2,63,797	0.93
				31.03.2018	At the end of the year	--	--	2,63,797	0.93
2	Mr. Narendra Hete	Nil	Nil	--	--	--	--	Nil	Nil
				31.03.2018	At the end of the year	--	--	Nil	Nil
3	Mr. Uday Gaikwad	101	0.00	25.08.2017	Purchase	100	0.00	201	0.00
				01.12.2017	Sale	200	0.00	1	0.00
				31.03.2018	At the end of the year	--	--	1	0.00
4	Mr. Ameya Hete	2,17,797	0.79	--	No Purchase / Sale	--	--	2,17,797	0.77
				31.03.2018	At the end of the year	--	--	2,17,797	0.77
5	Advent Fiscal Private Limited	7,37,182	2.67	--	No Purchase / Sale	--	--	7,37,182	2.60
				31.03.2018	At the end of the year	--	--	7,37,182	2.60
6	Nifty Portfolio Services Private Limited	5,42,136	1.96	--	No Purchase / Sale	--	--	5,42,136	1.91
				31.03.2018	At the end of the year	--	--	5,42,136	1.91
7	Apollo International Limited	22,66,417	8.21	--	No Purchase / Sale	--	--	22,66,417	7.99
				31.03.2018	At the end of the year	--	--	22,66,417	7.99
8	Valuable Technologies Limited	22,43,657	8.13	--	No Purchase / Sale	--	--	22,43,657	7.91
				31.03.2018	At the end of the year	--	--	22,43,657	7.91
9	Valuable Media Limited	14,94,265	5.41	16.12.2017	Allotment on a Preferential basis	7,50,000	2.65	22,44,265	7,92
				31.03.2018	At the end of the year	--	--	22,43,657	7.91

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2017 was: 2,76,00,801 equity shares. The paid-up share capital of the Company at the end of the year i.e. March 31, 2018 increased to 2,83,50,801 equity shares.*

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. 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) Limited	52,51,608	19.03	--	No Purchase / Sale	--	--	52,51,608	19.03
				31.03.2018	At the end of the year			52,51,608	18.52
2	DSP Blackrock Micro Cap Fund	9,12,119	3.30	16.06.2017	Purchase	3,86,508	1.40	12,98,627	4.71
				10.11.2017	Purchase	95,000	0.34	13,93,627	5.05
				31.03.2018	At the end of the year			13,93,627	4.92
3	SBI Magnum Multicap Fund	0	0	01.12.2017	Purchase	4,72,000	1.71	4,72,000	1.71
				08.12.2017	Purchase	1,00,000	0.36	5,72,000	2.07
				09.02.2018	Purchase	34,136	0.12	6,06,136	2.14
				16.02.2018	Purchase	3,95,000	1.39	10,01,136	3.53
				31.03.2018	At the end of the year			10,01,136	3.53

Sr. 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*
4	Reliance Capital Trustee Co Ltd A/c – Reliance Regular Savings Fund – Balanced Option	8,98,630	3.26	--	No Purchase / Sale	--	--	8,98,630	3.26
				31.03.2018	At the end of the year			8,98,630	3.17
5	SBI Magnum Global Fund	8,70,000	3.15	--	No Purchase / Sale	--	--	8,70,000	3.15
				31.03.2018	At the end of the year			8,70,000	3.07
6	SBI Small and Midcap Fund	3,90,000	1.42	01.12.2017	Purchase	1,00,000	0.36	4,90,000	1.78
				16.02.2018	Purchase	80,000	0.28	5,70,000	2.01
				31.03.2018	At the end of the year			5,70,000	2.01
7	Kuroto Fund LP	5,38,368	1.95	--	No Purchase / Sale	--	--	5,38,368	1.95
				31.03.2018	At the end of the year			5,38,368	1.90
8	Reliance Capital Trustee Co Ltd A/c – Reliance Regular Savings Fund – Equity Option	6,05,500	2.19	16.06.2017	Sale	2,00,000	0.72	4,05,500	1.47
				30.06.2017	Sale	11,250	0.04	3,94,250	1.43
				14.07.2017	Sale	13,750	0.05	3,80,500	1.38
				18.08.2017	Sale	95,000	0.34	2,85,500	1.03
				31.03.2018	At the end of the year			2,85,500	1.01
9	Reliance Capital Trustee Co Ltd A/c – Reliance Retirement Fund – Wealth Creation Scheme	2,31,901	0.84	--	No Purchase / Sale	--	--	2,31,901	0.84
				31.03.2018	At the end of the year			2,31,901	0.82
10	Reliance Nippon Life Insurance Co Limited	0	0	11.08.2017	Purchase	2,93,825	1.06	2,93,825	1.06
				18.08.2017	Purchase	94,012	0.34	3,87,837	1.41
				25.08.2017	Purchase	489	0.00	3,88,326	1.41
				01.09.2017	Sale	236	0.00	3,88,090	1.41
				08.09.2017	Sale	1,466	0.00	3,86,624	1.40
				15.09.2017	Sale	5	1.81	3,86,619	1.40
				22.09.2017	Sale	14,489	0.05	3,72,130	1.35
				29.09.2017	Sale	8,769	0.03	3,63,361	1.32
				06.10.2017	Purchase	5,296	0.02	3,68,657	1.34
				13.10.2017	Sale	8,449	0.03	3,60,208	1.31
				20.10.2017	Purchase	104	0.00	3,60,312	1.31
				27.10.2017	Sale	210	0.00	3,60,102	1.30
				31.10.2017	Sale	59,063	0.21	3,01,039	1.09
				03.11.2017	Sale	18,632	0.07	2,82,407	1.02
				10.11.2017	Sale	1,298	0.00	2,81,109	1.02
				17.11.2017	Purchase	14	0.00	2,81,123	1.02

Sr. 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*
				08.12.2017	Sale	11	0.00	2,81,112	1.02
				15.12.2017	Purchase	17	0.00	2,81,129	1.02
				29.12.2017	Sale	40	0.00	2,81,089	0.99
				05.01.2018	Purchase	1,363	0.00	2,82,452	1.00
				12.01.2018	Sale	259	0.00	2,82,193	1.00
				19.01.2018	Sale	6,410	0.02	2,75,783	0.97
				26.01.2018	Sale	10,959	0.04	2,64,824	0.93
				02.02.2018	Sale	600	0.00	2,64,224	0.93
				09.02.2018	Sale	3,577	0.01	2,60,647	0.92
				16.02.2018	Sale	37,214	0.13	2,23,433	0.79
				23.02.2018	Sale	7,100	0.03	2,16,333	0.76
				02.03.2018	Purchase	693	0.00	2,17,026	0.77
				09.03.2018	Sale	152	0.00	2,16,874	0.76
				16.03.2018	Sale	771	0.00	2,16,103	0.76
				23.03.2018	Sale	643	0.00	2,15,460	0.76
				30.03.2018	Purchase	996	0.00	2,16,456	0.76
				31.03.2018	At the end of the year	--	--	2,16,456	0.76
11	Ashish Kacholia	5,08,415	1.84	19.05.2017	Sale	1,954	0.01	5,06,461	1.83
				26.05.2017	Sale	81,700	0.30	4,24,761	1.54
				02.06.2017	Sale	52,010	0.19	3,72,751	1.35
				09.06.2017	Sale	53,343	0.19	3,19,408	1.16
				16.06.2017	Sale	1,81,058	0.66	1,38,350	0.50
				07.07.2017	Sale	54,391	0.20	83,959	0.30
				14.07.2017	Sale	83,959	0.30	--	--
				31.03.2018	At the end of the year			--	--
12	SBI Magnum Midcap Fund	7,99,456	2.90	24.11.2017	Sale	27,359	0.10	7,72,097	2.80
				01.12.2017	Sale	7,72,097	0.80	--	--
				31.03.2018	At the end of the year			--	--
13	SBI Magnum Balanced Fund	5,50,000	2.00	09.02.2018	Sale	5,50,000	2.00	5,50,000	1.94
				31.03.2018	At the end of the year			--	--

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2017 was: 2,76,00,801 equity shares. The paid-up share capital of the Company at the end of the year i.e. March 31, 2018 increased to 2,83,50,801 equity shares.*

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors / Key Managerial Personnel	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*
	Directors								
1	Mr. Sanjeev Aga	--	--	--	No Purchase / Sale	--	--	--	--
				31.03.2018	At the end of the year			--	--
2	Mr. Ameya Hete	2,17,797	0.79	--	No Purchase / Sale	--	--	2,17,797	0.77
				31.03.2018	At the end of the year			2,17,797	0.77
3	Mr. Kapil Agarwal	4,62,394	1.68	--	No Purchase / Sale	--	--	4,62,394	1.63
				31.03.2018	At the end of the year			4,62,394	1.63
4	Ms. Lynn de Souza	--	--	--	No Purchase / Sale	--	--	--	--
				31.03.2018	At the end of the year			--	--
5	Mr. Raaja Kanwar	--	--	--	No Purchase / Sale	--	--	--	--
				31.03.2018	At the end of the year			--	--
6	Mr. S. Madhavan	1,500	0.01	14.04.2017	Purchase	500	0.00	2,000	0.01
				21.04.2017	Purchase	500	0.00	2,500	0.01
				01.09.2017	Purchase	500	0.00	3,000	0.01
				15.09.2017	Purchase	500	0.00	3,500	0.01
				29.09.2017	Purchase	500	0.00	4,000	0.01
				13.10.2017	Purchase	600	0.00	4,600	0.01
				20.10.2017	Purchase	400	0.00	5,000	0.02
				31.03.2018	At the end of the year	--	--	5,000	0.02
7	Mr. Sanjay Gaikwad	2,63,797	0.96	--	No Purchase / Sale	--	--	2,63,797	0.96
				31.03.2018	At the end of the year			2,63,797	0.96
8	Mr. Varun Laul	--	--	--	No Purchase / Sale	--	--	--	--
				31.03.2018	At the end of the year			--	--
	Key Managerial Personnel								
1	Mr. Rajesh Mishra, CEO	28,649	0.10	--	No Purchase / Sale	--	--	28,649	0.10
				31.03.2018	At the end of the year			28,649	0.10
2	Mr. Ashish Malushte, CFO	18,424	0.07	--	No Purchase / Sale	--	--	18,424	0.06
				31.03.2018	At the end of the year			18,424	0.06
3	Mr. Sameer Chavan, Company Secretary	--	--	--	No Purchase / Sale	--	--	--	--
				31.03.2018	At the end of the year			--	--

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2017 was: 2,76,00,801 equity shares. The paid-up share capital of the Company at the end of the year i.e. March 31, 2018 increased to 2,83,50,801 equity shares.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding but not due for payment

(₹ In Lacs)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on April 1, 2017)					
i)	Principal Amount	5,934.42	--	--	5,934.42
ii)	Interest but not paid		--	--	
iii)	Interest accrued but not due	52.25	--	--	52.25
Total (i+ii+iii)		**5,986.67**	**--**	**--**	**5,986.67**
Change in indebtedness during the financial year (FY 2017-18)					
•	Addition	4,697.95	--	--	4,697.95
•	Reduction	3,831.59	--	--	3,831.59
	Net Change	**866.36**	**--**	**--**	**866.36**
Indebtedness at the end of the financial year (As on March 31, 2018)					
i)	Principal Amount	6,802.40	--	--	6,802.40
ii)	Interest but not paid		--	--	
iii)	Interest accrued but not due	50.64	--	--	50.64
Total (i+ii+iii)		**6,853.04**	**--**	**--**	**6,853.04**

VI. REMUNERATION OF DIRECORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-Time Directors and / or Manager

Particulars	Salary paid for the FY 2017-18 (₹ In Lacs)
Mr. Sanjay Gaikwad, Managing Director	275.00
Mr. Kapil Agarwal, Joint Managing Director	275.00
Total	**550.00**
Overall limit @ 10% of profit u/s 198 of the Companies Act, 2013	1,201.08
Excess Remuneration	--

B. Remuneration to other Directors

(₹ In Lacs)

Sr. 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. Ameya Hete	Mr. Varun Laul	
1	Fee for attending Board / Committee Meetings	14.50	9.50	14.50	--	--	--	38.50
	Commission	10.50	15.50	25.50	--	--	--	51.50
	Others, please specify	--	--	--	--	--	--	--
2	**Total Managerial Remuneration**	**25.00**	**25.00**	**40.00**	**--**	**--**	**--**	**90.00**
3	Overall Ceiling @ 1% of profit calculated under Section 198 of the Companies Act, 2013	102.11						

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Mishra, CEO	Mr. Ashish Malushte, CFO	Mr. Sameer Chavan, Company Secretary	
1	Gross Salary	108.42	82.57	18.73	209.72
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	--	--	--	--
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	6.09	6.26	--	12.35
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- Others, specify	--	--	--	--
5	Others, please specify (Incentive)	23.28	17.68	--	40.95
	Company Provident Fund Contribution	6.93	5.28	1.16	13.37
	Medical Allowance	0.15	0.15	0.15	0.45
	Total	**144.87**	**111.94**	**20.04**	**276.85**

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)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 14, 2018

Sanjay Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

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)*		Previous year Remuneration (₹ In Lacs)*	% increase / (decrease) in remuneration	Ratio of Director's remuneration to median remuneration	Comparison of remuneration of each KMP against Company's performance	
	Salary *	Perquisite arising due to exercise of employee stock options				% of turnover	% of Net Profit before tax
Non-Executive Directors							
Mr. Sanjeev Aga	25.50	--	25.50	--	4.47	NA	NA
Mr. S. Madhavan	10.50	--	10.00	5.00	1.84	NA	NA
Ms. Lynn de Souza	15.50	--	11.00	40.91	2.71	NA	NA
Mr. Raaja Kanwar	--	--	--	--	--	NA	NA
Mr. Ameya Hete	--	--	--	--	--	NA	NA
Mr. Varun Laul	--	--	--	--	--	NA	NA
Executive Directors							
Mr. Sanjay Gaikwad	275.00	--	325.00	(15.38)	48.18	0.67	2.95
Mr. Kapil Agarwal	275.00	--	325.00	(15.38)	48.18	0.67	2.95
Key Managerial Personnel							
Mr. Rajesh Mishra	144.87	--	136.22	6.35	25.38	0.35	1.55
Mr. Ashish Malushte	111.49	--	105.15	6.46	19.61	0.27	1.20
Mr. Sameer Chavan	20.04	--	17.94	11.70	3.51	0.05	0.21

** Sitting fees paid to independent directors for attending the meetings of the Board and committee is not included in the remuneration. The commission paid to independent directors during the previous year was on pro-rata basis.The perquisite value arising due to exercise of employee stock options has been considered while calculating the previous year's remuneration.*

 # The median remuneration of employees of the Company was ₹ 5.71 Lacs.

Requirement	Disclosure
The Percentage increase in median remuneration of employees in financial year	13.75%
Number of permanent employees on the rolls of the Company	As at March 31, 2018 – 453
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 (without considering incentives) of the managerial personnel during the year was 9.99%.
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 remuneration of employees

1. **Particulars of employees employed throughout the financial year 2017-18, was in receipt of remuneration for the financial year 2017-18 which, in the aggregate, was not less than ₹ 102 lacs and top 10 employees in terms of remuneration.**

Name & Designation	Qualification	Age	No. of Years of Experience	Gross Remuneration (Salary and Perquisites paid) (₹ in Lacs) *	No. of equity shares as on March 31, 2018 and % of equity share capital	Date of Commencement of Employment	Previous Employment and Designation
Mr. Sanjay Gaikwad - Managing Director	B.E. (Chemical), MBA (Operations)	53 Yrs	24 Yrs	275.00	2,63,797 0.93%	January 01, 2007	Apollo International Limited – COO
Mr. Kapil Agarwal - Joint Managing Director	FCA	57 Yrs	31 Yrs	275.00	4,62,394 1.63%	March 01, 2009	Apollo International Limited – Executive Director
Mr. Siddharth Bhardwaj – Chief Marketing Officer – Head of Enterprise Sales	B.E, MBA	46 Yrs	21 Yrs	198.67	3,000 0.01%	August 01, 2012	Reliance Broadcast Network Limited - National Sales Head Radio Business
Mr. Deepak Ranjan - Chief, Advertisement Sales	B.Sc. (Hon), Diploma in Advertising	50 Yrs	26 Yrs	145.65	41,755 0.15%	January 01, 2007	B4U Television India Private Limited, National – Sales Head
Mr. Rajesh Mishra – Chief Executive Officer – Indian Operations	B.Com., ACA	51 Yrs	27 Yrs	144.87	28,649 0.10%	April 01, 2006	Bennett, Coleman & Co. Limited - General Manager - Corporate Affairs
Mr. Vishnu Patel - Chief Executive Officer – Special Projects	Masters in Broadcasting & Films from Boston University	61 Yrs	34 Yrs	131.55	31,750 0.11%	April 01, 2006	Zee Telefilms Limited - President – Network Programming
Mr. Sanjay Chavan – Chief Technical Officer	B.E. (Electronics)	52 Yrs	28 Yrs	127.56	--	April 01, 2006	PlayWin Infravest Private Limited - Vice President, Special Projects
Mr. Pankaj Jaysinh Madhani – Chief Operating Officer – Indian Operations	B.Com., MBA	56 Yrs	34 Yrs	115.53	200 0.00%	February 01, 2007	Shree Ashtavinayak Cine Vision Limited - Distribution Head
Mr. Ashish Malushte - Chief Financial Officer	B.Com., CA	43 Yrs	21 Yrs	111.94	18,424 0.06%	May 14, 2005	Iqard Telecoms Private Limited - Sr. Manager
Mr. Praveen Sugandh - Vice President, Ad Sales	BA, MBA	48 Yrs	22 Yrs	98.69	2,908 0.01%	August 01, 2008	Sahara One Media & Entertainment Limited, Regional Sales Head

2. None of the employees employed for a part of the financial year 2017-18, was in receipt of remuneration for any part of financial year 2017-18, at a rate which, in the aggregate, was ₹ 8.5 lacs per month or more.

Notes :

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees stated above are related to any of the Directors.
3. Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel.
4. 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: June 14, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of UFO Moviez India Limited is pleased to present below its analysis on the performance of UFO for the Fiscal Year ended March 31, 2018 and its outlook for the financial year 2018-19. UFO Moviez India Limited and its subsidiaries have been collectively referred to as "UFO".

I. Industry Overview

Film Industry

The Indian Film Industry witnessed 27% growth in 2017[(1)]. This growth was primarily driven by increased box office collections. Regional movies continued to witness increase in number of releases along with registering healthy growth rates across languages. The domestic box office was comprised of ~50% Regional content, ~40% Bollywood content and ~10% Hollywood content in 2017[(1)].

Advertising Industry

In the wake of a challenging environment, overall Advertisement revenues across media segments grew under 10% in 2017, lower than the estimated growth rate of 12%[(1)]. Spillover effect of demonetisation was witnessed towards the beginning of the calendar year. Also, managing inventories was prioritized due to the implementation of GST that led to the reduction in advertisement spends. In-Cinema advertising witnessed similar slowdown in 2017. However, as the economy recovers, the in-cinema advertising segment is expected grow faster than the overall advertisement industry in India[(2)].

[(1)]FICCI Frames 2017 and 2018

[(2)]Pitch Madison Advertising Report 2018

II. Opportunities

Inventory Utilization and Realization

In-cinema advertisement has huge headroom for growth in terms of driving inventory utilization. The advertisement inventory utilization in ~1,400 screens of Major Multiplex Chains is at high levels compared to advertisement screens with digital cinema integrators. These screens have huge headroom/opportunity for growth to reach inventory utilization levels of Major Multiplex chains.

The average advertisement realization per minute per screen per show has remained flat over the last 5 years. There is an opportunity to increase the realization by providing advertisers with footfall measurement metrics on the in-cinema advertising network.

It is expected that the in-cinema advertisement revenues of digital cinema integrators will continue to grow as more and more national and regional advertisers will access screens through such integrators.

Screen Growth

The number of screens in India is ~9,500 for a country with over 130 Crore people. This translates to ~7 screens per million people as against ~125 screens in the USA and ~30 in China. India is a country that has a massive film following and there is a huge untapped market to increase the screen density giving audiences access to cinemas across the country. The growth in screen count in India, will give an opportunity for digital cinema integrators to provide digital cinema services and in-cinema advertising services to the growing screen base.

III. Operating Performance

Theatrical Business

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. UFO delivers movies to theatres across the country in MPEG 4 format (E-Cinema), using satellites, as well as in JPEG 2000 (D-Cinema) formats using physical devices.

During the fiscal year 2017-18, UFO has digitally delivered 1,822 movies (including dubbed versions) in 23 languages to 5,322 screens having aggregate seating capacity of approximately 21.2 Lac viewers per show spread across 30 States and Union territories in India and Nepal. Over 13,000 movies have been digitally delivered in India since the beginning of UFO's operations.

In-Cinema Advertising Business

Movie viewing is one of India's greatest passions and a way of life. India is also the largest producer of movies and also witnesses amongst the highest footfalls in the world. Films are the largest source of entertainment in the country. India sells over 200 Crore tickets annually and audiences watch over 1,800 movies that are released annually in 23 languages.

In the pre digitization era, advertisement content shown prior to a feature film were slideshows or short commercials or promotions of a product or service which were delivered to theaters in analog form in advance. The advertisement content was mostly hyperlocal as they were easily accessible by fragmented theater owners. Internationally, Cinema owners did not have easy access to national level advertisers which gave rise to advertising Companies which under an asset light model started aggregating and monetizing advertisement inventory of multiplex and single screens in the US and UK. In India, digitization of Cinema gave rise to digital cinema integrators who invested in digital cinema equipment to operate their core business.

These digital cinema integrators also started aggregating and monetizing advertisement inventory of fragmented Cinemas.

Aggregating and monetizing advertisement inventory of screens made business sense because advertisers could access a wider network of screens without dealing with fragmented theater owners. Cinema advertising is an Impact Advertising platform because of its four key differentiators from traditional frequency mediums such as Print & Television advertising i.e.

- Big Screen Experience
- Access to Captive Audience
- Exposure to Longer Duration Advertisements
- Nationwide reach through a single Company

Globally, Companies like National Cine Media with ~50% screen share and Screen Vision with ~35% screen share became the two largest cinema advertising Companies in the US and Digital Cine Media with ~83% screen share became the largest cinema advertising Company in the UK. In India, digital cinema service providers to single screens and multiplex screens and large multiplex chains started monetizing advertisement inventory. UFO became the largest in-cinema advertising network in terms of screens and also the largest multiplex advertisement network.

The Indian cinema advertising industry has emerged as a two demographic market unlike developed Countries like the US and UK. India has a Premium demographic segment which is led by organized multiplex screens which have an average ticket price in excess of ₹ 200 and weekend pricing in excess of ₹ 400 and Mass Market segment comprising fragmented single screens and standalone multiplexes having an average ticket price ranging between ₹ 40 to ₹ 175. The Premium and Mass Market Screens co-exist in a single geography, only the target audience, experience and target advertisements are different as the price points offered are not the same. Both, Premium and Mass Market demographic segments cater to different audience as their per capita income and spending capacity differs materially.

However, like developed countries, in-cinema advertising inventory which is monetized by large Companies depending on their sales capabilities and value proposition, India is expected to emerge from a multiplayer market to a 2 to 3 player market.

In-cinema advertising has emerged as one of the fastest growing advertisement verticals in the last 6 years in India and is expected to continue growing. This growth is going to be largely driven by higher advertisement inventory utilization and improved pricing in the Mass Market segment which is currently very low and has significant head room for growth.

Digital cinema service providers and large multiplex chains in India have provided advertisers the means to reach theater audiences in the most efficient and transparent way. UFO being the largest digital service provider and in-cinema advertising network has played an instrumental role in re-creating in cinema advertising in India.

UFO’s in-cinema advertising platform enables advertisers to reach a targeted, captive audience with high flexibility and control over the advertising process. The advantages of using UFO’s in-cinema advertising platform over traditional advertising methods are:

- High levels of transparency - data logs of the actual advertisements played has enhanced advertiser confidence in UFO’s in-cinema advertising platform.
- Remote capability allows for last minute scheduling and content changes.
- Advanced technology enables multi-lingual support.
- Elimination of physical prints of advertisements required to be sent to theaters in advance.

Advertisers do not have to deal with a large and fragmented group of exhibitors across the Country. The logistics of advertising is simplified by UFO as it controls, schedules and manages all advertising on its network of 3,897 screens across both Premium and Mass Market Segments.

UFO’s in-cinema advertising platform has benefited fragmented and standalone exhibitors as they can effectively monetize their advertisement inventory through UFO which they were earlier unable to do due to their limited scale and reach.

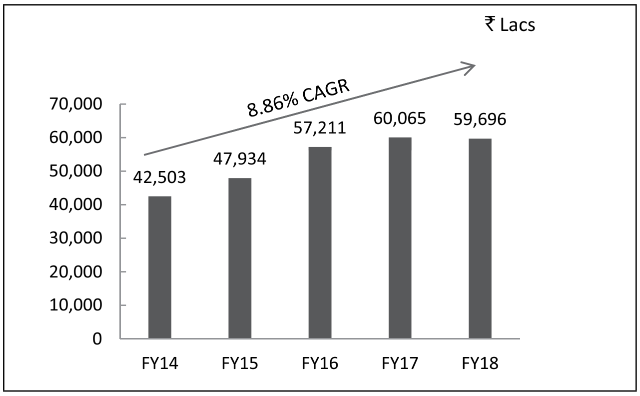
UFO has created a pan-India, high-impact, in-cinema advertising platform with generally long-term advertising rights to 3,897 screens under revenue share deals with the theaters, with an aggregate seating capacity of approximately 17.5 Lac viewers and a reach of 1,363 cities and towns across India, as on March 31, 2018.

During the fiscal year ended March 31, 2018, UFO reported advertisement revenue growth of 19.33% to ₹ 21,359.89 Lac compared to ₹ 17,899.53 Lac in the fiscal year ended March 31, 2017. UFO’s average annual advertisement revenue per screen stood at ₹ 5.36 Lac in FY18 compared to ₹ 4.75 Lac in FY17. The number of minutes sold per show per advertising screen stood at 5.19 minutes in FY18 compared to 4.34 minutes in FY17.

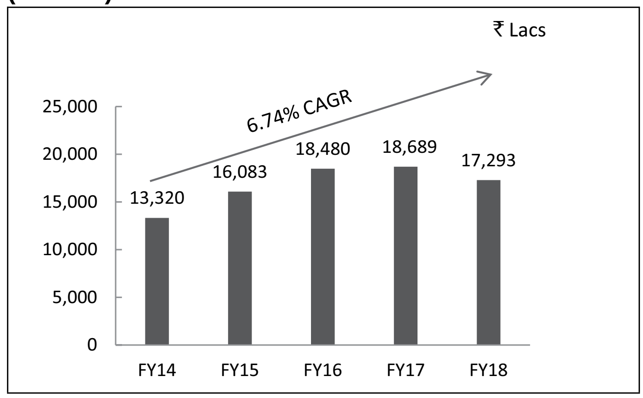
IV. Financial Performance

Performance Overview (FY14 – FY18)

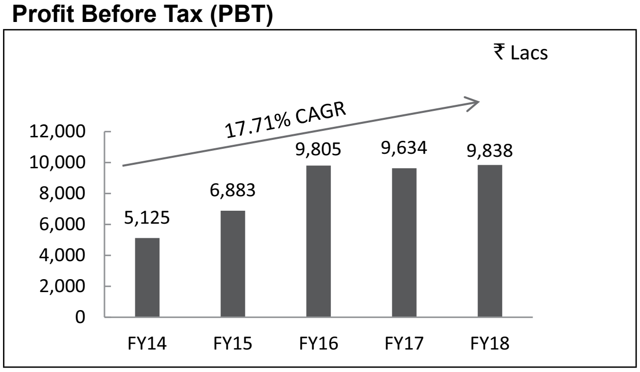
Revenue



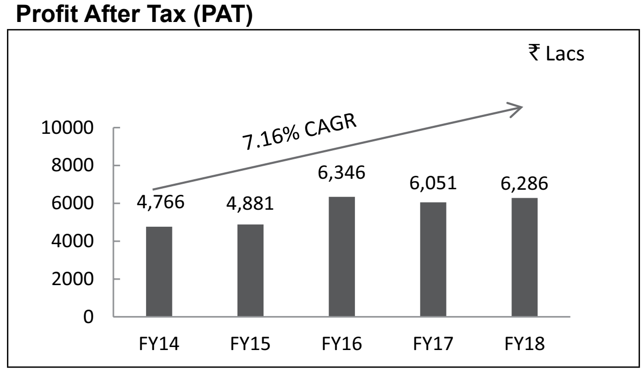
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



Revenue Analysis

UFO receives revenues primarily from three streams. i.e.

(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 of digital cinema equipment and consumables.

	Particulars	31-Mar-18	31-Mar-17	Growth	% Growth
		₹ in Lacs	₹ in Lacs	₹ in Lacs	
A.	**Revenue from operations**				
I.	**Advertisement revenue**	**21,359.89**	**17,899.53**	**3,460.36**	**19.33**
II.	**Revenue from Content Owners**	**20,880.02**	**25,643.86**	**(4,763.84)**	**(18.58)**
	Virtual Print Fees (VPF) - E- Cinema	10,553.26	10,270.42	282.84	2.75
	Virtual Print Fees (VPF) - D- Cinema	9,738.82	14,756.92	(5,018.10)	(34.01)
	Digitisation Income	587.94	616.52	(28.58)	(4.64)
III.	**Revenue from Exhibitors**	**15,294.20**	**14,388.49**	**905.71**	**6.29**
	Lease rental income - E-Cinema	5,486.11	4,789.60	696.51	14.54
	Lease rental income - D-Cinema	1,102.48	1,389.69	(287.21)	(20.67)
	Sale of Products	8,705.61	8,209.20	496.41	6.05
IV.	**Other Operating Revenue**	**1,868.85**	**1,963.67**	**(94.82)**	**(4.83)**
A.	**Revenue from operations (I to IV)**	**59,402.96**	**59,895.55**	**(492.59)**	**(0.82)**
B.	**Other income**	**292.91**	**169.92**	**122.99**	**72.39**
	Total Income (A+B)	**59,695.87**	**60,065.47**	**(369.60)**	**(0.62)**

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-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs	Growth ₹ in Lacs	% Growth
E- Cinema (India)				
E- Cinema VPF	10,553.26	10,270.42	282.84	2.75
less : VPF Sharing with exhibitors	234.59	494.84	(260.25)	(52.59)
E- Cinema VPF (Net)	**10,318.67**	**9,775.58**	**543.09**	**5.56**
D- Cinema (India)				
D- Cinema VPF	7,032.80	8,140.84	(1,108.04)	(13.61)
less : VPF Sharing with exhibitors	3,130.42	2,316.03	814.39	35.16
D- Cinema India VPF (Net) - (A)	**3,902.38**	**5,824.81**	**(1,922.43)**	**(33.00)**
D- Cinema (International)				
D- Cinema VPF	2,706.02	6,616.08	(3,910.06)	(59.10)
less : VPF Sharing with exhibitors	1,870.95	4,461.40	(2,590.45)	(58.06)
D- Cinema International VPF (Net) - (B)	**835.07**	**2,154.68**	**(1,319.61)**	**(61.24)**
Total D- Cinema VPF (Net) (A+B)	**4,737.45**	**7,979.49**	**(3,242.04)**	**(40.63)**
Total VPF Sharing	**5,235.96**	**7,272.27**	**(2,036.31)**	**(28.00)**

The decrease of ₹ 3,242.04 Lac in D- Cinema VPF (Net) is attributable to the planned sunset revenue reduction.

Expense Details

The following table gives an overview of the consolidated expenses of UFO.

Particulars	31-Mar-18 ₹ in Lacs	31-Mar-17 ₹ in Lacs	Growth ₹ in Lacs	% Growth
Operating direct costs	**24,551.92**	**24,749.80**	**(197.88)**	**(0.80)**
Employee benefit expenses	**8,369.98**	**8,111.82**	**258.16**	**3.18**
Other expenses	**9,481.23**	**8,514.86**	**966.37**	**11.35**
Total Expenses	42,403.13	41,376.48	1,026.65	2.48

Operating direct costs

Operating direct costs in fiscal year ended March 31, 2018 reduced marginally by ₹ 197.88 Lac to ₹ 24,551.92 Lac from ₹ 24,749.80 Lac in fiscal year ended March 31, 2017 primarily on account of (i) reduction in Virtual print fees sharing with exhibitors by ₹ 2,036.31 Lac from ₹ 7,272.27 Lac during the fiscal year ended March 31, 2017 to ₹ 5,235.96 Lac during the fiscal year ended March 31, 2018 due to planned D-Cinema Sunset. This reduction in Virtual print sharing was offset by (ii) higher Advertisement revenue share by ₹ 1,341.79 Lac from ₹ 5,157.93 Lac during the fiscal year ended March 31, 2017 to ₹ 6,499.72 Lac during the fiscal year ended March 31, 2018 attributable to increase in advertisement revenue in FY18 and (iii) increase in costs associated with sale of products i.e. purchase of digital cinema equipment by ₹ 410.07 Lac from ₹ 6,590.51 Lac during the fiscal year ended March 31, 2017 to ₹ 7,000.57 Lac during the fiscal year ended March 31, 2018.

Other expenses

Other expenses in fiscal year ended March 31, 2018 increased by ₹ 966.37 to ₹ 9,481.23 Lac from ₹ 8,514.86 Lac in fiscal year ended March 31, 2017 primarily on account of (i) higher Legal, professional and consultancy charges by ₹ 582.40 Lac from ₹ 1,318.65 Lac during the fiscal year ended March 31, 2017 to ₹ 1,901.04 Lac during the fiscal year ended March 31, 2018, which included expenses relating to the Composite Scheme of Arrangement and Amalgamation between UFO and Qube Cinema Technologies (Qube), (ii) increase in commission on advertisement revenue by ₹ 315.21 Lac from ₹ 1,563.84 Lac during the fiscal year ended March 31, 2017 to ₹ 1,879.05 Lac during the fiscal year ended March 31, 2018 and (iii) increase in miscellaneous expenses by ₹ 89.06 Lac from ₹ 522.75 Lac during the fiscal year ended March 31, 2017 to ₹ 611.81 Lac during the fiscal year ended March 31, 2018.

Earnings before interest, tax, depreciation and amortization (EBITDA)

Consolidated EBITDA stood at ₹ 17,292.72 Lac in the fiscal year ended March 31, 2018 compared to ₹ 18,688.92 Lac in the fiscal year ended March 31, 2017. As a percentage of total revenue, the consolidated EBITDA margin decreased from 31.11% in the fiscal year ended March 31, 2017 to 28.97% in the fiscal year ended March 31, 2018, primarily on account of (i) planned sunset reduction in VPF D-Cinema (Net) revenue and (ii) increase in Other expenses primarily relating to ongoing Composite Scheme of Arrangement and Amalgamation between UFO and Qube.

Profit before tax

Consolidated profit before tax stood at ₹ 9,838.29 Lac in the fiscal year ended March 31, 2018 compared to ₹ 9,633.69 Lac in the fiscal year ended March 31, 2017.

Profit for the year attributable to equity shareholders of UFO

Consolidated profit for the year attributable to equity shareholders of UFO stood at ₹ 6,285.65 Lac in the fiscal year ended March 31, 2018 compared to ₹ 6,051.48 Lac in the fiscal year ended March 31, 2017.

V. Outlook

UFO's advertisement revenues have grown at a CAGR of 25% from fiscal 2013 to 2018. The future prospects for UFO's in-cinema advertising platform also looks very promising. UFO will continue to deliver strong advertisement revenues which will be achieved through a focused strategy to drive inventory utilization and spot rates.

During the year, UFO announced the Composite Scheme of Arrangement and Amalgamation between UFO and Qube on November 1, 2017 which is currently awaiting regulatory approvals. Post the completion of the Scheme, UFO will add ~3,300 of Qube's advertisement screens strengthening advertisement network to ~7,300 screens.

VI. Threats / Risks and Concerns

Uncertainties in the macro-economic environment and changes in the advertising market could impact UFO's performance. The duration of advertisement played and spending by advertisers is seasonal and episodic and reflects overall economic conditions, as well as advertisers' budgets and spending patterns. It is difficult to predict when these changes occur and if they will have a transient impact or are long-term trends. These changes could be on account of increased competition from television, print, radio, major multiplex chains, cinema advertisement aggregators or new advertising platforms like online, OTT, etc. The advertisement performance could also be impacted by factors that could reduce viewership on the advertisement network, which could result from the release of movies on other media platforms/OTT along with or before its theatrical release, reduction in exclusive theatrical release windows, increase in the average cinema ticket prices as compared to other avenues of entertainment, lower disposable income or discretionary spending and decline in the gross box office collections. Box office collections could also be impacted by lower audience interest due to the quality of available movie content and the marketing efforts of movie producers, any such reduction in viewership may affect the attractiveness of UFO's advertisement platform to advertisers. Advertisement spending is greatly influenced by the availability of a measurement metric and the outcome of measurement of audience on a media platform. A metric for audience measurement is available across most traditional media like television has BARC, Radio has RAM and Print has IRS. Until a measurement metric for cinema audiences is established, UFO's advertisement revenues potential may not be fully monetized. This impact can be mitigated by providing cinema viewership data and profiling of viewers to advertisers by institutionalizing independent measurement and research.

VII. Risk Management

Like any other business, UFO is also prone to risks and concerns which can affect the operating performance, cash flows, financial performance and sustainability. UFO has developed appropriate risk management framework for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations adhering to stringent guidelines. As such, risk management is integral to the creation, protection and enhancement of shareholder value.

Overall, UFO has emerged as an organization that has strong focus on improving processes, reducing operational risks, enhance service quality and improving overall performance.

VIII. Internal Control and Adequacy

UFO has controls and procedures in place that are designed to provide reasonable assurance that material information relating to business is disclosed on a timely basis. Management has reviewed UFO's control matrix 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 UFO's disclosure controls and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements. UFO'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 Ind-AS. UFO 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 UFO are effectively utilized and its assets are adequately safeguarded.

UFO 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.

IX. Human Resources and Industry Relations

The Human Resources (HR) function in UFO remains focused on developing and wellbeing of all its employees 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 UFO's endeavor to promote a healthy and safe work environment for all the employees. UFO continues to focus on reviewing Human Resources policies including remuneration, employee welfare plans, health and safety, professional training, etc.

The total employee strength including group Companies and top management stood at 596 as on March 31, 2018.

Material developments in human resources:

Recruitment and Selection:

UFO has a talented pool of employees that prides itself in providing effective and efficient customer service to its clients. The focused recruitment and selection process ensures that UFO hires the best talent for the job that aligns with the overall goals of the organization. UFO 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.

Training and Development:

UFO, from time to time, plans and arranges for training of its employees for their overall development to achieve long term business objectives of UFO.

Industrial Relations:

UFO 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.

Cautionary Statement

Certain Statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations or predictions, estimates and others may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Important factors that could make a significant difference to the Company's operations are demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

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. Company's philosophy on Corporate Governance is to conduct its business in a manner which is ethical and transparent with all stakeholders of the Company. 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 stakeholders' 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 the efficient and ethical conduct of its business.

With regards to the Corporate Governance, the Company is in compliance with the requirements of the Listing Regulations and provisions of the Companies Act, 2013 ("the Act"). As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and the Listing Regulations and has established procedures and systems to remain compliant with it. This report provides the Company's compliance with these provisions as on March 31, 2018.

BOARD OF DIRECTORS

The Board consists of 8 members with 2 Executive Director and 6 Non-Executive Directors, of which 3 are Independent Directors including a Woman Director, comprising of experts from various fields/professions. The Chairman of the Board of Directors is an Independent Director. As required by Regulation 46 of the Listing Regulations the terms and conditions of appointment of Independent Directors are available on the Company's website. The composition of the Board of Directors of the Company is in accordance with the Listing Regulations and the Act read with applicable rules made thereunder.

In accordance with the provisions of the Act and in terms of the Articles of Association of the Company, Mr. Varun Laul (03489931) retires by rotation in the ensuing Annual General Meeting (AGM) and is eligible for re-appointment. However, Mr. Laul has expressed his unwillingness to get re-appointed as a Director of the Company due to some other commitments.

CATEGORY AND ATTENDANCE OF DIRECTORS

The necessary disclosures regarding Directorships, Memberships and Chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and acts as a Chairman of more than 5 Committees across all Companies in which they are Directors.

Further none of the Directors served as an Independent Director in more than 7 listed Companies and hold Directorship in more than 10 public companies. Further, the Managing Director of the Company is not serving as Independent Director on the Board of any other listed entity.

Details of Membership and Attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/ Membership of Board Committees as on March 31, 2018 are as follows:

Sr. No.	Name of Director	Director Identification No.	Category $	Designation	No. of Board Meetings Attended during 2017-18 / (No. of meetings held during the tenure)	Attendance at AGM held on September 26, 2017	No. of Directorship* (As on March 31, 2018)			No. of committee positions in Mandatory Committees** (As on March 31, 2018)		
							Chairman	Board Member	Total	Chairman	Committee Member	Total
1.	Mr. Sanjeev Aga	00022065	I & NED	Chairman	9 (9)	Yes	1	6	7	2	3	5
2.	Mr. Ameya Hete^	01645102	NED	Director	7(9)	No	Nil	5	5	Nil	Nil	Nil
3.	Mr. Kapil Agarwal	00024378	ED	Director	8 (9)	Yes	Nil	2	2	Nil	2	2
4.	Ms. Lynn de Souza	01419138	I & NED	Director	6 (9)	Yes	Nil	3	3	Nil	3	3
5.	Mr. Raaja Kanwar^	00024402	NED	Director	1 (9)	No	1	2	3	Nil	1	1
6.	Mr. S. Madhavan	06451889	I & NED	Director	9 (9)	Yes	Nil	3	3	3	1	4

Sr. No.	Name of Director	Director Identification No.	Category $	Designation	No. of Board Meetings Attended during 2017-18 / (No. of meetings held during the tenure)	Attendance at AGM held on September 26, 2017	No. of Directorship* (As on March 31, 2018)			No. of committee positions in Mandatory Committees** (As on March 31, 2018)		
							Chairman	Board Member	Total	Chairman	Committee Member	Total
7.	Mr. Sanjay Gaikwad^	01001173	ED	Director	9 (9)	Yes	Nil	6	6	Nil	1	1
8.	Mr. Varun Laul^#	03489931	NED	Director	8 (9)	No	Nil	1	1	1	1	2

$ED – Executive Director, NED – Non-Executive Director, I & NED– Independent and Non-Executive Director

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

*** Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the* Listing Regulations.

^ 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.

#In accordance with the provisions of the Act and in terms of Articles of Association of the Company, Mr. Varun Laul, retires by rotation in the forthcoming AGM and is eligible for re-appointment. However, Mr. Laul has expressed his unwillingness to get re-appointed as a Director of the Company due to some other commitments.

BOARD PROCEDURE

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company is invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the financial results.

With a view to leverage technology and reducing paper consumption, the Company adopted facility of disseminating Notices, Agendas and Minutes to the Directors through electronic means. This electronic mode of delivery of Agenda papers, minutes and other documents not only ensures high standards of security and confidentiality, required for storage and circulation of board papers but also increases the active involvement of the Board Members.

During the year under review, the Board met 9 times on the following dates: May17, 2017; July 11, 2017; August 8, 2017; September 8, 2017; twice on November 1, 2017, November 6, 2017, November 30, 2017 and February 12, 2018. The gap between any two consecutive meetings did not exceed 120 days.

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 Act. The Code of Conduct for Directors and Senior Management is posted on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

All the Board members and Senior Management personnel have affirmed their 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 Act 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 is no material financial and/or commercial transaction between them and the Company that could have a potential conflict of interest with the Company at large.

REMUNERATION TO EXECUTIVE DIRECTORS

Mr. Sanjay Gaikwad, Managing Director of the 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 the 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 ₹ 275.00 lacs each to Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director of the Company as remuneration. The remuneration drawn was within the limits of managerial remuneration prescribed under Section 198 of the Companies Act, 1956 (at the time of appointment) and during the financial year 2017-18 under Section 197 of the Companies Act, 2013 considering the profits of the Company for the financial year 2017-18.

All elements of remuneration package of Executive Directors are given herein below:

Particulars	Sanjay Gaikwad	Kapil Agarwal
1. Salary	₹11.00 lacs per month.	₹11.00 lacs per month.
2. Perquisites	The total remuneration as per para 1 and 2 stated in the explanatory statement of resolution passed on January 25, 2017 i.e. Salary and Perquisites shall be restricted to an amount of ₹ 275.00 lacs p.a.	The total remuneration as per para 1 and 2 stated in the explanatory statement of resolution passed on January 25, 2017 i.e. Salary and Perquisites shall be restricted to an amount of ₹ 275.00 lacs p.a.
3. Yearly performance incentive	In addition to above, and subject to the Nomination and Remuneration Committee's final determination based on certain defined parameters, with effect from April 1, 2016, Mr. Sanjay Gaikwad will also be entitled for yearly performance incentive of an amount not exceeding ₹ 125.00 lacs. Mr. Sanjay Gaikwad made a request to the Nomination and Remuneration Committee that he would like to forego the performance linked incentive for the financial year 2017-18. Accordingly, no performance incentive was paid to Mr. Sanjay Gaikwad for the financial year 2017-18.	In addition to above, and subject to the Nomination and Remuneration Committee's final determination based on certain defined parameters,with effect from April 1, 2016, Mr. Kapil Agarwal will also be entitled for yearly performance incentive of an amount not exceeding ₹ 125.00 lacs. Mr. Kapil Agarwal made a request to the Nomination and Remuneration Committee that he would like to forego the performance linked incentive for the financial year 2017-18. Accordingly, no performance incentive was paid to Mr. Kapil Agarwal for the financial year 2017-18.
4. Employees Stock Options (ESOPs)	Nil	2,12,500 ESOPs convertible into 2,12,500 equity shares of the Company. As on date 50% of above ESOPs are vested.

As on March 31, 2018 and as on date, Mr. Sanjay Gaikwad and Mr. Kapil Agarwal are holding 2,63,797 and 4,62,394 equity shares of the Company respectively. Mr. Sanjay Gaikwad is also holding 2,50,000 share warrants, each convertible into one equity share of the Company.

The appointment of the Executive Directors may be terminated earlier than the term of 5 years by either party by giving to the other party three months' notice of such termination or the Company paying three month's remuneration in lieu of such notice. The Executive Directors may be entitled to severance benefits depending on the circumstances of their termination of employment.

The notice of the 14^{th} Annual General Meeting of the Company contains the resolutions for re-appointment of Mr. Sanjay Gaikwad as Managing Director and Mr. Kapil Agarwal as Joint Managing Director of the Company for a term of five years.

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

During the year under review, the non-executive independent directors were paid sitting fees at the rate of ₹ 1.00 lac for attending each of the board meetings and ₹ 0.50 lac 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 ₹ 40.00 lacs p.a. and the total remuneration agreed with each of Ms. Lynn de Souza and Mr. S. Madhavan, both independent directors is ₹ 25.00 lacs p.a. as approved by the shareholders at the last Annual General Meeting held on September 26, 2017. The total remuneration payable to Independent Directors for the financial year ended March 31, 2018 is as below:

Name of Director	Sitting Fees (₹ in lacs)	Commission (₹ in lacs)	Total (₹ in lacs)
Mr. Sanjeev Aga	14.50	25.50	40.00
Ms. Lynn de Souza	9.50	15.50	25.00
Mr. S. Madhavan	14.50	10.50	25.00
Total	**38.50**	**51.50**	**90.00**

The terms and conditions of the appointment of aforesaid independent directors and criteria for making payments to non-executive directors are disclosed on the Company's website under the weblink: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

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

As on March 31, 2018, except Mr. Ameya Hete and Mr. S. Madhavan who hold 2,17,797 and 5,000 equity shares of the Company respectively (as on date Mr. Ameya Hete and Mr. S. Madhavan holding 2,17,797 and 5,000 equity shares of the Company respectively), none of the non-executive directors was holding any equity shares of the Company as on March 31, 2018 or as on date.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of the Listing Regulations, separate meetings of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, were held on May 17, 2017, July 11, 2017 and June 14, 2018. At the said meetings, 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.

All the Independent Directors attended the meeting of Independent Directors held on May 17, 2017, July 11, 2017 and June 14, 2018. Mr. Sanjeev Aga chaired all the 3 Meetings.

BOARD AND DIRECTORS' 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, INDUCTION AND FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Directors including Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the 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 familiarization programme for Independent Directors is disclosed on the Company's website under the weblink: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

The Managing Director and the Joint Managing Director also have a one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory frame work in which the Company operates and equip themselves to effectively fulfill their role as Directors of the Company.

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 various committees viz, Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Finance Committee and Scheme Implementation 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 headed 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 the respective Committee Members individually and tabled at the Board Meetings.

A. AUDIT AND RISK MANAGEMENT COMMITTEE:

The Audit and Risk Management Committee acts as a link between the statutory/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 scope and function of the Audit and Risk Management Committee are in accordance with the Act and Regulation 18 of the Listing Regulations.

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 is 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 the 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 Part C of Schedule II of the Listing Regulations in addition to the requirements of Section 177 of the Act. Also, the Audit and Risk Management Committee is responsible for monitoring and reviewing the risk management plan of the Company.

The composition of the Audit and Risk Management Committee as at March 31, 2018 and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the committee	Designation	No. of meetings attended during the year 2017-18 / (no. of meetings held during the tenure)
Mr. Sanjeev Aga	Chairman	Non-Executive, Independent Director	6 (6)
Mr. S. Madhavan	Member	Non-Executive, Independent Director	6 (6)
Mr. Varun Laul	Member	Non-Executive Director	6 (6)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	5 (6)

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, 6 meetings of the Audit and Risk Management Committee were held on May 17, 2017; July 11, 2017; September 8, 2017; November 1, 2017; November 30, 2017 and February 12, 2018.

B. NOMINATION AND REMUNERATION COMMITTEE:

The scope and terms of reference of the 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 Part D of Schedule II of the Listing Regulations in addition to the requirements of Section 178 of the Act. The Nomination and Remuneration Policy is part of the Directors Report.

The composition of the Nomination and Remuneration Committee as at March 31, 2018 and the details of Members participation at the meetings of the Committee are as under:

Name of the Member	Position in the committee	Designation	No. of meetings attended during the year 2017-18 / (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	4 (4)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	4 (4)
Mr. Ameya Hete	Member	Non-Executive Director	2 (4)
Mr. Varun Laul#	Member	Non-Executive Director	3 (3)

#Mr. Varun Laul was appointed as a Member w.e.f. May 17, 2017.

During the year under review, 4 meetings of the Nomination and Remuneration Committee were held twice on May 17, 2017, July 11, 2017 and August 8, 2017.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders' Relationship Committee of the Company are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations 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, etc.

The composition of the Stakeholders' Relationship Committee as at March 31, 2018 and the details of Members participation at the meetings of the Committee are as under:

Name of the Member	Position in the committee	Designation	No. of meetings attended during the year 2017-18 / (no. of meetings held during the tenure)
Mr. Varun Laul	Chairman	Non-Executive, Non-Independent Director	4(4)
Mr. Sanjay Gaikwad	Member	Executive Director	4(4)
Mr. Kapil Agarwal	Member	Executive Director	4(4)

During the year under review, 4 meetings of the Stakeholders' Relationship Committee were held on May 17, 2017; September 8, 2017;November 30, 2017 and February 12, 2018.

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

The number of complaints received, resolved to the satisfaction of shareholders and numbers of complaints pending during the financial year ended March 31, 2018 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	22	22	Nil

D. 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 Act;

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, 2018 and the details of Members participation at the meetings of the Committee are as under:

Name of the Member	Position in the committee	Designation	No. of meetings attended during the year 2017-18 / (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	1 (1)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (1)
Mr. Kapil Agarwal	Member	Executive Director	1 (1)

During the year under review, the Corporate Social Responsibility Committee met once on May 17, 2017.

The policy on Corporate Social Responsibility is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx.

E. COMPENSATION COMMITTEE:

The scope and terms of reference of Compensation Committee is 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 a mended 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.

The Members of the Compensation Committee are as below:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2017-18 / (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)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (1)
Mr. Sanjay Gaikwad	Member	Executive Director	1 (1)

During the year under review, the Compensation Committee met once on February 20, 2018.

F. FINANCE COMMITTEE:

The Finance Committee comprises of 4 members Mr. Ameya Hete, Mr. Kapil Agarwal, Mr. Sanjay Gaikwad and Mr. Varun Laul.

The terms of reference of Finance Committee includes matters related to Share Allotment, Share Transfer, Banking & Finance and merger-related activities.

During the year under review the Committee met on December 16, 2017 and Mr. Kapil Agarwal, Mr. Sanjay Gaikwad and Mr. Varun Laul were present at the meeting.

G. SCHEME IMPLEMENTATION COMMITTEE

On November 1, 2017 the Board of Directors of the Company had decided to constitute a Scheme Implementation Committee which comprises of 4 Directors namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director, Mr. Ameya Hete, Director and Mr. Varun Laul, Director.

The Committee is responsible to make and agree to such modifications or alterations or amendments to the draft Scheme which do not amount to a material change to the substance of the Scheme and which (a) may otherwise be considered necessary, desirable, expedient or appropriate; or(b) may be necessary to comply with any conditions or limitations that any regulatory authorities (including but not limited to the relevant stock exchanges, the Securities and Exchange Board of India ("SEBI"), and the National Company Law Tribunal ("Tribunal") may deem fit to direct or impose; or(c) may finalise, approve and issue the Notice of the Tribunal convened meeting of shareholders and creditors (if required) along with the Explanatory Statement thereto as may be directed by the Tribunal (including the applicable information pertaining to the unlisted entity/ies involved in the Scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009); or(d) may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or(e) do all acts deeds and things necessary for putting the Scheme into effect.

During the year under review the Committee met on March 8, 2018 and all the members were present at the meeting.

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 of Directors of the Company has approved a policy for determining material subsidiaries of the Company and the same is disclosed on the website of the Company under the web link:http://www.ufomoviez.com/IR_Corporate_Governance.aspx

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 Board Meetings of subsidiary companies are tabled at the subsequent Board Meetings.

GENERAL BODY MEETINGS

A. Annual General Meetings:

Details of the Annual General Meetings of the Company during the preceding three years are as follows:

Financial Year	Venue	Date	Time	Special resolutions passed at last three Annual General Meetings (AGM)
2016-17	Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri (East), Mumbai- 400 059	September 26, 2017	11:00 a.m.	1. Re-appointment of Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director. 2. Re-appointment of Ms. Lynn de Souza (DIN: 01419138) as an Independent Director. 3. Re-appointment of Mr. S. Madhavan (DIN: 06451889) as an Independent Director. 4. Approval of the fees for delivery of documents through specific mode of delivery on request of the member(s).
2015-16	Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai – 400071.	September 14, 2016	10:30 a.m.	None
2014-15	FICCI K.K. Birla Auditorium, Tansen Marg, Near MandiHouse, New Delhi – 100 001	September 15, 2015	12.00 Noon	None

B. Special resolutions passed through Postal Ballot

During the year under review, no special resolution was passed through Postal Ballot.

However, on May 15, 2018 the Company has passed special resolutions through Postal Ballot as per details mentioned below:

Date of Postal Ballot Notice	Voting period	Date of report by Scrutinizer	Date of declaration of results / Date of approval of members	Name of the Scrutinizer	Description of special resolutions passed through Postal Ballot
April 3, 2018	From April 14, 2018 at 9.00 a.m. to May 13, 2018 at 5.00 p.m.	May 14, 2018	May 15, 2018	Mr.Dharmesh Zaveri, Practicing Company Secretary of M/s. D.M. Zaveri &Co.	1. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Company. 2. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Subsidiary Companies.

The details of voting pattern on aforesaid resolutions are mentioned below:

Details of resolution	No. of outstanding shares	No. of votes polled			% of Votes polled on outstanding shares	No. of Votes – in favour	No. of Votes – against
		Physical Ballot	E-voting	Total			
Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Company.	2,83,50,801	6,446	2,19,16,214	2,19,22,660	77.33	1,97,75,192	21,47,468
Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Subsidiary Companies.	2,83,50,801	6,446	2,19,16,214	2,19,22,660	77.33	1,97,75,192	21,47,468

As of now, no Special resolution is proposed to be conducted through Postal Ballot.

Procedure of Postal Ballot followed by the Company is mentioned below:

In addition to the physical voting, the Company transacts the business of Postal Ballot through electronic voting. The Company in compliance with Regulation 44 of the Listing Regulations and the provisions of Section 108 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, provides facility to the Members (whether holding shares in physical or in dematerialized form) to exercise their right to vote on the matters included in the notice of the postal ballot by electronic means i.e. through e-voting services. The Company engages the services of M/s. Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have an option to vote either by physical ballot or by e-voting. The Company dispatches the postal ballot notices and postal ballot form alongwith self-addressed, postage pre-paid business reply envelopes by permissible mode to its members whose names appear on the register of members / list of beneficial owners as on the cut-off date. The postal ballot notice along with postal ballot form is sent to members in electronic form to the e-mail addresses registered with their depository participants or the Company. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch of notice and other requirements as mandated under the Act read with the Rules framed thereunder. Voting is reckoned in proportion to the Member's share of voting rights on the paid-up share capital of the Company as on the record date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman, after completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised persons. The results are also displayed on the website of the Company under http://www.ufomoviez.com/Shareholder_Communication.aspx, besides being communicated to the stock exchanges, an agency providing e-voting facility and registrar and share transfer agent of the Company.

C. Resolution passed at National Company Law Tribunal Convened Meeting

The Company has passed following resolution at National Company Law Tribunal Convened Meeting (NCLTCM) of shareholders held on May 21, 2018 as per details mentioned below:

Date of NCLTCM notice	Voting period	Date of report by Scrutinizer	Date of declaration of results / Date of approval of members	Name of the Scrutinizer	Description of resolutions passed
April 11, 2018	From April 21, 2018 at 09:00 a.m. to May 20, 2018 at 5:00 p.m.	May 23, 2018	May 23, 2018	Mr. Dharmesh Zaveri, Practicing Company Secretary of M/s. D.M. Zaveri & Co.	Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited and their respective shareholders and creditors

The details of voting pattern on aforesaid resolution are mentioned below:

A. Resolution passed by majority in number representing three-fourths in value of members as required under Section 230 of the Companies Act, 2013

Mode of Voting	Number of Shares held (1)	Number of Votes polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	Number of Votes in favour (4)	Number of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100	Invalid Votes
E-Voting	**2,83,50,801**	2,28,97,097	80.76	2,23,58,586	5,38,511	97.65	2.35	NIL
Poll		4,976	0.02	4,974	2	99.96	0.04	NIL
Postal Ballot		5,861	0.02	5,861	-	100	0.00	NIL
Total		**2,29,07,934**	**80.80**	**2,23,69,421**	**5,38,513**	**97.65**	**2.35**	**NIL**

B. Resolution passed by Majority of public shareholders in terms of the SEBI Circular as under:

Mode of Voting	Number of Shares held (1)	Number of Votes polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	Number of Votes in favour (4)	Number of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100	Invalid Votes
E-Voting	**1,98,35,549**	1,43,81,846	72.50	1,38,43,335	5,38,511	96.25	3.74	NIL
Poll		4,976	0.02	4,974	2	99.96	0.04	NIL
Postal Ballot		5,860	0.08	5,860	-	100.00	0.00	NIL
Total		**1,43,92,682**	**72.60**	**1,38,54,169**	**5,38,513**	**96.26**	**3.74**	**NIL**

Notes:

a) In case of Poll, out of 13 Shareholders who have voted valid votes, 12 Shareholders voted in favour and 1 Shareholder voted against the resolution

b) In case of Postal Ballot, out of 15 Shareholders who have voted valid votes, 15 Shareholders voted in favour and none Shareholders voted against the resolution.

c) In case of E-voting, out of 130 Shareholders who have voted valid votes, 125 Shareholders voted in favour and 5 Shareholders voted against the Resolution.

MEANS OF COMMUNICATION

Communication with the Members / Shareholders

As per the requirements of the Listing Regulations, the unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter and the audited annual results are announced within sixty days from the close of the financial year or any such time prescribed as per Listing Regulations.

The aforesaid financial results are 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 are given by way of a press release to various news agencies/analysts. Further, the results were published within forty-eight hours in leading English daily newspaper i.e. ‘The Financial Express’ and Marathi daily newspaper i.e. ‘Loksatta’.

The audited financial statements form part of the Annual Report which are sent to the Members well in advance of the AGM.

The Company also informs 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 are placed on the Company’s website under the web link: http://www.ufomoviez.com/IR_Finance.aspx and can be downloaded. Also,all the official news releases, intimation of analyst meets, presentations made to the investors, etc. are displayed on the website of the Company under the section ‘Events & Updates.’

In compliance with Regulation 10 of the Listing Regulations the quarterly results, shareholding pattern, quarterly compliances and all other corporate communications are filed electronically with BSE on its Listing Centre portal and with NSE on its NEAPS portal.

GENERAL SHAREHOLDER INFORMATION

Day, Date, Time & Venue of the 14th Annual General Meeting	Day & Date: Thursday, August 9, 2018 , Time: 03:00 p.m. Venue: Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093
Financial Year	April 1, 2017 to March 31, 2018
Board Meeting for consideration of Accounts for the financial year ended March 31, 2018	May 29, 2018
Book Closure Dates	Friday, August 3, 2018 to Thursday, August 9, 2018 (both days inclusive)
Last date for receipt of Proxy Forms	Tuesday, August 7, 2018
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2018; September, 2018 and December, 2018 of the financial year 2018-19.	Within forty-five days from the end of the quarter or within such other time as stipulated under the Listing Regulations.
Annual audited results for the financial year ending March 31, 2019	Within sixty days from the end of the last quarter or within such other time as stipulated under the Listing Regulations.

The Company is registered with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L22120MH2004PLC285453.

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
BSE Limited 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel.: 022-2272 1233/34, Fax: 022-2272 1919/3027	Scrip Code: 539141 Scrip Name: UFO Moviez India Limited Scrip Id: UFO	INE527H01019
The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: 022-2659 8100 - 14, Fax: 022-2659 8237/38	Series – EQ Scrip Name: UFO	

The listing fees for the financial year under review have been paid to the Stock Exchanges where the shares of the Company are listed.

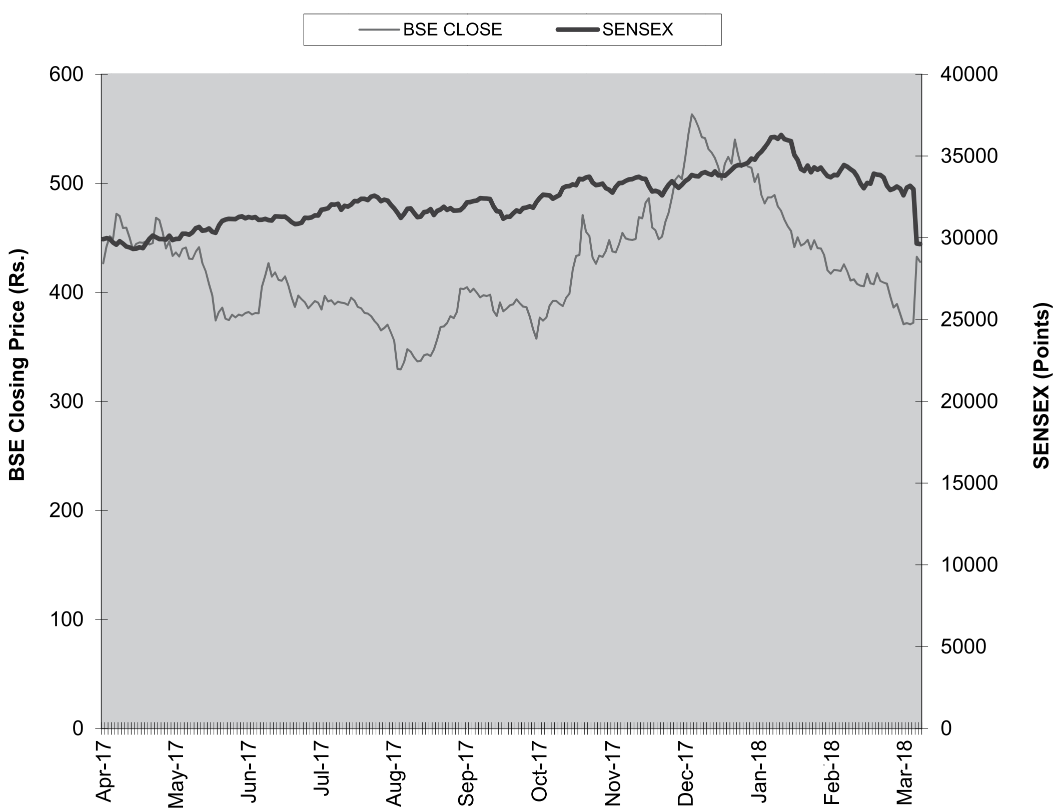
Market Price Data: High, low during each month in last financial year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the financial year 2017-18 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's Equity Shares for the financial year ended March 31, 2018, on the said exchanges is given below:

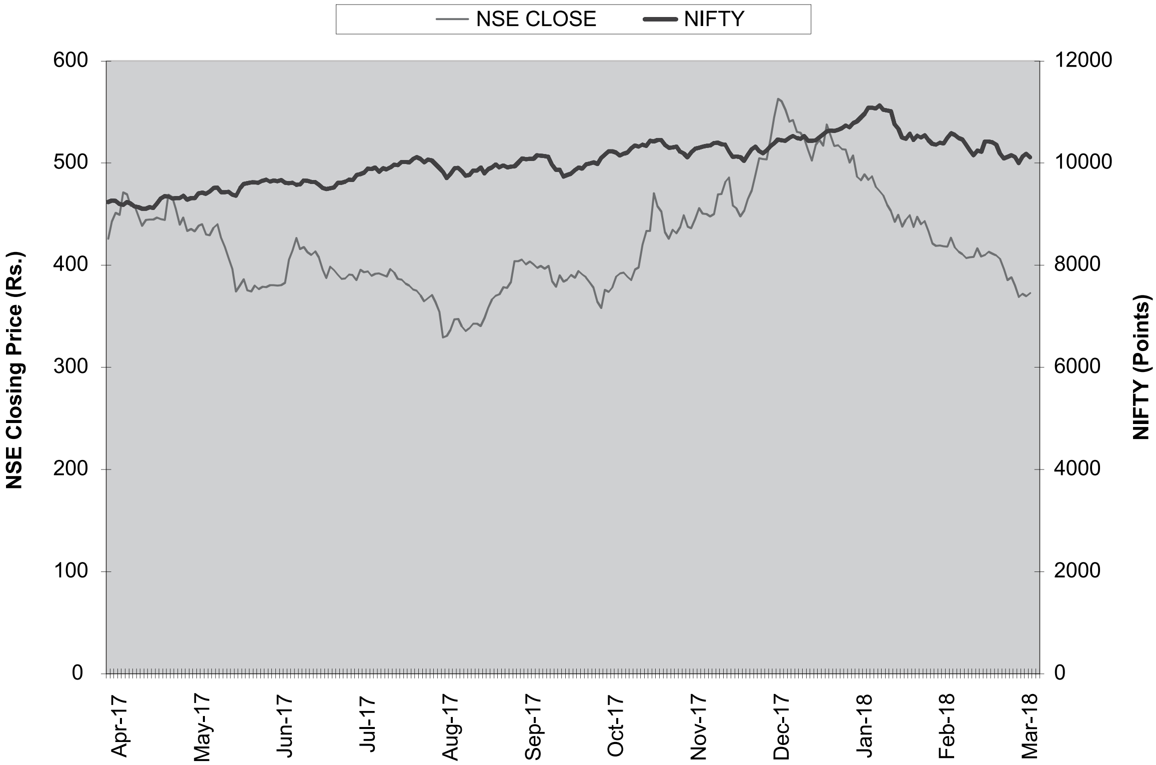
Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹In Lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ In lacs)
Apr-17	484.55	425.10	3,310.46	484.00	424.00	16,475.98
May-17	474.80	365.00	1,461.57	474.00	365.30	7,623.55
Jun-17	434.00	368.10	2,631.98	434.65	372.80	6,909.93
Jul-17	408.80	375.00	865.56	409.75	374.55	3,497.91
Aug-17	382.00	316.00	511.37	379.75	314.10	3,124.41
Sep-17	416.00	364.50	591.28	417.00	360.10	6,155.56
Oct-17	439.00	353.20	602.05	439.00	354.05	4,063.95
Nov-17	500.00	417.00	5,500.92	498.75	417.00	16,137.49
Dec-17	574.50	441.05	1,901.39	575.00	440.00	13,676.94
Jan-18	610.95	455.35	562.23	620.00	457.05	6,026.38
Feb-18	463.45	409.50	430.91	462.90	404.00	4,755.20
Mar-18	427.50	356.50	249.56	422.05	355.65	2,016.15

Performance of UFO Share price in Comparison to:

BSESensex:



NSE Nifty:



Share Transfer System and other related matters

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 a nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form, from the Registrar & Share Transfer Agent of the Company i.e. 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, 2018

Range (In ₹) *	No. of equity Shares	Amount (₹ in lacs)	% to capital	No. of shareholders	% to total shareholder
up to 5000	15,61,663	156.17	5.51	25,904	94.72
5001-10000	5,63,311	56.33	1.99	740	2.71
10001-20000	5,45,263	54.53	1.92	378	1.38
20001-30000	2,82,947	28.29	1.00	110	0.40
30001-40000	1,42,671	14.27	0.50	40	0.15
40001-50000	1,86,152	18.62	0.66	40	0.15
50001-100000	3,34,311	33.43	1.18	45	0.16
100001 & Above	2,47,34,483	2,473.45	87.24	91	0.33
Total	**2,83,50,801**	**2835.08**	**100.00**	**27,348**	**100.00**

* The amount is calculated considering nominal value of per equity share i.e. ₹ 10/- per share

Shareholding Pattern as on March 31, 2018

Category	No. of shares held	Percentage
Promoter and Promoter Group	85,15,252	30.04
Foreign Portfolio Investors	10,11,386	3.57
Foreign Venture Capital	52,51,608	18.52
Foreign Nationals	12	0.00
Non Resident Indians	2,08,465	0.74
Non Resident Indian Non Repatriable	75,107	0.26
Resident Individuals	47,95,364	16.91
Others	84,93,607	29.96
Total	**2,83,50,801**	**100.00**

Dematerialization of shares

The Company's shares are tradable compulsorily in the electronic form. Through Karvy Computershare Private Limited, Registrars and Share Transfer Agents, the Company has established connectivity with both the depositories, i.e. 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 31,2018 are as mentioned below:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	2,53,61,075	89.45	16,648
Central Depository Services (India) Limited	29,64,533	10.46	11,054
Total Demat (A)	**2,83,25,608**	**99.91**	**27,702**
Physical (B)	**25,193**	**0.09**	**19**
Total (A + B)	**2,83,50,801**	**100.00**	**27,721**

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
Sr. 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

As the Company is not a manufacturing Company, it has no plant. The regional/sales offices of the Company are situated at Ahmadabad, Amravati, Bengaluru, Bhusawal,Chennai, Cochin, Cuttack, Delhi, Ghaziabad, Gorakhpur, Guwahati, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Nagpur, Patna, Ranchi, Raipur, Silliguri and Vijaywada with corporate and registered office at Mumbai.

DISCLOSURES

Related party transactions

All transactions entered into with the related parties as defined under the Act and under Regulation 23 of the the Listing Regulations during the year under review were in the ordinary course of business and on arm's length basis. All the transactions with the related parties are in the normal course of business and do not conflict with the interest of the Company.

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 Ind AS 24.

As required under Regulation 23 of the Listing Regulations the Company has formulated a policy on related party transactions. The Policy is available on the Company's website under the weblink: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

Strictures and penalties

During the year under review, 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.

Whistle Blower policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 4(2)(d) of Chapter II of the Listing Regulations 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 under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations.

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

Commodity price risk and Hedging Activities

As the Company is not dealing in commodities, there are no commodity price risk and hedging activities undertaken by the Company during the year under review.

Disclosure of the compliance with Corporate Governance

The Company has complied with all the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of the Listing Regulations.

Disclosure with respect to demat suspense account / unclaimed suspense account

As on March 31, 2018, there were no outstanding shares which were lying in the suspense account.

Prevention of Insider trading

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The policy also includes practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosure to identified designated employees and the Board reviews the policy on a need basis. The policy on Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the Company's website under the weblink: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

Policy for determination for materiality of event or information

In accordance of Regulation 30 of the Listing Regulations, the Company has framed the Policy for determination for materiality of event or information for the purpose of making disclosures of event or information to the Stock Exchanges under Listing Regulations. The Policy includes criteria for determination of the materiality of event and in formation and the manner for making disclosure of such events and information to the Stock Exchanges. The policy is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place: Mumbai	Managing Director	Joint Managing Director
Date: June 14, 2018	DIN: 01001173	DIN: 00024378

DECLARATION BY CHIEF EXECUTIVE OFFICER

This is to declare that as provided under Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2018.

For **UFO Moviez India Limited**

Place: Mumbai
Date: May 29, 2018

Rajesh Mishra
Chief Executive Officer

CEO & CFO CERTIFICATION

To
The Board of Directors of
UFO Moviez India Limited

We the undersigned, in our respective capacities as Chief Executive Officer 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, 2018 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 over 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:
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. 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
   iii. 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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 29, 2018

Rajesh Mishra
Chief Executive Officer

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

I have examined the compliance of conditions of Corporate Governance by UFO Moviez India Limited ('the Company'), for the Financial Year ended 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2018.

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.

For D.M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
FCS No: 5418
CP No : 4363

Place: Mumbai
Date: June 14, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of UFO Moviez India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 controls, 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 sub-paragraph (a) of the Other Matters paragraph 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS 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 and its associates as at March 31, 2018, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements include total assets of ₹ 10,035.61 lacs and net assets of ₹ (371.44) lacs as at March 31, 2018, and total revenues of ₹ 8,925.39 lacs and net cash outflows of ₹ 406.91 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 473.46 lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have 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 and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of eight subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 8,703.25 lacs and net assets of ₹ 8,031.08 lacs as at March 31, 2018, and total revenues of ₹ 1.41 lacs and net cash outflows of ₹ 2.13 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 175.12 lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of three associates, 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 and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid 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 above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates as noted in the 'other matter' paragraph 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 Ind AS 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 including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and associate companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 34 to the consolidated financial statements;

ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 29, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UFO MOVIEZ INDIA LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of UFO Moviez India Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of UFO Moviez India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The management has certified to us that in respect of two unaudited Indian Subsidiaries, the internal financial controls over financial reporting are adequate and operating effectively. In our opinion and according to information and explanation given to us this subsidiary is not material to the Group.

Read with above paragraph, our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to four subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 29, 2018

Consolidated Balance Sheet as at 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3.1	23,591.67	25,848.24	28,813.06
Capital work-in-progress		2,118.67	691.26	705.36
Goodwill on consolidation	3.2	1,396.68	1,396.35	1,398.77
Other intangible assets	3.2	280.01	308.64	1,179.14
Investments accounted using the equity method	4	1,845.13	1,526.03	1,095.36
Financial assets				
(i) Loans	5	502.21	493.04	448.20
(ii) Other financial assets	6	199.28	38.59	761.83
Deferred tax assets	7	3,966.49	3,462.98	2,745.57
Other non-current assets	8	3,632.18	3,250.98	3,848.04
Total non-current assets (A)		**37,532.32**	**37,016.11**	**40,995.33**
Current assets				
Inventories	9	1,131.47	1,348.32	1,148.22
Financial assets				
(i) Investments	10	11,943.54	6,234.12	2,813.16
(ii) Trade receivables	11	18,439.16	14,710.12	13,416.77
(iii) Cash and cash equivalents	12	3,431.60	4,020.51	4,134.91
(iv) Bank balances other than cash and cash equivalents	12	3,990.10	5,549.91	2,534.39
(v) Loans	5	140.09	465.51	459.81
(vi) Other financial assets	6	721.65	1,102.70	639.44
Other current assets	8	1,616.25	2,058.21	1,818.80
Total current assets (B)		**41,413.86**	**35,489.40**	**26,965.50**
Total (A+B)		**78,946.18**	**72,505.51**	**67,960.83**
Equity and liabilities				
Equity				
(i) Equity share capital	13	2,835.08	2,760.08	2,749.94
(ii) Other equity	14	44,767.14	37,769.70	34,016.24
Equity attributable to owners of the Company		**47,602.22**	**40,529.78**	**36,766.18**
Non-controlling interest		(816.46)	598.79	904.01
Total equity (C)		**46,785.76**	**41,128.57**	**37,670.19**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	2,023.13	3,198.96	4,359.17
(ii) Other financial liabilities	16	3,137.47	3,651.80	4,038.83
Provisions	17	495.51	313.81	81.65
Deferred tax liabilities	7	694.11	1,049.21	1,069.36
Other non-current liabilities	18	336.09	155.76	479.54
Total non-current liabilities (D)		**6,686.31**	**8,369.54**	**10,028.55**

Consolidated Balance Sheet as at 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
Current liabilities				
Financial liabilities				
(i) Borrowings	19	1,070.24	1,073.00	374.76
(ii) Trade payables	16	10,065.48	9,245.47	7,957.33
(iii) Others financial liabilities	16	10,544.56	8,108.48	8,374.21
Provisions	17	416.74	425.71	415.58
Other current liabilities	18	3,377.09	4,154.74	3,140.21
Total current liabilities (E)		**25,474.11**	**23,007.40**	**20,262.09**
Total liabilities (D+E) = (F)		**32,160.42**	**31,376.94**	**30,290.64**
Total equity and liabilities (C+F)		**78,946.18**	**72,505.51**	**67,960.83**
Significant accounting policies	2			

The accompanying notes are an integral part of the consolidated financials statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017
Income			
Revenue from operations	20	59,402.96	59,895.48
Other income	21	292.90	169.91
Total income (I)		**59,695.86**	**60,065.39**
Expenses			
Operating direct costs	22	24,551.91	24,749.79
Employee benefit expenses	23	8,369.99	8,111.82
Other expenses	24	9,481.24	8,514.86
Total expenses (II)		**42,403.14**	**41,376.47**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**17,292.72**	**18,688.92**
Depreciation and amortisation expenses	3	7,983.28	9,160.72
Finance cost	25	918.08	1,372.01
Finance income	26	(798.35)	(799.72)
Profit before tax and share of profit from associates		**9,189.71**	**8,955.91**
Share of profit from associates (net)		648.58	677.78
Profit before tax and after share of profit from associates		**9,838.29**	**9,633.69**
Tax expenses			
Current tax		4,807.86	4,335.08
Deferred tax		(1,023.72)	(713.96)
Total tax expenses		**3,784.14**	**3,621.12**
Profit (Loss) for the year ended		**6,054.15**	**6,012.57**
Other comprehensive income / (loss)			
A (i) Items that will not be reclassified to profit or loss		3.93	(68.19)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.52)	23.60
B (i) Items that will be reclassified to profit or loss		(21.70)	(117.69)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the year, net of tax		**6,034.86**	**5,850.29**
Profit for the year attributable to			
a) Equity holders of the parent		6,285.65	6,051.48
b) Non-controlling interests		(231.50)	(38.91)
Other comprehensive income attributable to			
a) Equity holders of the parent		(20.13)	(152.06)
b) Non-controlling interest		0.84	(10.22)
Total comprehensive income for the year attributable to			
a) Equity holders of the parent		6,265.52	5,899.42
b) Non-controlling interest		(230.66)	(49.13)
Earnings per equity share (Face value of share of ₹ 10 each)	27		
Basic		22.59	21.93
Diluted		22.55	21.93
Significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financials statements.
As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Consolidated Cash flow statement for the year ended 31 March 2018

₹ in lacs

	31 March 2018	31 March 2017
Cash flow from / (used in) operating activities		
Profit before share of profit from associates and tax	**9,189.71**	**8,955.91**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	7,983.28	9,160.72
Bad debts written off	84.29	123.13
Provision for doubtful debts	440.62	264.64
Unrealised foreign exchange gain (net)	(4.41)	(27.93)
Loss on sale of fixed assets	45.09	20.23
Sundry balance write back	(260.02)	(226.01)
Fair valuation of current investments	(233.73)	(260.17)
Notional Income on financial assets	(10.67)	(8.68)
Notional cost on financial liabilities	193.24	319.96
Profit on sale of current investments (net)	(136.26)	(61.19)
Interest Cost on deferred payment settlement	-	35.62
Finance cost	666.49	962.21
Interest income	(232.84)	(424.75)
Dividend income	(124.84)	(44.95)
Operating profit before working capital changes	**17,599.95**	**18,788.74**
Movements in working capital		
Increase / (decrease) in trade payables	1,001.76	1,347.58
Increase / (decrease) in other financial liabilities	(508.13)	599.90
Increase / (decrease) in other liabilities (current and non-current)	(816.16)	674.50
Increase / (decrease) in short-term provisions	(215.15)	(176.82)
Increase / (decrease) in long-term provisions	389.77	353.06
(Increase) / decrease in trade receivables	(4,495.28)	(1,553.48)
(Increase) / decrease in financials assets	829.87	54.64
(Increase) / decrease in other assets (current and non-current)	541.94	(499.43)
(Increase) / decrease in inventories	92.81	(214.61)
Cash generated from operations	**14,421.38**	**19,374.08**
Direct taxes paid (net of refunds)	(4,963.68)	(3,490.99)
Net cash flow from operating activities (A)	**9,457.70**	**15,883.09**
Cash flows from / (used in) investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(6,780.06)	(5,821.54)
Proceeds from sale of fixed assets including capital work in progress	977.03	197.24
Payment of purchase consideration for purchase of subsidiary shares from Non Controlling interest	(1,704.28)	(1,900.00)
Purchase of current investments (including dividend reinvestment)	(33,984.06)	(20,540.97)
Sale / redemption of current investments	28,674.36	17,441.37
Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net)	1,424.40	(2,768.46)
Interest received	249.31	395.97
Dividends received	372.31	305.40
Net cash flow (used in) investing activities (B)	**(10,770.99)**	**(12,690.99)**

Consolidated Cash flow statement for the year ended 31 March 2018

₹ in lacs

	31 March 2018	31 March 2017
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity share capital(including premium)	3,001.97	164.85
Proceeds from share warrants	1,525.50	-
(Repayment) / Proceeds from Short Term Borrowing (net)	(2.77)	697.84
Proceeds from long-term borrowings	4,647.31	5,659.98
Repayment of long-term borrowings	(4,443.51)	(7,645.78)
Interest paid	(699.07)	(966.04)
Dividend paid on equity shares	(2,752.17)	(949.76)
Tax on dividend paid on equity shares	(561.89)	(168.57)
Net cash flow from / (used in) in financing activities (C)	**715.37**	**(3,207.48)**
Net (decrease) in cash and cash equivalents (A + B + C)	**(597.92)**	**(15.38)**
Unrealised Gain on Foreign Currency Cash and Cash equivalents	9.01	(99.02)
Cash and cash equivalents at the beginning of the period	4,020.51	4,134.91
Cash and cash equivalents at the end of the period	**3,431.60**	**4,020.51**
Components of cash and cash equivalents		
Cash on hand	6.30	5.88
Balance with banks:		
- on current accounts	3,404.05	4,012.81
- Unpaid dividend account*	6.14	1.82
- on EEFC accounts	4.55	-
on fixed deposits account with original maturity of less than three months	10.56	-
Cash and cash equivalents (Refer note 12)	**3,431.60**	**4,020.51**

Notes:

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard Ind AS - 7 "Cash Flow Statements"

   *The company can utilize these balances only toward settlement of the respective unpaid dividend.

Significant accounting policies 2

The accompanying notes are an integral part of the consolidated financials statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

A. Equity Share Capital

₹ in lacs

	31 March 2018	31 March 2017
Balance at the beginning of year	2,760.08	2,749.94
Changes in Equity Share Capital during the reporting year	75.00	10.14
Balance at the end of the reporting year	**2,835.08**	**2,760.08**

B. Other Equity

₹ in lacs

	Attributable to Owners of the Company								Non Controlling Interest	Total Equity
	Reserves and Surplus				Money Received against share warrant	Other Comprehensive Income	Employee Share Options Outstanding	Total		
	Legal Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings		Foreign Currency Translation Reserve (FCTR)				
As at 31 March 2018										
Opening Balance as at 1 April 2017	**182.93**	**37,379.41**	**(4,765.17)**	**5,082.05**	**-**	**(109.84)**	**0.32**	**37,769.70**	**598.79**	**38,368.49**
Profit for the Year	-	-	-	6,285.65	-	-	-	6,285.65	-	6,285.65
On Issue of Shares	-	2,925.98	-	-	-	-	-	2,925.98	-	2,925.98
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(21.70)	-	(21.70)	(231.50)	(253.20)
Other Comprehensive Income on foreign operations	-	-	-	-	-	(0.84)	-	(0.84)	0.84	-
Remeasurement of defined benefit plans	-	-	-	2.41	-	-	-	2.41	-	2.41
Acquisition of Non-Controlling Interest	-	-	(268.82)	-	-	-	-	(268.82)	(1,184.59)	(1,453.41)
Expired options transferred to retained earnings	-	-	-	0.32	-	-	(0.32)	-	-	-
Expenses incurred on Merger transferred to retained earning	-	-	-	(70.26)	-	-	-	(70.26)	-	(70.26)
Money received against share warrants	-	-	-	-	1,525.50	-	-	1,525.50	-	1,525.50
Dividend (including Corporate Dividend Tax) pertaining to F.Y. 2016-17	-	-	-	(3,321.97)	-	-	-	(3,321.97)	-	(3,321.97)
Restatement of Goodwill	-	-	-	-	-	2.75	-	2.75	-	2.75
Transfer to FCTR	-	-	-	(61.26)	-	-	-	(61.26)	-	(61.26)
Closing Balance as at 31 March 2018	**182.93**	**40,305.39**	**(5,033.99)**	**7,916.94**	**1,525.50**	**(129.63)**	**-**	**44,767.14**	**(816.46)**	**43,950.68**
As at 31 March 2017										
Opening Balance as at 1 April 2016	**182.93**	**37,224.70**	**(3,494.29)**	**102.26**	**-**	**-**	**0.64**	**34,016.24**	**904.01**	**34,920.25**
Profit for the Year	-	-	-	6,051.48	-	-	-	6,051.48	(38.91)	6,012.57
Exercise of stock options	-	154.71	-	-	-	-	-	154.71	-	154.71
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(117.69)	-	(117.69)	-	(117.69)
Remeasurement of defined benefit plans	-	-	-	(44.54)	-	-	-	(44.54)	0.05	(44.49)
Acquisition of Non-Controlling Interest	-	-	(1,270.88)	-	-	-	-	(1,270.88)	(129.12)	(1,400.00)
Dividend paid	-	-	-	-	-	-	-	-	(121.23)	(121.23)
Dividend Distribution tax	-	-	-	-	-	-	-	-	(5.74)	(5.74)

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

B. Other Equity

₹ in lacs

	Attributable to Owners of the Company								Non Controlling Interest	Total Equity
	Reserves and Surplus				Money Received against share warrant	Other Comprehensive Income	Employee Share Options Outstanding	Total		
	Legal Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings		Foreign Currency Translation Reserve (FCTR)				
Restatement of Goodwill	-	-	-	-	-	(2.42)	-	(2.42)	-	(2.42)
FCTR on Non controlling interest	-	-	-	-	-	10.27	-	10.27	(10.27)	0.00
Expired options transferred to retained earnings	-	-	-	0.32	-	-	(0.32)	-	-	-
Dividend (including Corporate Dividend Tax) pertaining to F.Y. 2015-16	-	-	-	(1,027.47)	-	-	-	(1,027.47)	-	(1,027.47)
Closing Balance as at 31 March 2017	**182.93**	**37,379.41**	**(4,765.17)**	**5,082.05**	**-**	**(109.84)**	**0.32**	**37,769.70**	**598.79**	**38,368.49**

The accompanying notes are an integral part of the consolidated financials statements.
As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Notes to consolidated financial statements as at and for the year ended 31 March 2018

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 applicable in India. The address of registered office and principal place of business of Parent Company is located at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai -400093, disclosed in the introduction to the annual report. The equity shares of the Parent Company are listed on the Bombay Stock exchange (BSE), India and the National Stock Exchange (NSE) India.

The Group is primarily engaged in the business of providing digital cinema service. Information on the Group's structure is provided in Note no. 2.4 (Information on other related party relationships of the Group is provided in Note No.32)

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on May 29, 2018.

2. Significant accounting policies

2.1 Basis of preparation:

The CFS of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 38 for information on how the Group adopted Ind AS.

For all periods upto and including the year ended 31st March, 2017, the Group prepared its CFS in accordance with Accounting Standards notified under the section 133 of the Companies Act,2013,read together with paragraph 7 of the Companies (Accounts) Rules , 2014 (Indian GAAP) and Companies (Accounting Standards) Amendment Rules, 2016 , the relevant provisions of the Companies Act, 2013 ("the 2013 Act''), as applicable, and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In this CFS for the year ended 31st March, 2018, the CFS for the previous year ended 31st March, 2017 and Balance Sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like-to-like comparison.

The CFS have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured at fair value:

• Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para note no 2.5(j));

2.2 Functional and Presentational Currency:

The CFS are presented in Indian Rupees (INR) and all values are rounded off to nearest lacs, except otherwise indicated.

2.3 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or
- There are no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

2.4 Principles of Consolidation:

The CFS comprises the Financial Statements of the Company and its Subsidiaries and Associates (hereinafter referred together as "the Group"). The CFS of the Group have been prepared in accordance with the Indian Accounting Standard

Notes to consolidated financial statements as at and for the year ended 31 March 2018

on "Consolidated Financial Statements" (Ind AS 110), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013. As part of its transition to Ind AS, the Group has elected to avail the exemption under Ind AS 103 for business combinations prior to the transition date, i.e. 1st April, 2016.

(i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of Subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the CFS from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other event in similar transactions. The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intragroup transactions.

The difference between the costs of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the Subsidiaries is recognised in the CFS as Goodwill or Capital Reserve, as the case may be.

(ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling shareholders at the date on which the investment in the subsidiary companies were made.

b) The non-controlling share of movements in equity since the date the parent - subsidiary relationship comes into existence.

The Total comprehensive income of Subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interest having deficit balance.

(iii) Loss of Control:

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity instruments.

When the Group loses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

(iv) Investment in Associates:

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in Associates is accounted for using equity method. It is initially recognized at cost, which include transaction costs. Subsequent to initial recognition, Consolidated Financial Statements include the Group's share of profit or loss and OCI of associates until the date on which significant influence ceases.

When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate (which includes any long-term interest that, in substance, form part of Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate.

(v) The CFS includes nine Subsidiaries, incorporated outside India, whose Financial Statements have been restated in Indian Rupees, considering them as non-integral part of the Group's operations. In translating the Financial Statements of such Companies for incorporation in the Financial Statements, the assets and liabilities, both monetary and non-monetary, are translated at closing exchange rate, all Income and Expenses are translated at exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction, and resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

The CFS are comprised of the Financial Statements of the following Subsidiaries which are as under:

Subsidiary Name	Country of Incorporation	UFO's ownership interest as on March 31, 2018	UFO's ownership interest as on March 31, 2017	UFO's ownership interest as on April 1, 2016
Scrabble Entertainment Limited	India	100%	91.33%	91.33%
V N Films Private Limited	India	100%	100%	100%
Southern Digital Screenz India Private Limited	India	100%	100%	84.18%
Valuable Digital Screen Private Limited	India	80%	80%	80%
Edridge Limited	Cyprus	100%	100%	100%
United Film Organisers Nepal Private Limited	Nepal	100%	100%	100%
PJSA Technosoft Private Limited	India	100%	NA	NA
UFO International Limited	Cyprus	100%	100%	100%
United Film Organisers (UFO) (Mauritius) Private Limited	Mauritius	100%	100%	100%
UFO Lanka Private Limited	Sri Lanka	100%	100%	100%
UFO Software Technologies Private Limited	India	100%	100%	100%
Scrabble Entertainment DMCC	United Arab of Emirates	100%	100%	100%
Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%	100%
Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%	100%
Scrabble Digital Inc	United States of America	100%	100%	100%

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

Associate Name	Country of Incorporation	UFO's ownership interest as on March 31, 2018	UFO's ownership interest as on March 31, 2017	UFO's ownership interest as on April 1, 2016
Scrabble Digital Limited	India	33.33%	33.33%	33.33%
Scrabble Digital DMCC	United Arab of Emirates	33.33%	33.33%	33.33%
Scrabble Venture LLC	United States of America	30%	30%	30%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30%	30%	30%
Mukta V N Films Private Limited	India	45%	45%	45%

(vii) 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	UFO's ownership interest as on March 31, 2018	UFO's ownership interest as on March 31, 2017	UFO's ownership interest as on April 1, 2016
Scrabble Entertainment Israel Limited	Israel	100%	100%	100%

Notes to consolidated financial statements as at and for the year ended 31 March 2018

(viii) 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	As at and For the Year ended 31 March 2018	As at and For the Year ended 31 March 2017	As at and For the Year ended 31 March 2016
Scrabble Digital DMCC	Associate	Year ended Dec-17	Year ended Dec-16	Year ended Dec-15
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended Dec-17	Year ended Dec-16	Year ended Dec-15

2.5 Summary of significant accounting policies:

(a) Property, Plant and Equipment (PPE):

PPE are stated at cost, net accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE 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. When significant parts of PPE are required to be replaced at intervals, the Group depreciate them separately based on their specific useful lives.

Items of stores and spares that meet the definition of PPE are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

All other expenses on existing PPE, 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.

Capital work in progress are stated at cost. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Gains or losses arising from derecognition of a PPE 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.

The Group identifies and determines cost of each component separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(b) Depreciation on PPE:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The useful life of PPE is the period over which PPE is expected to be available for use by the Group.

The Group has used the following useful lives to provide depreciation on its property, plant and equipments:

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

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

Notes to consolidated financial statements as at and for the year ended 31 March 2018

The asset's residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

(c) Intangible assets acquired separately and amortisation:

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. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

	Useful lives as per management's estimate (years)
Computer Software	2 – 6

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible 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) Business Combination and Goodwill on consolidation:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share –based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and

Notes to consolidated financial statements as at and for the year ended 31 March 2018

reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods, where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination under common control include transactions, such as transfer of subsidiaries or businesses, between entities within a Group, where the ultimate control remains with the same entity before and after the transaction.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Goodwill on Consolidation represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

(e) Impairment of Non-financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognized if the recoverable amount of the of the CGU is higher of its value in use and fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

(f) Leases:

Operating lease:

As a 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.

As a lessor:

Assets subject to operating leases are included in property, plant and equipments. 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.

(g) Inventories:

Inventories comprise of traded goods, stores and spares are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

(h) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The following criteria must also be met before revenue is recognized.

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.
- Digitisation income is recognized in the period in which services are rendered.
- Registration fee is recognised in the period in which the services are rendered.
- Revenue from maintenance service fees 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 (f) above.
- Revenue from commission and technical service income is recognised in period in which services are rendered.

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Sales are recorded net of returns, trade discounts and sales tax/value added tax/ Goods and service tax (GST).

The Group recognizes revenue from sales of equipment, traded goods and spares as and when these are dispatched/ issued to customers.

The Group collects service tax/value added tax/goods and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Dividends

Dividend income is recognised when the Group's right to receive dividend is established.

(i) Foreign currency translation:

Foreign currency transactions and balances

- **Initial recognition:**

  On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

- **Measurement of Foreign currency items at reporting date**

  Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

  Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

- **Translation of financial statements of foreign entities**

  On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

  Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103 – Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(j) Fair Value Measurement:

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the CFS are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the CFS on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

(k) Financial Instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement:

- **Financial Assets:**

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

(i) business model for managing the financial assets, and

(ii) the contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:

(i) the financial asset is held within a business model whose, objective is to hold financial assets in order to collect contractual cash flows, and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest on the principal amount outstanding.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss.

Equity Investments:

All equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL

Such financial assets, included within the FVTPL category, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments.

Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivables. The Group calculates the expected credit losses on trade receivables, using a provision matrix on the basis of its historical credit loss experience.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Financial guarantee contracts:

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition of Financial Assets:

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

- **Financial Liabilities and Equity Instruments:**

  Classification as Debt or Equity:

  Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

  Equity Instruments:

  An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

  Financial Liabilities:

  Financial liabilities are classified, at initial recognition:

  - at Fair Value through Profit or Loss,
  - Loans and Borrowings,
  - Payables, or
  - as Derivatives designated as hedging instruments in an effective hedge, as appropriate.

  All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

  The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities:

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(l) Employee benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognized as an expense on accrual basis.

Defined Contribution Plan:

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.

Defined Benefit Plan:

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

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

(m) Current income taxes and deferred tax:

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. A Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

Notes to consolidated financial statements as at and for the year ended 31 March 2018

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in associates and foreign subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT):

Tax liability under Minimum Alternate Tax (“MAT”) is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(n) Earnings per share:

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year. The weighted average numbers 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) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(o) Provisions, Contingent liabilities and Contingent assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer.

Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

(p) 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

(q) Employee share based payment:

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised 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 for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

(r) Borrowing cost:

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with the arrangement of borrowing of funds 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.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

(s) Segment reporting:

Identification of Segments:

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Group.

(t) Measurement of earnings before interest, tax, depreciation and amortization (EBITDA):

As permitted by the Guidance Note on Ind AS Schedule III to the Companies Act 2013, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit from continuing operations. In EBITDA measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

(u) Derivative Financial Instruments:

The Group enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

(v) Cash Dividend to Equity Holders of the Group:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(w) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of CFS, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the CFS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the CFS. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

(i) Judgements:

In the process of applying the Group's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the CFS.

(ii) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the CFS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

  The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Defined Benefit Obligation:**

  The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

  Availability of future taxable profit against which the tax losses carried forward can be used as disclosed in note (m) above.

- **Recognition and Measurement of Provisions and Contingencies:**

  Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note (o) above.

- **Fair Value Measurement of Financial Instruments:**

  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Impairment of non financial assets:**

  The Group recognises impairment of non financial assets as disclosed in note (e) Impairment of non financial assets above.

- **Impairment of financial assets:**

  The Group recognises impairment of financial assets as disclosed in note (k) of financial instruments.

- **Equity Share-based Payments:**

  The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note (q) above.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

3.1 Property, plant and equipment

₹ in lacs

	Leasehold Improvements	Plant & Machinery	Computer Systems	Office Equipments	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Total
Cost								
At 1 April 2016	**126.44**	**26,668.78**	**84.63**	**116.64**	**42.20**	**32.47**	**1,741.88**	**28,813.06**
Additions	461.94	4,468.04	69.31	79.85	13.28	8.72	405.27	5,506.41
Disposals	4.70	552.90	58.65	24.98	10.42	2.74	186.91	841.31
Foreign Exchange Adjustment	(0.12)	(46.80)	(0.04)	(0.07)	0.88	-	(0.36)	(46.53)
At 31 March 2017	**583.56**	**30,537.12**	**95.25**	**171.44**	**45.94**	**38.45**	**1,959.88**	**33,431.63**
Additions	15.36	5,738.51	76.33	53.90	6.15	-	646.75	6,537.00
Disposals	-	11,855.87	1.28	6.35	-	-	323.99	12,187.48
Foreign Exchange Adjustment	0.01	24.63	0.00	0.01	(0.05)	-	0.03	24.64
At 31 March 2018	**598.93**	**24,444.39**	**170.30**	**219.00**	**52.04**	**38.45**	**2,282.67**	**27,805.79**
Depreciation/Amortisation								
At 1 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	139.59	7,447.48	62.36	57.53	21.77	8.18	527.48	8,264.38
Disposals	3.28	389.62	58.10	21.35	8.78	2.02	137.68	620.83
Foreign Exchange Adjustment	(0.20)	(59.51)	(0.03)	(0.04)	(0.11)	-	(0.27)	(60.16)
At 31 March 2017	**136.11**	**6,998.35**	**4.23**	**36.14**	**12.88**	**6.16**	**389.53**	**7,583.39**
Charge for the year	146.17	7,077.43	69.16	49.61	13.72	8.10	553.82	7,918.01
Disposals	-	10,986.90	0.52	5.75	-	-	297.83	11,290.99
Foreign Exchange Adjustment	0.01	3.60	0.01	0.01	0.02	-	0.06	3.71
At 31 March 2018	**282.29**	**3,092.48**	**72.88**	**80.01**	**26.62**	**14.26**	**645.58**	**4,214.12**
Net Block	-	-	-	-	-	-	-	-
At 31 March 2017	**447.45**	**23,538.77**	**91.02**	**135.30**	**33.06**	**32.29**	**1,570.35**	**25,848.24**
At 31 March 2018	**316.64**	**21,351.91**	**97.42**	**138.99**	**25.42**	**24.19**	**1,637.09**	**23,591.67**

Refer Note 15 for details of Pledge against the above assets

3.2 Intangible Assets

₹ in lacs

	Goodwill on Consolidation	Intellectual property rights	Computer software and other Intangible assets	Network (relationship with studio & exhibitors)	Total
	A	**B**	**C**	**D**	**E=B+C+D**
Cost					
At 1 April 2016	**1,398.77**	**59.70**	**329.44**	**790.00**	**1,179.14**
Additions	-	-	26.69	-	26.69
Disposals	-	-	-	-	-
Foreign Exchange Adjustment	(2.42)	(1.34)	(0.96)	-	(2.31)
At 31 March 2017	**1,396.35**	**58.36**	**355.17**	**790.00**	**1,203.52**
Additions	-	-	36.45	-	36.45
Disposals	-	-	-	-	-
Foreign Exchange Adjustment	0.33	0.18	0.13	-	0.32
At 31 March 2018	**1,396.68**	**58.54**	**391.75**		**1,240.29**
Depreciation/Amortisation					
At 1 April 2016	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	-	106.33	790.00	896.33
Disposals	-	-	-	-	-
Foreign Exchange Adjustment	-	(1.45)	-	-	(1.45)
At 31 March 2017	**-**	**(1.45)**	**106.33**	**790.00**	**894.88**
Charge for the year	-	-	65.27	-	65.27
Disposals	-	-	-	-	-
Foreign Exchange Adjustment	-	-	0.13	-	0.13
At 31 March 2018	**-**	**(1.45)**	**171.73**		**960.28**
Net Block	-	-	-	-	-
At 31 March 2017	**1,396.35**	**59.81**	**248.84**	**-**	**308.64**
At 31 March 2018	**1,396.68**	**59.99**	**220.02**	**-**	**280.01**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

4. Investment accounted using equity method

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Trade investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
Investment in subsidiaries (under liquidation)			
1 (March 31, 2017: 1, April 1, 2016: 1) Equity Shares of USD 1 each fully paid) up of ₹ 65 (March 31, 2017: ₹ 65, April 1, 2016: ₹ 66 in Scrabble Entertainment Israel Limited	0.00	0.00	0.00
Investment in Associates			
197,714 (March 31, 2017: 197,714, April 1, 2016: 197,714) Equity Shares of ₹ 10 each fully paid up in Scrabble Digital Limited (including post -acquisition share of profit or loss)	555.98	457.11	438.97
100 (March 31, 2017: 100, April 1, 2016: 100) Ordinary shares of AED 1,000 each at par fully paid up in Scrabble Digital DMCC (including post-acquisition share of profit or loss)	220.53	134.84	94.34
1,500 (March 31, 2017: 1,500, April 1, 2016: 1,500) Equity Shares of Mexican Pesos including post acquisition share of Profit or Loss each fully paid up in Scrabble Ventures, S.de R.L.De C.V, Mexico (Refer note a) (Including post acquisition share of loss restricted to cost of Investments ₹ 7,487 (March 31, 2017: ₹ 7,847, April 1, 2016: ₹ 7,646)	-	-	-
3,000 (March 31, 2017: 3,000, April 1, 2016: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss) (Refer note a)	718.53	611.45	235.07
2,700,000 (March 31, 2017: 2,700,000, April 1, 2016 : 2,700,000) Equity Shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	290.09	262.63	266.98
360,000 (March 31, 2017: 360,000, April 1, 2016: 360,000) Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up in Mukta VN Films Limited	36.00	36.00	36.00
240,000 (March 31, 2017: 240,000, April 1, 2016: 240,000) Share warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00	24.00
	1,845.13	**1,526.03**	**1,095.36**
Notes:			
a) In addition to the investments listed above, the Group is holding 2,000 shares of Scrabble Ventures LLC and 1,000 shares of Scrabble Ventures, 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.			
Aggregate value of unquoted investments:	**1,845.13**	**1,526.03**	**1,095.36**

5. Financial assets - Loans

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Unsecured (Considered Good)						
Security deposit to related parties (Refer note 32)	357.72	357.72	357.72	-	-	-
Security deposit to others	144.49	135.32	90.48	56.66	387.14	459.06
Loan to others	-	-	-	83.43	78.37	0.75
	502.21	**493.04**	**448.20**	**140.09**	**465.51**	**459.81**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

6. Other financial assets

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	188.24	35.56	670.42	-	-	-
Unbilled revenue	-	-	-	548.50	925.68	623.13
Interest accrued but not due on fixed deposit	11.04	3.03	91.41	87.09	177.02	14.48
Other receivables	-	-	-	86.06	-	1.83
	199.28	**38.59**	**761.83**	**721.65**	**1,102.70**	**639.44**

7. Deferred tax assets / (liability)

₹ in lacs

		31 March 2018	31 March 2017	1 April 2016
A	**Deferred tax assets**			
	Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,147.12	2,814.68	2,190.45
	Provision for doubtful debts and advances	390.64	377.64	373.00
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	340.48	270.66	182.12
	Others	88.25	-	-
	Gross deferred tax assets	**3,966.49**	**3,462.98**	**2,745.57**
B	**Deferred tax liabilities**			
	Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	-	2.37	2.37
	Fair valuation of Intangibles on business combination	-	-	273.40
	Undistributed profit of foreign subsidiaries and associates	694.11	1,046.84	793.59
	Gross deferred tax liabilities	**694.11**	**1,049.21**	**1,069.36**

Deferred Taxes

The major components of income tax expense for the year are as under:

₹ in lacs

	31 March 2018	31 March 2017
i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
In respect of current year	**4,807.86**	**4,335.08**
Deferred tax:		
In respect of current year	(1,023.72)	(713.96)
Income tax expense recognised expense recognised in the Statement of Profit and Loss	**3,784.14**	**3,621.12**
ii) Income tax expense recognised in OCI		
Deferred tax :		
Deferred tax expense on remeasurements of defined benefit plans	(1.52)	23.60
Income tax expense recognised in OCI	**(1.52)**	**23.60**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

₹ in lacs

Reconciliation of tax expense and the accounting profit for the year is as under:	31 March 2018	31 March 2017
Profit before tax	9,838.32	9,633.95
Income tax expense calculated at Corporate tax rate @ 34.608%	3,404.85	3,334.12
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	(363.05)	256.56
Change in tax rates	84.00	-
Incomes of subsidiary not chargeable to tax	(298.07)	(672.50)
Income exempt from tax	(41.96)	(15.56)
Losses of subsidiaries	1,255.23	946.13
Profits of associates	(224.46)	(234.56)
Others	(40.13)	(57.79)
Expenses not deductible for tax purpose	7.73	64.72
Total	**3,784.14**	**3,621.12**
Tax expense as per Statement of Profit and Loss	**3,784.14**	**3,621.12**

The rate used for the reconciliation is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian tax law.

One of the the subsidiary VDSPL have the following unused tax losses which arises on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary that have been loss-making.

Assessment year	Category	Amount of Loss (₹ in lacs)	Amount of Deferred tax Asset (₹ in lacs)	Expiry date
A.Y. 18-19	Unused Tax Losses	913.63	316.19	A.Y. 26-27
A.Y. 17-18	Unused Tax Losses	1,319.80	456.76	A.Y. 25-26
A.Y. 16-17	Unused Tax Losses	816.21	282.47	A.Y. 24-25
A.Y. 15-16	Unused Tax Losses	52.54	18.18	A.Y. 23-24
Total			**1,073.60**	

As at 31 March 2018, there was no recognised deferred tax liability (March 31, 2017: ₹ Nil and April 1, 2016: ₹ Nil) for taxes that would be payable on the unremitted earning of the Group's Indian subsidiaries. The Group has determined that the undistributed profit of its subsidiaries will not be distributed in foreseeable future.The temporary difference associated with investment in subsidiaries for which a deferred tax liability has not been recognised aggregates to ₹ 1,100.78, (March 31, 2017: ₹ 769.90 lacs and April 1, 2016 ₹ 480.26 lacs)

However as at 31 March 2018, deferred tax liability of ₹ 694.11 lacs (March 31, 2017: ₹ 1,046.84 lacs and April 1, 2016 ₹ 793.59 lacs) in respect of temporary difference related to an investment in all Associates and Foreign subsidiaries which has been recognised the Group does not control the dividend policy of all associates and foreign subsidiaries i.e. the Group does not control the timing of reversal of the related taxable temporary differences and management is satisfied that they will reverse in the foreseeable future.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

8. Other assets (Unsecured, Considered good unless otherwise stated) ₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Advances recoverable in cash or kind						
Considered good	-	-	-	201.81	141.11	82.17
Considered doubtful	161.94	161.94	220.79	9.89	23.96	23.96
	161.94	**161.94**	**220.79**	**211.70**	**165.07**	**106.13**
Provision for doubtful advances	(161.94)	(161.94)	(220.79)	(9.89)	(23.96)	(23.96)
	-	**-**	**-**	**201.81**	**141.11**	**82.17**
Balances with statutory / government authorities						
Considered good	479.03	481.47	481.28	545.78	807.33	481.44
Considered doubtful	14.66	14.66	14.66	-	-	-
Less: Provision for doubtful receivable	(14.66)	(14.66)	(14.66)	-	-	-
	479.03	**481.47**	**481.28**	**545.78**	**807.33**	**481.44**
Deposit with Government bodies and others	53.43	44.78	39.22	-	-	-
	532.46	**526.25**	**520.50**	**545.78**	**807.33**	**481.44**
Capital advances	37.12	4.47	106.83	-	-	-
Advance to suppliers	-	-	-	180.12	479.89	431.88
Advance to employees	-	-	-	44.45	22.81	167.04
Prepaid expenses	634.24	550.44	98.53	438.10	595.34	628.92
GST credit receivable	-	-	-	205.99	-	-
Others	-	-	-	-	11.73	27.35
Advance income tax (net of provision)	2,428.36	2,169.82	3,122.18	-	-	-
	3,632.18	**3,250.98**	**3,848.04**	**1,616.25**	**2,058.21**	**1,818.80**

9. Inventories (valued at lower of cost and net realisable value, unless otherwise stated) ₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Lamps	714.10	946.65	977.01
Digital Cinema Equipment	164.74	214.75	18.31
Consumables and spares	252.63	186.92	152.90
	1,131.47	**1,348.32**	**1,148.22**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

10. Investments-Current

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Quoted mutual funds - carried at fair value through profit and loss			
158,836.619 (March 31, 2017: 99,342.98 and April 1, 2016: 10,549.22) units of Axis Liquid Fund	1,621.89	994.08	105.49
Nil (March 31, 2017: 302,260.15 and April 1, 2016: Nil) units of Birla Sun Life Floating Rate Fund (Long Term Plan - Direct Plan)	-	606.48	-
847,010 (March 31, 2017: 300,415.46 and April 1, 2016: Nil) units of Birla Sun Life Saving Fund	585.21	301.31	-
128,461 (March 31, 2017: 147,803.80 and April 1, 2016: Nil) units of Birla Sun Life Cash Plus (Growth - Direct Plan)	358.81	386.22	-
372,857 (March 31, 2017: 97,176 and April 1, 2016: Nil) units of ICICI Prudential (Flexible Income Plan - Direct)	1,249.37	303.75	-
98,810 (March 31, 2017: 162,784.71 and April 1, 2016: Nil) units ICICI Prudential (Liquid Plan Direct Plan Growth)	254.08	391.85	-
Nil (March 31, 2017: Nil and April 1, 2016: 12,147.475) units of Axis Treasury Advantage Fund (Growth Option)	-	-	204.72
1,809 (March 31, 2017: 18,723.98 and April 1, 2016: 3,369) units of HDFC Liquid Fund (Direct Plan - Growth Option)	61.95	600.84	100.59
13,061,971 (March 31, 2017: 13,061,971 and April 1, 2016: 13,061,971) units of HDFC Corporate Debt Opportunities Fund (Growth Option)*	1,882.35	1,771.07	1,601.47
3,873,923.18 (March 31, 2017: 3,873,923.18 and April 1, 2016: 3,873,923.18) units of Reliance Regular Savings Debt Fund (Growth Option)*	937.30	877.57	800.00
20,437.091 (March 31, 2017: Nil and April 1, 2016: Nil) units of HSBC Cash Fund daily dividend direct plan	204.50	-	-
9,726.372 (March 31, 2017: 9,326.299 and April 1, 2016: 8,911.487) units of HDFC Cash Management Fund	0.99	0.95	0.89
57,861.401 (March 31, 2017: Nil and April 1, 2016: Nil) units of Aditya Birla Sun Life Savings Fund-Growth	197.72	-	-
9,187 (March 31, 2017: Nil, April 1, 2016: Nil) units of Reliance Liquid Fund (Treasury Plan)	387.85	-	-
102,629.876 (March 31, 2017: Nil, April 1, 2016: Nil) Units Aditya Birla Sun Life Savings Fund-Direct (Growth)	352.97	-	-
555,435.175 units (March 31, 2017: Nil, April 1, 2016: Nil) Units of ABSL Savings Fund Growth (Regular)	1,899.07	-	-
3,969.674 units (March 31, 2017: Nil, April 1, 2016: Nil) Units of SBI Magnum Insta Cash (liquid) fund	152.56	-	-
10,159.499 units (March 31, 2017: Nil, April 1, 2016: Nil) Units of SBI Ultra Short Term Debt Fund (Liquid Plus)	228.78	-	-
23,251.059 units (March 31, 2017: Nil, April 1, 2016: Nil) Units of SBI Magnum Insta Cash (liquid) regular	889.78	-	-
1,335,849.79 units (March 31, 2017: Nil units, April 1, 2016: Nil Units) of HDFC FRIF STP DP (growth)	678.36	-	-
	11,943.54	**6,234.12**	**2,813.16**

Aggregate market value of investment in unquoted mutual funds units held by Company based on NAV declared on the balance sheet date by mutual fund is ₹ 11,943.54 lacs (March 31, 2017: ₹ 6,234.12 lacs, and April 1, 2016: ₹ 2,813.16 lacs)

*Investment amounting to ₹ 1,409.82 lacs (March 31, 2017: ₹ 1,324.32 lacs, and April 1, 2016: ₹ 1,200 lacs) is lien for loan availed by one subsidiary.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

11. Trade receivables (unsecured)

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Considered good	18,439.16	14,710.12	13,416.77
Considered doubtful	1,535.01	1,104.08	983.41
	19,974.17	**15,814.20**	**14,400.18**
Provision for doubtful receivables	(1,535.01)	(1,104.08)	(983.41)
Total	**18,439.16**	**14,710.12**	**13,416.77**

(For details pertaining to Related Party Receivables refer note 32)

12. Cash & bank balances

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents						
Balances with banks :						
– On current accounts	-	-	-	3,404.05	4,012.81	4,108.35
– On unpaid dividend account*	-	-	-	6.14	1.82	2.34
– On EEFC Account	-	-	-	4.55	-	13.73
– Deposits with original maturity of less than three months	-	-	-	10.56	-	1.10
Cash on hand	-	-	-	6.30	5.88	9.39
	-	**-**	**-**	**3,431.60**	**4,020.51**	**4,134.91**
Other bank balances	-	-	-	-	-	-
– Deposits with original maturity for less than 12 months	-	-	-	3,282.52	4,472.99	1,888.70
– Deposits with remaining maturity for more than 12 months	174.89	7.27	80.29	-	-	-
	174.89	**7.27**	**80.29**	**3,282.52**	**4,472.99**	**1,888.70**
	-	-	-	-	-	-
– Margin money deposit with original maturity for less than 12 months	-	-	-	707.58	1,076.92	645.69
– Margin money deposit with remaining maturity for more than 12 months	13.35	28.29	590.13	-	-	-
	13.35	**28.29**	**590.13**	**707.58**	**1,076.92**	**645.69**
Amount disclosed under non - current financial assets (Refer note 6)	**(188.24)**	**(35.56)**	**(670.42)**	-	-	-
	-	**-**	**-**	**3,990.10**	**5,549.91**	**2,534.39**

Margin money deposits:

Margin money deposits are kept under lien with bank for opening letter of credit, margin towards term loan and for issuing bank guarantees to various State Governments to comply with the Sales Tax / VAT Registration formalities.

* The Parent company can utilize these balances only toward settlement of the respective unpaid dividend.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

13. Share capital

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Authorised share capital			
45,000,000 (March 31,2017: 45,000,000 and April 1, 2016: 45,000,000) equity shares of ₹10 each	4,500.00	4,500.00	4,500.00
1,385,000 (March 31,2017: 1,385,000 and April 1, 2016: 1,385,000) preference shares of ₹1000 each	13,850.00	13,850.00	13,850.00
	18,350.00	**18,350.00**	**18,350.00**
Share capital			
Issued, subscribed and fully paid up shares			
28,350,801 (March 31,2017: 27,600,801 and April 1, 2016 : 27,499,376) equity shares of ₹10 each fully paid - up	2,835.08	2,760.08	2,749.94
Total issued, subscribed and fully paid up share capital	**2,835.08**	**2,760.08**	**2,749.94**

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

Equity shares	31 March 2018		31 March 2017		1 April 2016	
	No.	₹ in lacs	No	₹ in lacs	No	₹ in lacs
At the beginning of the year	27,600,801	2,760.08	27,499,376	2,749.94	27,499,376	2,749.94
Issued during the year	750,000	75.00	101,425	10.14	-	-
Outstanding at the end of the year	**28,350,801**	**2,835.08**	**27,600,801**	**2,760.08**	**27,499,376**	**2,749.94**

(b) Terms/ rights attached to equity shares

Voting Rights

The Company has only one class of equity shares having par value of ₹10 per share. 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 ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

Rights pertaining to repayment of capital

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

₹ in lacs

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10 each fully paid						
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	19.03	5,251,608	19.10
3i Research (Mauritius) Limited	-	-	-	-	2,664,879	9.69
SBI Magnum Global Fund	2,441,136	8.61	2,609,456	9.45	2,407,206	8.75
Valuable Technologies Limited	2,243,657	7.91	2,243,657	8.13	2,243,657	8.16
Apollo International Limited	2,266,417	7.99	2,266,417	8.21	2,266,417	8.24
Reliance Capital Trustee Co Limited A/c Reliance Media and Entertainment Fund	1,857,739	6.55	2,202,739	7.98	1,861,139	6.77
Valuable Media Limited	2,244,265	7.92	1,494,265	5.41	1,494,265	5.43

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

Notes to consolidated financial statements as at and for the year ended 31 March 2018

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

The Company has issued total 1,703,132 shares (March 31, 2017: 1,703,132 and April 1, 2016: 1,601,707) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) 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 29

14. Other Equity - Attributable to the Owners of the Company

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Legal Reserve	182.93	182.93	182.93
Securities premium account	40,305.39	37,379.41	37,224.70
Employee stock options outstanding	-	0.32	0.64
Foreign Currency Translation Reserve	(129.63)	(109.84)	-
Capital reserve	(5,033.99)	(4,765.17)	(3,494.29)
Money Received against share warrant	1,525.50	-	-
Retained Earning	7,916.94	5,082.05	102.26
Total	**44,767.14**	**37,769.70**	**34,016.24**

The description of the nature and purpose of each reserve with in equity is as follows:

a. **Legal Reserve:** The legal reserve is created under UAE Commercial laws and regulations, 10% of the Companies annual net profits to be set aside as a statutory reserve, restricting to AED 150,000.

b. **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

c. **Capital Reserve:** Represents excess of consideration over carrying value on purchase of Non controlling interest stake.

d. **Employee Share Option Outstanding:** The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

e. **Foreign Currency Translation Reserve:** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e.) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

f. **Money received against share warrants:** During the year the Company issued 1,525,000 share warrants of ₹ 10 each at a price of ₹ 400.13 each (including share warrant subscription price and share warrant exercise price) convertible into, or exchangeable for, one equity share of face value of ₹ 10 each to two individuals and one company forming part of promoter group on preferential basis. During the year the Company received 25% of subscription amount of ₹ 1,525.50 lacs against said warrants.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

15. Borrowings (at amortised cost-secured)

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Term loans						
Rupee loan from banks and Buyers Credit						
Term loan 1 from HDFC Bank	270.84	1,895.90	1,279.25	1,625.06	1,625.06	590.42
Term loan 2 from HDFC Bank	-	223.55	-	223.55	562.50	-
Term loan 3 from HDFC Bank	-	90.67	-	-	1,041.60	-
Term loan 4 from HDFC Bank	89.94	-	-	77.70	-	-
Term loan 5 from HDFC Bank	-	-	-	-	-	44.93
Term loan 6 from Axis Bank	-	-	-	-	-	854.16
Term loan 7 from Axis Bank	-	-	1,028.11	-	-	1,249.92
Term loan 8 from Axis Bank	-	-	739.18	-	-	562.50
Term loan 9 from Axis Bank	473.13	600.59	997.20	257.00	496.20	511.02
Term loan 10 from Yes Bank	-	-	142.86	-	142.86	857.14
Term loan 11 from HDFC Bank	-	-	152.14	-	152.14	202.86
Term loan 12 from Yes Bank	1,189.22	388.25	-	700.35	89.60	-
Buyers Credit (LIBOR + 2.05% to 3.28%)	-	-	-	2,625.74	-	-
Sub Total (a)	**2,023.13**	**3,198.96**	**4,338.74**	**5,509.40**	**4,109.96**	**4,872.95**
Other loans						
Vehicle finance from banks (secured against hypothecation of vehicles)						
Vehicle Loan from Axis Bank Limited	-	-	20.43	-	19.81	82.42
Sub Total (b)	**-**	**-**	**20.43**	**-**	**19.81**	**82.42**
Less :Amount disclosed under the head “Other Current financial Liabilities” (Refer note 16)	-	-	-	(5,509.40)	(4,129.77)	(4,955.37)
Net amount (a) +(b)	**2,023.13**	**3,198.96**	**4,359.17**	**-**	**-**	**-**

Term loan 1 to 8, 12 and Buyers credit are secured by first charge on all fixed assets (except vehicles) and all current assets of the Parent Company.

Term loan 1 having interest of bank base rate plus 1.40% @ 9.00% (March 31, 2017: 10.70%, April 1, 2016: 10.70%) p.a. is repayable in 42 monthly installments on pro rata basis each along with interest from December 31, 2015

Term loan 2 having interest of bank 1 year MCLR plus 40 bps @ 9.00% (March 31, 2017: 9.50%, April 1, 2016: Nil) p.a. is repayable in 26 monthly installments of ₹ 46.88 lacs each along with interest from October 31, 2016

Term loan 3 having interest of bank 1 year MCLR plus 40 bps @ 9.00% (March 31, 2017: 9.50%, April 1, 2016: Nil) p.a. is repayable in 26 monthly installments of ₹ 104.16 lacs each along with interest from October 31, 2016

Term loan 4 having interest of bank 1 year MCLR i.e. 9.00% (March 31, 2017: Nil, April 1, 2016: Nil) p.a. is repayable in 48 monthly installments starting from 31 July 2018

Term loan 5 having interest of bank base rate plus 2.40% @ 11.70% (March 31,2017: 11.70%, April 1,2016: 11.70%) p.a. is repayable in 31 monthly installments of ₹ 90 lacs each along with interest from July 31, 2013.

Term loan 6 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2017: 11.25% and April 1, 2016: 11.25%) p.a. is repayable in 48 monthly installments of ₹ 170.83 lacs each along with interest from September 30, 2012.

Term loan 7 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2017: 11.25%, April 1, 2016: 11.25%) p.a. is repayable in 48 monthly installments of ₹ 104.16 lacs each along with interest from April 30, 2014. The Company has transferred this loan balance to HDFC bank from October 31, 2016.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Term loan 8 having interest of bank base rate plus 2.40% @ 11.70% (March 31, 2017: 11.25%, April 1,2016: 12.40%) p.a. is repayable in 31 monthly installments of ₹ 90 lacs each along with interest from July 31, 2013. The Company has transferred this loan balance to HDFC bank from October 31, 2016.

Term loan 9 from Axis Bank is secured against entire current and fixed assets both present and future of Valuable Digital Screens Private Limited. The loan carries interest of bank base rate plus 0.45% @ 9.5% p.a. (March 31, 2017: 11.50 % p.a. and April 1, 2016: 11.50 % p.a.) and is repayable in 20 quarterly unequal installments along with interest from September 30, 2015. The Parent company has provided corporate guarantee to the bank for this term loan.

Term loan 10 from Yes Bank Limited (YBL) was secured against the first pari passu charge with HDFC Bank over entire current and fixed assets both present and future of Scrabble Entertainment Limited. The loan carries a floating interest rate of YBL Base Rate plus 3.00 p.a. @ 10.25% p.a. (March 31, 2017: 10.25% p.a. and April 1, 2016: 11.75% p.a.) and is repayable in 42 monthly installments along with interest after 7 months from disbursement. The Parent company has provided a letter of comfort for term loan from YBL.

Term loan 11 from HDFC Bank Limited was secured against the First pari passu charge with YBL on all fixed assets and Second pari passu charge with YBL on all the current assets of Scrabble Entertainment Limited both present and future. The loan carries a floating interest rate of HDFC Base Rate plus 2.50 p.a. @ 11.50% p.a. (March 31, 2017: 11.50% p.a. and April 1, 2016: 11.80% p.a.) and is repayable in 42 monthly installments along with interest from July 31, 2014. The Parent company has provided a letter of comfort for term loan from HDFC Bank.

Term loan 12 having interest of bank 1 year MCLR i.e. 8.85% (March 31, 2017: 9.10%, April 1, 2016: Nil) p.a. is repayable in 48 monthly instalments starting from July 15, 2017.

Vehicle Loan 1 having fixed interest rate from 10.15% to 11.80% p.a. is repayable in 48 monthly instalments.

16. Financial liabilities - Trade payables and others

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Trade payables (Refer note 40 for details of dues to micro and small enterprises)	-	-	-	**10,065.48**	**9,245.47**	**7,957.33**
Other financial liabilities						
Current maturities of long-term borrowings (Refer note 15)	-	-	-	5,509.40	4,129.76	4,955.37
Financial guarantee obligation	-	-	-	20.80	12.39	16.52
Interest accrued but not due on borrowings	-	-	-	50.64	83.22	107.05
Deposit from customers and employees	3,135.36	3,649.93	4,038.83	2,228.97	2,112.61	1,203.10
Deposit from related parties (Refer note 32)	2.11	1.87	-	-	-	-
Investor Education and Protection Fund (refer note (i) below)	-	-	-	-	-	-
Unpaid dividend	-	-	-	6.14	1.82	2.34
Payables for purchase of fixed assets	-	-	-	1,628.03	370.91	752.13
Book overdraft	-	-	-	-	-	0.49
Payable for purchase of Investments	-	-	-	-	249.87	714.25
Salary & reimbursement payable	-	-	-	1,100.58	1,147.90	622.96
	3,137.47	**3,651.80**	**4,038.83**	**10,544.56**	**8,108.48**	**8,374.21**

(i) There are no amount due and outstanding to be credited to Investor Education and Protection fund as at March 31, 2018.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

17. Provisions

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Provision for gratuity (Refer note 28)	495.51	307.02	64.16	0.59	46.88	82.70
Provision for compensated absences	-	-	-	396.63	355.74	310.43
Provision for warranties (Refer note a)	-	6.79	17.49	6.67	12.91	12.27
Provision for direct and indirect taxes	-	-	-	12.85	10.18	10.18
	495.51	**313.81**	**81.65**	**416.74**	**425.71**	**415.58**

a. Provision for warranties

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 lacs

	31 March 2018	31 March 2017	1 April 2016
At the beginning of the year	19.70	29.76	59.94
Arising during the year	-	3.00	0.50
Utilized during the year	(13.03)	(13.06)	(30.68)
At the end of the year	**6.67**	**19.70**	**29.76**
Current portion	6.67	12.91	12.27
Non-current portion	-	6.79	17.49

18. Other Liabilities

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Other liabilities						
Deferred revenue	336.09	155.76	479.54	928.51	732.23	638.44
Advance from customers	-	-	-	2,008.20	2,967.74	1,918.91
Statutory dues payable						
Employee related liabilities	-	-	-	60.64	56.91	111.36
VAT payable	-	-	-	49.89	95.92	105.56
TDS payable	-	-	-	294.45	301.15	365.04
GST payable	-	-	-	32.63	-	-
Other taxes payable	-	-	-	2.77	0.79	0.90
	336.09	**155.76**	**479.54**	**3,377.09**	**4,154.74**	**3,140.21**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

19. Short-term borrowings

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Unsecured			
Interest bearing loan from Director of a subsidiary	-	-	225.00
Secured			
Cash credit from Axis and HDFC Bank	-	0.04	149.76
Overdraft facility from ICICI bank Limited	1,070.24	1,072.96	-
	1,070.24	**1,073.00**	**374.76**

Cash credit from Axis bank was secured by first charge on all the fixed assets of the Parent Company except vehicles and first charge on all the current assets. The cash credit is repayable on demand and carries interest @ 11.50% p.a. (March 31, 2017: 11.50% p.a. and April 1, 2016: 11.50% p.a.).

Cash credit from Axis bank was secured by first charge on all the current assets and fixed assets of Valuable Digital Screens Private Limited. The cash credit is repayable on demand and carries Nil interest @11.50% p.a. (March 31, 2017: 11.50% p.a. and April 1, 2016: 11.50% p.a.).

Cash credit from HDFC bank was secured by first charge on current assets of the Parent Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.30% p.a. (March 31, 2017: 10% p.a. and April 1, 2016: Nil).

Overdraft from ICICI bank is secured by first charge on specific current investments of Scrabble Entertainment Limited. The overdraft is repayable on demand and carries interest @ 8.50% p.a. (March 31, 2017: 9% p.a. and April 1, 2016: Nil).

20. Revenue from operations

₹ in lacs

		31 March 2018	31 March 2017
Sale of Services			
Advertisement revenue		21,359.89	17,899.53
Virtual Print Fees - E-Cinema		10,553.26	10,270.42
Virtual Print Fees - D-Cinema		9,738.82	14,756.92
Lease rental income - E-Cinema		5,486.11	4,789.60
Lease rental income - D-Cinema		1,102.48	1,389.69
Digitisation income		587.94	616.52
Maintenance service fee		835.77	809.13
Registration fees income		56.26	152.81
Commission income		375.71	722.92
Technical service income		15.02	44.64
Others		240.35	0.56
	(A)	**50,351.61**	**51,452.74**
Sales of Products			
Lamp and spares		4,352.30	4,735.69
Digital cinema equipments		4,353.31	3,473.51
	(B)	**8,705.61**	**8,209.20**
Other Operating Income			
Sundry balances written back		260.02	226.01
License income		-	2.41
Freight income		85.72	5.12
	(C)	**345.74**	**233.54**
	(A)+(B)+(C)	**59,402.96**	**59,895.48**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

21. Other Income

₹ in lacs

	31 March 2018	31 March 2017
Miscellaneous receipts	281.02	127.45
Commission fees on financial guarantee given	2.91	4.13
Foreign exchange gain (net)	8.97	38.33
	292.90	**169.91**

22. Operating direct costs

₹ in lacs

	31 March 2018	31 March 2017
Advertisement revenue share	6,499.72	5,157.93
Repair and maintenance on exhibition equipments	2,321.61	2,361.01
Van operation expenses	901.90	655.96
Technical service fees	837.66	822.75
Bandwidth charges	665.57	696.72
Purchase of digital cinema equipments	3,459.20	2,937.38
Purchase of lamps and spares	3,297.24	3,820.03
Rent on equipments	45.54	185.86
Content download charges	-	16.78
Content processing charges	677.13	528.19
Virtual print fees sharing	5,235.97	7,272.28
Other expenses	72.10	72.39
Decrease/(Increase) in inventories of digital cinema equipments		
Inventories at the beginning of the year	214.75	18.31
Inventories at the end of the year	119.08	214.75
	95.67	**(196.44)**
Decrease in inventories of lamps and spares		
Inventories at the beginning of the year	907.78	937.32
Inventories at the end of the year	759.32	907.78
	148.46	**29.54**
Consumables and spares		
Inventories at the beginning of the year	225.79	192.59
Add : Purchases	359.85	422.61
Less : Inventories at the end of the year	(291.50)	(225.79)
	294.14	**389.41**
	24,551.91	**24,749.79**

23. Employee benefit expense

₹ in lacs

	31 March 2018	31 March 2017
Salaries & wages	7,116.46	6,966.14
Contribution to provident and other funds	353.10	313.02
Gratuity expenses (Refer note 28)	245.68	173.71
Compensated absences	62.30	80.79
Staff welfare expenses	592.45	578.16
	8,369.99	**8,111.82**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

24. Other expenses ₹ in lacs

		31 March 2018	31 March 2017
Rent		1,084.63	1,077.33
Lease rental expenses		12.20	9.80
Freight and forwarding charges		631.89	582.61
Legal, professional and consultancy charges		1,911.29	1,324.65
Directors sitting fees including commission		90.00	75.00
Commission on advertisement revenue		1,879.05	1,563.84
Commission on other revenue		302.79	384.82
Corporate social responsibility expenses		218.19	150.00
Sales promotion expenses		414.05	395.15
Electricity charges		246.61	227.64
Rates and taxes		143.58	301.25
Auditor's remuneration		121.56	101.02
Repairs and maintenance			
-Plant and machinery		28.36	20.87
-Building		2.35	1.83
-Furniture and fixtures		0.18	8.86
-Others		237.84	212.57
Insurance		88.42	118.66
Travelling and conveyance expenses		624.80	697.45
Communication and courier expenses		208.96	262.01
Printing and stationery		52.67	68.65
Bad debts written-off	94.73		
Less: Provision utilised	(10.43)	84.29	123.13
Provision for doubtful debts		440.62	264.64
Loss on sale and write off of fixed assets (net)		45.06	20.33
Miscellaneous expenses		611.85	522.75
		9,481.24	**8,514.86**

25. Interest and finance expense ₹ in lacs

	31 March 2018	31 March 2017
Interest on		
- Term loan	576.11	888.16
- Others	90.11	74.05
Bank charges	58.62	43.57
Unwinding of discount on financial liabilities	193.24	313.11
Interest on deferred payment settlement	-	35.62
Other borrowing costs	-	17.50
	918.08	**1,372.01**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

26. Finance Income

₹ in lacs

	31 March 2018	31 March 2017
Interest Income on		
- Bank deposits	235.99	307.47
- Others	56.84	117.26
- Notional Interest on Security deposits	10.67	8.68
Fair value gain on financial instruments at fair value through profit or loss	233.73	260.17
Dividend income on current investments	124.86	44.95
Profit on sale of current investments (net)	136.26	61.19
	798.35	**799.72**

27. Earnings per share (EPS)

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

₹ in lacs

	31 March 2018	31 March 2017
Basic		
Net profit attributable to equity holders of parent	6,285.65	6,051.48
Weighted average number of equity shares in calculating basic EPS	27,826,828	27,591,909
Basic Earning per share	**22.59**	**21.93**
Diluted		
Net profit attributable to equity holders of parent	6,285.65	6,051.48
Weighted average number of equity shares in calculating basic EPS	27,826,828	27,591,909
Effect of dilutions for Share warrants / on stock options granted under ESOP	48,023	5,929
Weighted average number of shares outstanding (including dilution)	27,874,851	27,597,838
Diluted Earning per share	**22.55**	**21.93**

28. Gratuity and other post-employment benefit plans

a) Defined Contribution plan

The Company has recognised and included in Note no. 23 “contribution to provident fund and other funds” expenses towards the defined contribution plan as under:

₹ in lacs

Particulars	31 March 2018	31 March 2017
Contribution to Provident fund (Government)	330.24	299.72

b) Defined benefit plan-Gratuity

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2018 ₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2017	705.58	354.53	351.05
Service Cost	104.21	-	104.21
Net Interest Expense	42.19	1.91	40.27
Past Service Cost	121.20	-	121.20
Investment Income	-	21.82	(21.82)
Sub -total included in profit or loss	**267.60**	**23.73**	**243.87**
Benefit paid	(44.47)	(35.45)	(9.02)
Remeasurement gains/losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	(1.29)	6.73	(8.02)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from Changes in financial assumptions	(37.47)	-	(37.47)
Past Service Cost	-	-	-
Experience Adjustments	36.49	-	36.49
Net actuarial (gain) / loss recognized in the year	-	-	-
Sub -total included in OCI	**(2.27)**	**6.73**	**(9.00)**
Contribution by employer	-	80.88	(80.88)
As at 31 March 2018	**926.44**	**430.42**	**496.02**

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2017 ₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2016	572.00	322.15	249.84
Service Cost	94.08	-	94.08
Net Interest Expense	40.14	2.41	37.73
Investment Income	-	22.69	(22.69)
Sub -total included in profit or loss	**134.22**	**25.10**	**109.12**
Benefit paid	(30.34)	(22.51)	(7.82)
Remeasurement gains / losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(1.69)	1.69
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from Changes in financial assumptions	13.54	-	13.54
Experience Adjustments	16.16	-	16.16
Net actuarial (gain) / loss recognized in the year	-	0.33	(0.33)
Sub -total included in OCI	**29.70**	**(1.36)**	**31.06**
Contribution by employer	-	31.14	(31.14)
As at 31 March 2017	**705.58**	**354.52**	**351.06**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

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

Gratuity	31 March 2018	31 March 2017	1 April 2016
Investments with insurer	**100%**	**100%**	**100%**

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.55%	6.70%	7.8%
Salary Growth	7.00%	7.00%	8.0%
Employee turnover	15%	15%	15.0%
Retirement age (years)	58.00	58.00	58.00
Expected returns on assets	8%	8%	8.0%

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.

A quantitative sensitivity analysis for significant assumption is shown below: ₹ in lacs

	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	891.63	805.88	666.29	597.47
Salary Growth (-/+1%)	807.85	880.77	606.45	662.31

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions, being constant. In practise, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

The following payments are expected contributions to the defined benefit plan in future years: ₹ in lacs

	31 March 2018	31 March 2017
Within the next 12 months(next annual reporting period)	502.78	343.68

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2017: 5 years)

29. Employee stock option plans

During the year ended March 31, 2018, the Parent company's three equity settled ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014 were in existence.

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

All Options granted under ESOP Scheme 2006 are vested. The Exercise price is ₹ 100.18 per equity shares and period of the Options granted under ESOP Scheme 2006 is as follows:

i) For the employees while in employment of the Company : Within one year from the date on which the shares of the Company's get listed on a recognized stock exchange.

ii) For the retired employees, termination due to permanent disability, death: Within six months from the date of listing of Company's shares with a recognised stock exchange.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

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

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	-	-	2,736	100.18
Granted during the year	-	-	-	-
Exercised during the year	-	-	(2,736)	100.18
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in month)	-		-	

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

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 member 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 member at its Extra Ordinary General Meeting held on October 24, 2014 approved the change in exercise period of all vested options under this scheme from two year to one year from the date on which the shares of the Company get listed on a Recognized Stock Exchange in case of the employees in employment of the Company. For the retired employees, termination due to permanent disability, death, all vested options may be exercised within six months from the date of listing of Company's shares with a recognised stock exchange.

The details of activity under the Scheme 2010 are summarised below: ₹ in lacs

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	-	-	98,689	164.60
Granted during the year	-	-	-	-
Exercised during the year	-	-	(98,689)	164.26
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are :	
Expected Volatility	Nil
Risk -Free interest rate	7.69%
Weighted average share price	164.00
Exercise Price	161.87
Expected life of options granted in years	4
Dividend	Nil

Notes to consolidated financial statements as at and for the year ended 31 March 2018

c) Employee Stock Option Scheme 2014 (ESOP 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.

As per the ESOP Scheme 2014, 25% of the options shall vest equally 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 Parent company: 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: Within 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: ₹ in lacs

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	853,519	600	902,070	600
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(225,016)	600	(48,551)	600
Outstanding at the end of the year	628,503	600	853,519	600
Exercisable at the end of the year	419,002	600	426,760	600
Weighted average remaining contractual life (in months)	15		27	

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are:

Expected Volatility	0.5%
Dividend	0.0%
Risk -Free interest rate	8.1%
Weighted average share price	387.71
Exercise Price	600.00
Expected life of options granted in years	3.50

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

The Carrying amount of Employee stock option reserve as at 31 March 2018 is ₹ Nil (March 31, 2017 ₹ 32,213, 1 April 2016 ₹ 64,426). The expenses recognised for employee service received during the year is ₹ Nil (March 31, 2017 ₹ Nil).

On April 3, 2018, the Board of Directors of the Company and on May 15, 2018 the Shareholders of the Company have approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600 per option to ₹ 400 per option and its exercise period got extended upto December 11 , 2020.

On April 3, 2018, the Board of Directors approved the grant of 208,578 options under employee stock option scheme 2014 at an exercise price of ₹ 400 per option to the employees of the Company and its subsidiaries.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

30. Leases

Operating lease : Group as lessee

The Group'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 equipment's on lease generally is for 36 to 72 months.

₹ in lacs

Particulars	Office Premises & Digital Cinema Equipment	
	31 March 2018	31 March 2017
Lease payments recognised in the statement of profit and loss	1,130.17	1,263.19

Operating lease commitments – Group as lessor

The Group has leased out Digital Cinema Equipment to theatres and franchisees on operating lease arrangement. The lease term is generally for 5 to 10 years. The Group as well as the theatres 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.

₹ in lacs

Particulars	Digital Cinema Equipment		
	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount (without deemed cost exemption)	45,369.69	46,064.72	43,255.32
Accumulated depreciation (without deemed cost exemption)	22,928.21	21,706.47	17,027.91
Depreciation recognized in the statement of profit and loss	5,080.13	5,534.79	5,261.98

31. Segment reporting

The Group is engaged primarily in the business of Digital Cinema Services and sale of digital cinema ancillary to sale of services. Group's performance for operations as defined in IND AS 108 are evaluated as a whole by chief operating decision maker of the group based on which these are considered as single operating segment. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment.

Information about geographical areas:

₹ in lacs

Particulars	31 March 2018	31 March 2017
Revenue by Geographical Market		
- Within India	51,554.65	47,656.86
- Middle east	6,984.54	11,320.85
- Rest of the world	863.76	917.77
Non-Current Assets (Property Plant and Equipment, Capital work in progress, Goodwill and Intangible Assets)		
- Within India	27,346.79	28,177.51
- Middle east	40.23	66.98
- Rest of the world	-	-

During the year 2016-17 and 2017-18 , no single external customer has generated revenue of 10% or more of the Company's total revenue.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

32. Related party disclosures

1. Names of related parties where transactions have taken place during the year

Associate Enterprises	Scrabble Digital DMCC
	Scrabble Digital Limited
	Scrabble Venture LLC
	Scrabble Ventures, S. de R.L. de C.V.
	Mukta V N Films Limited (from April 1, 2016)
Enterprises owned or significantly influenced by key management personnel or their relatives	
	Media Infotek Park
	Shree Enterprises
	Valuable Media Limited
	Valuable Technologies Limited
	Valuable Edutainment Private Limited
	Valuable Infotainment Private Limited
	Qwik Entertainment India Limited
	Impact Media Exchange Limited
	Nifty Portfolio Services Private Limited
	Advent Fiscal Private Limited
	S. Madhavan (HUF)
Key management personnel	Mr. Sanjay Gaikwad - Managing Director
	Mr. Kapil Agarwal - Joint Managing Director
	Mr. Rajesh Mishra - Chief Executive Officer
	Mr. Ashish Malushte - Chief Financial Officer
	Mr. Sameer Chavan - Company Secretary
	Mr. Sanjeev Aga-Independent and Non executive director
	Mr. S. Madhavan - Independent and Non executive director
	Ms. Lynn de Souza-Independent and Non executive director
	Mr. Ameya Hete-Non executive director
Relatives of Key management personnel	Mr. Narendra Hete

Notes to consolidated financial statements as at and for the year ended 31 March 2018

2. Details of transaction with related parties during the year

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017
	Nature of Expenses/Name of the Parties		
1	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Expenses reimbursed**		
	i) Media Infotek Park	118.11	93.02
B	**Technical services (expense)**		
	i) Valuable Technologies Limited	835.46	826.61
C	**Direct Expenses (License fees on 3D movie)**		
	i) Valuable Technologies Limited	-	0.01
D	**Direct Expenses (Licensee fees – Impact)**		
	i) Impact Media Exchange Limited	72.00	72.00
E	**Licensee fee- Club X (income)**		
	i) Valuable Media Limited	9.75	8.73
F	**Rent paid (expense)**		
	i) Media Infotek Park	516.71	490.06
G	**Rent income (Miscellaneous receipts)**		
	i) Valuable Media Limited	4.51	3.41
	ii) Valuable Edutainment Private Limited	1.60	1.16
	iii) Valuable Infotainment Private Limited	0.02	0.24
H	**Consultancy & reimbursement expenses**		
	i) Shree Enterprises	1.89	5.69
I	**Security Deposit received**		
	i) Valuable Media Limited	0.25	1.48
	ii) Valuable Edutainment Private Limited	-	0.33
	iii) Valuable Infotainment Private Limited	-	0.06
J	**Dividend Paid**		
	i) Valuable Media Limited	149.43	44.83
	ii) Valuable Technologies Limited	224.37	67.31
	iii) Nifty Portfolio Services Private Limited	54.21	16.26
	iv) Advent Fiscal Private Limited	73.72	22.12
	v) S. Madhavan (HUF)	0.05	-
K	**Purchase of spares**		
	i) Valuable Media Limited	-	1.08
L	**Shares issued by Company**		
	i) Valuable Media Limited	3,000.98	-
M	**Money received against share warrants**		
	i) Valuable Media Limited	1,025.33	-
2	**Associate Enterprises**		
A	**Sale of goods**		
	i) Scrabble Digital Limited	19.62	3.53
	ii) Scrabble Digital DMCC	1.80	0.00

Notes to consolidated financial statements as at and for the year ended 31 March 2018

2. Details of transaction with related parties during the year

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017
B	**Content Processing Charges**		
	i) Scrabble Digital Limited	495.23	412.43
C	**Recovery of expenses**		
	i) Scrabble Digital Limited	-	1.06
D	**Rent**		
	i) Scrabble Digital Limited	-	3.75
E	**Miscellaneous income**		
	i) Scrabble Digital Limited	-	0.15
F	**Dividend received**		
	i) Scrabble Digital Limited	185.85	166.08
	ii) Scrabble Digital DMCC	65.21	94.37
G	**AMC Income**		
	i) Scrabble Digital Limited	1.30	2.00
H	**Purchase of Goods**		
	i) Scrabble Digital DMCC	10.09	-
3	**Key Managerial Personnel and their relatives**		
A	**Remuneration to key managerial personnel***		
	i) Mr. Sanjay Gaikwad	275.00	325.00
	ii) Mr. Kapil Agarwal	275.00	325.00
	iii) Mr. Ashish Malushte	111.94	105.15
	iv) Mr. Rajesh Mishra	144.87	136.22
	v) Mr. Sameer Chavan	20.04	17.95
B	**Dividend Paid to key managerial personnel**		
	i) Mr. Sanjay Gaikwad	26.38	7.91
	ii) Mr. Kapil Agarwal	46.24	11.18
	iii) Mr. Ashish Malushte	1.84	0.55
	iv) Mr. Rajesh Mishra	2.86	0.86
	v) Mr. Ameya Hete	21.78	6.53
	vi) Mr. S. Madhavan	0.30	-
C	**Money received against share warrants**		
	i) Mr. Sanjay Gaikwad	250.08	-
	ii) Mr. Narendra Hete	250.08	-
D	**Directors Sitting Fees and Commission expenses**		
	i) Mr. S. Madhavan	25.00	20.00
	ii) Ms. Lynn de Souza	25.00	20.00
	iii) Mr. Sanjeev Aga	40.00	35.00

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Balance outstanding at the year end

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017	1 April 2016
1	**Enterprises owned or significantly influenced by Key Management Personnel and their relatives**			
A	**Trade Receivables**			
	i) Valuable Media Limited	3.44	6.78	1.23
	ii) Valuable Infotainment Private Limited	0.37	0.34	-
	iii) Valuable Edutainment Private Limited	0.31	1.67	-
	iv) Qwik Entertainment India Limited	4.96	4.96	4.96
B	**Deposit receivable**			
	i) Media Infotek Park	357.72	357.72	357.72
C	**Deposit payable**			
	i) Valuable Media Limited	1.72	1.48	-
	ii) Valuable Infotainment Private Limited	0.06	0.06	-
	iii) Valuable Edutainment Private Limited	0.33	0.33	-
D	**Bank Guarantee given (Refer note a)**			
	i) Impact Media Exchange Limited	100.00	100.00	100.00
E	**Amount payable**			
	i) Valuable Technologies Limited	27.60	20.24	-
2	**Associate enterprise**			
A	**Amount receivable**			
	i) Scrabble Digital Limited	0.37	95.77	88.38
B	**Amount payable**			
	i) Scrabble Digital Limited	61.00	-	-
	ii) Scrabble Digital DMCC	8.40	-	-
C	**Provision for expenses**			
	i) Scrabble Digital Limited	14.67	14.13	-
D	**Loan and advance given**			
	i) Scrabble Digital DMCC (Including interest receivable)	-	-	0.75
E	**Performance Guarantee Given**			
	i) Scrabble Ventures LLC	3,252.21	3,241.93	3,316.65
F	**Corporate Guarantee given on borrowing (Refer note b)**			
	i) Mukta V N Films Limited	300.00	300.00	700.00
3	**Key managerial personnel**			
A	**Salary advance receivable**			
	i) Mr. Ashish Malushte	-	-	16.00
	ii) Mr. Rajesh Mishra	-	-	26.50
B	**Provision for Directors remuneration expenses**			
	i) Mr. S. Madhavan	10.50	10.00	8.50
	ii) Ms. Lynn de Souza	15.50	11.00	8.50
	iii) Mr. Sanjeev Aga	25.50	25.50	23.50

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Notes:

a) As at March 31, 2018, the Parent company has provided bank guarantee of ₹ 100 lacs (March 31, 2017: ₹ 100 lacs , April 1, 2016: ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Parent company.

b) As at March 31, 2018, the Parent company has provided Corporate guarantee to bank for Overdraft facility of ₹ 300 lacs (March 31, 2017 :₹ 300 lacs, April 1, 2016 : ₹ 700 lacs) taken by an associate of subsidiary.

c) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

d) For commitment - Refer Note 33 (a)

Compensation of key management personnel of the Company:

₹ in lacs

Particular	31 March 2018	31 March 2017
Short Term employee benefits	826.85	909.32

*Key Managerial Personnel and Relatives of promoters who are under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS - 19 Employee Benefits in the financial statements .As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.as they are determined on an actuarial basis for the Group as a whole.

33. Capital and other commitments

₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Capital commitments	2,920.14	655.23	922.22
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))			
Other Commitments	608.42	380.95	292.37
	3,528.56	**1,036.18**	**1,214.59**

a) As at March 31, 2018, the Company holds 11,580 equity shares representing 80% of equity share capital of Valuable Digital Screens Private Limited (VDSPL) for a consideration of ₹ 440.06 lacs. The Company also incurred ₹ 59.26 lacs towards acquisition cost of this Investment. The Company will acquire the remaining 20% equity of VDSPL from Valuable Technologies Limited in the financial year 2018-19 for a further consideration to be calculated in accordance with the terms of the investment agreement.

34. Contingent liabilities

₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Performance guarantees issued by the Company 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. USD 35,000,000 (March 31, 2017: USD 35,000,000, April 1, 2016: USD 35,000,000) (Refer note (a))	22,765.44	22,693.51	23,216.52
Corporate Guarantee (Refer note (b))	100.00	100.00	100.00
Labour Guarantee	5.82	7.41	7.56
Letter of credit	-	-	76.28
Pending litigations/matters			
(i) In respect of income tax matters			
Income Tax matters (Refer note (c))	21.57	765.45	769.98
(ii) In respect of Indirect tax matters			
Service Tax matters (Refer note (d))	-	2,201.11	2,201.11
VAT matters	47.75	47.75	47.75
	22,940.58	**25,815.23**	**26,419.20**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

a) The following performance guarantees are outstanding at 31 March 2018, 31 March 2017 and 1 April 2016:

- USD 20 Mn each to a studio on behalf of Scrabble Entertainment Mauritius Ltd and Scrabble Entertainment DMCC. The aggregate liability under the aforesaid two guarantees has been capped at an overall ceiling of USD 20 Mn.

-USD 5 Mn to a studio on behalf of Scrabble Entertainment DMCC.

-USD 5 Mn to a studio on behalf of Scrabble Entertainment Mauritius Limited.

-USD 5 Mn to a studio on behalf of Scrabble Ventures LLC.

b) As at March 31, 2018, the Parent company has provided bank guarantee of ₹ 100 lacs (31 March 2017: ₹ 100 lacs, 1st April 2016: ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Parent company.

c) 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.

d) During the year ended March 31 2017, the Company has received an order from the Commissioner of Service Tax Mumbai ('the Order') which includes demand for following matters aggregating to ₹ 4,665 Lacs excluding interest and penalty, which was subject matter of show cause notice from service tax authorities.

On August 24, 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ('CESTAT') dated August 18, 2017 ('the Order'), where in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 Lacs, excluding interest and penalty on account of disallowance of CENVAT Credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 Lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped. Further, CESTAT remanded the matter relating to demand of ₹ 1,526 Lacs , excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October 2011 to March 2014 for reconsideration to the Adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honourable High court against the Order on March 22, 2018.

35. Financial Instruments -Accounting Classifications and Fair Value Measurement

The fair value of the Financial Assets and liabilities are included at the amount , at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value management hierarchy of the Group's Financial assets and liabilities.

The Carrying value and fair value of financial assets by categories as at March 31, 2018 is as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy	
			Level 1	Level 2
Financial Assets at Fair Value through Profit or Loss				
Current Investment in mutual funds	11,943.54	11,943.54	11,943.54	-
Forward Exchange Contract	70.78	70.78	-	70.78
Total	**12,014.32**	**12,014.32**	**11,943.54**	**70.78**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

The Carrying value and fair value of financial assets by categories as at March 31, 2017 were as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy	
			Level 1	Level 2
Financial Assets at Fair Value through Profit or Loss				
Current Investment in mutual funds	6,234.12	6,234.12	6,234.12	-
Total	**6,234.12**	**6,234.12**	**6,234.12**	**-**

The Carrying value and fair value of financial assets by categories as at April 1, 2016 were as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy	
			Level 1	Level 2
Financial Assets at Fair Value through Profit or Loss				
Current Investment in mutual funds	2,813.16	2,813.16	2,813.16	-
Total	**2,813.16**	**2,813.16**	**2,813.16**	**-**

The management assessed that cash and bank balances, trade receivables, loans (current) trade payables, borrowings (cash credits and working capital loans) and other financial assets and liabilities (current) approximate their carrying amounts largely due to the short term maturities of these financial instruments.

The Management assessed that fair value of non-current loan, long-term borrowing and non -current liabilities approximate their carrying amount since they are carried at amortised cost in these financial statements.

During the reporting period ending 31 March 2018 and 31 March 2017 there was no transfer between level 1 and level 2 fair value instruments.

36. Financial Risk Management - Objectives and policies

The Group's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees contract as well. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to market risk , credit risk and liquidity risk. The Group's Senior Management oversees the management of these risks. The Group's senior management determines the financial risks and the appropriate financial risk governance framework through relevent policies and procedures for the Group. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings whereever feasible.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lacs

Particulars	Increase effect		Decrease effect	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	86.03	83.82	(86.03)	(83.82)

Notes to consolidated financial statements as at and for the year ended 31 March 2018

b) Currency Risk:

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The Majority of the Group's revenue and expense are in Indian Rupees , with the remainder denominated in US Dollars. Management Considers currency risk to be low and does not hedge its own currency risks except foreign currency borrowing for which it uses forward contract to hedge exposure to foreign currency risk.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions.

₹ in lacs

Outstanding foreign Currency Exposure as at	31 March 2018	31 March 2017
Trade Receivable	16.75	3.46
In USD (in lacs)	0.26	0.05
Trade Payable	1,639.41	469.77
In USD (in lacs)	25.20	7.25
Advance recoverable in cash or in Kind	183.37	300.92
In USD (in lacs)	2.82	4.64
Cash and Bank Balance	5.16	0.60
In USD (in lacs)	0.13	0.06
Import Creditors-Advance Remittance	89.31	59.39
In USD (in lacs)	1.37	0.92
Buyers Credit	2,625.74	-
In USD (in lacs)	40.33	-

Exposure on Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

₹ in lacs

	31 March 2018	31 March 2017
1% increase in foreign exchange rate:	39.71	1.05
1% (decrease) in foreign exchange rate:	(39.71)	(1.05)

2. Credit Risk:

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit Risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. Management believes the credit risk on cash and cash equivalents is low because the Counterparties are bank with high credit ratings.

Trade receivables are amount billed to customers for the sale of goods and services, and represent the maximum exposure to credit risk of those financial assets, exclusive of the allowance for doubtful debts. Normal credit terms are in line with Industry practise.

Credit evaluations are performed prior to the initial granting of credit when warranted and periodically thereafter. Based on policy, the Company records a reserve for estimated uncollectible amounts, which management believes reduce credit risk. Management assesses the adequacy of reserve quarterly, taking into account historical experience, current collection trend, the age of the receivables and, when warranted and available, the financial condition of specific counterparties.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

The Company uses the expected credit loss model as per Ind AS 109 - Financial Instruments to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers. Due to diversified client base, management believes the Group does not have a significant concentration of credit risk.

Trade Receivables after adjusting provision (basis past experience and trends) are as follows: ₹ in lacs

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade Receivables	18,439.16	14,710.12	13,416.77

3. Liquidity risk:

Liquidity risk is the risk that the the group will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in lacs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31 March 2018						
Long term Borrowing	-	2,883.66	2,023.13	-	4,906.79	4,906.79
Short term Borrowing	-	1,070.24	-	-	1,070.24	1,070.24
Trade Payables	-	10,065.48	-	-	10,065.48	10,065.48
Other financial liabilities (current)	-	5,035.16	-	-	5,035.16	5,035.16
Other financial liabilities (non-current)	-	-	3,137.47	-	3,137.47	3,137.47
Buyers credit	-	2,625.74	-	-	2,625.74	2,625.74
At 31 March 2017						
Long term Borrowing	-	4,129.77	3,198.96	-	7,328.73	7,328.73
Short term Borrowing	-	1,073.00	-	-	1,073.00	1,073.00
Trade Payables	-	9,245.47	-	-	9,245.47	9,245.47
Other financial liabilities (current)	-	3,978.72	-	-	3,978.72	3,978.72
Other financial liabilities (non-current)	-	-	3,651.80	-	3,651.80	3,651.80
At 1 April 2016						
Long term Borrowing	-	4,955.37	4,359.17	-	9,314.54	9,314.54
Short term Borrowing	-	374.76	-	-	374.76	374.76
Trade Payables	-	7,957.33	-	-	7,957.33	7,957.33
Other financial liabilities (current)	-	3,418.84	-	-	3,418.84	3,418.84
Other financial liabilities (non-current)	-	-	4,038.83	-	4,038.83	4,038.83

Notes to consolidated financial statements as at and for the year ended 31 March 2018

37. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Group .

₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Long term debt including current maturities	7,532.53	7,328.73	9,314.54
Equity attributable to owners of Group	47,602.22	40,529.78	36,766.18
Gearing Ratio	15.82%	18.08%	25.33%

38. First Time Adoption of Ind AS

These financial statements for the year ended March 31, 2018 are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note no 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (transition date). In preparing its opening Ind AS balance sheet, the Group has adjusted the amount reported previously in financial statements prepared in accordance with IGAAP.

Exemptions availed

Ind AS 101, First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions as per Ind AS 101:

1. The Group has elected to continue the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and used the same as deemed cost in the opening Ind AS Balance Sheet.
2. The Company has not applied to Ind AS 102 to equity instruments in share based payment transactions, that vested before the date of transition to Ind AS, i.e., April 1, 2016.
3. Ind AS 101 permit cumulative translation gains and losses to be reset to zero at the transition date. The group has elected to apply this exemption.

Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of certain requirements under Ind AS for the first time adopters. Following exceptions are applicable to the Group.

1. Use of estimates : The estimates at 1 April, 2016 and at 31 March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any accounting policies) apart from the following items where application of Indian GAAP did not require estimation. a) Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amount in accordance with Ind AS reflect conditions at the transition date and as of 31 March ,2017.

Reconciliation between Previous GAAP and Ind AS ₹ in lacs

Equity Reconciliation	Notes	31 March 2017	1 April 2016
Other Equity Under Previous GAAP		**55,074.92**	**48,896.65**
Adjustments:			
Fair Value of Financial Instruments	3	(13.10)	(197.94)
Actuarial (gain) / loss on employee defined benefit plans	5	(22.01)	-
Impact of business combination accounting	1	(16,883.30)	(15,038.56)
Allocation of losses in subsidiaries to Non controlling interest	4	541.84	199.77
Deferred tax on above adjustments	6	(809.92)	(794.57)
others	2,7	(118.73)	950.89
Other Equity under Ind AS		**37,769.70**	**34,016.24**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Reconciliation of Total Comprehensive Income:	Notes	31 March 2017
Net Profit attributable to Equity shareholders of the Company under previous GAAP		6,315.60
Adjustments:		
Fair valuation of financial Instruments	3	173.02
Actuarial loss on employee defined benefit plans	5	22.63
Impact of business combination accounting	1	(721.52)
Allocation of losses in subsidiaries to Non controlling interest	4	342.07
Income tax (including deferred tax) on above adjustments	6	(15.62)
Others	2,7	(64.70)
Net Profit attributable to Equity shareholders of the Company under Ind AS		**6,051.48**
Other Comprehensive Income / (expense) (net of taxes)		(152.06)
Total comprehensive income attributable to Equity shareholders of the Company under Ind AS		**5,899.42**

Note to the Reconciliation of Equity as at 31 March 2017 and 1 April 2016 and Total Comprehensive Income for the year ended 31 March 2017:

1. **Business Combination:** Under Previous GAAP , the business combinations were accounted at book value. under IND AS, the Group has restated all past business combinations, whereby the acquirer's identifiable assets (including identified intangibles, net of deferred tax) and liabilities that meet the Condition for recognition are recognised at their fair value at the acquisition date .Consequently additionally identified intangible assets have been recognised on each acquisition date and amortisation of the same (net of deferred tax) from the date of acquisition till date of transition has been adjusted against the equity. Further, under previous GAAP, acquisition of additional stake in subsidiary post parent subsidiary relationships required recognition of goodwill as excess of parent's share of equity over consideration paid. Ind AS requires such transactions to be accounted as adjustment to equity. Accordingly, it has been recognised as adjustment to equity.

2. **Virtual Print fees:** Under the previous GAAP Fixed one time virtual print fees received from distributors of the films is recognised immediately on delivery of content. Under Ind AS, such revenue is recognised over estimated useful life of movie (2 weeks) in the ratio of expected playout of content (70:30)

3. **Financial Instruments :**

   (a) Security Deposits:

   Under the previous GAAP, interest free lease security deposits given and taken are recorded at their transaction value. Ind AS, the Group has fair valued these security deposits under Ind AS 109 using effective interest rate method and accordingly, adjustments mainly consists of amortization of deferred lease income / expense on security deposits given and accepted.

   (b) Investment in Mutual fund:

   Under the Previous GAAP, investment in mutual funds were classified as current investments and were carried at lower of cost and fair value. Under Ind AS, Under Ind-AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss.

   (c) financial guarantee: Under previous GAAP, financial guarantees given/taken are disclosed as contingent liability in the notes to financial statements. Under Ind AS, the same are recognised at fair value.

4. **Non Controlling interest:** Under previous GAAP, share of non-controlling interests in the losses of any subsidiary was restricted to the carrying amount of non-controlling interests in respective subsidiary and any excess losses are allocated to the owners of the Parent. Under Ind AS share in any such excess losses in the respective subsidiary is allocated to non-controlling interests.

5. **Re-measurement of Employee Benefits:** Under Ind AS, the actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, such remeasurements were forming part of the statement of profit or loss for the year.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

6. **Deferred tax:** Previous GAAP requires deferred tax to be recognised on timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Accordingly, Group has also recognised deferred tax liability in Consolidated financial statements for all taxable temporary differences associated with investment in subsidiaries and interest in associates except to the extent that the parent is able to control timing of reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Further, the Company has also considered deferred tax impact on account of differences between Ind-AS and Previous GAAP.
7. **Dividend (including dividend distribution tax):** Under the previous GAAP till year ended March 31,2016, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.
8. **Cash Flow Statement:** The Transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash flows.
9. **Reclassification:** Pursuant to the disclosure requirements as per Ind-AS, the Group has re-classified certain assets and liabilities as at March 31, 2017 and April 1, 2016. Significant reclassifications includes, reclassification between Deferred tax assets and Income tax assets, Non-current investment and, Security deposits and prepayments, other current liabilities and financial liabilities.

39. Business Combinations and acquisition of non controlling interest

a) On November 1, 2017, the Board of Directors of the Company approved the composite scheme of arrangement and amalgamation (“the Qube Scheme”) between UFO and Qube Cinema Technologies Private Limited (“QCTPL”); Qube Digital Cinema Private Limited (“QDCPL”); Moviebuff Private Limited (“MPL”) and PJSA Technosoft Private Limited (PJSA) and their respective shareholders and creditors under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (the “Act”) which inter alia provides for:

(i) Demerger of the entire business of the QCTPL except businesses that are not synergic or have limited growth potential (“Demerged Business”) into QDCPL on a going concern basis and the issuance of equity shares by QDCPL to the shareholders of QCTPL (“Demerger”);

(ii) Amalgamation of MPL into QDCPL and the issuance of equity shares by QDCPL to the shareholders of MPL and consequent dissolution of MPL without winding up (“MPL Merger”);

(iii) Upon giving effect to Demerger and MPL Merger and upon issuance of shares of QDCPL to shareholders of QCTPL and MPL, the Company and India Advantage Fund S4 I, a fund managed by ICICI Venture Funds Management Company Limited (“Investor”) to purchase an aggregate of 53.20% of the share capital of QDCPL from certain non-promoter shareholders of QCTPL, who no longer wish to participate in the Demerged Business of QCTPL (“Sellers”) in the following proportion, at a price of ₹ 302.647 per share (“Transfer of Sale shares”):

(a) The Company proposes to purchase 3,875,531 equity shares in QCTPL from the Sellers for an aggregate consideration of ₹ 117.29 Crores and

(b) The Investor proposed to purchase 7,103,984 equity shares in QCTPL from the Sellers for an aggregate consideration of ₹ 214.99 Crores.

(iv) Post completion of Transfer of Sale Shares, amalgamation of QDCPL into the Company and the issuance of equity shares by the Company to the shareholders of QDCPL in the ratio of 13 shares of UFO for every 17 shares held in QDCPL and consequent dissolution of QDCPL without winding up (“QDCPL Merger”); and

(v) Slump Sale of the business relating to certain new software, technologies and processes of QCTPL which are currently in the process of commercialization from the Company (post transfer to the Company pursuant to the QDCPL Merger) (“Transferred Undertaking”) into PJSA, a wholly owned subsidiary of the Company.

The Company had filed the Qube Scheme with the National Company Law Tribunal (NCLT), Mumbai Bench on March 13, 2018. Further, the shareholders of the Company have approved the Qube Scheme at the NCLT Mumbai convened meeting held on May 21, 2018. The above Scheme is subject to approval from the shareholders of the Transferor Companies and other applicable regulatory authorities.

b) On July 26, 2016, the Board of Directors of the Company approved the Composite Scheme of Arrangement for the amalgamation of its wholly owned subsidiaries including step down subsidiaries namely Southern Digital Screenz India Private Limited (SDS), V N Films Private Limited (VNFPL), Edridge Limited (EL) and UFO International Limited (UIL) with the Company, subject to all the necessary statutory / regulatory approvals (‘the Scheme’). The appointed date for the amalgamation for VNFPL, EL and UIL is April 01, 2016 and for SDS, the appointed date is July 01, 2016. The Company had filed the Scheme with the Bombay High Court on October 4, 2016. Pursuant to notification of section 232 of the Companies Act on December 9, 2016, the Company filed the Scheme with National Company Law Tribunal (NCLT) on January 19, 2017.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

The shareholders of the Company approved the Scheme at the court convened meeting held on January 16, 2017. The Scheme is conditional upon and subject to the following:

a. Filing of the certified copy of the order of Bombay High Court (and now NCLT) sanctioning the Scheme with the Registrar of Companies, Maharashtra.

b. Compliance by EL and UIL, the Cypriot transferor companies of all necessary and applicable provisions of the laws of Cyprus.

The Company has, till date, received the approval from Cyprus Court for the merger of the Cypriot transferor companies. The Company had final hearing with NCLT Mumbai on May 17, 2018 where the Scheme was approved. However final order from the NCLT is still awaited hence effect of the Scheme is not given in these financial results.

c) Acquisition of remaining stake in Scrabble Entertainment Limited (SEL) during the year ended 31 March 2018:

On May 17, 2017 the Board of Directors have approved the acquisition of remaining interest of 8.67% represented by stake in SEL,a subsidiary of the Company 66,609 equity shares of SEL, from the other equity shareholders of SEL for ₹ 1,453 Lacs. This transaction was consummated on August 11, 2017, consequent to which SEL has become a wholly owned subsidiary of the Company.

Following are details of remaining interest acquired in SEL:	₹ in lacs
Cash Consideration paid to Non Controlling interest	1,453.41
Carrying Value of the remaining stake in SEL	1,184.59
Difference recognised in Capital Reserve with in Other Equity	**268.82**

d) Acquisition of remaining stake in Southern Digital Screenz India Private Limited (SDS) during the year ended 31 March 2017:

On 20 June 2016 , the Company acquired remaining interest of 15.82% stake represented by 680,117 equity shares in SDS from the minority shareholders for ₹ 1,400 Lacs, consequent to which SDS has become a wholly owned subsidiary of the Company.

Following are details of remaining interest acquired in SDS:	₹ in lacs
Cash Consideration paid to Non Controlling interest	1,400.00
Carrying Value of the additional interest in SDS	129.12
Difference recognised in Capital Reserve with in Other Equity	**1,270.88**

40. 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 and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

41. Event subsequent to balance sheet date

a) Dividend on equity shares paid during the year

Cash dividend on equity shares declared and paid ₹ in lacs

Particular	31 March 2018	31 March 2017
Final dividend for the year	2,760.08	824.98
Dividend Distribution Tax (DDT) on final dividend	561.89	167.95

Proposed dividend on equity shares ₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Proposed dividend for the year ended on ₹ 12.5 per share (March 31, 2017: ₹ 10 per share , April 1, 2016 : ₹ 3 per share)	3,543.85	2,760.08	824.98
Dividend Distribution Tax (DDT) on proposed dividend	728.85	561.89	167.95

Proposed dividend :

Proposed dividends on equity shares, which are subject to approval at the annual general meeting are not recognised as a liability (including Dividend Distribution Tax thereon) in the year in which it is proposed.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

42. Material Partly Owned Subsidiary

Financial information of the Subsidiary that has material Non-Controlling Interest as on 31 March 2018 is provided below:

Proportion of Ownership Interest and voting rights held by Non-Controlling Interest:

Name	Country of Incorporation	31 March 2018	31 March 2017	1 April 2016
Valuable Digital Screen Private Limited (VDSPL)	India	20%	20%	20%

₹ in lacs

Information regarding Non-Controlling interest of VDSPL:	31 March 2018	31 March 2017	1 April 2016
Accumulated Non-Controlling Interest	(817.80)	(541.55)	(199.48)
Profit/(Loss) allocated to Non-Controlling interest	(276.25)	(342.07)	(202.80)

The Summarised financial information of Valuable Digital Screen Private Limited are provided below. This information is based on amounts before inter-company elimination.

₹ in lacs

Summary of Balance sheet as at 31st March 2018	31 March 2018	31 March 2017	1 April 2016
Non current Assets	1,376.77	1,629.67	1,943.10
Current Assets	796.06	666.24	530.19
Non-current liabilities	486.03	610.16	1,008.72
Current Liabilities	5,775.79	4,393.52	2,461.97
Equity attributable to Owners of the Company	(3,271.19)	(2,166.21)	(797.93)
Equity attributable to Non-Controlling Interest	(817.80)	(541.55)	(199.48)

₹ in lacs

Summary of Statement of Profit and Loss for the year ended	31 March 2018	31 March 2017
Revenue	1,090.21	393.82
Expenses	2,473.43	2,104.17
Tax	(2.37)	-
Profit / (loss) for the year	**(1,380.85)**	**(1,710.35)**
Profit / (loss) attributable to VDSPL	(1,104.68)	(1,368.28)
Profit / (loss) attributable to Non-controlling interest of VDSPL	(276.17)	(342.07)
Other Comprehensive Income / (loss) attributable to Owners of VDSPL	(0.30)	-
Other Comprehensive Income / (loss) attributable to Non-controlling interest of VDSPL	(0.07)	-
Other Comprehensive Income / (loss) for the year	**(0.37)**	**-**
Total Comprehensive Income / (loss) attributable to Owners of VDSPL	(1,104.98)	(1,368.28)
Total Comprehensive Income / (loss) attributable to Non-Controlling Interest of VDSPL	(276.25)	(342.07)
Total Comprehensive Income / (loss) for the year	**(1,381.23)**	**(1,710.35)**

₹ in lacs

Summarised Cash Flow information:	31 March 2018	31 March 2017
Net cash inflow/ (outflow) from Operating Activities	(361.34)	(1,250.13)
Net cash inflow (outflow) from Investing Activities	(193.32)	(28.97)
Net cash inflow (outflow) from Financing Activities	529.83	1,327.38
Net cash inflow (outflow)	**(24.83)**	**48.28**

Notes to consolidated financial statements as at and for the year ended 31 March 2018

43. Investment in an Associate

Material Associate:

The Group has 33.33% interest in Scrabble Digital Limited (SDL), which is engaged in providing digital services. The Group's interest in SDL is accounted for using the equity method.

The following table illustrates the summarised financial information of the Group's investment in SDL.

₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Non -current Assets	763.66	837.46	699.26
Current Assets	1,216.57	829.40	792.92
Current Liabilities	285.16	272.72	166.57
Non-current Liabilities	27.36	23.16	8.63
Equity	**1,667.71**	**1,370.99**	**1,316.98**
Proportion of group's Ownership interest	33.33%	33.33%	33.33%
Carrying amount of Group's interest	555.85	456.95	438.95

₹ in lacs

Particular	31 March 2018	31 March 2017
Revenue	2,836.14	2,292.17
Operating Expenses	498.87	405.62
Depreciation & amortization	210.90	195.59
Employee benefit	435.30	379.17
Other expenses	319.43	300.31
Profit before tax	**1,371.64**	**1,011.48**
Income tax expense	(408.01)	(346.19)
Profit for the year	963.63	665.29
Group's Share of profit for the year	321.18	221.76
Group's Share of other comprehensive income for the year	1.39	(3.87)
Dividend received from the associate during the year	185.85	166.08

Non Material Associate:

There are no investment in Associates that are individually material except as disclosed above. Summarised financial information of associates that are not individually material as per Ind AS 112.

₹ in lacs

Particular	31 March 2018	31 March 2017
Group's share of Profit / (loss)	326.02	456.01
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	326.02	456.01

44. Recent Accounting pronouncements

Standards issued but not yet effective

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018.

The amendment is applicable to the Company from April 1, 2018. The Company is evaluating the requirements of this standard and the effect on the financial statement is being evaluated.

Notes to consolidated financial statements as at and for the year ended 31 March 2018

45. Disclosure of Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprise Consolidated as Subsidiary and Associate

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income*	
		31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018
		As % of consolidated net assets	₹ in lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
	1	2	3	4	5	6	7	8	9
A.	**UFO Moviez India Limited**	124.14%	58,080.86	119.77%	7,250.96	-26.30%	5.07	120.24%	7,256.03
B.	**Subsidiaries and step down subsidiaries**								
I.	**Indian**								
(i)	Scrabble Entertainment Limited	18.35%	8,585.44	66.82%	4,045.39	3.26%	(0.63)	67.02%	4,044.76
(ii)	V N Films Private Limited	-0.45%	(210.30)	-0.86%	(52.19)	0.00%	-	-0.86%	(52.19)
(iii)	Southern Digital Screenz India Private Limited	8.97%	4,194.77	16.33%	988.50	8.58%	(1.66)	16.35%	986.84
(iv)	Valuable Digital Screen Private Limited	-8.74%	(4,088.99)	-22.81%	(1,380.85)	1.94%	(0.37)	-22.89%	(1,381.23)
(v)	PJSA Technosoft Private Limited	0.00%	0.37	-0.01%	(0.63)	0.00%	-	-0.01%	(0.63)
II.	**Foreign**								-
(i)	Edridge Limited	16.46%	7,702.05	-0.02%	(1.05)	-126.10%	24.33	0.39%	23.28
(ii)	United Film Organisers Nepal Private Limited	0.11%	51.40	0.00%	0.13	-4.26%	0.82	0.02%	0.95
	Subsidiary of Edridge Limited & stepdown subsidiary of UFO								
(iii)	UFO International Limited	0.65%	302.22	0.04%	2.38	-5.02%	0.97	0.06%	3.35
	Subsidiaries of UFO International Limited & stepdown subsidiaries of UFO								
(iv)	United Film Organisers (UFO) (Mauritius) Private Limited	0.00%	1.36	0.06%	3.53	0.30%	(0.06)	0.06%	3.47
(v)	UFO Lanka Private Limited	0.05%	24.84	0.00%	(0.27)	1.01%	(0.19)	-0.01%	(0.46)
(vi)	UFO Software Technologies Private Limited	0.07%	33.52	0.02%	1.24	0.00%	-	0.02%	1.24
	Subsidiaries of SEL & stepdown subsidiaries of UFO								
(vii)	Scrabble Entertainment DMCC	6.54%	3,061.51	14.23%	861.27	14.43%	(2.78)	14.23%	858.49
(viii)	Scrabble Entertainment Mauritius Limited	1.51%	708.19	36.96%	2,237.84	-13.72%	2.65	37.13%	2,240.48
(ix)	Scrabble Entertainment Lebanon Sarl	-0.11%	(52.53)	-0.24%	(14.56)	4.67%	(0.90)	-0.26%	(15.46)
(x)	Scrabble Digital Inc	0.27%	125.99	-0.50%	(30.26)	-1.11%	0.21	-0.50%	(30.04)
C.	**Non Controlling Interest in all subsidiaries**	-1.75%	(816.46)	-3.82%	(231.50)	-4.37%	0.84	-3.82%	(230.65)

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Name of the entity in the Group		Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income*	
		31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018
		As % of consolidated net assets	₹ in lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
1		2	3	4	5	6	7	8	9
D.	**Associates (Investment as per equity method)**								
I.	**Indian**								
(i)	Scrabble Digital Limited	0.69%	322.56	5.33%	322.56	-	-	5.34%	322.56
(ii)	Mukta V N Films Limited	0.06%	27.47	0.45%	27.47	-	-	0.46%	27.47
II.	**Foreign**				-				
(i)	Scrabble Digital DMCC	0.32%	150.90	2.49%	150.90	-	-	2.50%	150.90
(ii)	Scrabble Ventures LLC	0.32%	147.66	2.44%	147.66	-	-	2.45%	147.66
(iii)	Scrabble Ventures, S. de R.L. de C.V, Mexico	-	-	-	-	-	-	-	-
	Adjustment arising on consolidation	-67.47%	(31,567.07)	-136.67%	(8,274.37)	246.70%	(47.59)	-137.90%	(8,321.96)
Total		**100.00%**	**46,785.76**	**100.00%**	**6,054.15**	**100.00%**	**(19.29)**	**100.00%**	**6034.86**

Name of the entity in the Group		Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income*	
		31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
		As % of consolidated net assets	₹ in lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
1		2	3	4	5	6	7	8	9
A.	**UFO Moviez India Limited**	120.82%	49,690.59	90.43%	5,437.35	25.47%	(41.34)	92.24%	5,396.01
B.	**Subsidiaries and step down subsidiaries**								
I.	**Indian**								
(i)	Scrabble Entertainment Limited	18.55%	7,629.60	47.20%	2,837.70	-0.54%	0.87	48.52%	2,838.57
(ii)	V N Films Private Limited	-0.38%	(158.12)	-0.93%	(56.20)	0.00%	-	-0.96%	(56.20)
(iii)	Southern Digital Screenz India Private Limited	7.80%	3,207.93	11.45%	688.67	-1.62%	2.63	11.82%	691.30
(iv)	Valuable Digital Screen Private Limited	-6.58%	(2,707.76)	-28.45%	(1,710.35)	0.00%	-	-29.24%	(1,710.35)
II.	**Foreign**								
(i)	Edridge Limited	18.67%	7,678.77	-0.12%	(7.08)	109.00%	(176.89)	-3.14%	(183.96)
(ii)	United Film Organisers Nepal Private Limited	0.12%	50.46	0.00%	0.12	0.13%	(0.21)	0.00%	(0.08)
	Subsidiary of Edridge Limited & stepdown subsidiary of UFO								
(iii)	UFO International Limited	0.73%	298.87	-0.77%	(46.23)	3.92%	(6.37)	-0.90%	(52.60)
	Subsidiaries of UFO International Limited & stepdown subsidiaries of UFO								
(iv)	United Film Organisers (UFO) (Mauritius) Private Limited	-0.01%	(2.11)	-0.02%	(1.12)	-0.04%	0.06	-0.02%	(1.06)

Notes to consolidated financial statements as at and for the year ended 31 March 2018

Name of the entity in the Group		Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income*	
		31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
		As % of consolidated net assets	₹ in lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
1		2	3	4	5	6	7	8	9
(v)	UFO Lanka Private Limited	0.06%	25.33	-0.27%	(16.48)	0.27%	(0.43)	-0.29%	(16.92)
(vi)	UFO Software Technologies Private Limited	0.08%	32.28	0.02%	1.09	-	-	0.02%	1.09
	Subsidiaries of SEL & stepdown subsidiaries of UFO								
(vii)	Scrabble Entertainment DMCC	11.75%	4,832.25	32.65%	1,963.06	70.57%	(114.52)	31.60%	1,848.54
(viii)	Scrabble Entertainment Mauritius Limited	3.18%	1,306.63	0.11%	6.47	8.67%	(14.07)	-0.13%	(7.60)
(ix)	Scrabble Entertainment Lebanon Sarl	-0.09%	(37.08)	-0.07%	(4.15)	-1.04%	1.69	-0.04%	(2.46)
(x)	Scrabble Digital Inc	0.38%	156.03	-0.38%	(22.73)	2.06%	(3.34)	-0.45%	(26.07)
C.	**Non Controlling Interest in all subsidiaries**	1.46%	598.79	-0.65%	(38.91)	6.30%	(10.22)	-0.84%	(49.13)
D.	**Associates (Investment as per equity method)**								
I.	**Indian**								
(i)	Scrabble Digital Limited	0.53%	217.89	3.62%	217.89	-	-	3.73%	218.03
(ii)	Mukta V N Films Limited	-0.01%	(4.35)	-0.07%	(4.35)	-	-	-0.07%	(4.35)
II.	**Foreign**								
(i)	Scrabble Digital DMCC	0.33%	134.87	2.24%	134.87	-	-	2.31%	134.87
(ii)	Scrabble Ventures LLC	0.80%	329.22	5.48%	329.22	-	-	5.63%	329.22
(iii)	Scrabble Ventures, S. de R.L. de C.V, Mexico	-	-	-	-	-	-	-	-
	Adjustment arising on consolidation	-78.17%	(32,151.52)	-61.48%	(3,696.27)	-123.15%	199.86	-59.77%	(3,496.56)
Total		**100.00%**	**41,128.57**	**100.00%**	**6,012.57**	**100.00%**	**(162.28)**	**100.00%**	**5,850.29**

*The details of Net Assets and Share in Profit and Loss and Shares in Other Comprehensive Income have been presented before eliminations.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

ANNEXURE TO DIRECTOR'S REPORT OF UFO MOVIEZ INDIA LIMITED

FORM AOC -1

Statement contenting salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014

Part A : Subsidiaries

₹ in lacs

Sr. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting period for subsidiary concerned, if different from holding company's reporting period	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 Share-holding	Country
1	Scrabble Entertainment Limited	15-02-2011	-	1	INR	76.84	8,508.60	14,945.19	6,359.75	5,012.65	10,038.44	5,391.93	1,346.55	4,045.39	-	100	India
2	Southern Digital Screenz India Private Limited	30-03-2011	-	1	INR	2,154.88	2,039.88	4,782.27	587.50	1,607.54	3,629.53	1,505.30	516.80	988.50	-	100	India
3	Scrabble Entertainment DMCC	16-02-2011	-	17.648756	AED	529.46	2,532.10	5,268.11	2,206.55	2.29	6,716.78	866.44	-	866.44	-	100	U.A.E.
4	Scrabble Entertainment Mauritius Limited	11-07-2011	-	65.0441	USD	487.83	220.36	2,111.66	1,403.46	478.40	838.37	2,381.71	102.83	2,278.88	-	100	Mauritius
5	Scrabble Digital Inc	22-03-2013	-	65.0441	USD	357.74	601.74	1,263.72	304.23	1,224.85	-	197.25	(20.58)	217.84	-	100	U.S.A.
6	Scrabble Entertainment Lebanon Sarl	13-03-2012	31-12-2017	0.042689	LBP	2.13	(54.67)	2.13	54.67	-	-	(14.85)	-	(14.85)	-	100	Lebanon
7	Scrabble Entertainment Israel Ltd	17-06-2012	-	18.5677	ILS	0.00	-	0.00	-	-	-	-	-	-	-	100	Israel
8	Edridge Limited	05-07-2006	-	65.0441	USD	755.79	6,946.25	7,719.84	17.79	7,719.82	-	(0.22)	0.84	(1.06)	-	100	Cyprus
9	UFO International Limited	24-07-2006	-	65.0441	USD	656.05	(353.83)	302.24	0.02	198.50	-	2.40	-	2.40	-	100	Cyprus
10	UFO Software Technologies Private Limited	20-02-2007	-	1	INR	24.82	8.69	36.49	2.97	-	1.94	1.74	0.50	1.24	-	100	India
11	Valuable Digital Screens Private Limited	06-01-2015	-	1	INR	1.45	(4,090.43)	2,172.84	6,261.82	-	1,090.21	(1,383.22)	(2.37)	(1,380.85)	-	80	India
12	V N Films Private Limited	11-04-2007	-	1	INR	1.00	(211.30)	345.73	556.04	-	10.03	(52.19)	-	(52.19)	-	100	India
13	United Film Organisers (UFO) (Mauritius) Private Limited	15-06-2007	-	1.7655	MUR	0.02	1.26	5.53	4.25	-	0.07	3.39	-	3.39	-	100	Mauritius
14	UFO Lanka Private Limited	31-01-2008	-	0.416519	LKR	115.62	(90.78)	24.84	-	-	-	(0.27)	-	(0.27)	-	100	Sri Lanka
15	United Film Organizers Nepal Private Limited	23-03-2008	-	0.617709	NPR	98.52	(47.46)	51.78	0.72	-	1.14	(0.13)	-	(0.13)	-	100	Nepal
16	PJSA Technosoft Private Limited	11-11-2017	-	1	INR	1.00	(0.63)	0.51	0.14	-	-	(0.63)	-	(0.63)	-	100	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2017
2. The exchange rates considered are as at March 31, 2018
3. The accounts of Scrabble Digital Inc, UFO Software Technologies Private Limited, United Films Organizers Nepal Private Limited, UFO International Limited, Edridge Limited, V N Films Private Limited, UFO Lanka Private Limited and United Film Organisers (UFO) (Mauritius) Private Limited as at March 31, 2018 are not audited and are Management accounts.
4. Scrabble Entertainment Israel Limited is under the process of being Liquidated, hence not consolidated.

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

PART B - Associates ₹ in lacs

Sr. No.	Name of Associates	Mukta VN Films Limited	Scrabble Digital Limited	Scrabble Digital DMCC	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico
1	Latest Audited Balance Sheet	31-03-2018	31-03-2018	31-12-2017	31-03-2018	31-03-2018
2	Date on which the Associate or Joint Venture was associated or acquired	10-06-2013	08-02-2011	16-02-2011	01-04-2013	16-08-2013
3	Shares of Associate held by the Company on the year end					
	Number of shares held	26,99,950	1,97,714	100	3,000	1,500
	Amount of Investment in Associate	270.00	399.00	12.73	199.00	0.08
	Extent of Holding (in percentage)	45.00%	33.33%	33.33%	30.00%	30.00%
4	Description of how there is significant influence					
5	Reason why the associate company is not consolidated	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials
6	Networth attributable to shareholding as per last audited Balance Sheet	312.20	555.85	235.20	736.86	(3,465.41)
7	Profit or Loss for the year	(5.26)	967.78	455.85	455.59	10,581.97
i.	Considered in Consolidation	27.47	322.56	150.90	147.66	-
ii.	Not Considered in Consolidation	(32.72)	645.22	304.95	307.93	10,581.97

Notes:

1. The exchange rates considered are at March 31, 2018.
2. The reporting period for Scrabble Digital DMCC is December 31, 2017.
3. The management accounts of Mukta V N Flims Limited, Scrabble Ventures LLC, Scrabble Ventures S. de R.L. de C.V, Mexico have been considered as at March 31, 2018.
4. 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 Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Sameer Chavan
Company Secretary

Ashish Malushte
Chief Financial Officer

Place of signature: Mumbai
Date: May 29, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of UFO Moviez India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also 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 Ind AS 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 standalone Ind AS 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 of the standalone Ind AS financial statements 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 1 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) 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 standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS 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/E300004

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 29, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UFO MOVIEZ INDIA LIMTED

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.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted a loan that is re-payable on demand, to a company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the Company's interests.

(b) The Company has granted a loan that is re-payable on demand, to a company covered in the register maintained under section 189 of the Act. We are informed that the Company has not demanded repayment of such loan and interest during the year, and thus, there has been no default on the part of the party to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made and, guarantees given have been complied with by the Company. The provisions of section 185 of the Act in respect of loans to directors including entities in which they are interested and provisions of section 186 of the Act with respect to securities given are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, custom duty, value added tax, goods and service 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, sales-tax, custom duty, value added tax, goods and service 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 records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the Amount Relates	Forum where the dispute is pending
West Bengal VAT Act, 2003	Value Added Tax	41.96	2007-2008	Tribunal
Bihar VAT Act, 2003	Value Added Tax	5.80	2007-2008 and 2008-2009	Commercial Tax Officer
Finance Act, 1994	Service Tax	4.99	2008-2009 to 2011-2012	Commissioner of Central Excise (Appeals)
Bihar VAT Act, 2005	Value Added Tax	5.03	2010-2011	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service Tax	8.15	2007-2008 to 2009-2010	Commissioner of Central Excise (Appeals)
Kerala VAT Act, 2003	Value Added Tax	34.90	2012-2013	Commissioner of Central Excise (Appeals)

Nature of Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the Amount Relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax *	3,727.98	2008-2009 to 2013-2014	High Court
Finance Act, 1994	Service Tax*	937.45	2008-2009 to 2013-2014	Commissioner of Service Tax

*In addition, interest and penalty are payable under the relevant provisions and rules.

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

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution and banks. The Company does not have any dues to debenture holders or government.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares and share warrants during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year and hence is not applicable to the Company and accordingly not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 29, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UFO MOVIEZ INDIA LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of UFO Moviez India Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 29, 2018

Balance Sheet as at 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	19,979.99	20,410.42	21,675.49
Capital work-in-progress		2,032.51	674.02	691.40
Intangible assets	3	69.88	48.58	35.79
Investment in subsidiaries, associates and joint venture	4	24,088.35	22,633.94	21,233.94
Financial assets				
(i) Loans	5	793.23	791.08	784.73
(ii) Other financial assets	12	9.62	1.19	239.22
Deferred tax assets (net)	7	3,487.40	2,766.72	2,173.59
Other non-current assets	8	2,543.57	2,158.08	2,677.62
Total non-current assets	**(A)**	**53,004.55**	**49,484.03**	**49,511.78**
Current assets				
Inventories	9	633.29	629.31	774.55
Financial assets				
(i) Investments	10	6,513.58	2,289.14	305.31
(ii) Trade receivables	11	14,555.20	10,048.72	7,691.65
(iii) Cash and cash equivalents	12	786.01	924.35	789.54
(iv) Bank balances other than cash and cash equivalents	12	1,501.46	1,687.61	1,860.23
(v) Loans	5	55.96	357.85	352.47
(vi) Other financial assets	6	558.79	1,090.69	749.52
Other current assets	8	533.80	611.22	541.48
Total current assets	**(B)**	**25,138.09**	**17,638.89**	**13,064.75**
Total assets	**(A+B)**	**78,142.64**	**67,122.92**	**62,576.53**
Equity and liabilities				
Equity				
(i) Equity share capital	13	2,835.08	2,760.08	2,749.94
(ii) Other equity	14	55,245.80	46,930.49	42,376.37
Total equity	**(C)**	**58,080.88**	**49,690.57**	**45,126.31**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	1,550.00	2,598.37	3,064.58
(ii) Other financial liabilities	16	3,374.42	3,675.74	3,580.34
Provisions	17	393.34	260.56	82.71
Other non-current liabilities	18	160.91	463.26	626.88
Total non-current liabilities	**(D)**	**5,478.67**	**6,997.93**	**7,354.51**

Balance Sheet as at 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
Current liabilities				
Financial liabilities				
(i) Borrowings	19	-	0.04	1.21
(ii) Trade payables	16	2,955.15	1,916.71	1,536.58
(iii) Other financial liabilities	16	8,941.32	5,821.09	6,169.52
Provisions	17	340.21	305.30	257.51
Other current liabilities	18	2,346.41	2,391.28	2,130.89
Total current liabilities	**(E)**	**14,583.09**	**10,434.42**	**10,095.71**
Total liabilities	**(D+E)**	**20,061.76**	**17,432.35**	**17,450.22**
Total equity and liabilities	**(C+D+E)**	**78,142.64**	**67,122.92**	**62,576.53**
Significant accounting policies	2			

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/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Statement of Profit and Loss for the year ended 31 March 2018

₹ in lacs

Particulars	Notes	31 March 2018	31 March 2017
Income			
Revenue from operations	20	41,039.86	38,733.55
Other income	21	115.46	87.45
Total income (I)		**41,155.32**	**38,821.00**
Expenses			
Operating direct cost	22	13,965.10	12,704.05
Employee benefits expense	23	6,855.89	6,540.94
Other expenses	24	7,667.09	6,596.38
Total expenses (II)		**28,488.08**	**25,841.37**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**12,667.25**	**12,979.63**
Depreciation and amortisation expense	3	6,087.41	6,148.63
Finance costs	25	607.79	802.58
Finance income	26	(3,424.07)	(1,662.12)
Profit before tax		**9,396.12**	**7,690.54**
Tax expense:			
- Current tax		2,830.80	2,824.47
- Deferred tax		(685.67)	(571.26)
Total tax expense		**2,145.13**	**2,253.21**
Profit for the period		**7,250.99**	**5,437.33**
Other comprehensive income / (Loss)			
(i) Items that will not be reclassified to profit or loss		7.80	(63.22)
(ii) Income tax effect on the above		(2.73)	21.88
Total comprehensive income for the period		**7,256.06**	**5,395.99**
Earnings per equity share (Face value of share of ₹ 10 each)			
Basic		26.06	19.71
Diluted		26.01	19.70
Significant accounting policies	2		

The accompanying notes are an integral part of the financials statements.
As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Cash flow statement for the year ended 31 March 2018

₹ in lacs

Particulars		31 March 2018	31 March 2017
Cash flow from operating activities			
Profit before tax		**9,396.12**	**7,690.54**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		6,087.41	6,148.63
Unrealised foreign exchange loss (net)		12.73	(8.90)
Loss on sale and write off of fixed assets		53.33	28.25
Bad debts written-off		29.05	119.33
Provision for doubtful debts		206.63	110.34
Sundry Balances written back		(220.72)	(45.39)
Fair valuation gain financial instruments - FVTPL		(60.24)	(11.53)
Gain on sale of current investments (net)		(135.95)	(62.66)
Notional interest on security deposits		(4.09)	(4.80)
Unwinding of discount on security deposits		81.30	82.77
Dividend income		(3,088.92)	(1,277.24)
Interest income		(134.87)	(305.90)
Interest expense		476.20	677.66
Operating profit before working capital changes		**12,697.98**	**13,141.10**
Changes in working capital :			
Increase in trade payables		930.43	380.18
Increase in long-term provisions		355.25	256.80
(Decrease) in short-term provisions		(179.77)	(94.37)
(Decrease) in other non-current liabilities		(302.35)	(163.62)
(Decrease) / Increase in non current financial liabilities		(301.32)	95.40
Increase in other current liabilities		175.86	305.78
Decrease / (increase) in other current assets		77.42	(69.74)
Increase in other financial liabilities		80.85	549.65
(Increase) in trade receivables		(4,742.16)	(2,586.74)
(Increase) / Decrease in inventories		(3.98)	145.24
Decrease / (Increase) in other current assets		301.89	(5.39)
(Increase) in other non current assets		(65.86)	(475.30)
Decrease / (Increase) in other financial assets		580.08	(294.46)
Decrease / (Increase) in non current financial assets loan		1.94	(1.55)
Cash generated from operations		**9,606.27**	**11,182.98**
Direct taxes paid (net of refunds)		(3,139.15)	(1,897.18)
Net cash flow from operating activities	**(A)**	**6,467.12**	**9,285.80**
Cash flow from / (used in) investing activities			
Purchase of fixed assets including intangible, CWIP and capital advances		(6,510.47)	(5,436.45)
payment of purchase consideration for purchase of subsidiary shares		(1,704.28)	(1,900.00)
Purchase of current investments		(22,998.09)	(13,322.54)
Sale/redemption of current investments		18,969.85	11,412.90
Proceeds from sale of fixed assets		685.28	142.85
Interest received		86.69	259.18
Dividend received from Subsidiary		3,088.92	1,277.24
Maturity of bank deposits with original maturity more than 3 months (net)		177.72	410.64
Net cash flow from / (used in) investing activities	**(B)**	**(8,204.38)**	**(7,156.18)**

Cash flow statement for the year ended 31 March 2018

₹ in lacs

Particulars		31 March 2018	31 March 2017
Cash flow from / (used in) financing activities			
Proceeds from issuance of share capital (including premium)		3,000.97	164.85
Proceeds from share warrants		1,525.50	-
Proceeds from long term borrowings		4,647.31	6,071.40
(Repayment) of long term borrowings		(3,779.35)	(6,579.76)
(Repayment) of short term borrowings (net)		(0.04)	(1.17)
Dividend (paid) on equity shares		(2,755.77)	(828.54)
Tax on dividend paid on equity shares		(561.89)	(168.57)
Interest paid		(477.81)	(653.03)
Net cash flow from / (used in) financing activities	**(C)**	**1,598.92**	**(1,994.82)**
Net increase / (decrease) in cash and cash equivalent (A + B + C)		**(138.34)**	**134.80**
Cash and cash equivalents at the beginning of the year		**924.35**	**789.54**
Cash and cash equivalents at the end of the year (refer note 12)		**786.01**	**924.34**
Components of cash and cash equivalents			
Cash on hand		1.49	1.88
Balance with banks:			
- on current accounts		778.38	920.65
- unpaid dividend account*		6.14	1.82
Cash and cash equivalents (refer note 12)		**786.01**	**924.35**

Notes:

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in IND AS - 7 " Cash Flow Statements"

* The Company can utilize these balances only towards settlement of the respective unpaid dividend.

Significant accounting policies 2

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/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Statement of Changes in Equity for the year ended 31 March 2018

₹ in lacs

Particulars	Equity share capital		Other Equity: Reserve and surplus		Money received against Share warrant	Total Equity
	No. of Shares	Share Capital	Securities Premium	Retained Earning		
Balance as of 1 April 2016	**27,499,376**	**2,749.94**	**36,732.80**	**5,643.57**	**-**	**42,376.37**
Profit for the year	-	-	-	5,437.33	-	5,437.33
Other comprehensive income for the year	-	-	-	(41.34)	-	(41.34)
Additions on ESOPs exercised	101,425	10.14	154.71	-	-	154.71
Final dividend on equity shares [per share ₹ Nil (31 March 2016 :₹ 3.00)]	-	-	-	(828.02)	-	(828.02)
Dividend distribution tax on proposed dividend	-	-	-	(168.57)	-	(168.57)
As at 31 March 2017	**27,600,801**	**2,760.08**	**36,887.51**	**10,042.98**	**-**	**46,930.49**
Profit for the year	-	-	-	7,250.99	-	7,250.99
Other comprehensive income for the year	-	-	-	5.07	-	5.07
Additions on issue of shares	750,000	75.00	2,925.98	-	-	2,925.98
Money received against share warrants	-	-	-	-	1,525.50	1,525.50
Expenses incurred on merger, debited to equity (net of deferred tax)	-	-	-	(70.26)	-	(70.26)
Dividend on Equity	-	-	-	(2,760.08)	-	(2,760.08)
Dividend distribution tax on interim dividend	-	-	-	(561.89)	-	(561.89)
As at 31 March 2018	**28,350,801**	**2,835.08**	**39,813.49**	**13,906.81**	**1,525.50**	**55,245.80**

The accompanying notes are an integral part of the financials statements.
As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

Notes to financial statements as at and for the year ended 31 March 2018

1. Corporate Information

UFO Moviez India Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act") applicable in India. The registered office is located at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, and Andheri (East), Mumbai 400093. The equity shares of the Company are listed on the Bombay Stock exchange (BSE), India and the National stock Exchange (NSE), India. The Company is into the business of providing digital cinema services

2. Significant accounting policies

2.1 Basis of preparation:

The Separate financial statement of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. The Company has availed first time adoption exemption as per Ind AS 101 (refer note 41).

For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, notified under the section 133 of the Companies Act,2013,read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), the relevant provisions of the Companies Act, 2013 ("the 2013 Act''), as applicable, and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The relevant provisions of the Companies Act, 2013 ("the 2013 Act''), as applicable, and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In this financial statements, for the year ended 31st March, 2018, the financial statements for the previous year ended 31st March, 2017 and Balance Sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like-to-like comparison.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2018.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which have been measured at fair value. The financial statements are presented –in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated'

2.2 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or
- There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

2.3 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, 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.

Notes to financial statements as at and for the year ended 31 March 2018

(b) Property Plant and equipment

Property Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property plant and equipment 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, 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.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Capital work in progress is stated at cost.

Gains or losses arising from derecognition of an Property Plant and equipment 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.

The Company identifies and determines cost of each component separately, if the component has a cost, which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(c) Depreciation on Property Plant and equipment

Depreciation on Property Plant and equipment calculated on a straight-line basis using the rates arrived at based on the useful lives of the assets estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its property plant and equipment.

	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. The assets residual values, useful lives and methods of deprecation are reviewed at each financials year and adjusted prospectively, of appropriate.

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

(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.

Gains or losses arising from derecognition of an intangible 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.

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

	Useful lives as per management's estimate
Computer Software	6

Notes to financial statements as at and for the year ended 31 March 2018

(e) Impairment of non-financial 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.

(f) 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 property plant and equipment. 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.

(g) Inventories

Inventories comprise of traded goods, stores and spares are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

(h) 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. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Income from services

- Advertisement income is recognized in the period during which advertisement is displayed.
- 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.
- Digitisation income, registration fee and other revenue are recognized in the period in which services are rendered.
- Lease rental income on equipment is recognised as mentioned in note 2.3(f) above.

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Sales are recorded net of returns, trade discounts, and applicable taxes.

The Company recognizes revenue from sales of equipment, traded goods and spares as and when these are dispatched/ issued to customers.

The Company collects service tax / value added tax and goods and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Accordingly, it is excluded from revenue.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established.

Notes to financial statements as at and for the year ended 31 March 2018

(i) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange difference arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

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 retranslated using the exchange rate prevailing at the reporting date. Monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on translation of 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.

(j) Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each balance sheet date. .The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

Notes to financial statements as at and for the year ended 31 March 2018

(k) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement:

- **Financial Assets:**

  The Company classifies financial assets as subsequently measured at amortised cost or fair value through profit or loss (FVTPL) on the basis of both:

  (i) business model for managing the financial assets, and

  (ii) the contractual cash flow characteristics of the financial asset.

  A Financial asset is measured at amortised cost if both of the following conditions are met:

  (i) the financial asset is held within a business model whose, objective is to hold financial assets in order to collect contractual cash flows, and

  (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

  Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

  A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL), unless it is measured at amortised cost or at fair value through OCI.

  Such financial assets are subsequently measured at fair value.

  Impairment of Financial Assets:

  Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Customer credit risk is managed by management subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up. Trade receivables are evaluated by the Company based on specific sector risk factors, individual creditworthiness of the customer and the expectation of the past.

  The Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

  ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

  As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

Notes to financial statements as at and for the year ended 31 March 2018

Equity Investments:

All equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments other than held for trading, the Company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Equity instruments are classified as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments, included within the FVTPL category, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

(l) Employee benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognized as an expense on accrual basis.

Defined Contribution Plan:

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.

Defined benefit Plan

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 at the end of each financial year. The Company has an Employees' Gratuity Fund

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.'

Other long term benefits

Short term compensated absences are provided for based on actuarial valuation at year end. 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) Current Income taxes and deferred tax

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. 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 year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Notes to financial statements as at and for the year ended 31 March 2018

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 for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT):

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable 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) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(o) Provisions and Contingent liabilities and Contingent assets

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 estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

(p) 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.

Notes to financial statements as at and for the year ended 31 March 2018

(q) Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognised in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised 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 for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

(r) 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.

(s) Segment reporting:

Identification of Segments:

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

(t) Measurement of EBITDA

As per Guidance Note on Division II- Ind AS Schedule III to the Companies Act 2013, 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.

(u) Derivative Financial Instruments:

The Company enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

(v) Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(w) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of standalone financials , in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the standalone financials , the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the standalone financials Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Notes to financial statements as at and for the year ended 31 March 2018

(i) Judgements:

In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the statement financials

(ii) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone financials were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Defined Benefit Obligation:**

  The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

  Availability of future taxable future profit against which the tax losses carried forward can be used as disclosed in note (m) above.

- **Recognition and Measurement of Provisions and Contingencies:**

  Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note (o) above.

- **Fair Value Measurement of Financial Instruments:**

  When the fair value of financial assets and financial liabilities recorded in the Standalone financials cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Impairment of non-financial assets**

  Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

- **Equity Share-based Payment:**

  The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note (m).

Notes to financial statements as at and for the year ended 31 March 2018

3.1 Property, plant and equipment

₹ in lacs

	Leasehold Improvements	Plant & Machinery (Refer Note 30 for Assets given on lease)	Computer Systems	Office Equipments	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Total (PP&E)	Computer software	Total
Cost										
At 1 April 2016	**90.59**	**20,895.52**	**64.99**	**81.08**	**18.34**	**32.47**	**492.50**	**21,675.49**	**35.79**	**21,711.28**
Additions	206.86	4,337.42	56.41	44.72	4.89	8.72	382.58	5,041.60	25.86	5,067.47
Disposals	4.70	446.63	53.70	19.39	6.82	2.74	158.15	692.13	-	692.13
At 31 March 2017	**292.75**	**24,786.31**	**67.70**	**106.41**	**16.41**	**38.45**	**716.93**	**26,024.96**	**61.65**	**26,086.61**
Additions	14.52	5,644.02	54.23	22.04	2.17	-	643.50	6,380.48	36.40	6,416.88
Disposals	-	10,652.82	1.28	5.59	-	-	318.28	10,977.97	-	10,977.97
At 31 March 2018	**307.27**	**19,777.51**	**120.65**	**122.86**	**18.58**	**38.45**	**1,042.15**	**21,427.47**	**98.05**	**21,525.52**
Depreciation/Amortisation										
At 1 April 2016										
Charge for the year	65.89	5,762.26	48.82	38.79	10.61	8.18	201.02	6,135.57	13.07	6,148.63
Disposals	3.28	310.19	53.66	17.30	6.60	2.02	127.98	521.03	-	521.03
At 31 March 2017	**62.61**	**5,452.07**	**(4.84)**	**21.49**	**4.01**	**6.16**	**73.04**	**5,614.54**	**13.07**	**5,627.61**
Charge for the year	76.64	5,623.58	53.56	31.78	6.74	8.10	271.91	6,072.31	15.10	6,087.41
Disposals	-	9,941.13	0.52	5.48	-	-	292.24	10,239.37	-	10,239.37
At 31 March 2018	**139.25**	**1,134.52**	**48.20**	**47.79**	**10.75**	**14.26**	**52.71**	**1,447.48**	**28.17**	**1,475.65**
Net Block										
At 31 March 2017	**230.14**	**19,334.24**	**72.54**	**84.92**	**12.40**	**32.29**	**643.89**	**20,410.42**	**48.58**	**20,459.00**
At 31 March 2018	**168.02**	**18,642.99**	**72.45**	**75.07**	**7.83**	**24.19**	**989.44**	**19,979.99**	**69.88**	**20,049.87**

4. Investment in subsidiaries, associates and joint venture

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Unquoted equity instruments (at cost)			
Investment in subsidiaries			
1,161,972 (31 March 2017 : 1,161,972, 1 April 2016 : 1,1161,972) ordinary shares of US $ 1 each fully paid, in Edridge Limited, Cyprus (refer note 36)(a))	5,738.79	5,738.79	5,738.79
10,000 Shares (31 March 2017 : Nil, 1 April 2016 : Nil) ordinary shares of INR 10 each at par, fully paid, PJSA Technosoft Private Ltd.(refer note 36)(b))	1.00	-	-
10,000 (31 March 2017 : 10,000, 1 April 2016 : 10,000) ordinary shares of INR 10 each at par, fully paid, in V N Films Private Limited, India. (refer note 36)(a))	1.00	1.00	1.00
11,580 (31 March 2017 : 11,580, 1 April 2016 : 11,580) ordinary shares of INR 10 each fully paid in Valuable Digital Screens Private Limited, India.	499.33	499.33	499.33
768,317 (31 March 2017 : 701,708, 1 April 2016 : 701,708) ordinary shares of INR 10 each fully paid in Scrabble Entertainment Limited, India	10,371.93	8,918.52	8,918.52
4,298,833 (31 March 2017 : 4,298,833 1 April 2016 : 3,618,716) ordinary shares of INR 10 each fully paid in Southern Digital Screenz India Private Limited, India (refer note 36)(a))	5,701.61	5,701.61	4,301.61
99,600 (31 March 2017 : 99,600, 1 April 2016 : 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal (at cost less provision for other than temporary diminution ₹ 5,000,000 (31 March 2017 : 5,000,000, 1 April 2016 : 5,000,000)	12.25	12.25	12.25
(A)	**22,325.91**	**20,871.50**	**19,471.50**

Notes to financial statements as at and for the year ended 31 March 2018

4. Investment in subsidiaries, associates and joint venture

₹ in lacs

		31 March 2018	31 March 2017	1 April 2016
Unquoted Preference shares (Fair value through profit & loss)				
Investment in subsidiaries				
59,900 (31 March 2017 : 59,900, 1 April 2016 : 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal		37.44	37.44	37.44
1,725,000 (31 March 2017 : 1,725,000, 1 April 2016 : 1,725,000) 10% optionally convertible preference shares of ₹100 each fully paid, in Southern Digital Screenz India Private Limited, India.		1,725.00	1,725.00	1,725.00
	(B)	**1,762.44**	**1,762.44**	**1,762.44**
Aggregate amount of unquoted investments	**(A)+(B)**	**24,088.35**	**22,633.94**	**21,233.94**

5. Financial assets - Loans

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Security Deposit						
Security deposit to related parties (refer note 32)	64.40	62.25	57.46	55.96	357.85	352.47
Loans to related party (refer note 43)	366.33	366.33	364.77	-	-	-
Loan to others	362.50	362.50	362.50	-	-	-
	793.23	**791.08**	**784.73**	**55.96**	**357.85**	**352.47**

6. Other financial assets

₹ in lacs

	Current		
	31 March 2018	31 March 2017	1 April 2016
Unbilled revenue	318.47	961.33	676.31
Interest accrued but not due on fixed deposit	5.39	2.88	1.85
Interest accrued on loan to related parties (refer note 32)	160.63	114.96	69.28
Other receivables	74.30	11.52	2.08
	558.79	**1,090.69**	**749.52**

7. Income Taxes and deferred tax

The major components of income tax expense are:

Statement of Profit and loss:

₹ in lacs

	31 March 2018	31 March 2017
Current income tax :		
Current income tax charge	2,830.80	2,824.47
Deferred tax		
Relating to origination and reversal of temporary differences	(685.66)	(571.26)
Income tax expense reported in the statement of profit or loss	**2,145.14**	**2,253.21**

Notes to financial statements as at and for the year ended 31 March 2018

7. Income Taxes and deferred tax

The major components of income tax expense are:

Statement of Profit and loss:

₹ in lacs

	31 March 2018	31 March 2017
OCI Section		
Deferred tax related to items recognised in OCI during the year:		
Remeasurements of defined benefit plans	(2.73)	21.88
Income tax charged to OCI	**(2.73)**	**21.88**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

₹ in lacs

	31 March 2018	31 March 2017
Accounting profit before income tax	9,396.09	7,690.57
Enacted tax rates in India	34.61%	34.61%
Computed tax expenses	3,251.80	2,661.55
Increase/ (reduction) in taxes on account of:		
Effect of exempt income	(1,069.01)	(442.03)
Other non-deductible expenses for tax purpose	(37.65)	33.69
	(1,106.66)	(408.34)
Income tax expensed reported in the statement of profit and loss	**2,145.14**	**2,253.21**

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Deferred tax asset (net)			
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	2,884.77	2,416.55	1,935.85
Provision for doubtful debts	230.57	156.84	121.01
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	259.06	184.18	117.74
Others	113.00	9.15	(1.01)
Net deferred tax assets (net)	**3,487.40**	**2,766.72**	**2,173.59**

8. Other assets (Unsecured, Considered good unless otherwise stated)

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Advances recoverable in cash or kind						
- Unsecured Considered Good	-	-	-	54.72	53.50	33.52
Balance with statutory / government authorities	415.85	418.27	436.67	25.51	342.68	234.90
Deposit with Government bodies	53.43	44.78	39.22	-	-	-
Capital Advances	15.73	4.47	72.01	-	-	-
Loans and advances to employees	-	-	-	36.69	20.06	137.62
Prepaid expenses	575.22	515.58	27.45	212.66	194.98	135.44
Advance income tax (net of provision)	1,483.34	1,174.98	2,102.27	-	-	-
GST credit receivable	-	-	-	204.22	-	-
	2,543.57	**2,158.08**	**2,677.62**	**533.80**	**611.22**	**541.48**

Notes to financial statements as at and for the year ended 31 March 2018

9. Inventories (valued at lower of cost or net realisable value)

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Traded goods (Lamps)	417.03	497.09	621.65
Consumables and spares	216.26	132.22	152.90
	633.29	**629.31**	**774.55**

Refer note 22 with regards to movement of inventories

10. Financial Assets - Current investments

	31 March 2018		31 March 2017		1 April 2016	
	No of Units	₹ in lacs	No of Units	₹ in lacs	No of Units	₹ in lacs
Investments at fair value through profit and loss						
Unquoted mutual funds						
Birla Sun Life Floating Rate Fund - (long term plan - direct plan)	-	-	302,260.15	606.48	-	-
Birla Sun Life cash Plus - (growth - direct plan)	128,461.45	358.81	147,803.80	386.22	-	-
HDFC liquid fund - (direct plan - growth option)	1,809.37	61.95	18,723.98	600.84	3,369.36	100.59
Axis treasury advantage fund - (growth option)	-	-	-	-	12,147.48	204.72
ICICI Prudential Flexible Income Plan - (direct)	372,856.65	1,249.37	97,175.94	303.75	-	-
ICICI Prudential liquid plan direct plan - (growth)	98,810.32	254.08	162,784.71	391.85	-	-
HDFC FRIF STP DP (growth)	1,335,849.79	678.36	-	-	-	-
Reliance Liquid Fund (treasury Plan)	9,147.45	387.85	-	-	-	-
ABSL Saving Fund Direct (growth)	102,629.88	352.97	-	-	-	-
ABSL Savings Fund Growth (regular)	555,435.18	1,899.07	-	-	-	-
SBI Magnum Instacash Fund (liquid)	3,969.67	152.56	-	-	-	-
SBI Ultra Short Term Debt Fund (liquid plus)	10,159.50	228.78	-	-	-	-
SBI Magnum Instacash Fund (liquid) regular	23,251.06	889.78	-	-	-	-
	2,642,380.32	**6,513.58**	**728,748.58**	**2,289.14**	**15,516.84**	**305.31**
Aggregate value of unquoted investments		**6,513.58**		**2,289.14**		**305.31**

11. Trade receivables (Unsecured)

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Considered good	14,555.20	10,048.72	7,691.65
Considered doubtful	659.81	453.18	349.67
	15215.01	**10501.90**	**8041.32**
Provision for doubtful receivables	(659.81)	(453.18)	(349.67)
Total	**14,555.20**	**10,048.72**	**7,691.65**
For details pertaining to related party receivable (refer note 32)			

Notes to financial statements as at and for the year ended 31 March 2018

12. Financial Assets - Cash & bank balances

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents						
Balances with banks :						
– On current accounts				778.38	920.65	784.03
– On unpaid dividend account*				6.14	1.82	2.34
Cash on hand				1.49	1.88	3.17
	-	**-**	**-**	**786.01**	**924.35**	**789.54**
Other bank balances						
– Deposits with original maturity more than 3 month and less than 12 months				794.88	988.99	1,562.54
	-	**-**	**-**	**794.88**	**988.99**	**1,562.54**
– Margin money deposit with original maturity for less than 12 months	-	-	-	706.58	698.62	297.69
– Margin money deposit with remaining maturity for more than 12 months	9.62	1.19	239.22	-	-	-
	9.62	**1.19**	**239.22**	**1,501.46**	**1,687.61**	**1,860.23**
	9.62	**1.19**	**239.22**	**2,287.47**	**2,611.96**	**2,649.77**

Margin money deposits:

Margin money deposits are against guarantees given to statutory authorities and are kept under lien with bank for opening of Letter of Credit.

* The Company can utilize these balances only towards settlement of the respective unpaid dividend.

13. Equity Share Capital

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Authorised share capital			
45,000,000 (March 31,2017: 45,000,000 and April 1, 2016: 45,000,000) equity shares of ₹10 each	4,500.00	4,500.00	4,500.00
1,385,000 (March 31,2017: 1,385,000 and April 1, 2016: 1,385,000) preference shares of ₹1000 each	13,850.00	13,850.00	13,850.00
Share capital	**18,350.00**	**18,350.00**	**18,350.00**
Issued, subscribed and fully paid up shares			
28,350,801 (March 31,2017: 27,600,801 and April 1, 2016 : 27,499,376) equity shares of ₹10 each fully paid - up	2,835.08	2,760.08	2,749.94
Total issued, subscribed and fully paid up share capital	**2,835.08**	**2,760.08**	**2,749.94**

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

Equity shares	31 March 2018		31 March 2017		1 April 2016	
	No.	₹ in lacs	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	27,600,801	2,760.08	27,499,376	2,749.94	27,499,376	2,749.94
Issued during the year	750,000	75.00	101,425	10.14	-	-
Outstanding at the end of the year	**28,350,801**	**2,835.08**	**27,600,801**	**2,760.08**	**27,499,376**	**2,749.94**

Notes to financial statements as at and for the year ended 31 March 2018

(b) Terms/ rights attached to equity shares

Voting rights

The Company has only one class of equity shares having per value of ₹ 10 per share. Each holder of equity shares having a par value of ₹10 per equity share is entitled to one vote per equity share.

Rights as to Dividend

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

Rights pertaining to repayment of capital

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10 each fully paid						
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	19.03	5,251,608	19.10
3i Research (Mauritius) Limited	-	-	-	-	2,664,879	9.69
SBI Magnum Global Fund	2,441,136	8.61	2,609,456	9.45	2,407,206	8.75
Valuable Technologies Limited	2,243,657	7.91	2,243,657	8.13	2,243,657	8.16
Apollo International Limited	2,266,417	7.99	2,266,417	8.21	2,266,417	8.24
Valuable Media Limited	2,244,265	7.92	1,494,265	5.41	1,494,265	5.43
Reliance Capital Trustee Co Ltd A/c Reliance Media and Entertainment Fund	1,857,739	6.55	2,202,739	7.98	1,861,139	6.77

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

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

The Company has issued total shares 1,703,132 (31 March 2017 : 1,703,132,1 April 2016 : 1,601,707) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

(e) 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 29.

14. Other Equity - Attributable to the Owners of the Company

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Securities premium account	39,813.49	36,887.51	36,732.80
Surplus in the statement of profit and loss	13,906.81	10,042.98	5,643.57
Money received against Share warrant	1,525.50	-	-
Total	**55,245.80**	**46,930.49**	**42,376.37**

a) Securities Premium Reserve : Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b) Employee Share Option Outstanding : The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

Notes to financial statements as at and for the year ended 31 March 2018

c) Money received against share warrants : During the year the Company issued 15,25,000 share warrants of ₹ 10/- each at a price of ₹ 400.13/- each (including share warrant subscription price and share warrant exercise price) , convertible into, or exchange able for , one equity share of face value of ₹ 10/- each to two individuals and one company forming part of promoter group on preferential basis. During the year the Company received 25% of subscription amount of ₹ 1,525.50 lacs against said warrants.

15. Financial Liabilities - Long-term borrowings (Secured) ₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Term loans (valued at amortised cost)						
Rupee loan from banks & Buyers Credit (secured by first charge on all fixed assets (except vehicles) and all current assets of the Company)						
Term loan 1 from HDFC Bank	270.84	1,895.90	1,279.25	1,625.06	1,625.06	590.42
Term loan 2 from HDFC Bank	-	223.55	-	223.55	562.50	-
Term loan 3 from HDFC Bank	-	90.67	-	-	1,041.60	-
Term loan 4 from HDFC Bank	89.94	-	-	77.70	-	-
Term loan 5 from HDFC Bank	-	-	-	-	-	44.93
Term loan 6 from Yes Bank	1,189.22	388.25	-	700.35	89.60	-
Term loan 7 from Axis Bank	-	-	1,028.11	-	-	1,249.92
Term loan 8 from Axis Bank	-	-	739.18	-	-	562.50
Term loan 9 from Axis Bank	-	-	-	-	-	854.16
Buyers Credit (Libor + 2.05% to 3.28%)	-	-	-	2,625.74	-	-
Sub Total	**1,550.00**	**2,598.37**	**3,046.54**	**5,252.40**	**3,318.76**	**3,301.93**
Other Loans						
Vehicle finance from banks and financial institutions (secured against hypothecation of vehicles)						
Vehicle Loan 1 from Axis Bank Ltd.	-	-	18.04	-	17.30	76.26
Sub Total	**-**	**-**	**18.04**	**-**	**17.30**	**76.26**
Amount disclosed under the head Financial Liabilities - Trade and other payable" (refer note 16)	-	-	-	(5,252.40)	(3,336.05)	(3,378.19)
Net amount	**1,550.00**	**2,598.37**	**3,064.58**			

Term loan 1 having interest of bank base rate plus 1.40% @ 9.00% (31 March , 2017: 10.70%, 1 April 2016 : 10.70%) p.a. is repayable in 42 monthly installments on pro rata basis each along with interest from 31 December 2015.

Term loan 2 having interest of bank 1 year MCLR plus 40 bps @ 9.00% (31 March 2017 : 9.50%, 1 April 2016 : Nil) p.a. is repayable in 26 monthly installments of ₹ 46.88 lacs each along with interest from 31 October 2016.

Term loan 3 having interest of bank 1 year MCLR plus 40 bps @ 9.00% (31 March 2017 : 9.50% , 1 April 2016 : Nil) p.a. is repayable in 26 monthly installments of ₹ 104.16 lacs each along with interest from 31 October 2016.

Term loan 4 having interest of bank 1 year MCLR i.e. 9.00% (31 March 2017 : Nil, 1 April 2016 : Nil) p.a. is repayable in 48 monthly installments starting from 31 July 2018.

Term loan 5 having interest of bank base rate plus 2.40% @ 11.70% (31 March 2017: 11.70% : 1 April 2016: 11.70%) p.a. is repayable in 31 monthly installments of ₹ 90 lacs each along with interest from 31 July 2013.

Term loan 6 having interest of bank 1 year MCLR i.e. 8.85% (31 March 2017 : 9.10%, 1 April 2016 : Nil) p.a. is repayable in 48 monthly installments starting from 15 July 2017.

Term loan 7 having interest of bank base rate plus 1.75% @ 11.25% (31 March 2017 : 11.25%, 1 April 2016 : 11.25%) p.a. is repayable in 48 monthly installments of ₹ 104.16 lacs each along with interest from 30 April 2014. The Company has transferred this loan balance to HDFC Bank from 31 October 2016.

Notes to financial statements as at and for the year ended 31 March 2018

Term loan 8 having interest of bank base rate plus 2.40% @ 11.70% (31 March 2017 : 11.25%, 1 April 2016: 12.40%) p.a. is repayable in 31 monthly installments of ₹ 90 lacs each along with interest from 31 July 2013. The Company has transferred this loan balance to HDFC Bank from 31 October 2016.

Term loan 9 having interest of bank base rate plus 1.75% @ 11.25% (31 March 2017: 11.25% : 1 April 2016: 12.25%) p.a. is repayable in 48 monthly installments of ₹ 170.83 lacs each along with interest from 30 September 2012.

Vehicle Loan 1 having fixed interest rate from 10.15% to 11.80% p.a. is repayable in 48 monthly installments.

16. Financial Liabilities - Trade and other payable

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Trade payables (refer note 35 for details of dues to micro and small enterprises)	-	-	-	**2,955.15**	**1,916.71**	**1,536.58**
Financial Liabilities at amortised cost						
Current maturities of Long Term Debts (refer note 15)	-	-	-	5,252.40	3,336.05	3,378.19
Interest accrued but not due on borrowings	-	-	-	50.64	52.25	63.25
Unclaimed Dividend	-	-	-	6.14	1.82	2.34
Deposit from theatres and regional dealers	2,729.23	2,409.80	2,214.81	955.60	720.92	596.83
Deposit from related parties (refer note 32)	645.19	1,265.94	1,365.53	-	-	-
Financial Guarantee Obligation	-	-	-	25.54	38.62	63.01
Other Payables						
Payables for purchase of investments	-	-	-	-	249.87	714.25
Payables for purchase of Property, plant & equipment	-	-	-	1,552.18	276.02	729.93
Salary and reimbursement payable	-	-	-	1,098.82	1,145.54	621.72
	3,374.42	**3,675.74**	**3,580.34**	**8,941.32**	**5,821.09**	**6,169.52**

17. Provisions

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Provision for gratuity	393.34	260.56	82.71	-	-	-
Provision for compensated absences	-	-		340.21	305.30	257.51
	393.34	**260.56**	**82.71**	**340.21**	**305.30**	**257.51**

18. Other Liabilities

₹ in lacs

	Non-current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Deferred advertisement income	-	-	-	355.62	89.22	137.78
Deferred VPF income	-	-	-	15.39	14.69	1.56
Deferred lease rental income	160.91	463.26	626.88	321.75	304.25	305.04
Advance from customers	-	-	-	1,368.13	1,682.74	1,343.82
Other Payables						
Employee related liabilities	-	-	-	55.44	50.23	106.64
Statutory liabilities	-	-	-	230.08	250.15	236.05
	160.91	**463.26**	**626.88**	**2,346.41**	**2,391.28**	**2,130.89**

Notes to financial statements as at and for the year ended 31 March 2018

19. Financial Liabilities - Short Term Borrowings

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Financial Liabilities at amortised cost			
Secured			
Cash credit 1 from HDFC bank Limited	-	0.04	-
Cash credit 2 from Axis Bank Ltd	-	-	1.21
	-	**0.04**	**1.21**

Cash credit 1 from HDFC bank Limited was secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.30% p.a. (31 March 2017 : 10.00%, 1 April 2016: Nil).

Cash credit 2 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 having interest of 11.50% p.a. (31 March 2017 : 11.50% p.a., 1 April 2016: 11.50% p.a.).

20. Revenue from operations

₹ in lacs

	31 March 2018	31 March 2017
Sale of Services		
Advertisement revenue	20,474.65	17,697.71
Virtual Print Fees - E-Cinema	8,446.17	7,834.17
Virtual Print Fees - D-Cinema	1,856.19	2,573.82
Lease rental income - E-Cinema	6,010.48	6,657.29
Lease rental income - D-Cinema	474.02	1,008.95
Digitisation income	587.94	616.52
Registration fees income	52.92	67.97
Other Revenue	238.93	-
	38,141.31	**36,456.43**
Sale of products		
Lamp and spares sale	1,717.05	1,820.59
Sale of digital cinema equipments	960.78	411.15
	2,677.83	**2,231.73**
Other operating income		
Sundry balances written back	220.72	45.39
	220.72	**45.39**
	41,039.86	**38,733.55**

21. Other Income

₹ in lacs

	31 March 2018	31 March 2017
Miscellaneous income	102.38	62.42
Foreign exchange gain (net)	-	0.65
Commission on financial guarantee given	13.08	24.39
	115.46	**87.45**

Notes to financial statements as at and for the year ended 31 March 2018

22. Operating direct costs

₹ in lacs

	31 March 2018	31 March 2017
Advertisement revenue share	6,885.54	6,616.56
Repair and maintenance - exhibition equipments	1,463.92	1,190.88
Technical service fees	818.64	807.45
Bandwidth charges	665.57	696.72
Purchase of digital cinema equipments	798.83	230.61
Purchase of lamps	1,347.22	1,525.20
Content processing charges	321.01	199.17
Virtual print fees sharing	1,155.59	848.71
Other expenses	158.91	162.55
(Increase) / decrease in inventories of traded goods (lamps)		
Inventories at the beginning of the year	497.09	621.65
Less : Inventories at the end of the year	(417.03)	(497.09)
	80.06	**124.56**
Consumables and spares		
Opening stock	132.22	152.90
Add : purchases	353.85	280.96
Less : closing stock	(216.26)	(132.22)
	269.81	**301.64**
	13,965.10	**12,704.05**

23. Employee benefit expense

₹ in lacs

	31 March 2018	31 March 2017
Salaries and wages	5,821.66	5,631.64
Contribution to provident and other funds	310.15	282.56
Gratuity expenses (refer note 28)	214.68	142.17
Compensated absences	50.91	65.17
Staff welfare expenses	458.49	419.40
	6,855.89	**6,540.94**

24. Other expenses

₹ in lacs

	31 March 2018	31 March 2017
Rent	853.84	830.54
Freight and forwarding charges	458.68	428.53
Legal, professional and consultancy charges	1,510.63	899.68
Directors sitting fees including commission	90.00	75.00
Commission on advertisement revenue	1,879.05	1,563.84
Commission on other revenue	103.32	155.06
Corporate social responsibility expenses (refer note 42)	218.19	150.00
Sales promotion expenses	387.95	327.94
Electricity charges	199.54	176.74

Notes to financial statements as at and for the year ended 31 March 2018

	31 March 2018	31 March 2017
Rates and taxes	90.86	182.78
Payment to auditor (please refer (i) below)	94.50	69.43
Repairs and maintenance		
-Plant and machinery	6.81	1.33
-Furniture and fixtures	0.18	8.86
-Others	208.28	176.56
Insurance	56.45	87.00
Travelling and conveyance expenses	498.18	517.50
Communication and courier expenses	153.41	194.62
Printing and stationery	45.10	57.38
Bad debts written-off	29.05	-
Less: Provision utilised	4.75	119.33
Loss on sale and write off of fixed assets (net)	53.33	28.25
Provision for doubtful debts	206.63	110.34
Foreign exchange loss (net)	12.73	-
Miscellaneous expenses	505.63	435.67
	7,667.09	**6,596.38**

(i) Payment to auditor ₹ in lacs

	31 March 2018	31 March 2017
Statutory auditor		
Statutory audit	41.50	36.00
Tax audit	5.00	3.50
Limited review	28.50	24.00
Reimbursement of expenses	-	1.43
In other capacity	**-**	**-**
Other services (certification fees)	19.50	4.50
	94.50	**69.43**

25. Finance costs ₹ in lacs

	31 March 2018	31 March 2017
Interest on		
- Term loan	473.06	629.61
- Others	3.14	12.42
Deferred payment settlement	-	35.62
Unwinding of discount on financial liabilities	81.30	82.77
Bank charges	50.29	42.16
	607.79	**802.58**

Notes to financial statements as at and for the year ended 31 March 2018

26. Finance Income

₹ in lacs

	31 March 2018	31 March 2017
Interest on:		
- Fixed deposits	84.12	163.84
- Others	50.75	142.06
Notional interest on security deposits	4.09	4.80
Fair valuation gain financial instruments - FVTPL	60.24	11.53
Gain on sale of current investments (net)	135.95	62.66
Dividend income from subsidiaries	3,088.92	1,277.24
	3,424.07	**1,662.12**

27. Earnings per share (EPS)

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

₹ in lacs

	31 March 2018	31 March 2017
Basic		
Net profit after tax as per statement of profit and loss for calculation of basic EPS	7,250.99	5,437.33
Net profit for calculation of basic EPS	7,250.99	5,437.33
Weighted average number of equity shares in calculating basic EPS	27,826,828	27,591,909
Earning per share	**26.06**	**19.71**
Diluted		
Net profit for calculation of basic EPS	7,250.99	5,437.33
Weighted average number of equity shares in calculating basic EPS	27,826,828	27,591,909
Effect of dilutions for share warrants/stock options granted under ESOP	48,023	5,929
Weighted average number of shares outstanding (including dilution)	27,874,852	27,597,838
Earnings per share	**26.01**	**19.70**

28. Gratuity and other post-employment benefit plans

a) Defined Contribution plan

The Company has recognised and included in Note 23 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

₹ in lacs

Particulars	31 March 2018	31 March 2017
Contribution to Provident fund	288.80	259.30

b) Defined benefit plan-Gratuity

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.

Notes to financial statements as at and for the year ended 31 March 2018

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2018 ₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to profit and loss			
As at 1 April 2017	561.33	300.77	260.56
Service Cost	69.14	-	69.14
Net Interest Expense	37.58	-	37.58
Past Service Cost	120.44	-	120.44
Investment Income	-	20.14	(20.14)
Sub-total included in profit or loss	**227.16**	**20.14**	**207.02**
Benefit paid	(24.64)	(30.17)	5.53
Remeasurement gains/losses in other Comprehensive income	(24.64)	(30.17)	5.53
Return on plan assets (excluding amounts included in net interest expense)			
Actuarial changes arising from changes in demographic assumptions	-	6.93	(6.93)
Actuarial changes arising from changes in financial assumptions	-	-	-
Experience Adjustments	(33.70)	-	(33.70)
Net actuarial (gain) / loss recognized in the year	32.83	-	32.83
Sub-total included in other comprehensive income	**(0.87)**	**6.93**	**(7.80)**
Contribution by employer	**-**	**71.98**	**(71.98)**
As at 31 March 2018	**762.98**	**369.64**	**393.34**

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2017 ₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2016	461.30	275.62	185.68
Service Cost	62.00	-	62.00
Net Interest Expense	35.96	-	35.96
Investment Income	-	21.48	(21.48)
Sub -total included in profit or loss	**97.95**	**21.48**	**76.47**
Benefit paid	(25.84)	(25.84)	-
Remeasurement gains/losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(1.64)	1.64
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from Changes in financial assumptions	9.44	-	9.44
Experience Adjustments	18.48	-	18.48
Net actuarial (gain) / loss recognized in the year	-	-	-
Sub -total included in OCI	**27.92**	**(1.64)**	**29.55**
Contribution by employer	-	31.14	(31.14)
As at 31 March 2017	**561.33**	**300.77**	**260.56**

Notes to financial statements as at and for the year ended 31 March 2018

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.55%	6.70%	7.80%
Future Salary increase	7.00%	7.00%	8.00%
Employee turnover	15.00%	15.00%	15.00%
Retirement age (years)	58	58	58
Expected returns on assets	8.00%	8.00%	8.00%

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.

A quantitative sensitivity analysis for significant assumption is shown below ₹ in lacs

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	802.86	726.78	593.25	532.51
Salary Growth rate (- / + 1%)	732.05	795.78	538.06	585.89

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions, being constant. In practice, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

The following payments are expected contributions to the defined benefit plan in future years ₹ in lacs

Particulars	31 March 2018	31 March 2017
Within the next 12 months	464.22	320.62
Total expected payments	**464.22**	**320.62**

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2017: 5 years)

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

Gratuity	31 March 2018	31 March 2017	31 March 2016
Investments with insurer	100%	100%	100%

29. Employee stock option plans

1. During the year ended 31 March 2018, the Company's three equity settled ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014 were in existence.

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

All Options granted under ESOP Scheme 2006 are vested. The Exercise Period of the Options granted under ESOP Scheme 2006 is as follows :

i) For the employees while in employment of the Company : Within one year from the date on which the shares of the Company's get listed on a recognized stock exchange.

ii) For the retired employees, termination due to permanent disability, death: Within six months from the date of listing of Company's shares with a recognised stock exchange.

Notes to financial statements as at and for the year ended 31 March 2018

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

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-	2736	100.18
Exercised during the year	-	-	(2736)	100.18
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in month)	-	-	-	-
Weighted average remaining contractual life (in month)	-	-	-	-

b) Employee Stock Option Scheme 2010 (‘ESOP Scheme 2010’)

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 member 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 member at its Extra Ordinary General Meeting held on October 24, 2014 approved the change in exercise period of all vested options under this scheme from two year to one year from the date on which the shares of the Company get listed on a Recognized Stock Exchange in case of the employees in employment of the Company. For the retired employees, termination due to permanent disability, death, all vested options may be exercised within six months from the date of listing of Company’s shares with a recognised stock exchange.

The details of activity under the scheme 2010 are sum summarised below: ₹ in lacs

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	-	-	98,689	164.60
Granted during the year	-	-	-	-
Exercised during the year	-	-	(98,689)	164.26
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are :

Expected volatility	Nil
Risk -free interest rate	7.69%
Weighted average share price	164.00
Exercise price	161.87
Expected life of options granted in years	4.00
Dividend	Nil

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

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

As per the ESOP Scheme 2014, 25% of the options shall vest equally 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 : 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: Within six months from the date of retirement, termination due to physical disability and death respectively.

Notes to financial statements as at and for the year ended 31 March 2018

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

₹ in lacs

	31 March 2018		31 March 2017	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	853,519	600	902,070	600
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(225,016)	600	(48,551)	600
Outstanding at the end of the year	628,503	600	853,519	600
Exercisable at the end of the year	419,002	600	426,760	600
Weighted average remaining contractual life (in months)	15		27	

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are :

Expected volatility	0.50%
Dividend yield	0.00%
Risk-free interest rate	8.10%
Weighted average share price	387.71
Exercise price	600.00
Expected life of options granted in years	3.50

2. On 3 April 2018, the Board of Directors of the Company and on 15 May 2018 the Shareholders of the Company have approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600/- per option to ₹ 400/- per option and its exercise period got extended upto 11 December 2020.
3. On April 3, 2018, the Board of Directors approved the grant of 208,578 options under employee stock option scheme 2014 at an exercise price of ₹ 400/- per option to the employees of the Company and its subsidiaries.

30. 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 lacs

Particulars	31 March 2018	31 March 2017
Lease payment recognised in statement of profit & loss	853.84	830.54
	853.84	**830.54**

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.

₹ in lacs

	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount	39,878.54	39,564.44	36,692.36
Accumulated depreciation	19,033.90	17,812.16	14,043.68
Depreciation recognized in the statement of profit and loss	4,235.53	4,572.91	4,292.70

Notes to financial statements as at and for the year ended 31 March 2018

31. Segment reporting

The Company is engaged primarily in the business of Digital Cinema Services and sale of digital cinema ancillary to sale of services. The Company's performance for operations as defined in IND AS 108 are evaluated as a whole by chief operating decision maker of the Company based on which these are considered as single operating segment. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment. The Company's operations are based in same geographical segment, India.

32. Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiaries	Edridge Limited, Cyprus (refer note 36 (a))
	V N Films Private Limited (refer note 36 (a))
	Scrabble Entertainment Limited
	Valuable Digital Screens Private Limited
	Southern Digital Screenz India Private Limited (refer note 36 (a))
	United Film Organisers Nepal Private Limited, Nepal
	PJSA Technosoft Private Limited (w.e.f. November 11, 2017)
Step-down Subsidiaries	UFO International Limited, Cyprus (refer note 36 (a))
	Scrabble Entertainment DMCC, Dubai
	UFO Lanka Private Limited, Sri Lanka
	Scrabble Entertainment (Lebanon) Sarl, Lebanon
	UFO Software Technologies Private Limited
	Scrabble Digital Inc.,USA.
	Scrabble Entertainment Mauritius Limited, Mauritius
	Scrabble Entertainment Israel Ltd, Israel*
	United Film Organisers(Mauritius) Private Limited, Mauritius

* Under voluntary liquidation

Names of other related parties with whom transactions have taken place during the year

Key management personnel	Mr. Sanjay Gaikwad - Managing Director
	Mr. Kapil Agarwal - Joint Managing Director
	Mr. Ashish Malushte - Chief Financial Officer
	Mr. Rajesh Mishra - Chief Executive Officer
	Mr. Sameer Chavan - Company Secretary
	Mr. Sanjeev Aga - Independent and Non executive director
	Mr. S. Madhavan - Independent and Non executive director
	Ms. Lynn de Souza - Independent and Non executive director
	Mr. Ameya Hete - Non Executive director
Relatives of Key management personnel	Mr. Narendra Hete

Enterprises owned or significantly influenced by key management personnel or their relatives

	Media Infotek Park
	Shree Enterprises
	Valuable Media Limited
	Valuable Technologies Limited
	Valuable Edutainment Private Limited
	Valuable Infotainment Private Limited
	Qwik Entertainment India Limited
	Impact Media Exchange Limited
	Nifty Portfolio Services Private Limited
	Advent Fiscal Private Limited
	S.Madhavan (HUF)
Associate of Subsidiary	Scrabble Digital Limited
	Mukta VN Films Limited (From April 1, 2016)
	Scrabble Digital DMCC, Dubai
	Scrabble Ventures LLC
	Scrabble Ventures, S.de R.L. de C.V., Mexico

Notes to financial statements as at and for the year ended 31 March 2018

Details of transaction with related parties during the year

₹ in lacs

Sr. No.	Particulars		31 March 2018	31 March 2017
	Nature of Expenses/Name of the Parties			
1	**Subsidiaries Companies**			
A	**Virtual print fees (Income)**			
	i)	Southern Digital Screenz India Private Limited	1,029.26	1,244.62
	ii)	VN Films Private Limited	0.41	0.08
	iii)	Scrabble Entertainment Limited	1,244.82	2,190.93
B	**Lease rental income**			
	i)	Southern Digital Screenz India Private Limited	484.89	1,988.04
	ii)	Scrabble Entertainment Limited	415.36	912.66
C	**Interest income on loans**			
	i)	V N Films Private Limited	50.75	50.75
D	**Rent income (Miscellaneous receipts)**			
	i)	Scrabble Entertainment Limited	5.57	4.44
	ii)	Southern Digital Screenz India Private Limited	8.52	9.16
E	**Advertisement revenue share (expense)**			
	i)	Valuable Digital Screens Private Limited	13.65	-
	ii)	Southern Digital Screenz India Private Limited	487.30	1,900.85
F	**Recovery of expenses**			
	i)	Southern Digital Screenz India Private Limited	Nil	5.35
	ii)	Scrabble Entertainment Limited	7.84	8.52
G	**Rent expense**			
	i)	Southern Digital Screenz India Private Limited	14.94	13.86
	ii)	Scrabble Entertainment Limited	8.43	8.36
H	**Virtual print fee sharing (expenses)**			
	i)	Scrabble Entertainment Limited	374.34	279.44
I	**Lease rental expenses**			
	i)	Scrabble Entertainment Limited	86.91	90.55
J	**Security Deposit recovered**			
	i)	Scrabble Entertainment Limited	621.00	103.00
K	**Security Deposit given**			
	i)	Scrabble Entertainment Limited	Nil	1.54
L	**Security Deposit received**			
	i)	Scrabble Entertainment Limited	Nil	1.56
M	**Reimbursement of expenses**			
	i)	Southern Digital Screenz India Private Limited	Nil	4.65
	ii)	Scrabble Entertainment Limited	Nil	5.53
N	**Sale of equipments and Lamps**			
	i)	Scrabble Entertainment Limited	26.33	0.09
	ii)	Valuable Digital Screens Private Limited	Nil	45.21
O	**Dividend Income**			
	i)	Scrabble Entertainment Limited	3,088.92	1,277.24

Notes to financial statements as at and for the year ended 31 March 2018

Details of transaction with related parties during the year

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017
P	**Corporate Guarantee given on borrowing (please refer (c) below)**		
	i) Valuable Digital Screens Private Limited	366.66	411.43
2	**Step-down Subsidiaries**		
A	**Sale of assets**		
	i) Scrabble Entertainment DMCC, Dubai	Nil	35.92
3	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Expenses reimbursed**		
	i) Media Infotek Park	118.11	93.02
B	**Technical services fees (expense)**		
	i) Valuable Technologies Limited	818.64	807.45
C	**Operating direct expenses (License fees on 3D movie)**		
	i) Valuable Technologies Limited	Nil	0.01
D	**Operating direct expenses (Licensee fees – Impact)**		
	i) Impact Media Exchange Limited	72.00	72.00
E	**Licensee fee- (Other income Club X)**		
	i) Valuable Media Limited	9.75	8.73
F	**Rent expense**		
	i) Media Infotek Park	516.71	490.06
G	**Rent income (Miscellaneous receipts)**		
	i) Valuable Media Limited	4.51	3.41
	ii) Valuable Edutainment Private Limited	1.60	1.16
	iii) Valuable Infotainment Private Limited	0.02	0.24
H	**Consultancy & reimbursement expenses**		
	i) Shree Enterprises	1.89	5.69
I	**Security Deposit received**		
	i) Valuable Media Limited	0.25	1.48
	ii) Valuable Edutainment Private Limited	Nil	0.33
	iii) Valuable Infotainment Private Limited	Nil	0.06
J	**Dividend Paid**		
	i) Valuable Media Limited	149.43	44.83
	ii) Valuable Technologies Limited	224.37	67.31
	iii) Nifty Portfolio Services Private Limited	54.21	16.26
	iv) Advent Fiscal Private Limited	73.72	22.12
	v) S. Madhavan (HUF)	0.05	Nil
K	**Issue of equity shares on preferential allotment**		
	i) Valuable Media Limited	3,000.98	Nil
L	**Money received against share warrants**		
	i) Valuable Media Limited	1,025.33	Nil

Notes to financial statements as at and for the year ended 31 March 2018

Details of transaction with related parties during the year

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017
4	**Associates of Subsidiary**		
A	**Content processing charges**		
	i) Scrabble Digital Limited	246.74	128.58
5	**Key managerial personnel and their relatives**		
A	**Remuneration to key managerial personnel***		
	i) Mr. Sanjay Gaikwad	275.00	325.00
	ii) Mr. Kapil Agarwal	275.00	325.00
	iii) Mr. Ashish Malushte	111.94	105.15
	iv) Mr. Rajesh Mishra	144.87	136.22
	v) Mr. Sameer Chavan	20.04	17.95
B	**Directors sitting fee and commission expenses**		
	i) Mr. S. Madhavan	25.00	20.00
	ii) Ms. Lynn de Souza	25.00	20.00
	iii) Mr. Sanjeev Aga	40.00	35.00
C	**Dividend paid to key managerial personnel**		
	i) Mr. Sanjay Gaikwad	26.38	7.91
	ii) Mr. Kapil Agarwal	46.24	11.18
	iii) Mr. Ashish Malushte	1.84	0.55
	iv) Mr. Ameya Hete	21.78	6.53
	v) Mr. S. Madhavan	0.30	Nil
	vi) Mr. Rajesh Mishra	2.86	0.86
D	**Money received against share warrants**		
	i) Mr. Sanjay Gaikwad	250.08	Nil
	ii) Mr. Narendra Hete	250.08	Nil

Balance outstanding at the year end

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017	As at 1 April 2016
1	**Subsidiaries Companies**			
A	**Loan given**			
	i) V N Films Private Limited	362.50	362.50	362.50
B	**Trade receivables**			
	i) Southern Digital Screenz India Private Limited	7.12	105.27	Nil
	ii) Valuable Digital Screens Private Limited	44.39	60.68	10.06
	iii) Scrabble Entertainment Limited	102.26	139.46	Nil
C	**Advance from Customers**			
	i) Southern Digital Screenz India Private Limited	Nil	Nil	104.11
	ii) V N Films Private Limited	Nil	Nil	0.05
	iii) Scrabble Entertainment Limited	Nil	Nil	86.36
D	**Deposit receivable**			
	i) Southern Digital Screenz India Private Limited	4.80	4.98	4.98
	ii) Scrabble Entertainment Limited	3.64	3.64	2.08

Notes to financial statements as at and for the year ended 31 March 2018

Balance outstanding at the year end

₹ in lacs

Sr. No.	Particulars	31 March 2018	31 March 2017	As at 1 April 2016
E	**Deposit payable**			
	i) Scrabble Entertainment Limited	636.54	1,257.54	1,359.00
	ii) Southern Digital Screenz India Private Limited	6.53	6.53	6.53
F	**Interest accrued on loans**			
	i) V N Film Private Limited	160.63	114.96	69.28
G	**Unbilled revenue**			
	i) Scrabble Entertainment Limited	17.54	444.12	511.56
	ii) Southern Digital Screenz India Private Limited	5.42	3.30	Nil
H	**Corporate guarantee given to bank for borrowing**			
	i) Valuable Digital Screens Private Limited	730.13	1,096.79	1,508.22
2	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**			
A	**Amount receivable**			
	i) Valuable Media Limited	3.44	6.78	1.23
	ii) Valuable Infotainment Private Limited	0.37	0.34	Nil
	iii) Valuable Edutainment Private Limited	0.31	1.67	Nil
B	**Deposit receivable**			
	i) Media infotek Park	357.72	357.72	357.72
C	**Deposit payable**			
	i) Valuable Media Limited	1.72	1.48	Nil
	ii) Valuable Infotainment Private Limited	0.06	0.06	Nil
	iii) Valuable Edutainment Private Limited	0.33	0.33	Nil
D	**Trade Receivables**			
	i) Qwik Entertainment India Limited	4.96	4.96	4.96
E	**Bank guarantee given (please refer (a) below)**			
	i) Impact Media Exchange Limited	100.00	100.00	100.00
3	**Key management personnel**			
A	**Salary advance receivable**			
	i) Mr. Ashish Malushte	Nil	Nil	16.00
	ii) Mr. Rajesh Mishra	Nil	Nil	26.50
B	**Provision for commission expenses payable**			
	i) Mr. S. Madhavan	10.50	10.00	8.50
	ii) Ms. Lynn de Souza	15.50	11.00	8.50
	iii) Mr. Sanjeev Aga	25.50	25.50	23.50
4	**Associates of Subsidiary**			
A	**Corporate guarantee given to bank for borrowing (please refer (b) below)**			
	i) Mukta V N Films Limited	300.00	300.00	700.00
B	**Amount Payable**			
	i) Scrabble Digital Limited	14.67	69.36	Nil
C	**Provision for expenses**			
	i) Scrabble Digital Limited	Nil	14.13	Nil

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes to financial statements as at and for the year ended 31 March 2018

Compensation of key management personnel of the Company: ₹ in lacs

Particular	31 March 2018	31 March 2017
Short Term employee benefits	826.85	909.32

*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS -19 Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.as they are determined on an actuarial basis for the Company as a whole.

Notes:

a) As at 31 March 2018, the Company has provided bank guarantee of ₹ 100 lacs (31 March 2017 : ₹ 100 lacs,1 April 2016 : ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Company.

b) As at 31 March 2018, the Company has provided Corporate guarantee to bank for Overdraft facility of ₹ 300 lacs (31 March 2017 : ₹ 300 lacs,1 April 2016 : ₹ 700 lacs) taken by Mukta VN Films Limited, associate of subsidiary.

c) The Company has provided Corporate guarantee to bank for Term Loan and Cash Credit facility of ₹ 2,384 lacs taken by Valuable Digital Screens Private Limited (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 outstanding term loan of the subsidiary Company as on 31 March 2018 is ₹ 730.13 lacs (31 March 2017 : 1,096.79 lacs, 1 April 2016 : 1,508.22 lacs)

33. Capital and other commitments

₹ in lacs

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital commitments	2,920.14	655.23	922.22
(estimated amount of contracts remaining to be executed on capital account and not provided for)			
Other Commitments	318.30	371.44	199.61
	3,238.44	**1,026.67**	**1,121.84**

a) As at March 31, 2018, the Company holds 11,580 equity shares representing 80% of equity share capital of Valuable Digital Screens Private Limited (VDSPL) for a consideration of ₹ 440.06 lacs. The Company also incurred ₹ 59.26 lacs towards acquisition cost of this Investment. The Company will acquire the remaining 20% equity of VDSPL from Valuable Technologies Limited in the financial year 2018-19 for a further consideration to be calculated in accordance with the terms of the investment agreement.

34. Contingent liabilities

₹ in lacs

Particulars	31 March 2018	31 March 2017	1 April 2016
Corporate Guarantee (refer note a)	100.00	100.00	100.00
Pending litigations / matters			
(i) In respect of Income Tax matters (refer note b)			
Income Tax matters	1.36	57.87	62.40
(ii) In respect of Indirect Tax matters			
Service Tax matters (refer note c)	-	2,201.11	2,201.11
VAT matters	47.75	47.75	47.75
	149.11	**2,406.73**	**2,411.26**

Notes:

a) As at 31 March 2018, the Company has provided bank guarantee of ₹ 100 lacs (31 March 2017 : ₹ 100 lacs,1 April 2016 : ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Company.

Notes to financial statements as at and for the year ended 31 March 2018

b) The Company 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.

c) During the year ended 31 March 2017, the Company has received an order from the Commissioner of Service Tax Mumbai ('the Order') which includes demand for following matters aggregating to ₹ 4,665.43 lacs excluding interest and penalty, which was subject matter of show cause notice from service tax authorities.

On 24 August 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ('CESTAT') dated 18 August 2017 ('the Order'), where in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 lacs, excluding interest and penalty on account of disallowance of CENVAT Credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped.

Further, CESTAT remanded the matter relating to demand of ₹1,526 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October 2011 to March 2014 for reconsideration to the Adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honorable High court against the Order on 22 March 2018.

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. (a) On 26 July 2016, the Board of Directors of the Company approved the Composite Scheme of Arrangement for the amalgamation of its wholly owned subsidiaries including step down subsidiaries namely Southern Digital Screenz India Private Limited (SDS), V N Films Private Limited (VNFPL), Edridge Limited (EL) and UFO International Limited (UIL) with the Company, subject to all the necessary statutory / regulatory approvals ('the Scheme'). The appointed date for the amalgamation for VNFPL, EL and UIL is 1 April 2016 and for SDS, the appointed date is 1 July 2016. The Company had filed the Scheme with the Bombay High Court on 4 October 2016. Pursuant to notification of section 232 of the Companies Act on 9 December 2016, the Company filed the Scheme with National Company Law Tribunal (NCLT) on 19 January 2017.

The shareholders of the Company approved the Scheme at the court convened meeting held on 16 January 2017.

The Scheme is conditional upon and subject to the following:

a. Filing of the certified copy of the order of Bombay High Court (and now NCLT) sanctioning the Scheme with the Registrar of Companies, Maharashtra.

b. Compliance by EL and UIL, the Cypriot transferor companies of all necessary and applicable provisions of the laws of Cyprus.

The Company has, till date, received the approval from Cyprus Court for the merger of the Cypriot transferor companies. The Company had final hearing with NCLT Mumbai on 17 May 2018 where the Scheme was approved. However final order from the NCLT is still awaited hence effect of the Scheme is not given in these financial results.

36. (b) On 1 November 2017, the Board of Directors of the Company approved the composite scheme of arrangement and amalgamation "the Qube Scheme" between UFO and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA and their respective shareholders and creditors under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (the "Act") (collectively the Qube Scheme) which inter alia provides for:

(i) Demerger of the entire business of the QCTPL except businesses that are not synergic or have limited growth potential ("Demerged Business") into QDCPL on a going concern basis and the issuance of equity shares by QDCPL to the shareholders of QCTPL ("Demerger");

(ii) Amalgamation of MPL into QDCPL and the issuance of equity shares by QDCPL to the shareholders of MPL and consequent dissolution of MPL without winding up ("MPL Merger");

(iii) Upon giving effect to Demerger and MPL Merger and upon issuance of shares of QDCPL to shareholders of QCTPL and MPL, the Company and India Advantage Fund S4 I, a fund managed by ICICI Venture Funds Management Company Limited ("Investor") to purchase an aggregate of 53.20% of the share capital of QDCPL from certain non-promoter

Notes to financial statements as at and for the year ended 31 March 2018

shareholders of QCTPL, who no longer wish to participate in the Demerged Business of QCTPL ("Sellers") in the following proportion, at a price of ₹ 302.647 per share ("Transfer of Sale shares"):

(a) The Company proposes to purchase 38,75,531 equity shares in QCTPL from the Sellers for an aggregate consideration of ₹ 117.29 Crores and

(b) The Investor proposed to purchase 71,03,984 equity shares in QCTPL from the Sellers for an aggregate consideration of ₹ 214.99 Crores.

(iv) Post completion of Transfer of Sale Shares, amalgamation of QDCPL into the Company and the issuance of equity shares by the Company to the shareholders of QDCPL in the ratio of 13 shares of UFO for every 17 shares held in QDCPL and consequent dissolution of QDCPL without winding up ("QDCPL Merger"); and

(v) Slump Sale of the business relating to certain new software, technologies and processes of QCTPL which are currently in the process of commercialization from the Company (post transfer to the Company pursuant to the QDCPL Merger) ("Transferred Undertaking") into PJSA Technosoft Pvt. Limited ("PJSA"), a wholly owned subsidiary of the Company. The Company had filed the Qube Scheme with the NCLT, Mumbai Bench on March 13, 2018. Further, the shareholders of the Company have approved the Qube Scheme at the NCLT Mumbai convened meeting held on 21 May 2018. The above Scheme is subject to approval from the shareholders of the Transferor Companies and other applicable regulatory authorities."

37. Investment during the year

During the year ended 31 March 2018, the Company acquired additional 15.82% stake 66,609 equity shares in Scrabble Entertainment Limited (SEL) from the minority shareholders for ₹1,453.41 lacs. Post this investment, the Company holds 100% of equity share capital of SEL.

38. Financial Instruments -Accounting Classifications and Fair Value Measurement

The fair value of the Financial Assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value management hierarchy of the Company's Financial assets and liabilities.

The Carrying value and fair value of financial assets by categories as at 31 March 2018 were as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss					
Current Investment in mutual funds	6,513.58	6,513.58	6,513.58	-	-
Forward Exchange Contract	70.78	70.78	-	70.78	-
Investment in subsidiaries*	1,762.44	-	-		1,762.44
Total	**8,346.80**	**6,584.36**	**6,513.58**	**70.78**	**1,762.44**

The Carrying value and fair value of financial assets by categories as at 31 March 2017 were as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss					
Current Investment in mutual funds (Level 1)	2,289.14	2,289.14	2,289.14	-	-
Investment in subsidiaries*	1,762.44	-	-	-	1,762.44
Total	**4,051.57**	**2,289.14**	**2,289.14**	**-**	**1,762.44**

Notes to financial statements as at and for the year ended 31 March 2018

The Carrying value and fair value of financial assets by categories as at 1 April 2016 were as follows: ₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss					
Current Investment in mutual funds (Level 1)	305.31	305.31	305.31	-	-
Investment in subsidiaries*	1,762.44	-	-		1,762.44
Total	**2,067.75**	**305.31**	**305.31**	**-**	**1,762.44**

*Preference share investments in subsidiaries are convertible into equity shares at fair value on date of conversion, accordingly, fair value is same as cost.

The management assessed that cash and bank balances, trade receivables, loans (current and non-current) trade payables, borrowings (cash credits, term loans and working capital loans) and other financial assets and liabilities (current and non current) approximate their carrying amounts largely due to the short term maturities of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2018 and 31 March 2017.

39. Financial Risk Management - Objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees contract as well. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks. The Company's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk Financial instruments affected by market risk include loans and borrowings, investments and deposits.

a) Interest Rate risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lacs

Particulars	Increase effect		Decrease effect	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	4.73	6.30	(4.73)	(6.30)

Notes to financial statements as at and for the year ended 31 March 2018

b) Currency Risk:

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The Majority of the Company's revenue and expense are in Indian Rupees, with the remainder denominated in US Dollars. Management Considers currency risk to be low and does not hedge its own currency risks.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions. The Company follows the established risk management policies and Standard operating procedures.

₹ in lacs

Outstanding foreign Currency Exposure as at	31 March 2018	31 March 2017	1 April 2016
Other receivable	13.64	0.02	0.02
In USD (in lacs)	0.21	0.00	0.00
Trade payable	1,454.39	321.57	634.45
In USD (in lacs)	22.36	4.96	9.56
Advances to vendor	-	0.32	5.22
In USD (in lacs)	-	0.01	0.08
Buyers credit	2,625.74	-	-
In USD (in lacs)	40.33	-	-

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

₹ in lacs

	31 March 2018	31 March 2017
1% increase in foreign exchange rate:	3.21	1.05
1% (decrease) in foreign exchange rate:	(3.21)	(1.05)

2. Credit Risk:

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit Risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. Management believes the credit risk on cash and cash equivalents is low because the Counterparties are bank with high credit ratings.

Trade receivables are amount billed to customers for the sale of goods and services, and represent the maximum exposure to credit risk of those financial assets , exclusive of the allowance for doubtful debts. Normal credit terms are in line with Industry practice.

The Company does not require collateral or other security from customers; however credit evaluations are performed prior to the initial granting of credit when warranted and periodically thereafter. Based on policy, the Company records a reserve for estimated uncollectible amounts, which management believes reduce credit risk. Management assesses the adequacy of reserve quarterly, taking into account historical experience, current collection trend, the age of the receivables and, when warranted and available, the financial condition of specific counterparties.

The Company uses the expected credit loss model as per Ind AS 109 - Financial Instruments to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers.

Notes to financial statements as at and for the year ended 31 March 2018

Due to diversified client base, management believes the Company does not have a significant concentration of credit risk:

Trade Receivables after adjusting provision (basis past experience and trends) are as follows: ₹ in lacs

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade Receivables	14,555.20	10,048.72	7,691.65

3. **Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in lacs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31 March 2018						
Borrowing	-	5,252.40	1,550.00	-	6,802.40	6,802.40
Trade Payables	-	2,955.15	-	-	2,955.15	2,955.15
Other financial liabilities	-	8,941.32	3,374.42	-	12,315.75	12,315.75
At 31 March 2017						
Borrowing	-	3,336.06	2,598.37	-	5,934.43	5,934.43
Trade Payables	-	1,916.71	-	-	1,916.71	1,916.71
Other financial liabilities	-	5,821.09	3,675.74		9,496.84	9,496.84
At 1 April 2016						
Borrowing	-	3,378.19	3,064.58	-	6,442.77	6,442.77
Trade Payables	-	1,536.58	-	-	1,536.58	1,536.58
Other financial Liabilities	-	6,169.52	3,580.34	-	9,749.86	9,749.86

40. **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium money received against warrants and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts including current maturities divided by total equity.

₹ in lacs

Particular	31 March 2018	31 March 2017	1 April 2016
Long term debt including current maturities	6,802.40	5,934.43	6,442.77
Total Equity	58,080.88	49,690.57	45,126.31
Gearing Ratio	11.71%	11.94%	14.28%

Notes to financial statements as at and for the year ended 31 March 2018

41. First Time Adoption of Ind AS

These financial statements are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note (2.1) have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with IGAAP.

Exemptions availed

Ind AS 101, First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application of certain requirements Under Ind AS. The Company has availed the following exemptions as per Ind AS 101:

1. The Company has elected to continue the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
2. The Company has not applied to IND AS 102 to equity instruments in share based payment transactions, that vested before the date of transition to Ind AS, i.e. 1 April 2016.

Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of certain requirements under Ind AS for the first time adopters. Following exceptions are applicable to the Group.

1. Use of estimates : The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any accounting policies) apart from the following items where application of Indian GAAP did not require estimation. a) Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amount in accordance with Ind AS reflect conditions at the transition date and as of 31 March 2017.

Reconciliation between Previous GAAP and Ind-AS ₹ in lacs

Other Equity Reconciliation	**Notes**	**31 March 2017**	**1 April 2016**
Other Equity under previous GAAP		46,979.40	41,397.27
Impact on account of :			
Fair value of Financial instruments	3, 5	(11.48)	(47.37)
Others	1, 2, 6	(37.43)	1,026.48
Other Equity under Ind AS		**46,930.49**	**42,376.38**
Reconciliation of total comprehensive income	**Notes**	**31 March 2017**	
Profit for the year under previous GAAP		5,431.08	
Impact on account of :		-	
Fair value of Financial instruments	3, 5	0.27	
Actuarial (gain)/loss on employee defined benefit plans	4	29.55	
Deferred tax impact on above adjustments	6	(11.71)	
Others	1,2	(11.84)	
Net profit attributable to Equity shareholders of the company under Ind AS		**5,437.35**	
Other comprehensive income/(expense) (net of taxes)		(41.34)	
Total comprehensive income attributable to Equity shareholders of the company under Ind AS		**5,396.01**	

Note to the Reconciliation of Equity as at 31 March 2017 and 1 April 2016 and Total Comprehensive Income for the year ended 31 March 2017.

Notes to financial statements as at and for the year ended 31 March 2018

1. **Dividend (including dividend distribution tax):**

   Under the previous GAAP till year ended March 31,2016, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

2. **Revenue and related costs :**

   Virtual Print fees: Under the previous GAAP Fixed one time virtual print fees received from distributors of the films is recognised immediately on delivery of content. Under Ind AS, Fixed one time VPF from distributors such revenue and related cost is are recognised over estimated useful life of movie (2 weeks) in the ratio of expected playout of content (70:30).

3. **Financial instruments:**

   (a) Security Deposits:

   Under the previous GAAP, interest free lease security deposits given and taken are recorded at their transaction value. Under Ind AS, the Group has fair valued all financial assets and financial liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS 109 using effective interest rate method and accordingly, adjustments mainly consists of amortisation of deferred lease income / expense on security deposits given and accepted.

   (b) Investment in Mutual fund:

   Under the Previous GAAP, investment in mutual funds were classified as current investments and were carried at lower of cost and fair value. Under Ind AS, Under Ind-AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss.

   (c) Financial guarantee:

   Under previous GAAP, financial guarantees given/taken are disclosed as contingent liability in the notes to financial statements. Under Ind AS, the same are recognised at fair value.

4. **Re-measurement of Employee Benefits:**

   Under Ind AS, the actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, such remeasurements were forming part of the consolidated statement of profit or loss for the year.

5. **Cash Flow Statement:**

   The Transition from Indian GAAP to Ind As has not had a material impact on the Statement of Cash flows.

6. **Deferred tax**

   Previous GAAP requires deferred tax accounting using the income statement approach, which focuses to be recognised on timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Further, the Company has also considered deferred tax impact on account of differences between Ind-AS and Previous GAAP.

7. **Reclassification**

   Pursuant to the disclosure requirements as per Ind-AS, the Group has re-classified certain assets and liabilities as at March 31, 2017 and April 1, 2016. Significant reclassifications includes, reclassification between Deferred tax assets and Income tax assets, Non-current investment and, Security deposits and prepayments, other current liabilities and financial liabilities.

Notes to financial statements as at and for the year ended 31 March 2018

42. 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 lacs

Particulars	31 March 2018	31 March 2017
Gross amount required to be spent	135.96	96.10
Spent during the year towards advertisement activity,	218.19	150.00
(31 March 18 : Middle Class health Care and Khelo India, 31 March 17 : Swachha Bharat Abhiyaan)		
Balance unspent during the year	**-**	**-**

43. Loans and advances in the nature of loans given to subsidiaries in which directors are interested

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013.

₹ in lacs

Sr. No.	Name of the loanee Purpose	Rate of Interest	Terms	31 March 2018	31 March 2017
1	V N Films Private Limited	14%	Repayable on demand	362.50	362.50
	Working capital and / or capital expenditure and / or general corporate purpose				
				362.50	**362.50**

44. Recent Accounting pronouncements

Standards issued but not yet effective

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The amendment is applicable to the Company from 1 April, 2018. The Company is evaluating the requirements of this standard and the effect on the financial statement is being evaluated.

Notes to financial statements as at and for the year ended 31 March 2018

45. Events subsequent to balance sheet date

a) Dividend on equity shares paid during the year

Cash dividend on equity shares declared and paid ₹ in lacs

Particulars	**31 March 2018**	**31 March 2017**	**1 April 2016**
Final dividend for the year	-	2,760.08	824.98
Dividend Distribution Tax (DDT) on final dividend	-	561.89	167.95

₹ in lacs

Proposed dividend on equity shares	**31 March 2018**	**31 March 2017**	**1 April 2016**
Proposed dividend for the year ended on ₹ 12.50 per share (March 31, 2017 : ₹ 10 per share, April 1, 2016 : ₹ 3 per share)	3,543.85	2,760.08	824.98
Dividend Distribution Tax (DDT) on proposed dividend	728.85	561.89	167.95

Proposed dividend :

Proposed dividends on equity shares, which are subject to approval at the annual general meeting are not recognised as a liability (including Dividend Distribution Tax thereon) in the year in which it is proposed.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W/E300004
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place of signature: Mumbai
Date: May 29, 2018

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

Sanjay Gaikwad
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: May 29, 2018

UFO digital cinema

UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India
Phone: +91 (22) 4030 5060 **Fax:** +91 (22) 4030 5110
Email: investors@ufomoviez.com **Website:** www.ufomoviez.com

ATTENDANCE SLIP

14^{TH} ANNUAL GENERAL MEETING ON AUGUST 9, 2018

(To be signed and handed over at the entrance of the meeting venue)

Sr. No.

Name & Address of Sole/First named Member	:
Name's of the Joint Member(s) if any	:
DP ID No. & Client ID No. / Folio No.	:
Number of shares held	:

I / We hereby record my / our presence at the 14^{th} Annual General Meeting of the Company on Thursday, August 9, 2018 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093.

________________________ Signature of 1^{st} Holder

________________________ Signature of 2^{nd} Holder

________________________ Signature of 3^{rd} Holder

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, 2018 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, 2018 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

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

Note: Please read the instructions for remote e-voting given alongwith Annual Report. The remote e-voting period starts from Sunday, August 5, 2018 (09.00 am) and ends on Wednesday, August 8, 2018 (05.00 pm). The e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

digital cinema

UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India
Phone: +91 (22) 4030 5060 **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 ....

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 Thursday, August 9, 2018 at 03.00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai - 400093 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions
1.	To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon
2.	To declare a dividend of ₹ 12.50 per equity share
3.	Appointment of Statutory Auditors
4.	Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director
5.	Re-appointment of Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director

Signed this ....day of 2018

Affix
₹ 1/-
Revenue
stamp

Signature of shareholder..............................

Signature of Proxy holder(s)..............................

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.

UFO
digital cinema

If undelivered, please return to:

UFO Moviez India Limited
CIN:L22120MH2004PLC285453
Valuable Techno Park
Plot No.53/1, Road No.7,
MIDC, Marol, Andheri (East),
Mumbai - 400093
Tel: +91 22 4030 5060