UFO
digital cinema

Date: August 19, 2016

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

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

BSE Scrip Code: 539141

NSE Scrip Code: UFO

Ref.: UFO Moviez India Limited

Dear Sir / Ma'am,

Sub: Annual Report for the FY 2015-16

Pursuant to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, (SEBI Listing Regulations), we have enclosed herewith the Annual Report of the Company for the financial year 2015-16.

Request you to kindly take the same on your record.

Thanking you,

Yours truly,

For **UFO Moviez India Limited**

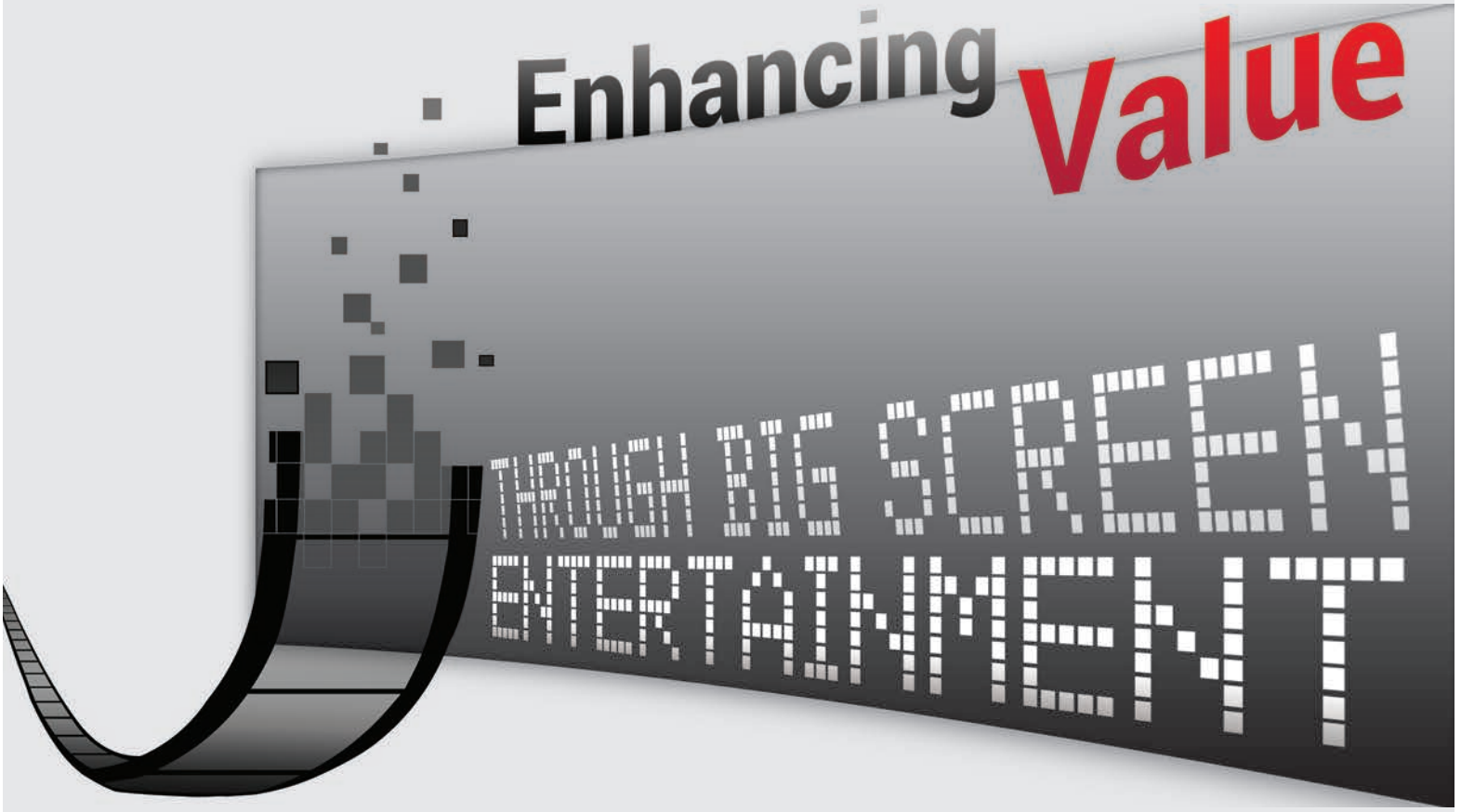
S. S. Chavan

Sameer Chavan
Company Secretary

Encl: a/a

UFO
digital cinema

UFO Moviez India Limited



ANNUAL REPORT 2015 16

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UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest digital cinema distribution network and in-cinema advertising platform in terms of number of screens. 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, 2016, UFO's global network, along with subsidiaries and associates, spans 6,689 screens worldwide, including 5,034 screens across India and 1,655 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.

Operating Performance

Theatrical Business

5,034
Total # of Screens

2,366
# of Distributors

1,738
# of Movies

Advertising Business

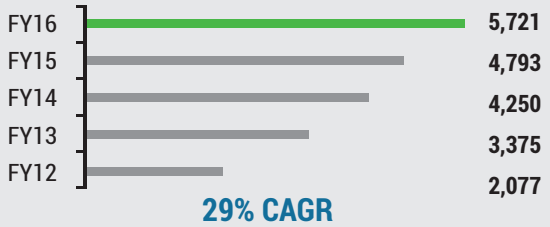
3,713
Total # of Ad Screens

2,556
# of Advertisers

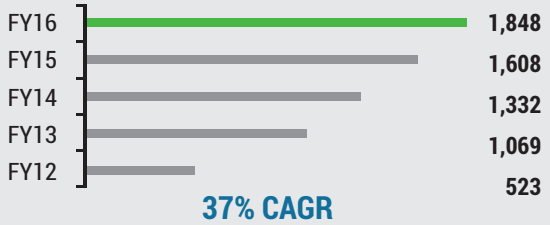
4.15
# of Ad Minutes
Avg. Per Screen Per Show

CONSOLIDATED FINANCIAL HIGHLIGHTS

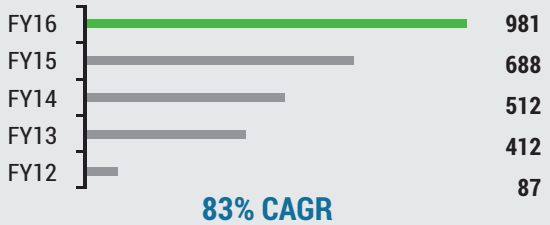
Revenue (in ₹ Mn)



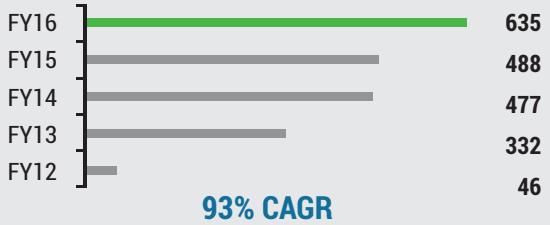
EBITDA (in ₹ Mn)



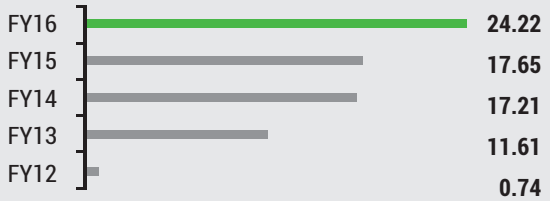
PBT (in ₹ Mn)



PAT (in ₹ Mn)



Basic EPS (in ₹)



RoE

FY15	FY16
11.49%	13.09%

RoCE

FY15	FY16
14.34%	17.63%

Net Debt (in ₹ Mn)

FY15	FY16
507	24

Net Debt / EBITDA

FY15	FY16
0.32x	0.01x

LETTER TO SHAREHOLDERS

Dear Shareholders,

The last decade was an era of digitization for India and UFO has played a pivotal role in the entire journey of transforming Cinema in India from being 100% physical prints to nearly 100% digital. This journey has been extremely challenging and we have successfully built India's largest digital cinema distribution and in-cinema advertising network of over 5,000 screens. In the process, significant long-term value has been created for all the stakeholders in the cinema value chain. Our aspirations of digitizing cinema in India were ably supported by Private Equity investors in the initial years of our operations and they have successfully exited part of their investments through the Company's IPO.

During the first fiscal year as a listed Company, we continued to deliver steady improvement in our performance. Total consolidated revenues grew by 19% to ₹ 5,721 Mn in fiscal 2016. EBITDA was higher by 15% at ₹ 1,848 Mn and Net Profits stood at ₹ 635 Mn, higher by 30% over the previous fiscal. UFO has become nearly a net-debt free Company on the back of healthy cash generation during the year. Our strengthened financial position and improved profitability underpins the Board's recommendation of a final dividend of 30%, taking the total dividend for the year to 80% i.e. ₹ 8 per equity share.

> "Advertisement Business continued to perform very well delivering 35% growth during fiscal 2016."

Our performance during the year was driven by higher advertisement revenue, increased VPF and sale of products. Advertisement revenue was up 35% over last fiscal largely driven by increasing volumes. The average inventory sold per show per screen grew from 3.36 to 4.15 minutes and has substantial headroom for delivering growth going forward. We remained focus on enhancing business from existing advertisers as well as adding new advertisers to widen the client base. This was evident from the repeat business and higher number of new clients. On the theatrical side, VPF revenues grew due to higher realization and more number of releases during the year.

A favourable macro-economic environment is essential for any business to operate efficiently. The Government has been pushing initiatives like 'Make in India' and other key reforms to drive economic growth. The passage of the GST Bill and the implementation of the 7th Pay Commission, Model Shop and Establishment Bill (2016) and One Rank One Pension (OROP) scheme are likely to result in higher consumer discretionary spends which will benefit the Media and Entertainment space.

The next few years are going to be very important for UFO as we will continue to build on our past achievements and leverage our existing infrastructure in the big screen entertainment space. To further propel the growth in the foreseeable future, we have introduced new strategic initiatives like Caravan Talkies, NOVA CINEMAS and hyper-local advertising solution - UFO Framez, mainly driven by innovation.

It gives us immense pleasure to express sincere gratitude to all our stakeholders. We would especially like to thank our esteemed shareholders for their unconditional support. We would also like to appreciate the efforts and valued contribution of our employees and the leadership team that have helped the Company to reach new heights.

Creating value for all stakeholders is our top priority which we intend to deliver through strong emphasis on values, good governance, focused vision and consistent performance. We have placed the necessary building blocks for success and are confident of capitalizing on the opportunities before us and continue achieving healthy and sustainable growth, going forward.

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
Biswajit Subramanian	Non-Executive Director
Kapil Agarwal	Joint Managing Director
Lynn de Souza	Independent Director
Raaja Kanwar	Non-Executive Director
S. Madhavan	Independent Director
Sanjay Gaikwad	Managing Director
Varun Laul	Non-Executive Director

Chief Financial Officer

Ashish Malushte

Company Secretary

Sameer Chavan

Auditors

S.R. Batliboi & Associates LLP, Chartered Accountants

Bankers

Axis Bank Limited
HDFC Bank Limited

Registrar & Share Transfer Agent

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

Registered and Corporate Office

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

Corporate Identity Number

L22120DL2004PLC164728

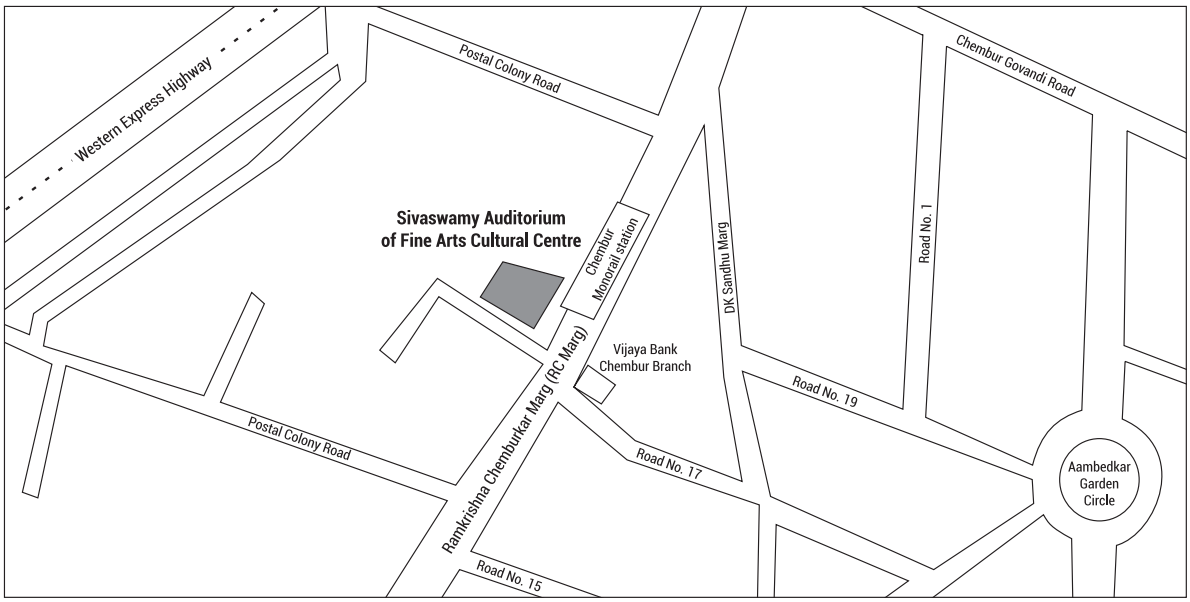
ANNUAL GENERAL MEETING

Date : Wednesday, September 14, 2016

Time : 10.30 a.m.

Venue : Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai – 400071.

ANNUAL GENERAL MEETING VENUE - ROUTE MAP



NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of UFO Moviez India Limited ("the Company") will be held on Wednesday, the 14th day of September 2016 at 10.30 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai - 400071 to transact the following business:

Ordinary Business

1. To consider and adopt the audited financial statements for the financial year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the audited consolidated financial statements for the financial year ended March 31, 2016 together with the report of the Auditors thereon.
3. To declare a final dividend of ₹ 3 per equity share.
4. To approve the interim dividend of ₹ 5 per equity share, already paid during the year, for the financial year ended March 31, 2016.
5. To appoint a Director in place of Mr. Biswajit Subramanian (DIN No. 00905348), who retires by rotation, and being eligible, offers himself for re-appointment.
6. Ratification of 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), S.R. Batliboi & Associates LLP, Chartered Accountants, having ICAI Firm Registration No.101049W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year ending March 31, 2017, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of actual out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

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

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date : July 26, 2016
Place : Mumbai

Notes:

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

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

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

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

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

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

D. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited having their office premises at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Andhra Pradesh, India.

E. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 am to 12.00 noon except Saturday and Sunday, up to the date of the Annual General Meeting.

F. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 7, 2016 to Wednesday, September 14, 2016 (both days inclusive).

G. Dividend, if declared, will be paid on or after September 15, 2016 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 Tuesday, September 6, 2016.

H. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH -13 duly filled in to Karvy Computershare Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Karvy Computershare Private Limited / the Company immediately.

I. 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 2015-16 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.

J. Members are requested to: a) intimate to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form; b) intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form; c) quote their folio numbers / DP ID Client ID in all correspondence; d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

K. 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.

L. 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 have been transferred to the Investor Education and Protection Fund (hereinafter referred to as 'IEPF') established by the Central Government.

The due date of transferring unclaimed and unpaid dividend declared by the Company for the financial year 2015-16 to IEPF:

Interim 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	March 11, 2016	April 9, 2023	From 10 April, 2023 to May 9, 2023

Members who have not encashed the dividend warrants so far in respect of the aforesaid interim 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.

M. 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.

N. 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 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 alongwith 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, FinancialDistrict, Nanakramguda, Gachibowli, Hyderabad – 500 032.

This will facilitate the remittance of the dividend account

amount as directed by SEBI in the Bank Account electronically.

O. **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 physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of 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 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 utmostcare 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 emaildmz@dmzaveri.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.

P. **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.

A Member can opt for 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.

Q. 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 info@dmzaveri.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

R. 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 future communication(s).

S. The remote e-voting period commences on September 11, 2016 (09.00 am) and ends on September 13, 2016 (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 September 7, 2016 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.

T. 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. September 7, 2016.

U. 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., September 7, 2016, 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 evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

V. Mr. Dharmesh Zaveri, Practicing Company Secretary (FCS: 5418 CP: 4363), has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.

W. 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.

X. The results declared alongwith the consolidated Scrutinizer's Report shall be hosted on the website of the Company (www.ufomoviez.com) and on the website of the Karvy (https://evoting.karvy.com). The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

Y. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 14, 2016 subject to receipt of the requisite number of votes in favour of the resolutions.

Z. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date : July 26, 2016
Place : Mumbai

Registered Office Address:
Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC,
Marol, Andheri (East), Mumbai – 400 093, Maharashtra, India
E-mail:investors@ufomoviez.com
CIN: L22120DL2004PLC164728

Details of the Director 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. Biswajit Subramanian
Date of Birth:	September 19, 1965
Date of Initial Appointment:	April 8, 2011
Expertise in specific functional areas:	Investment Banking
Qualifications:	B.E. in Electrical engineering, MBA
Other Companies in which Directorship is held as on March 31, 2016:	Aditya Birla Telecom Limited Hathway Cable and Datacom Limited Shop C J Network Private Limited P.T. Komet Infra Nusantra
Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2016:	None
Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2016:	None
Shareholding in the Company as on March 31, 2016:	Nil
Other	Mr. Biswajit Subramanian is not related to any of the Directors, Manager and Key Managerial Personnel of the Company.

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the twelfth report on the business and operations of your Company for the year ended March 31, 2016.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2016 is summarized below:

(In ₹ Mn)

Particulars	Standalone			Consolidated		
	FY16	FY15	Growth	FY16	FY15	Growth
Revenue from Operations	3,490	3,000	16.3%	5,655	4,772	18.5%
Other Operating Income	6	5	11.0%	46	13	238.5%
Other Income	12	3	276.1%	20	8	143.7%
Total Income	**3,508**	**3,008**	**16.6%**	**5,721**	**4,793**	**19.4%**
Total Expenses	**2,235**	**1,906**	**17.3%**	**3,873**	**3,185**	**21.6%**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**1,273**	**1,102**	**15.5%**	**1,848**	**1,608**	**14.9%**
EBITDA Margin	36.3%	36.6%		32.3%	33.6%	
Depreciation and Amortisation	588	595	-1.1%	774	769	0.6%
Earnings before Interest and Tax (EBIT)	**685**	**507**	**35.0%**	**1,074**	**839**	**28.0%**
Finance Cost	98	151	-35.2%	140	201	-30.2%
Finance Income	(137)	(42)	228.9%	(47)	(50)	-7.1%
Profit before Tax (PBT)	**724**	**398**	**81.8%**	**981**	**688**	**42.5%**
Tax	214	143	50.0%	346	179	92.6%
Profit after Tax (PAT)	**510**	**255**	**99.6%**	**635**	**509**	**24.7%**
Profit from Associates	-	-		39	19	109.4%
Minority Interest	-	-		(39)	(39)	0.0%
Profit after Tax, Profit from Associates & Minority Interest	**-**	**-**	**-**	**635**	**488**	**30.0%**

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 final dividend of ₹ 3.00 per share for the FY 2015-16, taking the total dividend to ₹ 8.00 per share. The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 99.3 Mn including dividend tax. The total dividend on equity shares including dividend distribution tax paid thereon for FY 2015-16 would aggregate ₹ 264.8 Mn, resulting in a payout of 51.93% of the standalone profits of the Company.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2016, was ₹ 274,993,760. During the year under review, the Company has allotted 1,601,707 equity shares in different tranches, pursuant to the exercise of the rights granted to the employees of the Company under the Employee Stock Option Scheme 2006 and the Employee Stock Option Scheme 2010, to convert their employee stock options into equity shares. 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 of March 31, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company except stock options granted under the relevant employee stock option schemes of the Company.

EMPLOYEE STOCK OPTIONS

During the year under review, employees had exercised employee stock options granted to them under the Employee Stock Option Scheme 2006 and the Employee Stock Option Scheme 2010. Pursuant to the exercise of options by employees, your Company had allotted 208,315 equity shares under the Employee Stock Option Scheme 2006 and 1,393,392 equity shares under the Employee Stock Option Scheme 2010 to the employees against the same numbers of options exercised by them.

Further on May 3, 2016, pursuant to the exercise of option by employees, your Company had allotted 2,736 equity shares under the Employee Stock Option Scheme 2006 and 98,689 Equity Shares under the Employee Stock Option Scheme 2010, to the employees against the same numbers of options exercised by them. As on date there are no outstanding options under Employee Stock Option Scheme 2006 and Employee Stock Option Scheme 2010, and both schemes stand terminated.

Currently, the Company operates the Employee Stock Option Scheme 2014, which is compliant with SEBI ESOP Regulations.

During the year under review, the Company has not granted any employee stock options under employee stock options schemes of the Company.

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 website of the Company www.ufomoviez.com

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 fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

FINANCIAL STATEMENTS

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on a historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs, and the profits and cash flows of the Company for the year ended March 31, 2016.

There is no qualification in the standalone or in the consolidated financial statements by the statutory auditors for the year under review. The Statutory Auditors have, in their report to the Board of Directors on the financial statements of the Company made the comments which are categorized as "Matter of emphasis", which are self-explanatory and hence no comments in this regard have been offered by your directors.

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

SIGNIFICANT AND MATERIAL ORDERS

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

SHIFTING OF REGISTERED OFFICE

Pursuant to the application filed by the Company for shifting its registered office from the National Capital Territory of Delhi to the state of Maharashtra and the order passed by the Regional Director, Northern Region, Ministry of Corporate Affairs, Government of India upon it, the registered office of the Company was shifted from Office No. 12, 3rd Floor, 312 Surya Kiran Building, 19 Kasturba Gandhi Marg, New Delhi-110001 to Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093 with effect from June 15, 2016.

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 ('SEBI (LODR) Regulations, 2015'), the Management Discussion and Analysis is set out in the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

At the beginning of the year, your Company had 6 direct subsidiaries, 10 step-down subsidiaries, 4 associates, and 1 joint venture. As on March 31, 2016 there is no change in the same.

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 www.ufomoviez.com. These documents are also available for inspection during business hours at the Company's registered office in Mumbai, India.

During the financial year 2014-15, the Company was a foreign owned and controlled company in terms of the provisions of the Foreign Exchange Management Act (FEMA) and the circulars / notifications issued by the Reserve Bank of India. Accordingly, the downstream investments made by the Company during the financial year 2014-15 were subject to the applicable guidelines and instructions for such downstream investments including obtaining a certificate from the statutory auditors regarding status of compliance with such instructions on downstream investments made and compliance with FEMA provisions.

However, during the financial year under review, after the Company's equity shares were listed on stock exchanges with effect from May 14, 2015, it ceased to be a foreign owned and controlled company in terms of the provisions of FEMA. Further, from April 1, 2015 till May 13, 2015; while the Company was a foreign owned and controlled company, it did not make any downstream investments in its subsidiaries. In view of this position, it was not mandatory to obtain a compliance certificate under the provisions of FEMA from the statutory auditors for the financial year under review.

The Company has made an investment of ₹ 140 Mn in Southern Digital Screenz India Private Limited (SDS), a subsidiary company of the Company, by purchasing 680,117 (representing 15.82% of equity share capital of SDS) equity shares from existing shareholders of SDS on June 20, 2016. Post this acquisition, SDS became a wholly owned subsidiary of the Company.

CORPORATE GOVERNANCE

The Corporate Governance Report for the financial year ended March 31, 2016, 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 www.ufomoviez.com

NUMBER OF MEETINGS OF THE BOARD

The Board met 10 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two 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, 2016, the Board consisted of nine members, two of whom are executive directors and seven are non-executive directors. Out of the seven non-executive directors, three are independent directors. The Board periodically evaluates the need for change in its composition and size.

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

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and under the SEBI (LODR) Regulations, 2015.

BOARD EVALUATION

Regulation 4(2)(f) the SEBI (LODR) Regulations, 2015 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. None of the independent directors are due for re-appointment.

TRAINING OF INDEPENDENT DIRECTORS

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

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

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. Biswajit Subramanian retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

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

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

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

RESIGNATIONS

During the year under review, none of the Directors resigned from the board of the Company.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on July 23, 2015 and July 26, 2016 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 was reviewed by Internal Audit Department 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, 2016.

Strengthening of controls is a continuous and evolving process in the Company. Based upon observations, findings and recommendations of the internal audit team, 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, 2016 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.

All the Independent Directors were present during all the Audit and Risk Management Committee meetings held during the year under review.

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 www.ufomoviez.com. For further details, refer to the Corporate Governance Report forming part of the Annual Report.

RISK MANAGEMENT

During the year under review, the Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and the (SEBI LODR) Regulations, 2015. The Risk Management Policy defines the risk management approach of the Company and includes a periodic review of such risks and also the documentation, mitigating measures, and reporting mechanism of such risks.

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

Based 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 2015-16.

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, 2016 have been prepared on a going concern basis by following the applicable accounting standards, and there is no material departure from the accounting standards;

b) the accounting policies selected were applied consistently and the judgments and estimates related to financial statements have been made on a reasonable and prudent basis so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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 ₹ 379.14 Mn. It was hence required to spend a minimum of ₹ 7.58 Mn on CSR activities during the Financial Year 2015-16, being 2% of the average net profits of the three immediately preceding financial years.

The Company had in the previous financial year 2014-15, contributed an amount of ₹ 16.59 Mn towards CSR activities against its obligation of ₹ 5.45 Mn for the said financial year. Thus, the Company had contributed ₹ 11.15 Mn over and above its obligation during the financial year 2014-15 which was already in excess of the Company's obligation to spend a minimum amount of ₹ 7.58 Mn during the current financial year 2015-16, although during the year under review, the Company had not contributed to CSR activities.

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

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

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

GREEN INITIATIVES

Your Company is publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on the Company's website www.ufomoviez.com. Electronic copies of the Annual Report 2015-16 and Notice of the 12th 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 2016 and the Notice of the 12th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

AUDITORS

Statutory Auditors

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

to the effect that if they are reappointed as auditors of the Company for financial year 2016-17, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Secretarial Auditor

During the year under review, Mr. Chetan Joshi, Practicing Company Secretary had resigned as the Secretarial Auditor of the Company. Mr. Dharmesh Zaveri of D. M. Zaveri & Co., Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2015-16 forms part of the Annual Report as "Annexure-5" to this report. There are no qualifications or adverse observations by the Secretarial Auditors of the Company for the year under review.

EXTRACT OF ANNUAL RETURN

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

HUMAN RESOURCES

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

Particulars of employees

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

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

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

The Company has zero tolerance for sexual harassment at workplace, and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2015-16.

CAUTIONARY STATEMENT

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

ACKNOWLEDGMENT

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

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

We thank the Central Government and the various State Governments and other Government agencies 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
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place : Mumbai
Date : July 26, 2016

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 www.ufomoviez.com

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

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

For and on behalf of the Board of Directors

Sanjay Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place : Mumbai
Date : July 26, 2016

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.

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

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

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

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

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

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

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

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

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

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

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

Structure of Remuneration for Non-executive Directors

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

- Fees for attending meetings of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
- Fees for attending meetings of committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board/shareholders from time to time to be payable to any of the Independent Directors.
- Independent Directors are also entitled to payment of travel and other expenses they incur for attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees.
- Independent Directors shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the Listing Agreement.
- Non-executive Directors other than the Independent Directors are not currently paid any remuneration by the Company.
- The managerial remuneration payable by the Company shall be subject to the conditions specified under the Companies Act, 2013 and the Listing Agreement, including in terms of monetary limits, approval requirements and disclosure requirements. Any increase in the maximum aggregate remuneration payable beyond the permissible limit under the Companies Act, 2013 shall be subject to the approval of the shareholders of the Company at a General Meeting by special resolution and/or of the Central Government, as may be applicable.
- Structure of Remuneration for Other Employees: The power to decide the structure of remuneration for Other Employees has been delegated to the Human Resource Department of the Company.
- 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.

Evaluation:

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

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

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

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place : Mumbai	Managing Director	Joint Managing Director
Date : July 26, 2016	DIN: 01001173	DIN: 00024378

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 Member.

Our focus areas

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

Financial details

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

Sr. No.	Particulars	₹ In Mn
1.	Average net profit of the Company for last three financial years	379.14
2.	Prescribed CSR expenditure (2% of the average net profit as computed above)	7.58
3.	Details of CSR expenditure during the financial year:	
a)	Total amount to be spent for the financial year	7.58
b)	Amount unspent, if any	7.58
c)	The manner in which the amount spent during the financial year is detailed below:	

CSR project or activity identified	Nil
Sector in which the project is covered	Nil
Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Nil
Amount outlay (Budget) project or program wise	16.5
Amount spent on the projects or programs Sub-heads (1) district expenditure on projects or programs. (2) overheads	Nil
Cumulative expenditure up to the reporting period	Nil
Amount spent direct or through implementing agency	N.A

The Company had in the previous financial year 2014-15, contributed an amount of ₹ 16.59 Mn towards CSR activities against its obligation of ₹ 5.45 Mn for the said financial year. Thus, the Company had contributed ₹ 11.15 Mn over and above its obligation during the financial year 2014-15 which is in excess of Company's obligation to spend a minimum amount of ₹ 7.58 Mn during the current financial year 2015-16. Hence, during the year under review, the Company had not contributed to CSR activities

Our CSR responsibilities

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

Visit Company's website www.ufomoviez.com for more details related to our CSR Policy.

For and on behalf of the Board of Directors

Sanjay Gaikwad
Managing Director
Chairman, CSR Committee
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place : Mumbai
Date : July 26, 2016

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 are given in note no. 37, 38 and 40 of the notes to the financial statements forming part of the Annual Report.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place : Mumbai	Managing Director	Joint Managing Director
Date : July 26, 2016	DIN: 01001173	DIN: 00024378

Annexure-5

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2016

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

To,
The Members,
UFO Moviez India Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 and revised listing agreements entered with BSE/ NSE in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I draw attention to the following matters;

1. Managerial remuneration (including perquisite value of stock options exercised by two directors during the year determined as per Income Tax Act, 1961) for the year is in excess of the limits specified under section 197 read with schedule V of the Act by ₹ 158,271,959. As explained to us the Company has filed an application with Central Government for waiver of such excess remuneration in nature of perquisite which arose due to exercise of stock options.

2. The Company in respect of compliance of Section 135(5) has informed that the amount to be spent as required under Section 135(5) of the Act for CSR Activities during the year under report is not spent. As explained to us the Company had in the previous financial year 2014-15, contributed an amount of ₹ 16.59 Mn towards CSR activities against its obligation of ₹ 5.45 Mn for the said financial year. Thus, the Company had contributed ₹ 11.15 Mn over and above its obligation during the financial year 2014-15 which is in excess of Company's obligation to spend a minimum amount of ₹ 7.58 Mn during the current financial year 2015-16.

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 Equity Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited with effect from 14th May, 2015.

2. the members have approved the shifting of registered office of the Company from the National Capital Territory of Delhi to the State of Maharashtra and material related party transactions with one of its subsidiary through Postal Ballot notice dated 9th November, 2015.

Dharmesh Zaveri
Practicing Company Secretary
(FCS: 5418, CP: 4363)

Place : Mumbai
Date : July 26, 2016

Annexure-6

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

as on the financial year ended on March 31, 2016

[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:	L22120DL2004PLC164728
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 (w.e.f. June 15, 2016) Tel: +91 22 40305060 Fax: +91 22 40305110 E-mail: investors@ufomoviez.com Website: www.ufomoviez.com *Note: The Company shifted its Registered Office from Office No. 12, 3rd Floor, 312, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi - 110 001*
vi)	Whether listed company Yes / No :	Yes. Listed w.e.f. May 14, 2015
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Financial District Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel No.: 040 6716 2222 Fax No.: 040 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Scrabble Entertainment Limited Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093.	U92190MH2008PLC178456	Subsidiary	91.33	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 (*The company shifted its registered office w.e.f. April 1, 2016).*	U92120MH2008PTC281163	Subsidiary	84.18*	2(87) (ii)

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	V N Films Private Limited 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016 (*The company shifted its registered office w.e.f. July 15, 2016).*	U92490DL2007PTC159649	Subsidiary	100	2(87) (ii)
4.	UFO Software Technologies Private Limited 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016 (*The company shifted its registered office w.e.f. July 15, 2016).*	U74899DL2005PTC140965	Subsidiary	95.97	2(87) (ii)
5.	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)
6.	Edridge Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 174845	Subsidiary	100	2(87) (ii)
7.	UFO International Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus	Registration No.: HE 180142	Subsidiary	100	2(87) (ii)
8.	United Film Organisers (UFO) (Mauritius) Private Limited C/o First Island Secretarial Limited, Court, Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Registration No.: C071429	Subsidiary	100	2(87) (ii)
9.	United Film Organisers Nepal Private Limited Shova Complex, 344/41, Dhobidhara Marg, Kamalpokari, Kathmandu, Nepal.	Registration No.: 48014	Subsidiary	100	2(87) (ii)
10.	UFO Lanka (Private) Limited No. 12, Rotunda Gardens, Colombo 03.	Registration No.: PV 62107	Subsidiary	100	2(87) (ii)
11.	UFO Europe Limited 12 Zinonos Sozou, 1075 Nicosia, Cyprus. [Strike Off]	Registration No.: HE 181371	Subsidiary	100	2(87) (ii)
12.	Scrabble Entertainment (Mauritius) Limited 6th Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius	Registration No.: C105426	Subsidiary	100	2(87) (ii)
13.	Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT) Units No.2405&2406, 1-Lake Plaza, Plot No. PH2-T2, Jumeirah Lakes Towers, Dubai, U.A.E.	Registration No.: JLY2591	Subsidiary	100	2(87) (ii)

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

**The Company has made an investment of ₹140 Mn in Southern Digital Screenz India Private Limited (SDS), subsidiary company of the Company, by purchasing 6,80,117 (representing 15.82% of equity share capital of SDS) equity shares from existing shareholders of SDS on June 20 2016. Post this acquisition, SDS became wholly owned subsidiary of the Company.*

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. Promoters									
(1) Indian									
a) Individual/ HUF	1,032,328	-	1,032,328	3.99	682,063	-	682,063	2.48	1.51
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8,749,262	39,990	8,789,252	33.94	7,283,657	-	7,283,657	26.49	7.45

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) Banks/FI	-	-	-	-			-	-	-
f) Any Other	-	-	-	-			-	-	-
Sub-total (A) (1):-	**9,781,590**	**39,990**	**9,821,580**	**37.92**	**7,965,720**	**-**	**7,965,720**	**28.97**	**8.96**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	**9,781,590**	**39,990**	**9,821,580**	**37.92**	**7,965,720**	**-**	**7,965,720**	**28.97**	**8.96**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	4,268,345	-	4,268,345	15.52	15.52
b) Banks/FI	-	-	-	-	3,574	-	3,574	0.01	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	9,253,740	-	9,253,740	35.73	5,251,608	-	5,251,608	19.10	16.63
i) Foreign Portfolio Investors	-	-	-	-	1,889,267	-	1,889,267	6.87	6.87
Sub-total (B)(1):-	**9,253,740**	**-**	**9,253,740**	**35.73**	**1,1412,794**	**-**	**11,412,794**	**41.50**	**5.77**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	53,800	53,800	0.21	1,677,176	-	1,677,176	6.10	5.89
ii) Overseas	5,566,570	313,341	5,879,911	22.70	2,664,879	313,341	2,978,220	10.83	11.87
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	41,514	44,343	85,857	0.33	1,578,792	42,072	1,620,864	5.89	5.56

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	357,648	342,650	700,298	2.70	1,425,597	268,740	1,694,337	6.16	3.46
c) Trust	-	102,483	102,483	0.40	-	1,233	1,233	0.00	-0.39
d) Non-Resident Indians	-	-	-	-	27,680	-	27,680	0.10	0.10
e) Clearing Members	-	-	-	-	121,352	-	121,352	0.44	0.44
Sub-total (B)(2):-	**5,965,732**	**856,617**	**6,822,349**	**26.34**	**7,495,476**	**625,386**	**8,120,862**	**29.53**	**3.19**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**1,5219,472**	**856,617**	**16,076,089**	**62.08**	**18,908,270**	**625,386**	**19,533,656**	**71.03**	**8.96**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**		**-**	**-**	**-**	**-**	**-**	
Grand Total (A+B+C)	**25,001,062**	**896,607**	**25,897,669**	**100.00**	**26,873,990**	**625,386**	**27,499,376**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year*
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Sanjay Gaikwad	329,773	1.27	-	263,797	0.96	-	(0.31)
2	Narendra Hete	134,724	0.52	-	134,724	0.49	-	(0.03)
3	Valuable Technologies Limited	3,071,745	11.86	-	2,243,657	8.16	-	(3.70)
4	Valuable Media Limited	2,131,782	8.23	-	1,494,265	5.43	-	(2.80)
5	Advent Fiscal Pvt. Ltd.	737,182	2.85	-	737,182	2.68	-	(0.17)
6	Nifty Portfolio Services Private Limited	542,136	2.09	-	542,136	1.97	-	(0.12)
7	Omniscient Consultancy Services Pvt. Ltd.	39,990	0.15	-	39,990	0.15	-	(0.01)
8	Uday Gaikwad	1,617	0.01	-	100	0.00	-	(0.01)
9	Raaja Kanwar	566,214	2.19	-	200,369	0.73	-	(1.46)
10	Apollo International Limited	2,266,417	8.75	-	2,266,417	8.24	-	(0.51)
11	Ameya Hete	0	-	-	217,797	0.79	-	0.79
	Total	**9,821,580**	**37.92**	**-**	**7,965,720**	**28.97**	**-**	**(8.96)**

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2015 was: 25,897,669 equity shares.*

The paid-up share capital of the Company at the end of the year i.e. March 31, 2016 increased to 27,499,376 equity shares.

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

Sl. 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	Sanjay Gaikwad	329,773	1.27	12.05.15	Sale	(329,773)	(1.27)	-	-
				09.03.16	Acquisition of shares pursuant to exercise of ESOPs	263,797	0.96	263,797	0.96
				31.03.16	At the end of the year			263,797	0.96
2	Narendra Hete	134,724	0.52	12.05.15	Sale	(134,724)	(0.52)	-	-
				31.03.16	At the end of the year			-	-
3	Valuable Technologies Limited	3,071,745	11.86	12.05.15	Sale	(828,088)	(3.20)	2,243,657	8.66
				31.03.16	At the end of the year			2,243,657	8.16
4	Valuable Media Limited	2,131,782	8.23	12.05.15	Sale	(637,517)	(2.46)	1,494,265	5.77
				31.03.16	At the end of the year			1,494,265	5.43
5	Advent Fiscal Pvt. Ltd.	737,182	2.85	-	No Purchase / Sale	-	-	737,182	2.85
				31.03.16	At the end of the year			737,182	2.68
6	Nifty Portfolio Services Private Limited	542,136	2.09	-	No Purchase / Sale	-	-	542,136	2.09
				31.03.16	At the end of the year			542,136	1.97
7	Omniscient Consultancy Services Pvt. Ltd.	39,990	0.15	10.04.15	Sale	(39,990)	(0.15)	-	-
				31.03.16	At the end of the year			-	-
8	Uday Gaikwad	1,617	0.01	12.05.15	Sale	(1,617)	(0.01)	-	-
				14.05.15	Purchase	100	0.00	100	0.00
				31.03.16	At the end of the year			100	0.00
9	Raaja Kanwar	566,214	2.19	12.05.15	Sale	(365,845)	(1.42)	200,369	0.77
				31.03.16	At the end of the year			200,369	0.73
10	Apollo International Limited	2,266,417	8.75	-	No Purchase / Sale	-	-	2,266,417	8.75
				31.03.16	At the end of the year			2,266,417	8.24
11	Ameya Hete	0	-	09.03.16	Acquisition of shares pursuant to exercise of ESOPs	217,797	0.79	217,797	0.79
					At the end of the year			217,797	0.79

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2015 was: 25,897,669 equity shares.*

The paid-up share capital of the Company at the end of the year i.e. March 31, 2016 increased to 27,499,376 equity shares.

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

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
1	P5 Asia Holding Investments (Mauritius) Ltd.	9,253,740	35.73	12.05.16	Sale	(4,002,132)	(15.45)	5,251,608	20.28
				31.03.16	At the end of the year			5,251,608	19.10
2	3i Research (Mauritius) Limited	5,566,570	21.49	12.05.16	Sale	(2,901,691)	(11.20)	2,664,879	10.29
				31.03.16	At the end of the year			2,664,879	9.69
3	Excelway International Ltd.	313,341	1.21	-	No Purchase / Sale	-	-	313,341	1.21
					At the end of the year			313,341	1.14
4	Kanhaiyalal Ganju	168,750	0.65	-	No Purchase / Sale	-	-	168,750	0.65
					At the end of the year			168,750	0.61
5	Kapil Agarwal on behalf of M.B.Zaidi Memorial Charitable Trust	101,250	0.39	06.05.15	Sale	(101,250)	(0.39)	-	-
					At the end of the year			-	-
6	Kristen Buildcon Pvt Ltd.	53,800	0.21	09.04.15	Sale	(53,800)	(0.21)	-	-
					At the end of the year			-	-
7	Benu Agarwal	35,900	0.14	09.04.15	Purchase	53,800	0.21	89,700	0.35
					At the end of the year			89,700	0.33
8	Pushpa Narendra Karnavat	33,750	0.13	-	No Purchase / Sale	-	-	33,750	0.13
					At the end of the year			33,750	0.12
9	Ramu Annamalai Ramasamy	33,750	0.13	06.05.15	Sale	(33,750)	(0.13)	-	-
				31.03.16	At the end of the year			-	-
10	R. M. Palaniyapan	33,750	0.13	06.05.15	Sale	(33,750)	(0.13)	-	-
				31.03.16	At the end of the year			-	-
11	Rajesh Mishra	29,892	0.12	12.05.15	Sale	(29,892)	(0.12)	-	-
				12.01.16	Purchase	57,149	0.21	57,149	0.21
				31.03.16	At the end of the year			57,149	0.21
12	SBI Magnum Global Fund	-	-	12.05.15	Purchase	574,810	2.22	574,810	2.22
				19.06.15	Purchase	67,284	0.26	642,094	2.48
				26.06.15	Purchase	21,702	0.08	663,796	2.56
				30.06.15	Purchase	6,799	0.03	670,595	2.59
				03.07. 15	Purchase	15,000	0.06	685,595	2.65
				10.07. 15	Purchase	24,405	0.09	710,000	2.74
				04.09. 15	Purchase	160,000	0.06	870,000	3.36
				31.03. 16	At the end of the year			870,000	3.16
13	Reliance Capital Trustee Co Ltd A/C-Reliance	-	-	12.05.15	Purchase	488,690	1.89	488,690	1.89
				05.06. 15	Purchase	8,300	0.03	508,300	1.96
				12.06.15	Purchase	21,600	0.08	529,900	2.05
				19.06.15	Purchase	19,165	0.07	549,065	2.12
				03.07.15	Purchase	4,612	0.02	553,677	2.14
				10.07.15	Purchase	1,356	0.01	555,033	2.14
				28.08.15	Purchase	50,467	0.19	605,500	2.34
				31.03.16	At the end of the year			605,500	2.20

Sl. No.	For Each of the Top Ten 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*
14	SBI Small And Midcap Fund	-	-	12.05.15	Purchase	270,000	1.04	270,000	1.04
				31.07.15	Purchase	20,000	0.08	310,000	1.20
				07.08.15	Purchase	6,461	0.02	316,361	1.22
				14.08.15	Purchase	13,539	0.05	330,000	1.27
				18.09.15	Purchase	47,039	0.18	377,039	1.46
				25.09.15	Purchase	754	0.00	377,793	1.46
				30.09.15	Purchase	12,207	0.05	390,000	1.51
				31.03.16	At the end of the year			390,000	1.42
15	Reliance Capital Trustee co Ltd. A/C- Reliance Regul.	-	-	12.05.16	Purchase	162,893	0.63	162,893	0.63
				22.05.15	Purchase	100,000	0.39	262,893	1.02
				12.06.15	Purchase	20,000	0.08	282,893	1.09
				03.07.15	Purchase	5,000	0.02	287,893	1.11
				10.07.15	Purchase	73,246	0.28	361,139	1.39
				28.08.15	Purchase	4,891	0.02	366,030	1.41
				04.09.15	Purchase	25,000	0.10	391,030	1.51
				09.10.15	Purchase	80,000	0.31	471,030	1.82
				23.10.15	Purchase	5,000	0.02	476,030	1.84
				30.10.15	Purchase	800	0.00	476,830	1.84
				25.12.15	Purchase	20,000	0.08	496,830	1.90
				31.12.15	Purchase	46,700	0.18	543,530	2.08
				01.01.16	Purchase	20,000	0.08	563,530	2.15
				15.01.16	Purchase	4,400	0.02	567,930	2.17
				22.01.16	Purchase	19,400	0.07	587,330	2.17
				29.01.16	Purchase	10,000	0.04	597,330	2.21
				12.02.16	Purchase	25,000	0.09	622,330	2.30
				19.02.16	Purchase	20,000	0.07	642,330	2.38
				31.03.16	At the end of the year			642,330	2.34
16	SBI Magnum Midcap Fund	-	-	12.05.15	Purchase	111,889	0.43	111,889	0.43
				22.05.15	Purchase	360,952	1.39	472,841	1.83
				29.05.15	Purchase	39,048	0.15	511,889	1.98
				05.06.15	Purchase	6,059	0.02	517,948	2.00
				31.07.15	Purchase	31,388	0.12	549,336	2.12
				07.08.15	Purchase	12,762	0.05	562,098	2.17
				14.08.15	Purchase	29,358	0.11	591,456	2.28
				31.03.16	At the end of the year			591,456	2.15
17	Max Life Insurance Company Limited	-	-	12.05.15	Purchase	328,028	1.27	328,028	1.27
				28.08.15	Purchase	78,000	0.30	406,028	1.57
				04.09.15	Purchase	57,537	0.22	463,565	1.79
				09.10.15	Purchase	50,000	0.19	513,565	1.98
				31.03.16	At the end of the year			513,565	1.87
18	SBI Magnum Balanced Fund	-	-	22.05.15	Purchase	395,878	1.53	395,878	1.53
				29.05.15	Purchase	39,225	0.15	435,103	1.68
				12.06.15	Purchase	56,515	0.22	491,618	1.90
				19.06.15	Purchase	58,382	0.23	550,000	2.12
				31.03.16	At the end of the year			550,000	2.00

Sl. No.	For Each of the Top Ten 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*
19	The Wellington Trust Company National Association	-	-	04.09.15	Purchase	226,504	0.87	226,504	0.87
				11.09.15	Purchase	215,340	0.83	441,844	1.71
				06.11.15	Purchase	7,093	0.03	448,937	1.73
				20.11.15	Purchase	1,447	0.01	450,384	1.74
				31.03.16	At the end of the year			450,384	1.64

** The paid-up share capital of the Company at the beginning of the year i.e. on April 1, 2015 was: 25,897,669 equity shares.*

The paid-up share capital of the Company at the end of the year i.e. March 31, 2016 increased to 27,499,376 equity shares.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
					Directors				
1	Mr. Sanjeev Aga	-	-		No Purchase / Sale	-	-	-	-
				31.03.16	At the end of the year			-	-
2	Mr. Ameya Hete	-	-	09.03.16	Acquisition of shares pursuant to exercise of ESOPs	217,797	0.79	2,17,797	0.79
				31.03.16	At the end of the year	-	-	217,797	0.79
3	Mr. Biswajit Subramanian	-	-		No Purchase / Sale	-	-	-	-
				31.03.16	At the end of the year			-	-
4	Mr. Kapil Agarwal	269,619	1.04	12.05.15	Sale	(269,619)	(1.04)	-	-
				12.01.16	Acquisition of shares pursuant to exercise of ESOPs	372,694	1.38	372,694	1.38
				31.03.16	At the end of the year			372,694	1.36
5	Ms. Lynn de Souza	-	-		No Purchase / Sale	-	-	-	-
				31.03.16	At the end of the year			-	-
6	Mr. Raaja Kanwar	566,214	2.19	12.05.15	Sale	(365,845)	(1.42)	200,369	0.77
				31.03.16	At the end of the year			200,369	0.77
7	Mr. S. Madhavan	-	-	21.05.15	Purchase	500	-	500	-
				17.06.15	Purchase	200	-	700	-
				25.06.15	Purchase	50	-	750	-
				26.08.15	Purchase	250	-	1,000	-
				29.03.16	Sale	(1,000)	-	-	-
				31.03.16	At the end of the year			-	-
8	Mr. Sanjay Gaikwad	329,773	1.27	12.05.15	Sale	(329,773)	(1.27)	0	0.00
				09.03.16	Acquisition of shares pursuant to exercise of ESOPs	263,797	0.96	263,797	0.96
				31.03.16	At the end of the year			263,797	0.96

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
9	Mr. Varun Laul	-	-		No Purchase / Sale	-	-	-	-
				31.03.16	At the end of the year			-	-
Key Managerial Personnel									
10	Mr. Rajesh Mishra, CEO			12.01.16	Acquisition of shares pursuant to exercise of ESOPs	57,149	0.21	57,149	0.21
				31.03.16	At the end of the year			57,149	0.21
11	Mr. Ashish Malushte, CFO	7,548	0.03	12.05.15	Sale	(7,548)	0.03	0	0.00
				12.01.16	Acquisition of shares pursuant to exercise of ESOPs	43,424	0.16	43,424	0.16
				31.03.16	At the end of the year			43,424	0.16
12	Mr. Sameer Chavan, Company Secretary	-	-		No Purchase / Sale	-	-	-	-
					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, 2015 was: 25,897,669 equity shares.*

The paid-up share capital of the Company at the end of the year i.e. March 31, 2016 increased to 27,499,376 equity shares.

V. INDEBTEDNESS

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

₹ In Mn

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2015)				
i) Principal Amount	930.45	-	-	930.45
ii) Interest due but not paid	9.62	-	-	9.62
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**940.07**	**-**	**-**	**940.07**
Change in Indebtedness during the financial year (FY 2015-16)				
• Addition	240.62	-	-	240.62
• Reduction	(530.09)	-	-	(530.09)
Net Change	**(289.46)**	**-**	**-**	**(289.47)**
Indebtedness at the end of the financial year (As on 31.03.2016)				
i) Principal Amount	644.28	-	-	644.28
ii) Interest due but not paid	6.33	-	-	6.33
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**650.60**	**-**	**-**	**650.60**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Particulars	Salary paid for the FY 2015-16 (In ₹)	Value of perquisites in form of ESOPs (In ₹)	Total (In ₹)
Mr. Sanjay Gaikwad, Managing Director	25,000,000	62,991,469	**87,991,469**
Mr. Kapil Agarwal, Joint Managing Director	25,000,000	123,648,003	**148,648,003**
Total	**50,000,000**	**186,639,472**	**236,639,472**
Overall limit @ 10% of profit u/s 198 of the Companies Act, 2013	**78,367,513**	**-**	**78,367,513**
Excess Remuneration	**-**	**-**	**158,271,959**

As per the provisions of the Companies Act, 1956, the value of perquisite arising due to exercise of ESOPs by Mr. Sanjay Gaikwad and Mr. Kapil Agarwal was not required to be considered for computation of managerial remuneration. However, the definition of remuneration has now undergone a change under Companies Act, 2013 and it includes perquisites as defined under the Income Tax Act, 1961, which also includes the perquisite arising out of exercise of ESOPs.

Accordingly, pursuant to exercise of ESOPs by Mr. Sanjay Gaikwad and Mr. Kapil Agarwal in FY 2015-16 the perquisite value as calculated above has resulted in excess remuneration over and above the limits of managerial remuneration prescribed under the Companies Act, 2013.

Considering the above, the Board of Directors of the Company, vide resolution passed on May 24, 2016 has approved waiving of recovery of excess managerial remuneration arising out of exercise of employee stock options in the form of perquisite computed under the Income Tax, 1961 from Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director of the Company during the financial year 2015-16 in excess of limits prescribed by the Act and accordingly, the Company had made an application to the Central Government.

B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Name of Independent Directors			Other Non-Executive Directors				Total Amount
		Mr. S. Madhavan	Ms. Lynn de Souza	Mr. Sanjeev Aga	Mr. Raaja Kanwar	Mr. Biswajit Subramanian	Mr. Ameya Hete	Mr. Varun Laul	
1	Fee for attending board/committee meetings	1,150,000	1,150,000	1,150,000	Nil	Nil	Nil	Nil	**3,450,000**
	Commission	850,000	850,000	2,350,000	Nil	Nil	Nil	Nil	**4,050,000**
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
2	Total Managerial Remuneration	2,000,000	2,000,000	3,500,000	Nil	Nil	Nil	Nil	**7,500,000**
3	Overall Ceiling as per the Act @1% of profit calculated under Section 198 of the Companies Act, 2013	7,836,751							

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Mishra CEO	Mr. Ashish Malushte CFO	Mr. Sameer Chavan Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7,729,896	7,661,512	2,424,986	**17,816,394**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (Includes Perquisite value arising out of exercise of ESOPs by Mr. Rajesh Mishra and Mr. Ashish Malushte)	20,768,584	15,340,758	-	**36,109,342**
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	**-**
2	Stock Option	-	-	-	**-**
3	Sweat Equity	-	-	-	**-**
4	Commission	-	-	-	**-**
	- as % of profit	-	-	-	**-**
	- others, specify	NA	NA	NA	**NA**
5	Others, please specify				
	Company Provident Fund Contribution	491,904	327,888	89,516	**909,308**
	Medical Allowance	15,000	15,000	14,919	**44,919**
	Total	**29,005,384**	**23,345,158**	**2,529,421**	**54,879,963**

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

Sanjay Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place : Mumbai
Date : July 26, 2016

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 Mn)		Previous year Remuneration ₹ in Mn)*	% increase in Remuneration	Ratio of Director's Remuneration to median remuneration#	Comparison of remuneration of each KMP against Company's performance	
	Salary*	Perquisites arising due to exercise of employee stock options				% of Turnover	% of Net Profit before tax
Non-Executive Directors							
Mr. Sanjeev Aga	2.35	-	0.86	172.46	5.08	NA	NA
Mr. S. Madhavan	0.85	-	0.45	88.89	1.84	NA	NA
Ms. Lynn de Souza	0.85	-	0.40	112.50	1.84	NA	NA
Mr. Raaja Kanwar	-	-	-	-	-	NA	NA
Mr. Ameya Hete	-	-	-	-	-	NA	NA
Mr. Biswajit Subramanian	-	-	-	-	-	NA	NA
Mr. Varun Laul	-	-	-	-	-	NA	NA
Executive Directors							
Mr. Sanjay Gaikwad	25.00	62.99	25.00	251.84	189.91	2.52	12.15
Mr. Kapil Agarwal	25.00	123.65	25.00	493.64	325.46	4.25	20.53
Key Managerial Personnel							
Mr. Rajesh Mishra	8.24	20.77	7.45	289.23	63.64	0.83	3.94
Mr. Ashish Malushte	8.00	15.34	4.97	369.89	50.37	0.67	3.18
Mr. Sameer Chavan	2.53	-	0.92	176.09	5.45	0.07	0.33

** Sitting fees paid to independent directors for attending the meetings of the Board and committee is not included in the salary. 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 ratio of Remuneration to median remuneration.

<table>
<tr><th>Requirement</th><th>Disclosure</th></tr>
<tr><td>The Percentage increase in median remuneration of employees in financial year</td><td>14.04% - without considering the perquisite value arising due to exercise of employee stock options

14.54% - considering the perquisite value arising due to exercise of employee stock options</td></tr>
<tr><td>Number of permanent employees on the rolls of the Company</td><td>As at March 31, 2016 – 440</td></tr>
<tr><td>The explanation on the relationship between average increase in remuneration and Company's performance</td><td>The average increment of 13.49% during the year was in line with the market trend. In order to ensure that remuneration reflects Company performance, the performance incentive is also linked to organization performance, apart from individual performance.</td></tr>
<tr><td>Comparison of the remuneration of the key managerial personnel against the performance of the Company (Standalone)</td><td>The aggregate remuneration of Executive Directors & Key Managerial Personnel was:

Without considering the perquisite value arising due to exercise of employee stock options - 1.94% of turnover and 9.35% of Net Profit (before tax) during financial year.

Considering the perquisite value arising due to exercise of employee stock options 8.31% of turnover and 40.12% of Net Profit (before tax) during financial year.</td></tr>
<tr><td>Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous financial year</td><td>The Company got listed on May 14, 2015. Hence, market capitalisation, price earning ratio as at the closing date of previous financial year i.e. as at March 31, 2015 is not available.

The Market Capitalisation of the Company as on March 31, 2016 was ₹ 11,590.99 Mn. The price earnings ratio of the Company was 21.66 as at March 31, 2016. The closing price of the Company's equity shares on the BSE Limited and National Stock Exchange of India Limited as of March 31, 2016 was ₹ 421.50 and ₹ 421.40 respectively.</td></tr>
<tr><td>Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer</td><td><table>
<tr><th>Particulars</th><th>March 31, 2016</th><th>May 14, 2015 (IPO)</th><th>% Change Increase / (Decrease)</th></tr>
<tr><td>Market Price (BSE)</td><td>₹ 421.50</td><td>₹ 625.00</td><td>(32.56)</td></tr>
<tr><td>Market Price (NSE)</td><td>₹ 421.40</td><td>₹ 625.00</td><td>(32.58)</td></tr>
</table></td></tr>
<tr><td>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</td><td>The average annual increase (without considering the perquisite value arising due to exercise of employee stock options) in the salaries of employees during the year was 13.49%, while there was no increase in managerial remuneration during the year.</td></tr>
<tr><td>Key parameters for any variable component of remuneration availed by the Directors</td><td>There is no variable component of remuneration availed by the Director.</td></tr>
<tr><td>The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</td><td>Not Applicable</td></tr>
<tr><td>Affirmation that the remuneration is as per the remuneration policy of the Company</td><td>The Company affirms that the remuneration is as per the remuneration policy of the Company.</td></tr>
</table>

B. Particulars of Employees whose remunerations exceeded ₹ 60 Lacs per annum or ₹ 5 Lacs per month during financial year 2015-16

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

Name & Designation	Qualification	Age	Experience	Gross Remuneration ₹			Date of Commen-cement of Employment	Previous employment & designation
				Salary and Perquisites paid	Perquisites airing due to exercise of employee stock options	Total		
				(A)	(B)	(A+B)		
Mr. Sanjay Gaikwad - Managing Director	B.E.(Chemical), MBA (Operations)	51 Yrs	22 Yrs	25,000,000	62,991,469	87,991,469	01-Jan-07	Apollo International Ltd – COO
Mr. Kapil Agarwal - Joint Managing Director	FCA	55 Yrs	29 Yrs	25,000,000	1,23,648,003	1,48,648,003	01-Mar-09	Apollo International Ltd - Executive Director
Mr. Deepak Ranjan - Chief - Ad Sales	B.Sc (Hon), Diploma in Advertising	48 Yrs	24 Yrs	12,969,631	24,567,469	37,537,100	01-Jan-07	B4U Television India Pvt. Ltd, National – Sales Head
Mr. Siddharth Bhardwaj CMO & National Sales Head (Corporate Advertising Revenue)	B.E, MBA	44 Yrs	19 Yrs	13,987,199	-	13,987,199	01-Aug-12	Reliance Broadcast Network Limited – National Sales Head Radio Business
Mr. Rajesh Mishra – CEO	B.Com, A.C.A.	49 Yrs	26 Yrs	8,236,800	20,768,584	29,005,384	01-Apr-06	Bennett, Coleman & Co. Limited General Manager - Corporate Affairs
Mr. Vishnu Patel – CEO	Masters in Broadcasting & Films from Boston University	59 Yrs	32 Yrs	8,236,800	14,193,452	22,430,252	01-Apr-06	Zee Telefilms Limited President - Network Programming
Mr. Sanjay Chavan – CTO	B.E.(Electronics)	50 Yrs	26 Yrs	8,236,800	10,855,652	19,092,452	01-Apr-06	PlayWin Infravest Private Limited - Vice President - Special Projects
Mr. Praveen Sugandh – VP, Ad Sales	BA, MBA	47 Yrs	20 Yrs	8,970,587	3,392,656	12,363,243	01-Aug-08	Sahara One Media & Entertainment Ltd -Regional Sales Head
Mr. Praveen Pahuja – VP – Enterprise Sales (N&E)	BE, MBA	43 Yrs	18 Yrs	7,174,528	1,458,220	8,632,748	01-Oct-12	Reliance Broadcast Network Limited – Station Head
Ashish Malushte - CFO	B.Com, CA	41 Yrs	19 Yrs	8,004,400	15,340,758	23,345,158	14-May-05	Iqard Telecoms Pvt Ltd, Sr. Manager
Nitin Nohani VP - Technical Operations	B.Com, CCNA, MCSE	39 Yrs	20 Yrs	4,494,000	4,058,877	8,552,877	10-Jun-05	Zee Telefilms Limited - Regional Technical Lead
Mr. K Suvarna Chief - Purchase & Logistics	BA, LLB (Gen)	53 Yrs	19 Yrs	6,479,196	12,036,670	18,515,866	1-Apr-06	Zee Telefilms Limited – VP Commercial and Administration

Name & Designation	Qualification	Age	Experience	Gross Remuneration ₹			Date of Commen-cement of Employment	Previous employment & designation
				Salary and Perquisites paid	Perquisites airing due to exercise of employee stock options	Total		
				(A)	(B)	(A+B)		
Mr. Abhijit Dasgupta VP - Ad Sales (W&S Region)	B.Com, PGDM	53 Yrs	40 Yrs	4,204,555	3,841,764	80,46,319	18-Sep-06	B4U Television India - Regional Head (West Ad Sales)
Ms. Mitalee Patel Chief - Content	BA	50 Yrs	28 Yrs	4,684,680	9,362,444	14,047,124	1-Jan-07	Sahara TV - Vice President – Events / Special Programming
Mr. Pankaj Jaysinh COO	B.Com, MBA	54 Yrs	32 Yrs	6,597,360	20,768,584	27,365,944	1-Feb-07	Shree Ashtavinayak Cine Vision Ltd - Distribution Head
Mr. Kaushik Mamania VP – Engineering	BE, Masters in Software Engineering	37 Yrs	15 Yrs	4,740,618	3,988,700	8,729,318	1-Apr-08	DG2L Technology Pvt Ltd Team Lead (Software)
Mr. Avadhoot Gaitonde VP - Group HR	BA, LLB, MLS	50 Yrs	27 Yrs	5,893,812	6,608,844	12,502,656	12-Oct-09	Datamatics Financial Services Ltd. VP – HR
Mr. Sushil Agrawal Chief - Corporate Affairs	B.Sc, CA	51 Yrs	28 Yrs	7,672,892	6,608,844	14,281,736	8-Jan-10	Apollo Intl Ltd, VP - Corporate Affairs
Mr. Ram Sivakumar Iyer VP - Content Operations & Revenue Assurance	B.Sc, MBA	38 Yrs	16 Yrs	4,831,564	1,698,940	6,530,504	2-Mar-10	Techprocess Solutions Ltd, Chief Manager - Head Quality
Mr. Syed Haroon Rasheed VP- IT & Networks	B.Sc, MCA	43 Yrs	19 Yrs	4,241,280	4,609,655	8,823,935	1-Jul-10	Valuable Technologies Ltd, AVP - Networking & IT Operations

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

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 Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.
4. During the year under review, employees had exercised employee stock options (ESOPs) granted to them. Perquisite value arising out of ESOPs included in the gross remuneration computed above.

For and on behalf of the Board of Directors

Sanjay Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place : Mumbai
Date : July 26, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

In this Management Discussion and Analysis section, for the Fiscal Year ended March 31, 2016 and the outlook for the next financial year 2016-17, your Company and its subsidiaries have been collectively referred to as "UFO".

OVERVIEW OF ECONOMY AND INDUSTRY TREND

Despite a challenging global economic environment, India was among the faster growing large economies. Despite macro headwinds such as weak monsoon and rising NPAs, the Indian GDP grew by around 7%, and is expected to maintain or enhance that rate.

The Film Industry is projected to grow at a CAGR of 10.5% until 2020, driven by improving acceptance of domestic movie content. Growth in the Indian Film Industry is driven by strong domestic consumption of this media, and is somewhat insulated from the global economic slowdown. There are over 9,000 digitised cinema screens in India of which around 7,000 are mass market screens which are digitized using E-Cinema technology whereas the balance 2,000 plus are premium market screens which are digitized primarily using D-Cinema technology. The digitization of existing theaters in the country is near complete and the number of digital screens has now stabilized. The next phase of theater addition is expected to be driven more by organic addition, which will benefit the industry as a whole including digital integrators.

Digitisation of Cinemas has also resulted in the strong revival of in-cinema Advertising. The in-cinema advertisement revenues in India have grown from ₹ 1.40 billion in 2011 to ₹ 6.27 billion in 2015 according to KPMG – FICCI Indian Media and Entertainment Industry Reports. In-cinema advertising is expected to be one of the fastest growing advertising verticals in India.

I. Introduction to Digital Cinema

In the pre digitization era until 2005-06, films used to be distributed to theaters on prints in analog form. The cost of an analog print was approximately ₹ 60,000 to ₹ 70,000 per film, which was borne by the owner of the content. These high-priced analog prints limited the ability of the content owners to produce higher number of prints of a movie. Traditionally, only 250 – 300 analog prints used to be made for big budget movies, 50 – 60 analog prints were produced for small budget / niche movies and 10 – 15 prints were made for regional movies. This limited the reach of films which could only be released in a staggered manner across theatres in the metropolitan or tier I cities first and then the next level of cities and towns.

The other disadvantage of the analog prints was the logistical challenges associated with the physical movement of these prints. These prints had to be physically distributed to theaters across the country which was cumbersome and costly. Plus the threat of prints being stolen during transit resulting in piracy. Movies are like a perishable consumer product whose appeal atrophies over time Delayed release and often poor quality pirated prints greatly diminished the revenues and profits in the entire chain. Further, analog prints required distributors to invest based upon demand prediction which led to either opportunity loss or dead investment all too frequently.

The drawbacks of analog prints led to the evolution of digitization. The process of digitization picked up in India in 2005-06 when UFO entered the Indian movie Industry after it deployed its proprietary UFO M4 technology. The content owners could now digitally reach a large number of theaters on the UFO M4 platform, after making a usage based fee payment to UFO. Digital cinema began to eclipse analog prints starting 2005-06, physical prints faced obsolescence and were eliminated by 2013 in India.

The digitisation of cinema infused new life into the Film Industry. The cost of digitally reaching theaters was significantly lower than the cost of analog prints. Movies started releasing simultaneously in theatres across the country ensuring higher revenue collection for content owners. Digital cinema brought the proverbial First Day First Show experience of yesteryear to moviegoers across India, also thereby curbing piracy. Digitising of movies involves encryption of data so that it is safeguarded from unauthorised dissemination. This ensures the safety of film content from piracy. Freshness, safety of content, and High Definition picture quality redefined the overall movie experience for moviegoers in India.

UFO's digitisation and delivery model and its UFO M4 platform has been a key driver of the digital revolution which the Indian Film industry witnesses in the past decade. Directly and indirectly, UFO has played an unseen but significant role in enhancing the Indian movie industry in quantity and quality.

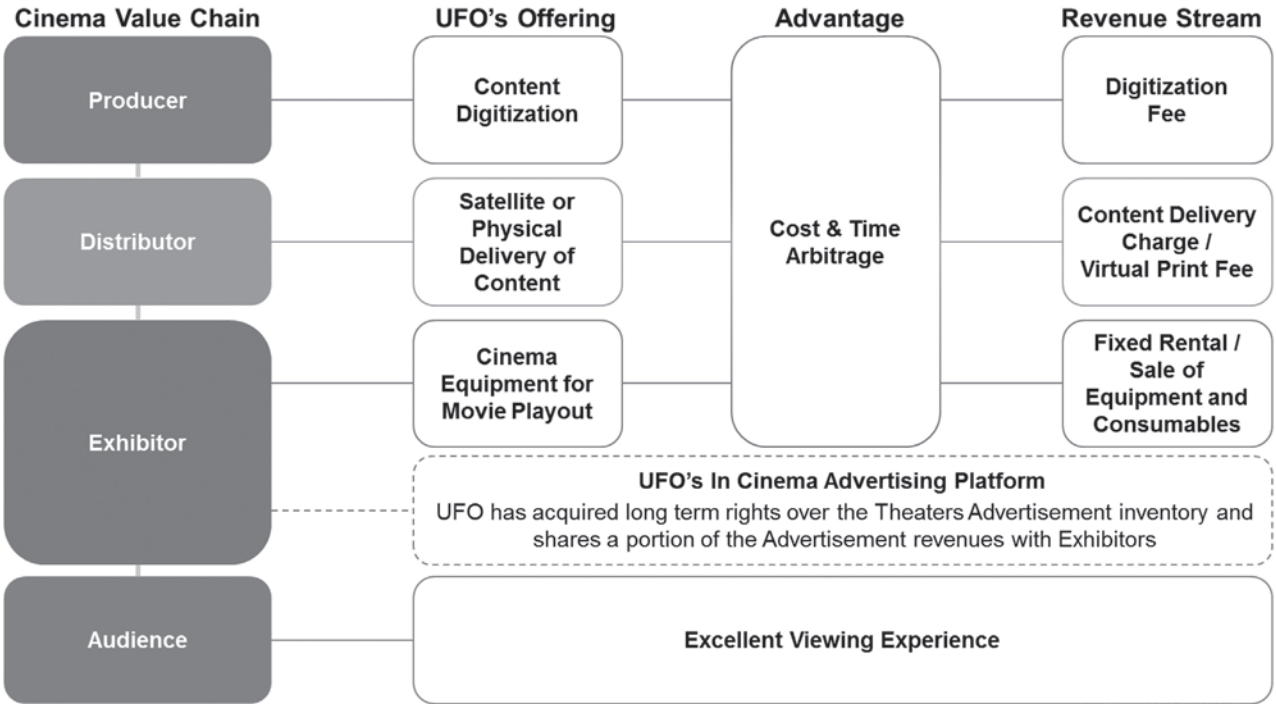
II. Company Overview

Theatrical Business

UFO operates India's largest satellite-based, digital cinema distribution network in terms of the number of screens using its UFO-M4 platform, as well as India's largest D-Cinema network in terms of the number of screens. Your Company relays / delivers movies to theatres across the country in MPEG 4 format, using satellites (E-Cinema), as well as in JPEG 2000 (D-Cinema) format using physical devices through its subsidiary Scrabble Entertainment Limited.

During the fiscal year 2016, UFO digitally delivered 1,738 movies in 25 languages to 5,034 screens with an aggregate seating capacity of approximately 2.15 Mn viewers spread across 30 States and Union territories in India and in Nepal. Since the beginning of its operations, UFO has digitally delivered more than 10,500 movies in India as at March 31, 2016. As on March 31, 2016, UFO's global network spans 6,689 screens worldwide, which includes 1,655 screens across the Middle East, Israel, Mexico and the USA in addition to screens in India and Nepal mentioned above.

UFO, through its theatrical service offerings, adds value to all stakeholders in the cinema value chain, as depicted below:



In Cinema Advertising

UFO has created a pan-India, high-impact, in-cinema advertising platform, generally with long-term advertising rights, with respect to 3,713 screens, under a win-win revenue share deals with the theaters. As at March 31, 2016, UFO has an aggregate seating capacity of approximately 1.78 Mn viewers and a reach of over 1,900 locations across India. During the year, UFO's in-cinema Advertisement platform delivered an estimated viewership of over 10 Mn on a monthly basis.

UFO's in-cinema advertising platform enables advertisers to reach a targeted, captive audience with high flexibility and control over the advertising process. Some of 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 advanced. .

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 3,713 screens. During the fiscal year ended March 31, 2016, as many as 2,556 advertisers, both from the private and government sector, advertised on UFO's network, compared with 1,724 advertisers in the previous fiscal.

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

Technology

UFO-M4 Technology

UFO-M4 is your Company's satellite-based, E-Cinema movie delivery technology platform. UFO-M4 technology platform provides an end-to-end platform for the satellite delivery of movies. UFO-M4 technology compresses and encrypts digital movie files prior to distributing them across UFO's satellite based network.

UFO-M4 technology has a variety of technological benefits, including:

- Small file size - The file size of a raw digital file for a typical full length movie of approximately 150 minutes is 2.5 to 3 Terabyte. Through UFO's technology, this raw digital file is converted into a relatively small 8 to 10 Gigabyte encrypted file which is economically viable for satellite based delivery.

- Supports multiple formats like 2D, 2D Live, 3D and 3D Live.
- Content security features such as invisible fingerprinting technology. Each movie screening is marked with a code that allows tracing of pirated movies to a particular cinema, as well as the date and time of the screening of a pirated movie, which discourages piracy.
- All content is encrypted using Rijndael Algorithm (the algorithm used by industry standard Advanced Encryption Standard (AES)) encryption with 192 bit key length. Without the correct decryption keys content is not playable. The decryption keys are shared with the target devices using a 1024 bit RSA key pair making the content very secure.
- Support of separate audio and visual tracks which allows for multiple audio languages as well as subtitles in different languages.
- Digital surround sound capabilities when played through UFO's servers.
- UFO-M4 movie files can be edited easily using UFO's software, allowing movie producer or distributor to make last minute edits.
- UFO-M4 files are intended to be compatible with new hardware, allowing your Company to upgrade the digital cinema equipment we provide to exhibitors as newer and better hardware becomes available.

Synergistic Business Initiatives

Caravan Talkies and Club Cinema

Caravan Talkies, housed in Valuable Digital Screens Private Limited (VDSPL), a subsidiary of your Company, provides movie screenings with low capital expenditure in the under-penetrated, media-dark areas of rural India through its cinema-on-wheels solution, creating a unique opportunity for advertisers to reach captive audiences. Currently, movies are screened free to viewers and Caravan Cinema derives its revenues through advertising. This is an effective advertisement platform for companies targeting rural markets.

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

NOVA CINEMAS

VDSPL, under the NOVA CINEMAS brand, is encouraging local entrepreneurs to own and operate NOVA CINEMAS branded theaters in various part of the country. These theatres will operate as franchisees of VDSPL. The local entrepreneurs will be primarily responsible for making the requisite investment for setting up of the theatres and will also be responsible for day to day operations of their theaters. VDSPL will ensure that the theater is set up at a competitive cost for the franchisees. VDSPL shall also grant rights to use the brand 'NOVA CINEMAS' to the local entrepreneurs for a fee, and will take end to end responsibility of providing theatrical technologies as well as sourcing of film content. Under this asset light initiative, VDSPL aims to recreate the screen growth in non-metro regions across India. Contractually, NOVA CINEMAS franchisees shall be required to use UFO's service offering thereby providing a dedicated and captive customer base for your Company's digital cinema and advertising business.

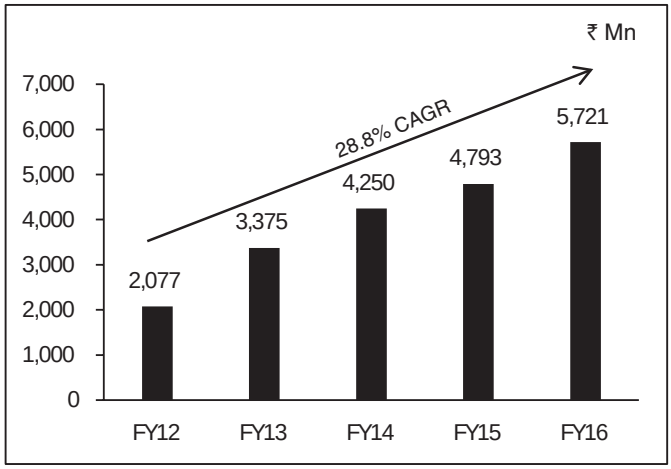
Currently, NOVA CINEMAS has shortlisted 3 franchisees with 2 screens each, one each from Maharashtra, Gujrat and Punjab. These screens are expected to be operational during the fiscal year 2016-17. NOVA CINEMAS is also in negotiation with 4 franchisees in Maharashtra and Punjab. Further, it has received notable number of enquiries from other parts of India.

III. Consolidated Financial Performance

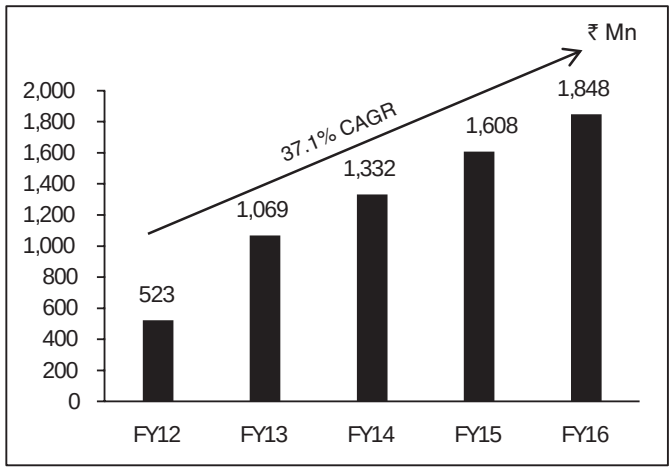
Performance Overview (FY12 – FY16)

During the fiscal year 2015-16 consolidated Revenue, Earnings before interest, tax, depreciation and amortization, Profit before tax and Profit for the year attributable to equity shareholders of the Company grew by 19.35%, 14.90%, 42.46% and 30.01% respectively. Further, the last five years performance has been extremely strong, below are the details:

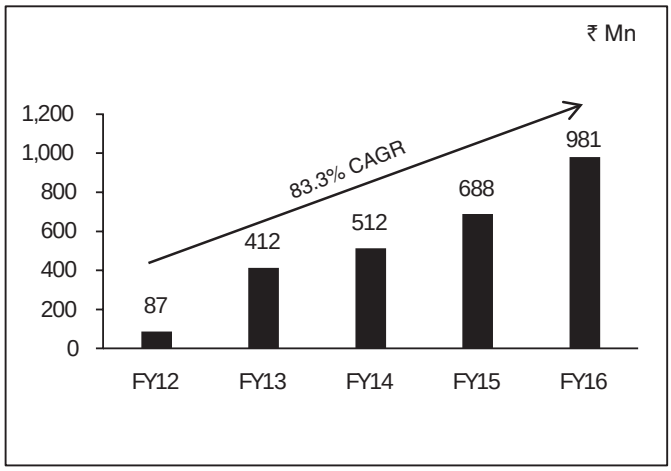
Revenue



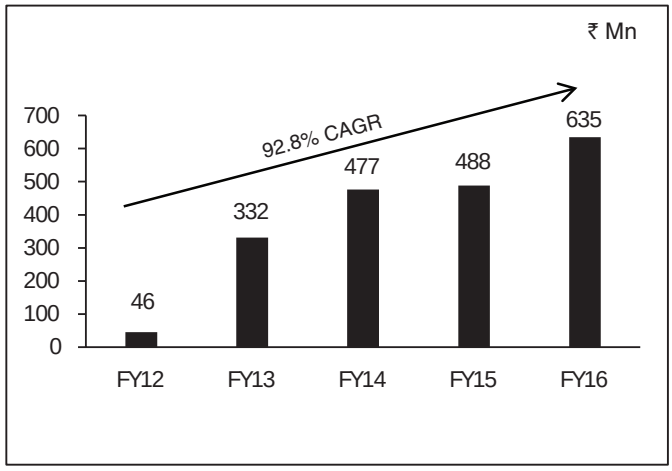
Earning Before Interest Tax Depriciation and Amortisation (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



Revenues Analysis

UFO has primarily three streams of revenue. i.e.

a. From advertisers through in-cinema advertising,

b. From movie producers and distributors, for the secured delivery and screening of their movies, and

c. From exhibitors, through equipment rental and sales for digital cinema equipment and consumables.

Particulars		31 March 16	31 March 15	Growth	% Growth
		₹ in Mn	₹ in Mn	₹ in Mn	
A.	**Revenue from operations**				
I.	**Advertisement revenue**	**1,578.34**	**1,166.68**	**411.66**	**35.28**
II.	**Revenue from Content Owners**	**2,589.23**	**2,439.01**	**150.21**	**6.16**
	Virtual Print Fees (VPF) - E-Cinema	988.87	893.62	95.25	10.66
	Virtual Print Fees (VPF) - D-Cinema	1,540.44	1,478.16	62.28	4.21
	Digitisation income	59.92	67.23	(7.31)	(10.88)
III.	**Revenue from Exhibitors**	**1,348.66**	**1,062.15**	**286.51**	**26.97**
	Lease rental income - E-Cinema	396.44	363.86	32.58	8.95
	Lease rental income - D-Cinema	158.59	160.26	(1.66)	(1.04)
	Sales of Products	793.63	538.03	255.60	47.51
IV.	**Other Operating Revenue**	**184.36**	**117.17**	**67.19**	**57.35**
A.	**Revenue from operations (I to IV)**	**5,700.59**	**4,785.01**	**915.58**	**19.13**
B.	**Other income**	**20.53**	**8.43**	**12.10**	**143.71**
Total Income (A+B)		**5,721.12**	**4,793.44**	**927.68**	**19.35**

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 March 16	31 March 15	Growth	% Growth
	₹ in Mn	₹ in Mn	₹ in Mn	
E- Cinema (India)				
E- Cinema VPF	988.87	893.62	95.25	10.66
less : VPF Sharing with exhibitors	26.39	11.72	14.67	125.21
E- Cinema VPF (Net)	**962.47**	**881.90**	**80.57**	**9.14**
D- Cinema (India)				
D- Cinema VPF	857.23	862.54	(5.31)	(0.62)
less : VPF Sharing with exhibitors	242.83	213.29	29.53	13.85
D- Cinema India VPF (Net) - (A)	**614.40**	**649.25**	**(34.84)**	**(5.37)**
D- Cinema (International)				
D- Cinema VPF	683.21	615.63	67.59	10.98
less : VPF Sharing with exhibitors	464.40	408.07	56.33	13.80
D- Cinema International VPF (Net) - (B)	**218.82**	**207.56**	**11.26**	**5.43**
Total D- Cinema VPF (Net) (A+B)	**833.22**	**856.80**	**(23.58)**	**(2.75)**
Total VPF Sharing	**733.62**	**633.08**	**100.54**	15.88

Expense Details

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

Particulars	31 March 16	31 March 15	Growth	% Growth
	₹ in Mn	₹ in Mn	₹ in Mn	
Operating direct costs	2,425.22	1,915.75	509.47	26.59
Employee benefit expenses	688.22	572.26	115.96	20.26
Other expenses	759.71	697.10	62.61	8.98
Total Expenses	**3,873.15**	**3,185.11**	**688.04**	**21.60**

Operating direct costs

Increase in operating direct costs in fiscal year ended March 31, 2016 was principally attributable to (i) increase in costs associated with sale of products i.e. purchase of digital cinema equipment by ₹ 191.82 Mn from ₹ 177.38 Mn for the fiscal year ended March 31, 2015 to ₹ 369.20 Mn in the fiscal year ended March 31, 2016, (ii) increased VPF D-Cinema share payments to D-Cinema exhibitors by ₹ 100.54 Mn from ₹ 633.08 Mn during the fiscal year ended March 31, 2015 to ₹ 733.62 Mn in the fiscal year ended March 31, 2016, (iii) increased advertisement revenue share payments which has increased by ₹ 77.59 Mn from ₹ 393.89 Mn for the fiscal year ended March 31, 2015 to ₹ 471.48 Mn in the fiscal year ended March 31, 2016 and (iv) increased Van operating expenses under VDSPL by ₹ 65.41 Mn from ₹ 10.30 Mn for the fiscal year ended March 31, 2015 to ₹ 75.72 Mn in the fiscal year ended March 31, 2016.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

Consolidated EBITDA increased by 14.90% from ₹ 1,608.33 Mn in the fiscal year ended March 31, 2015 to ₹ 1,847.97 Mn in the fiscal year ended March 31, 2016. As a percentage of total revenue, the consolidated EBITDA decreased from 33.55% in the fiscal year ended March 31, 2015 to 32.30% in the fiscal year ended March 31, 2016 primarily led by planned losses in the gestating business initiative Caravan Talkies under the subsidiary VDSPL.

Excluding the losses in VDSPL, your Company's EBITDA grew by 18.94% from ₹ 1,612.83 Mn in the fiscal year ended March 31, 2015 to ₹ 1,918.30 Mn in the fiscal year ended March 31, 2016. As a percentage of revenue excluding VDSPL, the EBITDA excluding VDSPL increased from 33.72% in the fiscal year ended March 31, 2015 to 33.83% in the fiscal year ended March 31, 2016.

Profit before tax

Consolidated Profit before Tax increased 42.46% from ₹ 688.30 Mn in the fiscal year ended March 31, 2015 to ₹ 980.53 Mn in the fiscal year ended March 31, 2016. As a percentage of total revenue, the profit before tax increased from 14.36% in the fiscal year ended March 31, 2015 to 17.14% in the fiscal year ended March 31, 2016.

Profit before Tax excluding VDSPL losses was up 55.97% from ₹ 693.70 Mn in the fiscal year ended March 31, 2015 to ₹ 1,018.93 Mn in the fiscal year ended March 31, 2016. As a percentage of revenue excluding VDSPL, the Profit before Tax excluding VDSPL increased from 14.51% in the fiscal year ended March 31, 2015 to 19.08% in the fiscal year ended March 31, 2016.

Profit for the year attributable to equity shareholders of the Company

Consolidated profit for the year attributable to equity shareholders of the Company increased by 30.01%, from ₹ 488.13 Mn in the fiscal year ended March 31, 2015 to ₹ 634.63 Mn in the fiscal year ended March 31, 2016.

Profits excluding VDSPL losses were higher by 49.12%, from ₹ 493.59 Mn in the fiscal year ended March 31, 2015 to ₹ 736.03 Mn in the fiscal year ended March 31, 2016.

STRATEGY & OUTLOOK

ADVERTISING BUSINESS

UFO reported strong advertising revenue performance during the fiscal year 2015-16. The advertising business delivered strong growth of 35.28% from ₹ 1,166.68 Mn in the fiscal year ended March 31, 2015 to ₹ 1,578.34 Mn in the fiscal year ended March 31, 2016. The momentum of the adverting revenue is healthy and sustainable and we expect it to surpass the industry growth rate going forward as well. Your Company intends to grow this revenue stream by growing the advertising spot rates and through higher sale of advertisement inventory by deepening advertiser engagement, attracting new advertisers to its platform, expanding the on-screen advertising offerings and monetizing below-the-line advertising opportunities.

Deepening relationships with existing advertising clients is an integral part of UFO's advertising activity plan. This strategy has resulted in repeat business, by introducing a high level of stability to the advertisement revenue stream, which is an indication of higher conviction by advertising clients in the in-cinema advertising medium. Your Company also continues to focus on expanding its client base by attracting new advertisers, both from the Enterprise and the Government verticals. UFO has dedicated teams to service its Enterprise and Government

vertical advertising clients. The number of advertising clients has grown from 563 advertisers in fiscal year ended March 31, 2013 to 2,556 advertisers in fiscal year ended March 31, 2016.

The current year, like previous years, also saw a sharp focus on innovation as your Company launched UFO Framez, a cloud-based advertising technology platform. UFO Framez is an extension to the existing in-cinema advertising which is intended to drive inventory utilisation. It offers hyper local advertising clients a seamless avenue to advertise on UFO's in cinema advertising platform using short duration slides with possibility of Voice Over, at very attractive price points relative to other advertising media.

UFO also has the rights to monetize additional commercial space at majority of its advertising screens on its network that enables UFO to monetize below the line advertising opportunities at each cinema.

Theatrical Business

UFO has the opportunity to leverage its technology platform and its relationships with distributors and advertisers to expand the movie exhibition market in India through innovative models. India is a highly under-penetrated movie exhibition market compared to developed and other emerging markets. Given the potential growth of the exhibition business in India, your Company plans to facilitate the growth of innovative low capital expenditure exhibition and advertising models.

As such, your Company entered the Caravan Talkies and Club Cinema formats through the acquisition of VDSPL in December 2014. Fiscal year 2016 was the first full year of operations for both Caravan Talkies and Club Cinema post the acquisition of VDSPL. Caravan Talkies added 90 vans during the year taking the total count to 114 vans at the end of the fiscal year 2016 out of which 91 vans became operational. We expect this business to deliver improved performance going forward.

During the fiscal year, UFO also launched a Franchise brand – NOVA CINEMAS under VDSPL for creating new growth lever for your Company, which is also the Company's long-term vision. Through NOVA CINEMAS, your Company focuses on creating additional UFO customer base in India by providing end-to-end consulting services to local entrepreneur to develop new exhibition centers.

Risks and Concerns

Dependence on exhibitors

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

Expiry of agreements with Hollywood Studios

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

Risk Management

Risks and Concerns are an important part of managing the business of the Company and the main focus of management to ensure that these risks addressed with appropriate risk management practices. These risks can affect the operating performance, cash flows, financial performance, management performance and sustainability.

As a result, risk management is integral to the creation, protection and enhancement of shareholder value. Your Company has developed an appropriate risk management framework for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations adhering to stringent guidelines.

Overall, your Company has emerged as an organization that has strong focus on improving process predictability, reducing operational risk, enhance service quality and improving overall performance.

Internal Control and Adequacy

Your Company has controls and procedures in place that are designed to provide reasonable assurance that material information relating to the Company is disclosed on a timely basis. Management has reviewed the Company's disclosures 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 your Company's disclosures and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements. Your Company's management, with the participation of its CEO and CFO, is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian GAAP.

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 your 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. Your Company has engaged a qualified independent firm to act 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. Based on the evaluation, it was concluded that the Company's internal financial controls were effective as of March 31, 2016.

Strengthening of controls is a continuous and evolving process in the Company. The Internal auditor's observations/ findings and recommendations are discussed with process owners to improvise preventive and corrective actions which are then deployed across the organization.

Human Resources and Industrial Relations

The Human Resources (HR) function in UFO remains focused on development and well-being 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 the Company's endeavor to promote a healthy and safe work environment for all the employees. Your Company continues to focus on reviewing Human Resources policies including remuneration, employee welfare plans, health and safety, professional training, etc., which are the key parameters laid down by UFO's senior management.

UFO's total employee strength including group Companies and top management stood at 580 as on March 31, 2016.

Material development in Human Resources:

Recruitment & Selection:

UFO has a talented pool of employees that prides itself in providing effective and efficient customer service to its clients. The focused recruitment and selection process ensures that the Company hires the best talent for the job that aligns with the overall goals of the organization. The Company takes pride in having a stable manpower strength coupled with low rate of attrition that gives it a strategic advantage to achieve long term business objectives.

Training & Development:

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

Industrial Relations:

The Company believes in maintaining cordial and friendly relations with its employees and has an effective mechanism in place to resolve conflicts, 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

COMPANY'S GOVERNANCE PHILOSOPHY

The Company firmly believes that effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. The Corporate Governance is essentially a system by which companies are directed and controlled by the management in the best interest of all stakeholders. Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance 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 efficient and ethical conduct of its business.

COMPLIANCE WITH LISTING REGULATIONS

The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2, 2015, replacing the earlier listing agreement (w.e.f. December 1, 2015), aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of the capital market viz, equity, debentures, debt instruments, etc. The Company is in compliance with the said SEBI (LODR) Regulations, 2015.

BOARD OF DIRECTORS

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

As on March 31, 2016, the composition of the Board is as below:

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

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

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

CATEGORY AND ATTENDANCE OF DIRECTORS

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

Name of Director	Category	No. of Board Meetings attended during 2015-16 / (No. of meetings held during the tenure)	Attendance at AGM held on September 15, 2015	No. of Directorship * (As on 31.03.2016)			No. of committee positions in Mandatory Committees** (As on 31.03.2016)		
				Chairman	Board Member	Total	Chairman	Committee Member	Total
Mr. Sanjeev Aga	Chairman, Non-Executive, Independent	8 (10)	Yes	1	6	7	3	4	7
Mr. Ameya Hete	Non-Executive^	4 (10)	No	Nil	5	5	Nil	Nil	Nil
Mr. Biswajit Subramanian#	Non-Executive^	3 (10)	No	Nil	4	4	Nil	Nil	Nil
Mr. Kapil Agarwal	Executive	10 (10)	Yes	Nil	2	2	Nil	2	2
Ms. Lynn de Souza	Non-Executive, Independent	10 (10)	No	Nil	4	4	Nil	4	4
Mr. Raaja Kanwar	Non-Executive^	1 (10)	No	Nil	3	3	Nil	1	1
Mr. S. Madhavan	Non-Executive, Independent	8 (10)	Yes	Nil	4	4	3	2	5
Mr. Sanjay Gaikwad	Executive^	10 (10)	Yes	Nil	6	6	Nil	1	1
Mr. Varun Laul	Non-Executive^	10 (10)	Yes	Nil	1	1	1	1	2

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

** Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Clause 49 of the Listing Agreement and Regulation 26(1)(b) of the SEBI (LODR) Regulations, 2015.

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

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

During the year under review, the Board met 10 times on the following dates: April 16, 2015; April 20, 2015; April 27, 2015; April 30, 2015; July 2, 2015; July 23, 2015; August 12, 2015; November 9, 2015; February 2, 2016 and March 11, 2016. The gap between any two consecutive meetings did not exceed 120 days.

BOARD PROCEDURE

The agenda alongwith the notice of the Board Meetings is circulated well in advance to the Board members, alongwith comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Part A of Schedule II of SEBI (LODR) Regulations, 2015 is made available to the Board. The Board also reviews the declarations made by the Company Secretary regarding compliance with applicable laws, on a quarterly basis.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all employees of the Company, including the Managing Director and the Joint Managing Director. The Board has also approved a Code of Conduct for Directors and Senior Management of the Company, which also incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code of Conduct for Directors and Senior Management is posted on the Company's website 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 Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Directors are inter-se related to each other.

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

REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS

During the year under review, the non-executive independent directors were paid sitting fees at the rate of ₹ 0.1 Mn for attending each of the board meetings and ₹ 0.05 Mn for attending each of the committee meetings.

The non-executive independent directors were appointed at a fixed remuneration consisting of sitting fees and commission on net profits of the Company. The total remuneration agreed with Mr. Sanjeev Aga, Chairman and Independent Director is ₹ 35 lacs p.a. and the total remuneration agreed with each of Ms. Lynn de Souza and Mr. S. Madhavan, both independent directors is ₹ 20 lacs p.a. as approved by the shareholders at their extra-ordinary general meeting held on November 20, 2014. The total remuneration payable to Independent Directors for the financial year ended March 31, 2016 is as below:

Name of Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Sanjeev Aga	1,150,000	2,350,000	3,500,000
Ms. Lynn de Souza	1,150,000	850,000	2,000,000
Mr. S. Madhavan	1,150,000	850,000	2,000,000

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 www.ufomoviez.com.

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

As on date, except Mr. Ameya Hete and Mr. Raaja Kanwar who hold 217,797 and 200,369 equity shares of the Company respectively, none of the non-executive directors hold any equity shares of the Company.

REMUNERATION TO THE EXECUTIVE DIRECTORS

Mr. Sanjay Gaikwad, Managing Director of Company had been appointed for a period of five years from October 17, 2013 to October 16, 2018. Mr. Kapil Agarwal, Joint Managing Director of Company had been appointed for a period of five years from March 1, 2014 to February 28, 2019. During the year under review, the Company had paid ₹ 2.50 crores each to Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director of the Company. 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 2015-16 under Section197 of the Companies Act, 2013 considering the profits of the Company for the financial year 2015-16.

During the financial year under review, Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director exercised their Employee Stock Options (ESOPs) granted to them under the Employee Stock Option Scheme – 2010 (ESOP 2010). The details of the same are given below:

Name of Director	No. of ESOPs granted	Date of Grant	Date of Exercise of ESOPs	Exercise Price per ESOP (₹)	Market Price per Share on the date of exercise of ESOP (₹)	Value of Perquisite computed under the Income Tax Act, 1961 (₹)
Mr. Sanjay Gaikwad	2,17,797	November 22, 2010	February 26, 2016	161.87	403.50	52,626,289.11
	46,000	March 11, 2014	February 26, 2016	178.17	403.50	10,365,180.00
Mr. Kapil Agarwal	3,26,694	November 22, 2010	December 21, 2015	161.87	495.65	109,043,923.32
	46,000	March 11, 2014	December 21, 2015	178.17	495.65	14,604,080.00

As per the provisions of the Companies Act, 1956, the value of perquisite arising due to exercise of ESOPs by Mr. Sanjay Gaikwad and Mr. Kapil Agarwal was not required to be considered for computation of managerial remuneration. However, the definition of remuneration has now undergone a change under Companies Act, 2013 and it includes perquisites as defined under the Income Tax Act, 1961, which in turn includes the perquisite arising out of exercise of ESOPs.

Accordingly, pursuant to exercise of ESOPs by Mr. Sanjay Gaikwad and Mr. Kapil Agarwal in financial year 2015-16 the perquisite value as calculated above has resulted in excess remuneration over and above the limits of managerial remuneration prescribed under the Companies Act, 2013. The details of the same are given below:

Particulars	Salary paid for the FY 2015-16 (In ₹)	Value of perquisites in form of ESOPs (In ₹)	Total (In ₹)
Mr. Sanjay Gaikwad, Managing Director	25,000,000	62,991,469	87,991,469
Mr. Kapil Agarwal, Joint Managing Director	25,000,000	123,648,003	148,648,003
Total	**50,000,000**	**186,639,472**	**236,639,472**
Overall limit @ 10% of profit u/s 198 of the Companies Act, 2013	78,367,513	-	78,367,513
Excess Remuneration	-	-	158,271,959

Considering the above, the Board of Directors of the Company, vide resolution passed on May 24, 2016 has approved waiving of recovery of excess managerial remuneration arising out of exercise of employee stock options in the form of perquisite computed under the Income Tax, 1961 from Mr. Sanjay Gaikwad, Managing Director and Mr. Kapil Agarwal, Joint Managing Director of the Company during the financial year 2015-16 in excess of limits prescribed by the Act and accordingly, the Company had made an application to the Central Government.

As on date, Mr. Sanjay Gaikwad and Mr. Kapil Agarwal hold 263,797 and 372,694 equity shares of the Company respectively.

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 months remuneration in lieu of such notice. The Executive Directors may be entitled to benefits depending on the circumstances of their termination of employment.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of Management, was held on July 23, 2015 and July 26, 2016, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of the SEBI (LODR) Regulations, 2015. 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 July 23, 2015 and Mr. Sanjeev Aga and Mr. S. Madhavan attended the Meeting of Independent Directors held on July 26, 2016. Mr. Sanjeev Aga chaired both the 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 AND INDUCTION

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

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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 and Finance Committee.

Each of these Committees has been mandated to operate within a given framework. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are 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 is in accordance with the Companies Act, 2013, Clause 49 of the Listing Agreement and Regulation 18 of the SEBI (LODR) Regulations, 2015.

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

The Audit and Risk Management Committee shall mandatorily review amongst others, (i) the management discussion and analysis of financial condition and results of operations; (ii) the statement of significant related party transactions submitted by 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 Clause 49 III D of the Listing Agreement with stock exchanges and Part C of Schedule II of the SEBI (LODR) Regulations, 2015 in addition to the requirements of Section 177 of the Companies Act, 2013. Also the Audit and Risk Management Committee is responsible for monitoring and reviewing the risk management plan of the Company.

The composition of the Audit and Risk Management Committee as at March 31, 2016 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 2015-16 / (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 (Appointed w.e.f. November 9, 2015)	Member	Non-Executive, Independent Director	2 (2)

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 Committee were held on April 30, 2015; July 23, 2015; August 12, 2015; November 09, 2015; February 02, 2016 and March 11, 2016.

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 Clause 49 IV B of the Listing Agreement with stock exchanges; Part D of Schedule II of SEBI (LODR) Regulations, 2015 in addition to the requirements of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy is part of the Directors Report.

The composition of the Nomination and Remuneration Committee as at March 31, 2016 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 2015-16 / (No. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	1 (1)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	1 (1)
Mr. Biswajit Subramanian	Member	Non-Executive Director	0 (1)
Mr. Ameya Hete	Member	Non-Executive Director	1 (1)

During the year under review, the Nomination and Remuneration Committee met once on May 14, 2015.

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; Clause 49 of the Listing Agreement entered into with BSE and NSE and Regulation 20 of the SEBI (LODR) Regulations, 2015 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, 2016 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 2015-16 / (No. of meetings held during the tenure)
Mr. Varun Laul	Chairman	Non-Executive, Independent Director	3 (3)
Mr. Sanjay Gaikwad	Member	Executive Director	3 (3)
Mr. Kapil Agarwal	Member	Executive Director	3 (3)

During the year under review, 3 meetings of the Committee were held on August 12, 2015; November 09, 2015 and February 02, 2016.

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, 2016 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	257	257	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 Companies Act, 2013;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Corporate Social Responsibility Committee as at March 31, 2016 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 2015-16 / (No. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	1 (1)
Mr. 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 July 23, 2015.

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

a) Administration and superintendence of the employee stock options schemes.

b) Formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard.

c) Frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the Company and its employees, as applicable.

The Members of the Compensation Committee are as below:

Name of the member	Position in the Committee	Designation
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director
Mr. Biswajit Subramanian	Member	Non-Executive Director
Ms. Lynn de Souza	Member	Non-Executive, Independent Director
Mr. Sanjay Gaikwad	Member	Executive Director

During the year under review, no meeting of compensation committee took place.

F) FINANCE COMMITTEE:

The Finance Committee comprises of four 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.

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.

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

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
2014-15	FICCI K.K. Birla Auditorium, Tansen Marg, Near Mandi House, New Delhi – 100 001	September 15, 2015	12.00 Noon
2013-14	1-B, Sagar Apartments, 6 Tilak Marg, New Delhi – 100 001	September 4, 2014	11.00 A.M.
2012-13	1-B, Sagar Apartments, 6 Tilak Marg, New Delhi – 100 001	September 4, 2013	03.00 P.M.

During the three preceding Annual General Meetings of the Company, no special resolutions were passed.

B) Special Resolution passed through Postal Ballot

During the financial year 2015-16, pursuant to Section 110 of the Companies Act, 2013 read with Rules made thereunder and other applicable provisions, if any, (including any amendment thereto or re-enactment thereof), 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 Resolution passed through Postal Ballot
November 9, 2015	From December 6, 2015 to January 4, 2016	January 6, 2016	January 8, 2016	Mr. Dharmesh Zaveri, Practicing Company Secretary of D.M. Zaveri & Co.	Shifting of Registered Office of the Company from National Capital Territory of Delhi to the State of Maharashtra

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

No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against
	Physical Ballot	E-Voting	Total			
25,897,669	5,157,265	15,597,747	20,755,012	80%	20,754,961	51

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 Clause 35B of the Listing Agreement, Regulation 44 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 108 of the Companies Act, 2013 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 alongwith 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 notice in the newspapers declaring the details of completion of despatch of notice and other requirements as mandated under the Companies Act, 2013 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 voting period. Members desiring to exercise their votes by electronic mode are requested to vote before 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 i.e. www.ufomoviez.com, besides being communicated to the stock exchanges, agency providing e-voting facility and registrar and share transfer agent of the Company.

MEANS OF COMMUNICATION

Communication with the Members / Shareholders

As per the requirements of the Listing Agreement executed with the Stock Exchanges and the SEBI (LODR) Regulations, 2015; 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.

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 Hindi daily newspaper i.e. 'Jansatta' Post shifting of the registered office of the Company to Maharashtra, the same will be published in a Marathi daily newspaper alongwith a leading English daily newspaper. 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 Clause 52 of the Listing Agreement and Regulation 10 of the SEBI (LODR) Regulations, 2015; the quarterly results, shareholding pattern, quarterly compliances and all other corporate communications are filed electronically with BSE on its on-line portal and with NSE on its NEAPS portal.

DISCLOSURES

Related Party Transactions

All transactions entered in to with the related parties as defined under the Companies Act, 2013; Clause 49 of the Listing Agreement and under Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year under review were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, none of the transactions with related parties were in conflict with the interest of the Company. All the transactions with the related parties are in the normal course of business 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 Accounting Standards 18.

As required under Clause 49 of the Listing Agreement and under Regulation 23 of the SEBI (LODR) Regulations, 2015, the Company has formulated a policy on related party transactions. The Policy is available on the Company's website www.ufomoviez.com.

Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets since the Company got listed on BSE and NSE i.e. since May 14, 2015.

Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013; Clause 49 of the Listing Agreement and Regulation 4(2)(d) of Chapter II of the SEBI (LODR) Regulations, 2015, 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 Clause 49 and under the SEBI (LODR) Regulations, 2015

The Company has to the extent applicable complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance and requirements of SEBI (LODR) Regulations, 2015. As to non-mandatory requirements, the company has appointed separate persons to the posts of Chairman, Managing Director(s), and Chief Executive Officer.

Web Links

a) The Company has adopted Policy for determining 'Material Subsidiaries' and the same is disclosed on the website of the Company under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

b) The Company has also adopted Policy on dealing with Related Party Transactions and the same is disclosed on the website of the Company under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

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 SEBI (LODR) Regulations, 2015.

Disclosure with respect to demat suspense account / unclaimed suspense account

As on April 1, 2015, the Company did not have any shareholders whose shares were outstanding and were lying in the suspense account.

During the year under review, the Company neither received any request from shareholders nor transferred any share from suspense account.

Further, as on March 31, 2016, there were 2 shareholders aggregating to 48 number of outstanding shares which were lying in the suspense account.

The voting rights on aggregate of 48 outstanding shares shall remain frozen till the rightful owner of such shares claims the shares.

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 pricesensitive 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 pricesensitive information is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

Policy for determination for materiality of event or information

In accordance of regulation 30 of SEBI (LODR) Regulations, 2015, 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 materiality of event and information 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

GENERAL SHAREHOLDER INFORMATION

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 L22120DL2004PLC164728.

Financial Calendar for the Financial Year 2016-17

Financial Year	April to March
Board Meeting for consideration of Accounts for the financial year ended March 31, 2016	May 26, 2016
Book Closure Dates	September 7, 2016 to September 14, 2016 (both days inclusive)
Dividend payment Date	On or after September 15, 2016
Last date for receipt of Proxy Forms	September 12, 2016
Day, Date, Time & Venue of the 12th Annual General Meeting	Wednesday, September 14, 2016 at 10.30 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai - 400071.
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2016; September, 2016 and December, 2016 of the financial year 2016-17	Within forty-five days from the end of the quarter, as stipulated under the SEBI (LODR) Regulations, 2015.
Annual audited results for the financial year ending March 31, 2017	Within sixty days from the end of the last quarter, as stipulated under the SEBI (LODR) Regulations, 2015.

Listing on Stock Exchanges

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

Name & Address of the Stock Exchanges	Stock Code / Scrip Code	ISIN for NSDL/CDSL (Dematerialized Shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	UFO / 539141	INE527H01019
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	UFO	

The Company has paid the listing fees to these Stock Exchanges for the financial year 2016-17.

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.

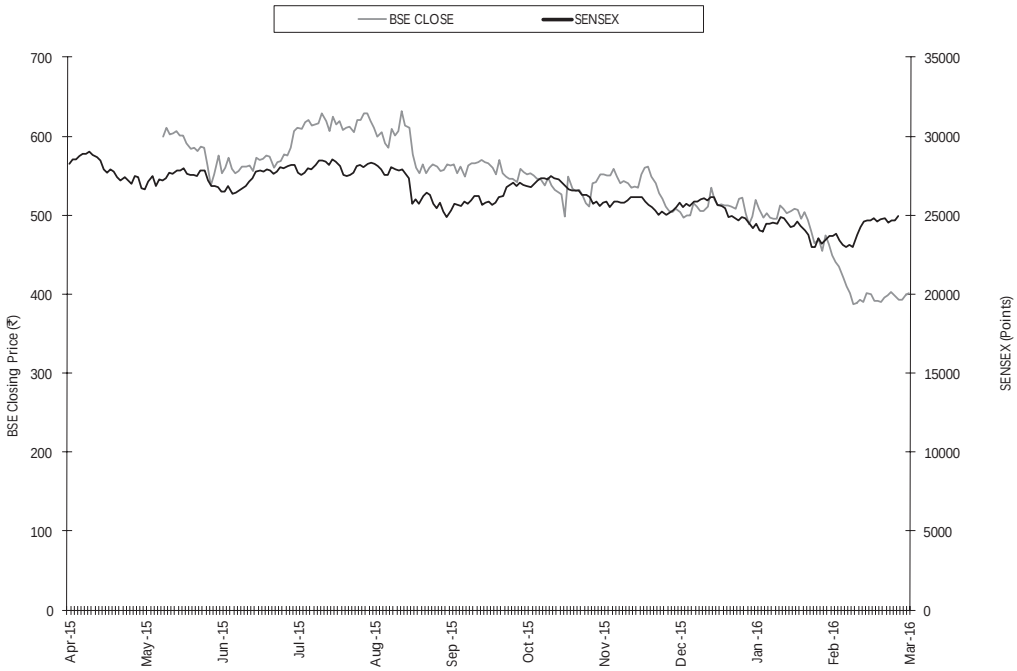
The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the Financial Year 2015-16 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's Equity Shares for the Financial Year ended March 31, 2016, 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)
April-15	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
May-15	627.80	568.25	12,817.92	627.95	567.30	44,037.60
Jun-15	589.00	521.00	1,468.15	589.05	522.95	5,470.21
Jul-15	640.00	565.00	2,212.86	640.00	560.00	8,531.09
Aug-15	643.00	533.00	1,539.84	642.80	532.55	5,176.93
Sep-15	580.00	538.25	1,899.71	584.00	535.00	4,639.11
Oct-15	567.75	491.00	1,362.00	570.15	490.15	2,592.97
Nov-15	563.50	503.50	174.69	562.00	504.95	564.48
Dec-15	565.00	483.50	254.79	565.95	475.55	1,893.56
Jan-16	538.00	476.00	264.59	536.40	473.20	1,150.37
Feb-16	524.00	381.00	178.62	524.00	381.00	958.78
Mar-16	433.00	380.10	2,039.38	432.00	381.05	3,420.37

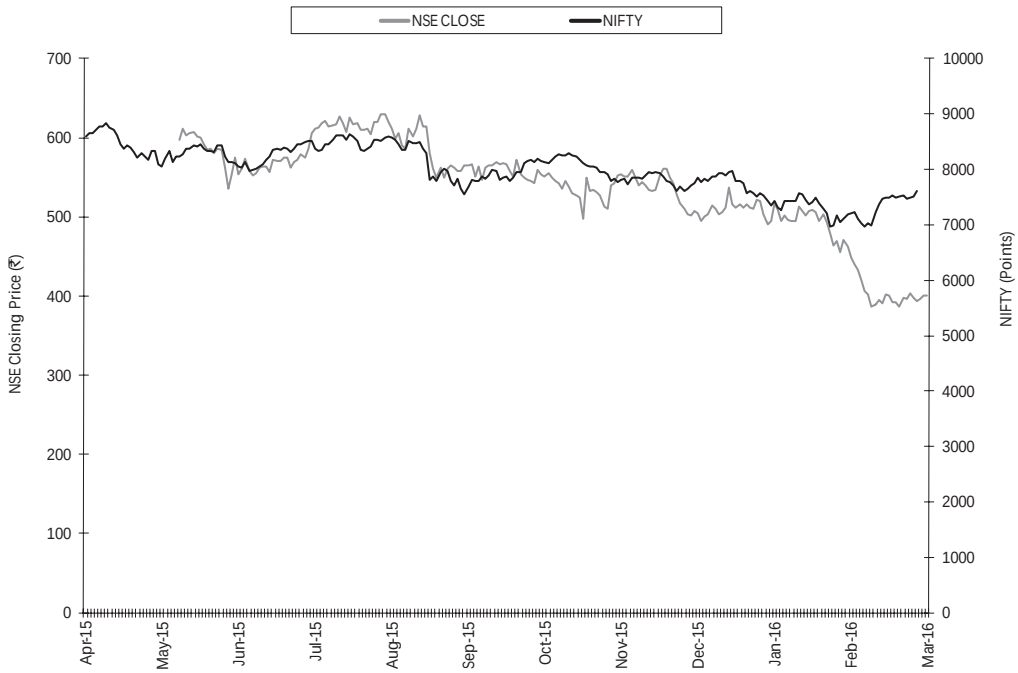
The shares of the Company got listed with BSE and NSE with effect from May 14, 2015.

Performance of UFO Share Price in Comparison to:

BSE Sensex:



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 nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Registrar & Share Transfer Agent of the Company 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, 2016

Range (In ₹) *	No. of Equity Shares	Amount (₹)	% to capital	No. of shareholders	% to total shareholder
up to 5000	1,118,352	11,183,520	4.07	24,909	98.63
5001-10000	857,510	8,575,100	0.31	117	0.46
10001-20000	103,981	1,039,810	0.38	70	0.28
20001-30000	62,815	628,150	0.23	24	0.10
30001-40000	63,288	632,880	0.23	18	0.07
40001-50000	34,924	349,240	0.13	8	0.03
50001-100000	207,583	2,075,830	0.75	29	0.11
100001 & Above	25,822,682	258,226,,820	93.90	81	0.32
Total	**27,499,376**	**274,993,760**	**100**	**25,256**	**Nil**

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

Shareholding Pattern as on March 31, 2016

Category	No. of shares held	Percentage
Promoter and Promoter Group	7,965,720	28.97
FII/FVCI/Foreign Bodies corporates, NRI, etc.	10,146,775	36.90
Individuals	3,189,784	11.60
Others	6,197,097	22.53
Total	**27,499,376**	**100**

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, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE527H01019.

Percentage of shares held in physical and dematerialization form as on March 31, 2016 are as mentioned below

Physical form : 2.27%

Dematerialization form : 97.73 %

Investor Correspondence

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

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

For Investor correspondence and queries relating to financial statements:

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

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

For queries relating to shares / compliance

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

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

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

Plant Locations

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.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Place : Mumbai	Managing Director	Joint Managing Director
Date : July 26, 2016	DIN: 01001173	DIN: 00024378

DECLARATION BY CHIEF EXECUTIVE OFFICER

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges and 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, 2016.

For UFO Moviez India Limited

Place: Mumbai
Date: May 26, 2016

Rajesh Mishra
Chief Executive Officer

JMD & CFO CERTIFICATION

To
The Board of Directors of
UFO Moviez India Limited

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

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 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**:**

   a. significant changes, if any, in internal control over financial reporting during the year;

   b. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

For UFO Moviez India Limited

Place : Mumbai
Date : May 26, 2016

Kapil Agarwal
Joint Managing Director

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
UFO Moviez India Limited

I have examined the compliance of conditions of Corporate Governance by UFO Moviez India Limited ('the Company'), for the Financial Year ended March 31, 2016, as stipulated in

- Clause 49 [excluding clause 49(VII)(E)] of the Listing Agreements with the stock exchanges for the period from April 1, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 1, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulation 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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.

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 Clause 49 of the Listing Agreements and regulation 17 & 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of the Schedule V of the Listing regulations for the respective periods of applicability as specified under paragraph 1 above, during the period ended March 31, 2016.

I further state that such compliance is neither as 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.

Dharmesh M. Zaveri
Practicing Company Secretary
FCS No: 5418
CP No : 4363

Place : Mumbai
Dated : July 26, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as "UFO" or "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to note 34(f)(ii) to the consolidated financial statements for a demand of ₹ 220,111,033 (excluding interest and penalty) received by the Holding Company for disallowance of CENVAT credit on digital cinema equipments and which is more fully described therein. Based on legal opinion obtained, the Holding Company is of the view that it should be entitled to avail CENVAT credit and is contesting this demand. Hence, no provision has been considered by the management in these consolidated financial statements.

2. We also draw attention to note 38 to the consolidated financial statements which describes that the managerial remuneration (including perquisite value of stock options exercised by two directors during the year determined as per Income Tax Act, 1961) for the year is in excess of the limits specified under section 197 read with schedule V of the Act by ₹ 158,271,959 and more fully described therein. Pending the approval from the Central Government for waiver of such excess remuneration, no adjustments have been made to these consolidated financial statements.

   Our opinion is not qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

   (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, and of its subsidiary companies, associate company and jointly controlled company incorporated in India, none of the directors of the Group's companies, its associate company and jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in the respective companies 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 of the Holding Company and its subsidiary companies, associate company and jointly controlled company 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:

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

      ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts; and

      iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

Other Matter

1. The accompanying consolidated financial statements include total assets of ₹ 1,373,394,641 as at March 31, 2016, and total revenues and net cash inflows of ₹ 1,310,311,275 and ₹ 14,111,331 for the year ended on that date, in respect of certain subsidiaries, and a jointly controlled entity, which 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 financial statements also include the Company's share of net profit of ₹ 23,865,756 for the year ended March 31, 2016, 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, jointly controlled entity and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of

the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associates, is based solely on the report of such other auditors.

2. The accompanying consolidated financial statements include total assets of ₹ 31,926,619 as at March 31, 2016, and total revenues and net cash outflows of ₹ Nil and ₹ 2,446,955 for the year ended on that date, in respect of two subsidiaries, which have not been audited, which unaudited financial statements and other unaudited financial information have been furnished to us. The consolidated financial statements also include the Company's share of net profit of ₹ 15,503,146 for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two 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) and (11) 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 opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

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

per Govind Ahuja
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: May 26, 2016

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of UFO Moviez India Limited

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, 2016, 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, its associate company and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and jointly controlled company, 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, its associate company and jointly controlled company, 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, 2016, 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

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 two subsidiary companies, one associate company and a jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and jointly controlled companies incorporated in India.

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

per Govind Ahuja
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: May 26, 2016

Consolidated Balance Sheet as at 31 March 2016

(In ₹)

Particulars	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	274,993,760	258,976,690
Reserves and surplus	4	4,889,664,662	4,273,661,935
		5,164,658,422	**4,532,638,625**
Minority Interest		106,209,585	73,093,367
Non-current liabilities			
Long-term borrowings	5	435,916,273	559,718,532
Other long-term liabilities	7	485,213,406	564,609,187
Deferred Tax liabilities (net)	11	236,753	288,697
Long -term provisions	6	8,165,006	7,841,937
		929,531,438	**1,132,458,353**
Current liabilities			
Short-term borrowing	8	108,502,827	94,320,728
Trade payables	7	901,181,140	656,590,447
Other current liabilities	7	1,127,867,928	1,196,440,361
Short-term provisions	6	145,709,759	43,857,407
		2,283,261,654	**1,991,208,943**
TOTAL		**8,483,661,099**	**7,729,399,288**
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	9	2,881,305,709	3,023,355,619
Intangible assets	9	38,913,709	45,969,627
Capital work-in-progress		70,536,424	89,302,748
Goodwill on consolidation		1,720,744,312	1,683,161,813
Non-current investments	10	80,137,614	61,410,219
Deferred tax assets (net)	11	275,044,347	192,537,307
Long-term loan and advances	12	405,540,232	404,599,365
Other non-current assets	17	76,183,087	122,442,310
		5,548,405,434	**5,622,779,008**
Current Assets			
Current investments	13	280,771,132	67,092,366
Inventories	14	114,822,325	110,523,960
Trade receivables	15	1,515,045,644	1,052,621,684
Cash and bank balances	16	667,677,706	577,507,488
Short-term loan and advances	12	290,331,204	121,075,914
Other current assets	17	66,607,654	177,798,868
		2,935,255,665	**2,106,620,280**
TOTAL		**8,483,661,099**	**7,729,399,288**
Summary of significant accounting policies	2.1		

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

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

per Govind Ahuja
Partner
Membership No.: 48966
Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

(In ₹)

Particulars	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations	18	5,654,881,689	4,771,512,003
Other operating income	19	45,715,334	13,504,882
Other income	20	20,527,794	8,422,949
Total Income (I)		**5,721,124,817**	**4,793,439,834**
Expenses			
Operating direct costs	21	2,425,221,240	1915,747,250
Employee benefit expenses	22	688,222,432	572,261,749
Other expenses	23	759,709,196	697,101,669
Total Expenses (II)		**3,873,152,868**	**3,185,110,668**
Earnings before interest,tax,depreciation and amortisation (EBITDA) (I) -(II)		1,847,971,949	1,608,329,166
Depreciation and amortisation expenses	9	773,904,962	769,367,916
Finance cost	24	140,395,788	201,111,396
Finance income	25	(46,856,438)	(50,448,158)
Profit before tax		**980,527,637**	**688,298,012**
Tax expenses			
Current tax		406,423,549	239,182,483
Deferred tax		(60,585,142)	(59,660,809)
Total tax expenses		**345,838,407**	**179,521,674**
Profit for the year before share of profit from associates		**634,689,230**	**508,776,338**
Share of profit from associates (net)		39,368,902	18,797,386
Profit for the year		**674,058,132**	**527,573,724**
Minority Interest		**(39,428,642)**	**(39,448,204)**
Profit for the year attributable to equity shareholders		**634,629,490**	**488,125,520**
Earnings per equity share (Face value of ₹ 10 each)	27		
Basic		24.22	17.65
Diluted		23.33	16.99
Summary of significant accounting policies	2.1		

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

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

per Govind Ahuja
Partner
Membership No.: 48966
Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Consolidated Cash flow statement for the year ended 31 March 2016

(In ₹)

		31 March 2016	31 March 2015
Cash flow from / (used in) operating activities			
Profit before tax		980,527,637	688,298,011
Adjustments to reconcile profit before tax to net cash flows			
Depreciation		773,904,963	769,367,917
Unrealised Foreign exchange (gain)/loss (net)		(683,299)	(846,702)
Loss/ (profit) on sale/ discarding of fixed assets		1,247,283	909,017
Bad debt written off		8,425,377	6,315,950
Provision for doubtful debts		33,134,577	24,030,699
Employee stock compensation expense		-	3,658
Provision for doubtful advances		5,885,107	5,963,716
Utilisation of provision for warranty (net)		(3,018,278)	(3,429,395)
Provision for compensated absences		5,203,935	5,592,377
Provision for gratuity		10,613,541	5,906,133
Provision for diminution in value of fixed assets		701,928	3,333,584
Sundry credit balances written back		(10,428,047)	(13,504,850)
Profit on sale of current investments (net)		(6,234,251)	-
Dividend income		(3,045,943)	(6,065,709)
Interest income		(37,576,245)	(44,382,450)
Interest expense		132,748,023	197,290,940
Operating profit before working capital changes		**1,891,406,308**	**1,638,782,896**
Movements in working capital :			
(Decrease)/ Increase in trade payable		202,224,169	26,632,591
(Decrease)/ Increase in long-term provisions		(684,628)	(752,449)
(Decrease)/ Increase in short-term provisions		(342,530)	(8,671)
(Decrease)/ Increase in other current liabilities		65,598,014	12,162,298
(Decrease)/ Increase in other non current liabilities		(9,911,261)	372,375
Decrease/ (Increase) in trade receivables (Non - Current)		-	995,318
Decrease/ (Increase) in trade receivables		(452,308,326)	(112,455,011)
Decrease/ (Increase) in inventories		(2,586,918)	(12,018,010)
Decrease/ (Increase) in long-term loans and advances		17,538,296	35,483,744
Decrease/ (Increase) in short-term loans and advances		(151,822,271)	(1,650,560)
Decrease/ (Increase) in other current assets		108,273,215	(158,388,653)
Decrease/ (Increase) in other non-current assets		(100,001)	(7,492,160)
Cash generated from/(used in) operations		**1,667,284,068**	**1,421,663,708**
Direct tax paid (net of refunds)		(419,266,472)	(284,047,694)
Net cash flow from/(used in) operating activities	**(A)**	**1,248,017,596**	**1,137,616,014**
Cash flow from/(used in) investing activities			
Purchase of fixed assets including intangible, Capital-work-in-progress and capital advances		(624,819,220)	(359,143,319)
Payment of purchase consideration for purchase of subsidiary shares (from minority)		(151,498,117)	(160,500,421)
Investment in subsidiary		-	(5,926,990)
Purchase of current investment including dividend reinvestment		(1,942,545,948)	(347,065,198)
Advance for purchase of Investment		-	(3,300,000)
Refund of advances paid for purchase of investments		-	20,000,000
Redemption of current investments		1,735,101,433	332,960,596
Proceeds from sale of fixed assets		23,289,546	27,934,491
Interest received		42,309,971	34,968,442
Dividend received		21,572,227	19,114,797

Consolidated Cash flow statement for the year ended 31 March 2016

(In ₹)

		31 March 2016	31 March 2015
Placement of bank deposits (having original maturity of more than three months)		(125,975,782)	(188,379,849)
Redemption/maturity from bank deposits (having original maturity of more than 3 months)		209,813,716	6,400,000
Net cash flow from / (used in) used in investing activities	**(B)**	**(812,752,175)**	**(622,937,451)**
Cash flow from / (used in) financing activities			
Proceeds from issuance of share capital (including premium)		248,946,423	-
Proceeds from long- term borrowings		397,387,850	256,072,402
Repayment of long-term borrowings		(641,045,939)	(743,973,539)
Proceeds from short-term borrowings		43,420,319	94,310,415
Repayment of short term borrowings (net)		(23,173,439)	(8,582,009)
Dividend Paid		(147,737,545)	-
Tax on dividend paid on equity shares		(27,991,130)	-
Interest and finance cost paid		(147,077,851)	(197,162,064)
Net cash flow from/(used in) financing activities	**(C)**	(297,271,312)	(599,334,795)
Net (decrease)/increase in cash and cash equivalent (A + B + C)		137,994,109	(84,656,232)
Cash and cash equivalents at the beginning of the year		288,561,624	337,031,871
Cash and cash equivalents in respect of subsidiary acquired during the year		-	12,656,771
Unrealised Gain on Foreign Currency Cash and Cash equivalents		(12,317,734)	23,529,214
Cash and cash equivalents at the end of the year		**414,237,999**	**288,561,624**
Components of cash and cash equivalents			
Cash on hand		938,782	1,180,025
Balance with banks:			
- on current accounts		411,582,526	277,367,938
- unpaid dividend account*		233,600	-
- On EEFC Account		1,373,091	5,603,661
- on fixed deposits account with original maturity of less than three months		110,000	4,410,000
Cash & cash equivalents [refer note 16]		**414,237,999**	**288,561,624**
Summary of significant accounting policies	2.1		

Notes:

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

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

As per our report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966
Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Notes to Consolidated financial statements as at and for the year ended 31 March 2016

1. Corporate information

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

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

Basis of preparation

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

2. Principles of Consolidation

(i) The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense after eliminating intra-group balances and transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements".

(ii) The excess of cost to the Parent Company of its investments in the subsidiaries over its portion of equity in the subsidiaries, as at the date on which investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statement of the subsidiary companies as on the date of investment.

(iii) Minority Interest:

Minority interest share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company. In case where losses applicable to minority interest exceed the minority interest in the equity of the subsidiary, the excess of, any further losses applicable to minority interest are adjusted against the Parent Company's portion of equity in the subsidiary, until all previous losses absorbed by parent are recovered.

(iv) The financial statement of the Group includes the share of profit / loss of associate companies in which the Group has significant influence and which is neither a subsidiary nor a joint venture, which are accounted under "Equity Method" in accordance with Accounting standard (AS) 23 on Accounting for Investment in Associates, as per which the share of profit/(loss) of associate company has been added and restricted to the cost of investment.

(v) The financial statements of the Company and its Joint venture entities have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense after eliminating intra-group balances and transactions, by applying "Proportionate consolidation" Method, as per Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Venture".

(vi) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible across the group and are presented, to the extent possible, in the same manner as per the parent's separate financial statement.

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

Subsidiary Name	Country of Incorporation	Proportion of ownership interest of the Company/ Subsidiary as on March 31, 2016	Proportion of ownership interest of the Company/ Subsidiary March 31, 2015
Subsidiaries of UFO			
Scrabble Entertainment Limited (SEL)	India	91.33%	91.33%
V N Films Private Limited	India	100%	100%
Southern Digital Screenz India Private Limited	India	84.18%	84.18%
Valuable Digital Screen Private Limited (from December 31, 2014)	India	80%	80%
Edridge Limited	Cyprus	100%	100%
United Film Organisers Nepal Private Limited	Nepal	100%	100%
Subsidiary of Edridge Limited & stepdown subsidiary of UFO			
UFO International Limited	Cyprus	100%	100%
Subsidiaries of UFO International Limited & stepdown subsidiaries of UFO			
United Film Organisers (UFO) (Mauritius) Private Limited.	Mauritius	100%	100%
UFO Lanka Private Limited.	Sri Lanka	100%	100%
UFO Software Technologies Private Limited.	India	100%	100%
Subsidiaries of SEL & stepdown subsidiaries of UFO			
Scrabble Entertainment DMCC (erstwhile known as Scrabble Entertainment JLT)	Dubai	100%	100%
Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
Scrabble Digital Inc	United States of America	100%	100%

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

Associate Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2016	Proportion of ownership interest as on March 31, 2015
Scrabble Digital Ltd	India	33.33%	33.33%
Scrabble Digital DMCC (erstwhile known as Scrabble Digital JLT)	Dubai	33.33%	33.33%
Scrabble Venture LLC	United States of America	30.00%	30.00%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30.00%	30.00%

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

Joint Venture Entity Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2016	Proportion of ownership interest as on March 31, 2015
Mukta V N Films Ltd	India	45.00%	45.00%

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

Subsidiary Name	Country of Incorporation	Proportion of ownership interest as on March 31, 2016	Proportion of ownership interest as on March 31, 2015
Scrabble Entertainment Israel Ltd	Israel	100%	100%
UFO Europe Ltd	Cyprus	100%	100%

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

Entity Name	Relationship	For the year ended March 31, 2016	For the year ended March 31, 2015
Scrabble Digital DMCC (Erstwhile known as Scrabble Digital JLT)	Associate	Year ended Dec-15	Year ended Dec-14
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended Dec-15	Year ended Dec-14

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Change in accounting policy

From April 01, 2015, based on the provisions of schedule II to the Companies Act 2013, relating to component accounting, the Company has identified and determined cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

As per the transitional provisions of Schedule II, carrying amount of components having zero remaining useful life on 1 April 2015 of ₹ 41,519,692 (after reducing deferred tax impact of ₹ 21,973,842) has been adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

As a result of this change, the depreciation charge for the year ended 31 March 2016 is lower by ₹ 11,414,350.

Change in accounting estimate

During the year ended March 31, 2015, as per provisions of Schedule II to the Act, in respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of ₹ 2,979,441 (after reducing deferred tax impact of ₹ 1,367,662) was adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

(c) Tangible fixed assets

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

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

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

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.

(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 amortised over their estimated useful life as follows.

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

(e) Depreciation on tangible assets

Depreciation on fixed assets 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 fixed assets.

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

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

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

(f) Goodwill on consolidation

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

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

(g) Impairment of tangible and intangible assets

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

(h) Leases

Where the Group is the lessee

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

Where the Group is the lessor

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

(i) Investments

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

(j) Inventories

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

(k) Revenue recognition

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

Income from services

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

Sale of goods

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

The 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 and value added 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

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

Dividends

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

(l) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-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.

(iii) Exchange differences

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

(m) Translation of foreign operations

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

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

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

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

(n) Retirement and other benefits

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

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

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

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

(o) Income taxes

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

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

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

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

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

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

(p) Earnings per share

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

(q) Contingent liabilities

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

(r) Cash and cash equivalents

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

(s) Employee stock compensation cost

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

(t) Provisions

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

(u) Borrowing cost

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

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

(v) Segment reporting

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

(w) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 which is equally applicable to schedule III of the Companies Act, 2013, the Group 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 Group measures EBITDA on the basis of profit from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

3. Share capital (In ₹)

	31 March 2016	31 March 2015
Authorised share capital		
45,000,000 (March 31,2015: 45,000,000) equity shares of ₹ 10 each	450,000,000	450,000,000
1,385,000 (March 31,2015: 1,385,000) preference shares of ₹ 1000/- each	1,385,000,000	1,385,000,000
	1,835,000,000	**1,835,000,000**
Share capital		
Issued, subscribed and fully paid up shares		
27,499,376 (March 31,2015: 25,897,669) equity shares of ₹ 10/- each fully paid-up	274,993,760	258,976,690
Total issued, subscribed and fully paid up share capital	**274,993,760**	**258,976,690**

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

Equity shares	31 March 2016		31 March 2015	
	No.	₹	No.	₹
At the beginning of the year	25,897,669	258,976,690	25,897,669	258,976,690
Issue of Equity shares on exercise of ESOPs	1,601,707	16,017,070	-	-
Outstanding at the end of the year	**27,499,376**	**274,993,760**	**25,897,669**	**258,976,690**

(b) Terms/rights attached to equity shares

Voting rights:

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

Rights to Dividend:

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31,2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 8 (March 31, 2015: Nil) per share.

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.

Other Rights and restriction

The other rights and restriction applicable to certain shareholders specified below as at March 31, 2015, have been terminated on the commencement of trading of the Equity Shares of the Company on any recoginsed stock exchange pursuant to the IPO i.e. on May 14, 2015.

i) Pre-emption Rights:

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

ii) Right of First Offer, Right of Sale and Tag Along Rights:

In the event Apollo Group (comprising of Apollo International Limited and an individual shareholder) and VTL Group (comprising of Valuable Technologies Limited, Valuable Media Limited and two individual shareholders) (collectively

called Group A Shareholders) propose to transfer all or part of their securities to any person, shall first offer to the Investor Group, a pro rata right to purchase all their Shares. Investors Group had the right to exercise certain specified tag along rights in case the Group A shareholders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

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

iii) Exit Rights and Drag Along Rights:

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

iv) Rights pertaining to repayment of capital

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

v) Other Rights:

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

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

vi) Restrictions

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

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

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

Name of the shareholder	31 March 2016		31 March 2015	
	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	19.10	9,253,740	35.73
3i Research (Mauritius) Limited	2,664,879	9.69	5,566,570	21.49
Valuable Technologies Limited	2,243,657	8.16	3,071,745	11.86
Apollo International Limited	2,266,417	8.24	2,266,417	8.75
Valuable Media Limited	1,494,265	5.43	2,131,782	8.23

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

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

The Company has issued total 1,601,707 shares (31 March 2015: Nil) 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 28.

4. Reserves and surplus (In ₹)

	31 March 2016	31 March 2015
Legal Reserve		
Balance as per the last financial statements	18,291,284	17,682,543
Add: Transferred from surplus in the statement of profit and loss	-	608,741
Closing Balance	**18,291,284**	**18,291,284**
Securities premium account		
Balance as per last financial statements	3,489,540,997	3,481,215,682
Add : Group's share on post acquisition premium on issue of equity shares by subsidiary	-	8,325,315
Add : Additions on ESOPs exercised	232,929,353	-
Closing balance	**3,722,470,350**	**3,489,540,997**
Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	64,426	60,768
Add : Deferred Employee Stock Compensation	-	3,658
Closing Balance	**64,426**	**64,426**
Foreign Currency Translation Reserve		
Balance as per last financial statements	201,416,409	157,128,228
Prior period adjustment (refer note a)	-	9,101,754
Addition during the year (Net)	60,078,380	35,186,427
Closing Balance	**261,494,789**	**201,416,409**
Surplus in the statement of profit and loss		
Balance as per last financial statements	564,348,819	51,942,790
Less: Depreciation adjustment (net of deferred tax) (refer note 2.1(b))	(41,519,692)	(2,979,441)
Prior period adjustment (refer note a)	(2,096,132)	27,868,692
Profit for the year	634,629,491	488,125,519
Less: Dividend on equity shares including dividend distribution tax [per share ₹ 5.00 (31 March 2015 : Nil)] (refer note b)	(168,725,867)	-
Less: Proposed final dividend on equity shares including dividend distribution tax [per share ₹ 3.00 (31 March 2015 : Nil)] (refer note 39)	(99,292,806)	-
Less: Transferred to Legal reserve	-	(608,741)
Net Surplus in the statement of profit and loss	**887,343,813**	**564,348,819**
Total reserves and surplus	**4,889,664,662**	**4,273,661,935**

Note:

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

a (ii) The adjustment of ₹ 2,096,132 to reserves for the year ended 31 March, 2016, relates to share of minority interest, inadvertently not recorded in the previous year.

b. The dividend distribution tax includes dividend tax of ₹ 3,237,857 received from associate for the year ended March 31, 2016

5. Long-term borrowings (Secured) (In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
Rupee loan from Banks				
Term loan 1 from HDFC Bank	-	4,492,508	4,492,508	108,000,000
Term loan 2 from HDFC Bank	127,924,850	-	59,042,238	-
Term loan 3 from Axis Bank	-	85,416,198	85,416,198	204,999,996
Term loan 4 from Axis Bank	102,810,900	227,802,900	124,992,000	124,992,000
Term loan 5 from Axis Bank	73,917,920	96,222,376	56,250,000	56,250,000
Term loan 6 from Axis Bank	99,719,594	-	51,102,052	-
Term loan 7 from Yes Bank	14,285,714	100,000,000	85,714,286	85,714,286
Term loan 8 from HDFC Bank	15,214,247	35,499,860	20,285,613	20,285,613
Sub Total (a)	**433,873,225**	**549,433,842**	**487,294,895**	**600,241,895**
Other loans				
Vehicle finance from Banks and financial institutions (secured against hypothecation of vehicles)				
Vehicle Loan 1 from Axis Bank Ltd. (ROI from 10.01% to 11.80%, repayable in 48 monthly installments)	2,043,048	10,284,690	8,241,642	13,918,570
Vehicle Loan 2 from Kotak Mahindra Prime Ltd. (ROI 11.43% repayable in 36 monthly installments)	-	-	-	116,048
Sub Total (b)	**2,043,048**	**10,284,690**	**8,241,642**	**14,034,618**
Less :Amount disclosed under the head "Other Current Liabilities" (note 7)	-	-	(495,536,537)	(614,276,513)
Net amount (a+b)	**435,916,273**	**559,718,532**	**-**	**-**

Term loan 1 to 5 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 2.40% @ 11.70% (March 31,2015: 12.40%) p.a. is repayable in 31 monthly installments of ₹ 90,00,000/- each along with interest from July 31, 2013.

Term loan 2 having interest of bank base rate plus 1.40% @ 10.70% (March 31, 2015: Nil) p.a. is repayable in 42 monthly installments on pro rata basis each along with interest from December 31, 2015

Term loan 3 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015: 12.15%) p.a. is repayable in 48 monthly installments of ₹ 17,083,333/- each along with interest from September 30, 2012.

Term loan 4 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015:12.15%) p.a. is repayable in 48 monthly installments of ₹ 10,416,000/- each along with interest from April 30, 2014.

Term loan 5 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015: 12.15%) p.a. is repayable in 48 monthly installments of ₹ 4,687,500/- each along with interest from December 31, 2014.

Term loan 6 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 2.00% @ 11.50% p.a. and is repayable in 20 quarterely unequal installments along with interest from September 30, 2015.

Term loan 7 from Yes Bank Limited (YBL) is 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. @ 11.75% p.a. (31 March 2015 : 12.50% p.a.) and is repayable in 42 monthly installments along with interest after 7 months from disbursement.

Term loan 8 from HDFC Bank Ltd is 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. @ 11.80% p.a. (31 March 2015 : 12.50% p.a.) and is repayable in 42 monthly installments along with interest from July 31, 2014.

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

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

6. Provisions (In ₹)

	Long term		Short term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for gratuity (refer note 27)	6,416,257	4,480,824	8,284,913	3,326,364
Provision for compensated absences	-	-	31,081,154	28,531,821
Provision for warranty (refer note A)	1,748,749	3,361,113	1,227,295	2,633,210
Provision for indirect taxes (refer note B)	-	-	1,017,025	1,017,025
Provision for income tax	-	-	4,806,566	8,348,987
Proposed dividend (including tax)	-	-	99,292,806	-
	8,165,006	**7,841,937**	**145,709,759**	**43,857,407**

A. Provision for Warranty

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

(In ₹)

	31 March 2016	31 March 2015
At the beginning of the year	5,994,323	9,423,718
Arising during the year	50,000	50,000
Utilized during the year	(3,068,278)	(3,479,395)
At the end of the year	**2,976,045**	5,994,323
Current portion	1,227,295	2,633,210
Non-current portion	1,748,750	3,361,113

B. The table below gives information about movement in provision for indirect taxes (In ₹)

	31 March 2016	31 March 2015
At the beginning of the year	1,017,025	3,000,000
Utilized during the year	-	(1,982,975)
At the end of the year	**1,017,025**	**1,017,025**

7. Trade Payable & Other Liabilities

(In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Trade payables (refer note 37 for details of dues to micro and small enterprises)	-	-	901,181,140	656,590,447
Other liabilities				
Current maturities of long-term borrowings (refer note 5)	-	-	495,536,537	614,276,513
Interest accrued but not due on borrowings	-	-	10,705,389	15,014,285
Deferred lease rental income	19,838,626	23,070,134	6,433,069	6,473,087
Deferred advertisement income	-	-	14,521,821	38,400,583
Deferred revenue on AMC services	-	-	13,040,706	9,532,359
Advance from customers	-	-	195,340,135	176,308,209
Investor Education and Protection Fund (refer note (i) below)				
Unpaid dividend	-	-	233,600	-
Others				
Deposit from theatre and regional dealers	465,374,780	441,551,677	120,310,354	109,769,169
Payables for purchase of fixed assets	-	-	75,213,154	15,764,552
Trade / Security deposits received	-	-	-	1,702,249
Book overdraft	-	-	49,352	3,538,435
Payable for purchase of Investments	-	99,987,376	74,987,376	126,498,117
Salary & reimbursement payable	-	-	62,295,571	39,517,138
Statutory dues payable				
Employee related liabilities	-	-	11,142,487	9,906,559
Service tax payable	-	-	820,897	176,191
VAT payable	-	-	10,555,752	9,044,785
TDS payable	-	-	36,592,080	20,417,484
Other taxes payable	-	-	89,648	100,646
	485,213,406	**564,609,187**	**1,127,867,928**	**1,196,440,361**

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2016.

8. Short-term borrowings (secured)

(In ₹)

	31 March 2016	31 March 2015
Cash credit Axis Bank	14,976,462	10,313
Overdraft facility from YES Bank Ltd	71,026,365	94,310,415
	108,502,827	**94,320,728**

Cash credit from Axis Bank is secured by first charge on all the current assets and fixed assets of one subsidiary company. The cash credit is repayable on demand and carries interest @ 11.50% p.a. (March 31, 2015: 12.15% p.a).

The Joint Venture company Mukta V N Films Limited has obtained bank overdraft facility from Yes Bank Limited on 29 September 2014 at interest rate of base rate plus 2.0%. This facility is secured against four residential flats owned by the other Joint Venture Partner. Also, this loan facility is secured by corporate guarantee from the Holding company.

9. Fixed Assets

(In ₹)

	Tangible Assets								Intangible Assets			
	Leasehold Improvements	Plant & Machinery	Computer Systems	Office Equipments	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Tangible Total Assets	Goodwill	Computer software	Intangible Total Assets	Grand Total
Cost												
At 1 April 2014	26,738,089	5,310,171,531	40,537,707	35,706,451	10,140,843	2,359,906	94,268,218	5,519,922,745	5,185,210	94,331,434	99,516,644	5,619,439,389
Addition on acquisition	-	17,059,496	394,229	266,421	63,150	-	945,322	18,728,618	-	27,500	27,500	18,756,118
Additions	3,645,878	353,366,065	5,488,334	3,869,793	987,076	50,090	27,952,528	395,359,764	-	5,216,471	5,216,471	400,576,235
Disposals	70,528	45,503,157	5,127,623	5,142,246	613,806	100,188	13,576,943	70,134,491	-	160,850	160,850	70,295,341
Adjustment*	254,160	10,545,462	8,855	44,134	78,920	-	172,955	11,104,486	1,073,870	4,123,971	5,197,841	16,302,327
At 31 March 2015	30,567,599	5,645,639,397	41,301,502	34,744,553	10,656,183	2,309,808	109,762,080	5,874,981,122	6,259,080	103,538,526	109,797,606	5,984,778,728
Additions	7,708,768	534,360,374	6,064,831	4,922,792	1,440,235	2,800,435	135,047,313	692,344,748	-	2,407,716	2,407,716	694,752,464
Disposals	-	67,994,699	30,950	-	-	-	2,885,150	70,910,799	-	-	-	70,910,799
Adjustment*	325,602	15,077,885	19,595	42,037	106,060	-	224,703	15,795,882	374,210	2,422,989	2,797,199	18,593,081
At 31 March 2016	**38,601,969**	**6,127,082,957**	**47,354,978**	**39,709,382**	**12,202,478**	**5,110,243**	**242,148,946**	**6,512,210,953**	**6,633,290**	**108,369,231**	**115,002,521**	**6,627,213,474**
Depreciation/Amortisation												
At 1 April 2014	**11,321,227**	**2,016,208,282**	**23,694,910**	**18,304,751**	**4,653,746**	**1,092,881**	**32,391,251**	**2,107,667,048**	**518,521**	**49,687,505**	**50,206,026**	**2,157,873,074**
Addition on acquisition	-	2,845,545	142,747	26,413	63,150	-	140,200	3,218,055	-	12,425	12,425	3,230,480
Charge for the year	7,024,586	713,603,456	9,368,493	7,300,343	1,828,155	368,550	20,687,943	760,181,526	-	9,186,390	9,186,390	769,367,916
Disposals	70,528	24,396,376	5,074,651	4,559,583	601,289	90,437	10,992,488	45,785,352	-	160,850	160,850	45,946,202
Adjustment*	**157,203**	**21,712,835**	**4,186,312**	**149,183**	**28,920**	**-**	**109,773**	**26,344,226**	**107,386**	**4,476,602**	**4,583,988**	**30,928,214**
At 31 March 2015	18,432,488	2,729,973,742	32,317,811	21,221,107	5,972,682	1,370,994	42,336,679	2,851,625,503	625,907	63,202,072	63,827,979	2,915,453,482
Charge for the year	7,269,393	712,678,245	6,533,535	6,828,343	1,959,897	491,800	27,918,047	763,679,260	-	10,225,702	10,225,702	773,904,962
Disposals	-	46,962,336	30,950	-	-	-	948,875	47,942,161	-	-	-	47,942,161
Adjustment*	255,765	64,515,355	71,201	(4,422)	49,550	-	(1,344,807)	63,542,642	37,421	1,997,710	2,035,131	65,577,773
At 31 March 2016	**25,957,646**	**3,460,205,006**	**38,891,597**	**28,045,028**	**7,982,129**	**1,862,794**	**67,961,044**	**3,630,905,244**	**663,328**	**75,425,484**	**76,088,812**	**3,706,994,056**
Net Block												
At 31 March 2015	12,135,111	2,915,665,655	8,983,691	13,523,446	4,683,501	938,814	67,425,401	3,023,355,619	5,633,173	40,336,454	45,969,627	3,069,325,246
At 31 March 2016	**12,644,323**	**2,666,877,951**	**8,463,381**	**11,664,354**	**4,220,349**	**3,247,449**	**174,187,902**	**2,881,305,709**	**5,969,962**	**32,943,747**	**38,913,709**	**2,920,219,418**

* Represents exchange difference resulting from translation of fixed assets relating to non - integral foreign operations and impact on account of change in depreciation rates and component accounting as per Schedule II. (refer note 2.1 (b)).

10. Non-current Investments (In ₹)

	31 March 2016	31 March 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
(In subsidiary under liquidation)		
1 (March 31, 2015: 1) Equity Shares of USD 1 each fully paid up in UFO Europe Ltd	66	63
Less : Provision for diminution in value of investments	(66)	(63)
	-	**-**
1 (March 31, 2015: 1) Equity Shares of USD 1 each fully paid up in Scrabble Entertainment Israel Limited	66	63
	66	**63**
Investment in Associates		
197,714 (March 31, 2015: 197,714) Equity Shares of ₹ 10 each fully paid up in Scrabble Digital Limited including post -acquisition share of profit or loss	45,208,228	49,019,712
Add/(Less) : Post - acquisition share of Profit for the year	17,743,447	9,237,603
Less: Dividend distribution by associate	(15,817,120)	(13,049,088)
Less: Tax on dividend distributed by associate	(3,237,857)	-
	43,896,698	**45,208,227**
100 (March 31, 2015: 100) Ordinary shares of AED 1000 each at par fully paid up in Scrabble Digital DMCC including post-acquisition share of profit or loss	6,020,533	3,342,146
Add : Post - acquisition share of Profit for the year	6,122,308	2,678,387
Less : Dividend distribution by associate	(2,709,164)	-
	9,433,677	**6,020,533**
1,500 (March 31, 2015: 1500) Equity Shares of Mexican Pesos including post acquisition share of Profit or Loss each fully paid up in Scrabble Venture S.de R.L.De C.V, Mexico (refer note a)	7,646	7,234
Add/(Less) : Post - acquisition share of Profit/(Loss) for the year ₹ 11,339,807/- (March 31, 2015: (₹ 59,999,111)) restricted to value of Investment)	(7,646)	(7,234)
	-	**-**
3,000 (March 31, 2015: 3,000)Equity Shares in Scrabble Venture LLC USA of no par value, including post acquisition share of profit or loss. (refer note a)	19,899,870	18,777,240
Less : Recoupment of unaccounted losses	(25,506,032)	(25,506,032)
Add/(Less) : Post - acquisition share of Profit for the year	29,113,335	13,610,188
	23,507,173	**6,881,396**
Compulsorily Convertible Preference Shares in Mukta VN Films Limited	1,980,000	-
Share warrant in Mukta VN Films Limited	1,320,000	3,300,000
	80,137,614	**61,410,219**

Note:

a) The Group is holding 2,000 shares of Scrabble Venture LLC and 1,000 shares of Scrabble Venture S.de R. L. De C.V, Mexico.on behalf of others, where group is not a beneficial owner.

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

11. Deferred tax assets / (liability) (In ₹)

		31 March 2016	31 March 2015
A	**Deferred tax assets**		
	Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	219,044,772	143,759,142
	Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	18,249,540	18,876,482
	Provision for doubtful debts and advances	37,750,035	29,901,683
	Gross deferred tax assets	**275,044,347**	**192,537,307**
B	**Deferred tax liabilities**		
	Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	236,753	236,753
	Deferred revenue expenses/other difference	-	51,944
	Gross deferred tax liabilities	**236,753**	**288,697**

12. Loan and advances (Unsecured, considered good unless otherwise stated) (In ₹)

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances	10,683,236	6,453,730	-	-
Security deposit to others	14,458,197	14,144,736	45,906,168	9,173,157
Security deposit to related parties (refer note 32)	-	35,771,540	35,771,540	-
Loan to related parties (refer note 32)	-	-	74,753	8,094,241
Advances recoverable in cash or kind				
Considered good	-	16,963,861	8,216,778	21,731,433
Considered doubtful	22,079,008	16,193,902	2,396,394	2,396,394
	22,079,008	**33,157,763**	**10,613,172**	**24,127,827**
Provision for doubtful advances	(22,079,008)	(16,193,902)	(2,396,394)	(2,396,394)
	-	**16,963,861**	**8,216,778**	**21,731,433**
Other loans and advances				
Advance income-tax (net of provision for tax)	319,066,879	310,364,955	-	-
Balance with statutory / government authorities				
Considered good	48,127,949	10,281,720	42,750,568	11,055,067
Considered doubtful	1,465,752	1,465,752	-	-
Less: Provision for doubtful receivable	(1,465,752)	(1,465,752)	-	-
	48,127,949	**10,281,720**	**42,750,568**	**11,055,067**
Deposit with Government bodies and others	3,921,526	3,534,020	-	-
	52,049,475	13,815,740	42,750,568	11,055,067
Advances to supplier	-	-	73,993,909	4,750,554
Advance to employees	-	-	16,704,422	1,600,299
Prepaid expenses	9,282,445	7,052,298	61,311,466	33,294,319
Service tax credit receivable	-	-	4,172,194	21,683,105
Vat credit receivable	-	-	1,221,381	440,268
Others	-	32,505	208,025	9,253,470
	405,540,232	**404,599,365**	**290,331,204**	**121,075,913**

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

	31 March 2016	31 March 2015
Unquoted mutual funds		
10,549.22 (March 31, 2015: 67,071.78) units of Axis Liquid Fund - growth option	10,548,908	67,092,366
12,147.475 (March 31, 2015: Nil) units of Axis treasury advantage fund - growth option	20,073,771	-
3,369.356 (March 31,2015 : Nil) units of HDFC liquid fund - direct plan - growth option	10,059,053	-
13,061,970.8 (March 31, 2015 : Nil) units of HDFC corporate debt oppurtunities fund - growth option	160,000,000	-
3,873,923.18 (March 31 2015: Nil) units of Reliance regular savings debt fund - growth option	80,000,000	-
8,911.487 (March 31, 2015: Nil) units of ₹ 10.0320 each fully paid up in HDFC Cash Management Fund	89,400	-
	280,771,132	**67,092,366**

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 281,316,402 (March 31, 2015 : 67,094,176/-)

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

	31 March 2016	31 March 2015
Traded Goods		
Lamps	97,701,431	83,107,746
Digital Cinema Equipment	1,831,191	10,633,726
Consumables and spares	15,289,703	16,782,487
	114,822,325	**110,523,960**

15. Trade receivables (In ₹)

		31 March 2016	31 March 2015
Unsecured, considered good unless stated otherwise			
Outstanding for a period exceeding six months from the date they are due for payment			
- considered good		180,404,035	86,156,255
- considered doubtful		99,396,815	77,145,906
		279,800,850	**163,302,161**
Provision for doubtful receivables		(99,396,815)	(77,145,906)
	(A)	**180,404,035**	**86,156,255**
Others trade receivables			
- Considered good		-	-
- Considered good	**(B)**	1,334,641,609	966,465,429
- Considered doubtful		401,364	-
		1,335,042,973	**966,465,429**
Provision for doubtful receivables		(401,364)	-
	(C)	**1,334,641,609**	**966,465,429**
TOTAL (A+B+C)		**1,515,045,644**	**1,052,621,684**

16. Cash and bank balances (In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash and cash equivalents				
Balances with banks :				
– On current accounts	-	-	411,582,526	277,367,938
– On unpaid dividend account*			233,600	-
– On EEFC Account		-	1,373,091	5,603,661
– Deposits with original maturity of less than three months	-	-	110,000	4,410,000
Cash on hand	-	-	938,782	1,180,025
	-	**-**	**414,237,999**	**288,561,624**
Other bank balances		-		-
– Deposits with remaining maturity for less than 12 months	-	-	188,870,389	183,029,994
– Deposits with remaining maturity for more than 12 months	8,029,744	57,774,341	-	-
	8,029,744	**57,774,341**	**188,870,389**	**183,029,994**
– Margin money deposit with remaining maturity for less than 12 months	-	-	64,569,318	105,915,870
– Margin money deposit with remaining maturity for more than 12 months	59,012,673	59,264,917	-	-
	59,012,673	**59,264,917**	**64,569,318**	**105,915,870**
Amount disclosed under non - current assets (refer note 17)	(67,042,417)	(117,039,258)	-	-
	-	**-**	**667,677,706**	**577,507,488**

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

17. Other assets

(In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balances (refer note 16)	67,042,417	117,039,258	-	-
Unbilled revenue	-	-	62,450,606	90,804,628
Interest accrued but not due on fixed deposit	9,140,670	5,403,052	1,447,884	5,171,027
Other receivables (refer note (i) below)	-	-	-	81,823,214
Dividend receivable from associate	-	-	2,709,164	-
	76,183,087	**122,442,310**	**66,607,654**	**177,798,868**

(i) During year ended March 31, 2015, Other receivables comprised of share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Company. As per offer agreement between the Company and the selling shareholders, all expenses in connection with the IPO as receivable from selling shareholders under Other receivables were to be borne by the selling shareholders and accordingly classified.

18. Revenue from operations

(In ₹)

	31 March 2016	31 March 2015
Sale of Services		
Advertisement revenue	1,578,344,315	1,166,682,310
Virtual Print Fees - E-Cinema	988,866,579	893,621,008
Virtual Print Fees - D-Cinema	1,540,444,846	1,478,164,940
Lease rental income - E-Cinema	396,441,650	363,864,642
Lease rental income - D-Cinema	158,593,665	160,258,020
Digitisation income	59,915,625	67,227,332
Maintanance service fee	82,879,844	50,896,403
Registration fees income	10,466,639	10,034,109
Commission income	14,537,035	4,262,312
Technical service income	5,732,136	7,431,898
Other (refer note 1)	25,029,050	31,039,043
(A)	**4,861,251,384**	**4,233,482,017**
Sales of Products		
Lamp and spares sale	330,254,360	312,953,779
Sale of digital cinema equipments	463,375,945	225,076,207
(B)	**793,630,305**	**538,029,986**
(A)+(B)	**5,654,881,689**	**4,771,512,003**

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

19. Other Operating Income

(In ₹)

	31 March 2016	31 March 2015
Sundry balance written back	39,264,580	13,034,281
License income	4,385,306	174,431
Freight income	2,065,448	296,170
	45,715,334	**13,504,882**

20. Other income (In ₹)

	31 March 2016	31 March 2015
Miscellaneous receipts	13,658,491	8,422,949
Foreign exchange gain (net)	6,869,303	-
	20,527,794	**8,422,949**

21. Operating direct cost (In ₹)

	31 March 2016	31 March 2015
Advertisement revenue share	471,481,533	393,891,867
Running and maintenance - exhibition equipments	197,710,755	174,400,444
Van operation expenses	75,716,297	10,302,696
Technical service fees	72,499,746	69,280,448
Bandwidth charges	64,859,782	55,162,679
Purchase of digital cinema equipments	369,197,790	177,376,091
Purchase of lamps and spares	291,038,131	267,964,290
Rent on equipments	13,717,033	24,326,005
Delivery and distribution charges	42,651,411	35,553,031
Content download charges	3,262,925	3,093,785
Content processing charges	42,488,069	30,033,147
Virtual print fees sharing	733,617,381	633,081,716
Other expenses	22,518,282	10,353,125
(Increase)/decrease in inventories of digital cinema equipments		
Inventories at the beginning of the year	10,633,726	2,405,565
Inventories at the end of the year	1,831,191	10,633,726
	8,802,535	**(8,228,161)**
(Increase)/decrease in inventories of lamps and spares		
Inventories at the beginning of the year	79,140,086	76,108,486
Inventories at the end of the year	93,731,707	79,140,086
	(14,591,621)	**(3,031,601)**
Consumables and spares		
Inventories at the beginning of the year	20,750,148	19,176,822
Add : purchases	28,760,469	43,761,026
Less : Inventories at the end of the year	(19,259,426)	(20,750,148)
	30,251,191	**42,187,700**
	2,425,221,240	**1,915,747,250**

22. Employee benefit expense (In ₹)

	31 March 2016	31 March 2015
Salaries & wages	591,583,665	506,353,959
Contribution to provident and other funds	27,697,651	25,588,537
Employee stock option scheme cost	-	3,658
Gratuity expenses (refer note 27)	13,830,864	9,130,279
Compensated absences	3,331,676	3,505,578
Staff welfare expenses	51,778,576	27,679,738
	688,222,432	**572,261,749**

23. Other expenses

(In ₹)

		31 March 2016	31 March 2015
Rent		107,916,429	97,023,478
Freight and forwarding charges		58,920,650	57,350,659
Legal, professional and consultancy charges		123,648,541	98,792,032
Directors sitting fees including commission		8,050,000	2,812,500
Commission on advertisement revenue		118,797,930	84,887,014
Commission on other revenue		17,355,338	33,661,899
Sales promotion expenses		33,713,197	30,978,366
Electricity charges		20,932,794	19,137,390
Rates and taxes		30,737,014	17,136,768
Auditor's remuneration		9,604,896	6,208,511
Repairs and maintenance			
- Plant and machinery		5,019,192	3,302,827
- Building		205,406	166,022
- Furniture and fixtures		469,179	514,712
- Others		20,433,707	17,526,768
Insurance		15,716,245	13,373,193
Travelling and conveyance expenses		58,896,645	45,283,202
Communication and courier expenses		23,852,997	23,125,265
Printing and stationery		6,311,172	5,391,083
Bad debts written-off	15,893,725		8,623,258
Less: Provision utilised	(7,468,348)	8,425,377	(2,307,308)
Provision for doubtful debts		33,134,577	24,030,699
Provision for doubtful advances		5,885,107	5,963,716
Loss on sale and write off of fixed assets (net)		1,247,283	877,773
Bank charges		19,836	409,510
Donations		-	416,250
Provision for diminution in value of fixed assets		701,928	3,333,584
Miscellaneous expenses		49,713,756	76,400,769
Foreign exchange loss (net)		-	22,681,729
		759,709,196	**697,101,669**

24. Interest and finance expense

(In ₹)

	31 March 2016	31 March 2015
Interest on		
- Term loan	123,593,381	180,396,670
- Others	9,154,641	16,894,270
Bank charges	3,594,674	2,828,856
Other borrowing costs	4,053,092	991,600
	140,395,788	**201,111,396**

25. Finance income (In ₹)

	31 March 2016	31 March 2015
Interest received		
- Bank deposits	37,504,711	37,134,838
- Others	71,533	7,247,611
Dividend income on current investments	3,045,943	6,065,709
Profit on sale of current investments (net)	6,234,251	-
	46,856,438	**50,448,158**

26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations: (In ₹)

	31 March 2016	31 March 2015
Basic		
Net profit after tax as per statement of profit and loss	634,629,490	488,125,520
Less : dividends on convertible preference shares & tax thereon	-	(31,002,198)
Net profit for calculation of basic EPS	**634,629,490**	**457,123,322**
Weighted average number of equity shares in calculating basic EPS	26,203,587	25,897,669
Earning per share	**24.22**	**17.65**
Diluted		
Net profit for calculation of basic EPS	634,629,490	457,123,322
Net profit for calculation of diluted EPS	634,629,490	457,123,322
Weighted average number of equity shares in calculating basic EPS	26,203,587	25,897,669
Effect of dilutions on stock options granted under ESOP	1,000,959	1,008,501
Weighted average number of shares outstanding (including dilution)	27,204,545	26,906,170
Earning per share	**23.33**	**16.99**

27. Gratuity and other post-employment benefit plans

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

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

Net employee benefit expense recognized in the employee cost (In ₹)

	Gratuity	
	31 March 2016	31 March 2015
Current service cost	14,545,289	7,121,978
Interest cost on benefit obligation	3,435,242	2,068,434
Expected return on plan assets	(1,914,551)	(1,759,333)
Net actuarial (gain) / loss recognized in the year	(2,235,116)	1,699,200
Net benefit expense	**13,830,864**	**9,130,279**
Actual return on plan assets	**2,209,671**	**1,759,333**

Balance sheet

Benefit asset/ liability	31 March 2016	31 March 2015
Present value of defined benefit obligation	46,578,599	32,021,086
Fair value of plan assets	(31,877,429)	(24,213,898)
Plan liability	**14,701,170**	**7,807,188**

Changes in the present value of the defined benefit obligation are as follows:	31 March 2016	31 March 2015
Opening defined benefit obligation	32,499,294	22,544,163
Current service cost	14,000,826	7,625,455
Interest cost	3,435,242	2,068,434
Benefits paid	(1,702,691)	(434,800)
Actuarial (gain) / losses on obligation	(1,654,071)	696,042
Closing defined benefit obligation	**46,578,598**	**32,499,294**

Changes in the fair value of plan assets are as follows:	31 March 2016	31 March 2015
Opening fair value of plan assets	24,213,898	16,308,310
Expected return	1,953,845	1,745,443
Contributions by employer	5,989,365	6,204,100
Benefits paid	(605,768)	(191,826)
Actuarial gain on plan assets	326,089	147,871
Closing fair value of plan assets	**31,877,429**	**24,213,898**

The principal assumptions used in determining gratuity as shown below:

	Gratuity	
	31 March 2016	31 March 2015
Discount rate	7.80%	8.00%
Expected rate of return on assets	8.00%	8.75%
Employee turnover	15%	15%

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

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

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

Gratuity	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	46,578,599	32,021,086	22,573,355	15,832,688	11,090,656
Plan assets	(31,877,429)	(24,213,898)	(16,308,310)	(9,746,594)	(7,296,327)
Surplus / (deficit)	14,701,170	7,807,187	6,265,045	6,086,094	3,794,329
Experience adjustments on plan liabilities	(1,654,071)	696,042	1,379,949	1,532,494	1,071,236
Experience adjustments on plan assets	326,089	147,871	-	-	-

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

Gratuity	31 March 2016	31 March 2015
Investments with insurer	100%	100%

28. Employee stock option plans

During the year ended March 31, 2016, the Parent company's three ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014 were in existence.

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

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

i) For the employees while in employment of the Parent Company : Within one year from the date on which the shares of the Parent company 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 Parent Company's shares with a recognised stock exchange.

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

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	211,051	100.18	211,324	100.18
Granted during the year	-	-	-	-
Exercised during the year	208,315	-	-	-
Forfeited during the year	-	100.18	(273)	100.18
Outstanding at the end of the year	2,736	100.18	211,051	100.18
Exercisable at the end of the year	2,736	100.18	211,051	100.18
Weighted average remaining contractual life (in month)	2		14	

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

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

Under ESOP Scheme 2010 a total number of 1,413,497 options were granted in the year ended March 31, 2011 at an exercise price of ₹ 161.87 per share. As per the ESOP Scheme 2010, 25% of the options shall vest at the end of each year from the date of grant.

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

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the modification in vesting period of 82,157 options from being vested equally over a period of 4 years from the date of grant to one year from the date of grant.

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the change in exercise period of all vested options under this scheme from two year to one year from the date on which the shares of the Parent company get listed on a Recognized Stock Exchange. In case of the employees in employment of the Parent 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 recoganised stock exchange.

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

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,503,489	163.74	1,505,489	163.76
Granted during the year	-	-	-	-
Exercised during the year	1,393,392	163.71	-	-
Forfeited during the year	(11,408)	165.44	(2,000)	178.17
Outstanding at the end of the year	98,689	164.60	1,503,489	163.74
Exercisable at the end of the year	98,689	164.60	1,503,489	161.87
Weighted average remaining contractual life (in month)	2		14	

Employee Stock Option Scheme 2014 (ESOP 2014) :

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

Under ESOP Scheme 2014, the aggregate number of options to be granted is 1,150,000 equity shares. During the year ended March 31, 2015, 932,500 options were granted at an exercise price of ₹ 600 per share. As per the ESOP Scheme 2014, 25% of the options shall vest 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:

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	929,750	600	-	-
Granted during the year	-	-	932,500	600
Exercised during the year	-	-	-	-
Forfeited during the year	(27,680)	600	(2,750)	600
Outstanding at the end of the year	902,070	600	929,750	600
Exercisable at the end of the year	225,518	600	-	
Weighted average remaining contractual life (in months)	39		51	

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

Fair value of Stock Options granted under ESOP 2014 Scheme

The fair value of stock options granted during the year ended March 31, 2015 with vesting period of 4 year was ₹ Nil. The Black Scholes valuation model was used for computing the fair value considering the following inputs:

	31 March 2016	31 March 2015
Expected volatility	-	0.5%
Risk-free interest rate	-	8.13%
Weighted average share price	-	378.71
Exercise price	-	600
Expected life of options granted in years	-	3.50

However, in the previous year, the Parent company inadvertently valued the options granted under the ESOP 2014 Scheme at ₹ 315.18 by considering the exercise price as market price and vice versa. Accordingly, the Parent company has presented proforma group net income and earning per share (as per corrected fair value), had the compensation cost been determined in a manner consistent with fair value approach, as follows:

(In ₹)

	31 March 2016	31 March 2015
Net profit for calculation of basic EPS	634,629,490	457,123,321
Less: Employee stock compensation under fair value method	-	(10,895,914)
Proforma profit	**634,629,490**	**446,227,407**
Earnings Per Share		
Basic		
- As reported	24.22	17.65
- Proforma	24.22	17.23
Diluted		
- As reported	23.33	16.99
- Proforma	23.33	16.58

29. Investments during the year

Investments by the Group

(a) Scrabble Entertainment Limited (SEL):

During the year ended March 31, 2015, the Company acquired additional 14.91% stake (114,568 equity shares) in Scrabble Entertainment Limited from the minority shareholders for ₹ 249,987,376. Out of the above the Company has paid ₹ 175,000,000 and balance of ₹ 74,987,376 is payable in four six monthly equal installment ending on December 31, 2016. Post this investment, the Company holds 91.33% of equity share capital of SEL.

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

During the year ended March 31, 2015, the Company acquired additional 9% stake 386,895 equity shares in Southern Digital Screenz India Private Limited (SDS) from the minority shareholders for ₹ 109,998,117. Post this investment, the Company holds 84.18% of equity share capital of SDS.

(c) Valuable Digital Screens Private Limited (VDSPL)

During the year ended March 31, 2015, the Company acquired 7,105 equity shares representing 71.05% of equity share capital of VDSPL from Valuable Technologies Limited (VTL) for a consideration of ₹ 27,000,421. Subsequent to the acquisition, the Company invested ₹ 17,005,895 in 4475 equity shares (fresh issue) of VDSPL. Post this investment, the Company now holds 80% equity share capital of VDSPL. Further the Company has incurred ₹ 5,926,990 towards acquisition cost of this Investment.

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

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 equipments. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the office lease generally is for 11 to 36 months. The initial tenure of the digital equipments on lease generally is for 36 to 72 months.

(In ₹)

	Office Premises & Digital Cinema Equipment	
	31 March 2016	31 March 2015
Lease payments for the period	121,633,462	121,349,483

Operating lease commitments – Group as lessor

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

(In ₹)

	Digital Cinema Equipment	
	31 March 2016	31 March 2015
Gross carrying amount	4,325,531,785	4,105,567,935
Accumulated depreciation	1,702,791,351	1,289,307,053
Depreciation recognized in the statement of Profit & Loss	526,198,159	508,624,129

31. Segment reporting

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

(In ₹)

	For the year ended	
	31 March 2016	31 March 2015
Revenue by Geographical Market		
- Within India	4,419,713,796	3,861,728,288
- Middle east	1,151,156,462	804,984,506
- Rest of the world	84,011,431	91,579,951
	5,654,881,689	**4,758,292,745**
Carrying Amount of Segment Assets		
- Within India	6,953,232,999	5,723,571,176
- Middle east	488,797,585	463,310,344
- Rest of the world	447,756,043	1,039,615,506
	7,889,786,627	**7,226,497,026**
Cost incurred to acquired Segment Fixed Assets		
- Within India	688,241,771	417,379,414
- Middle east	6,510,693	1,952,939
- Rest of the world	-	-
	694,752,464	**419,332,353**

32. Related party disclosure

1. Names of related parties where transactions have taken place during the year

Associate Enterprises	Scrabble Digital DMCC (Erstwhile known as Scrabble Digital JLT)
	Scrabble Digital Limited
	Scrabble Venture LLC, USA
	Scrabble Ventures, S. de R.L. de C.V.
Joint Venture entity	Mukta V N Films Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	
	Media Infotek Park
	Shree Enterprises
	Valuable Media Limited
	Valuable Technologies Limited
	Qwik Entertainment India Limited
	Impact Media Exchange Limited
	Dusane Infotech (India) Private Limited (till Spetember 15, 2015)
	Nifty Portfolio Services Private Limited
	Advent Fiscal Private Limited
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
Relatives of Key management personnel	Ms. Apeksha Agarwal
	Ms. Benu Agarwal
	Mr. Uday Gaikwad

2. Details of transaction with related parties during the year (In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
1	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Expenses reimbursed**		
	i) Media Infotek Park	9,513,840	9,767,042
	ii) Dusane Infotech (India) Private Limited	8,742	16,501
B	**Software development charges**		
	i) Dusane Infotech (India) Private Limited	1,468,000	3,523,200
C	**Technical services (expense)**		
	i) Valuable Technologies Limited	72,176,562	69,280,448

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
D	**Direct Expenses (License fees on 3D movie)**		
	i) Valuable Technologies Limited	46,229	99,871
E	**Direct Expenses (Licensee fees – Impact)**		
	i) Impact Media Exchange Limited	7,200,000	3,715,951
F	**Licensee fee- Club X (income)**		
	i) Valuable Media Limited	1,467,106	1,066,314
G	**Rent paid (expense)**		
	i) Media Infotek Park	46,198,944	43,820,138
H	**Advertisement revenue**		
	i) Qwik Entertainment India Limited	Nil	7,680,271
I	**Consultancy & reimbursement expenses**		
	i) Shree Enterprises	631,600	671,938
J	**Purchase of Spares and Equipment**		
	i) Valuable Technologies Limited	Nil	2,001,391
K	**Bank Guarantee given (refer note 34 (c))**		
	i) Impact Media Exchange Private Limited	Nil	10,000,000
L	**Recovery of expenses**		
	i) Qwik Entertainment India Limited	Nil	17,250
M	**Purchase of equity shares in Valuable Digital Screens Private Limited**		
	i) Valuable Technologies Limited	Nil	27,000,421
N	**Sale of equipments**		
	i) Valuable Media Ltd	5,884,320	Nil
O	**Dividend Paid**		
	i) Valuable Media Limited	7,471,325	Nil
	ii) Valuable Technologies Limited	11,218,285	Nil
	iii) Nifty Portfolio Services Private Limited	2,710,680	Nil
	iv) Advent Fiscal Private Limited	3,685,910	Nil
2	**Associate Enterprises**		
A	**Sale of goods**		
	i) Scrabble Digital Ltd	991,352	201,193
	ii) Scrabble Digital DMCC	1,100,176	40,683
B	**Digital Conversion Expenses & Content Processing Charges**		
	i) Scrabble Digital Limited	27,244,212	25,713,177
C	**Performance Guarantee given**		
	i) Scrabble Ventures LLC	Nil	312,954,000
D	**Delivery Distribution Income**		
	i) Scrabble Digital Limited	26,947,000	24,998,821
E	**Recovery of expenses**		
	i) Scrabble Digital Limited	480,058	1,661,296

Sr. No.	Particulars Nature of Expenses/Name of the Parties		31 March 2016	31 March 2015
F	**Rent**			
	i)	Scrabble Digital Limited	732,338	1,490,885
G	**Miscellaneous income**			
	i)	Scrabble Ventures LLC	Nil	3,280,544
	ii)	Scrabble Digital Ltd	449,075	Nil
H	**Dividend received**			
	i)	Scrabble Digital Limited	15,817,120	13,049,088
	ii)	Scrabble Digital DMCC	2,709,164	Nil
I	**AMC Income**			
	i)	Scrabble Digital Limited	300,000	Nil
3	**Joint Venture Entity**			
A	**Corporate Guarantee given on borrowing (refer note 34 (b))**			
	i)	Mukta V N Films Limited	Nil	70,000,000
4	**Remuneration to key managerial personnels**			
A	i)	Mr. Sanjay Gaikwad	25,000,000	25,000,000
	ii)	Mr. Kapil Agarwal	25,000,000	25,000,000
	iii)	Mr. Ashish Malushte	7,676,512	5,007,600
	iv)	Mr. Rajesh Mishra	7,744,896	7,491,600
	v)	Mr. Sameer Chavan	2,424,986	915,921
5	**Remuneration to relative of key managerial personnel**			
A	i)	Ms. Apeksha Agarwal	768,576	761,603
6	**Salary advance to key managerial personnel**			
	i)	Mr. Ashish Malushte	1,600,000	Nil
	ii)	Mr. Rajesh Mishra	2,650,000	Nil
7	**Dividend Paid to key managerial personnel**			
	i)	Mr. Sanjay Gaikwad	1,318,985	Nil
	ii)	Mr. Kapil Agarwal	1,863,470	Nil
	iii)	Mr. Ashish Malushte	217,120	Nil
	iv)	Mr. Rajesh Mishra	285,745	Nil
8	**Dividend paid to relatives of key managerial personnel**			
	i)	Ms. Benu Agarwal	448,500	Nil
	ii)	Mr. Uday Gaikwad	500	Nil

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

Further, the Company had granted employee stock options during year ended March 31, 2015 to key managerial personnel.

6. Balance outstanding at the year end (In ₹)

Sr. No.	Particulars	31 March 2016	31 March 2015
1	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Amount receivable**		
	i) Valuable Media Limited	123,249	218,787
	ii) Qwik Entertainment India Limited	496,397	498,582
B	**Deposit receivable**		
	i) Media Infotek Park	35,771,540	35,771,540
C	**Bank Guarantee given (refer note 34 (c))**		
	i) Impact Media Exchange Private Limited	10,000,000	10,000,000
2	**Associate enterprise**		
A	**Amount receivable**		
	i) Scrabble Digital Limited	8,838,271	2,631,950
B	**Loan and advance given**		
	i) Scrabble Digital DMCC (Including interest receivable)	74,753	8,094,241
C	**Guarantee Given**		
	a) Performance Guarantee given on behalf of associate		
	i) Scrabble Ventures LLC	331,664,500	312,954,000
3	**Key managerial personnel**		
A	**Salary advance receivable**		
	i) Mr. Ashish Malushte	1,600,000	Nil
	ii) Mr. Rajesh Mishra	2,650,000	Nil
4	**Joint Venture Entity (to the extent of consolidated)**		
A	**Corporate Guarantee given on borrowing (refer note 34 (b))**		
	i) Mukta V N Films Limited	70,000,000	70,000,000

33. Capital and other commitments (In ₹)

	31 March 2016	31 March 2015
Capital commitments	92,222,205	51,977,395
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))		
Other Commitments	29,237,282	17,315,991
	121,459,487	**69,293,386**

a) As indicated in note 29 (c) to the financial statements, the Parent company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

34. Contingent liabilities (In ₹)

	31 March 2016	31 March 2015
Dividend on 4,885,925 - 6% Cumulative Convertible Preference Shares of ₹ 100/- each.	Nil	31,002,198
Performance guarantees issued by the Group on behalf of Subsidiaries and associates to two studios for the performance of obligation relating to distribution of their digital content by its subsidiaries, step down subsidiaries and associates of subsidiary in certain overseas market. (refer note a) (USD 35,000,000 (P.Y. USD 35,000,000)	2,321,651,500	2,190,678,000
Corporate Guarantee (refer note b)	70,000,000	70,000,000
Corporate Guarantee (refer note c)	10,000,000	10,000,000
Corporate Guarantee (refer note d)	238,400,000	Nil
Bank guarantees issued by the Group in favour of various State Government for Sales tax registration	850,000	750,000
Labour Guarantee	755,630	561,719
Letter of credit	7,628,269	612,785
Pending litigations/matters (refer note g)		
(i) In respect of income tax matters		
Income Tax matters	74,921,973	91,391,940
(ii) In respect of Indirect tax matters		
Service Tax matters (refer note f)	220,111,033	233,200,000
VAT matters	4,775,215	10,128,138
	2,949,093,620	**2,638,324,780**

Notes:

a) During the previous years, the Group has issued performance guarantees of US$ 20 Mn each to a studio on behalf of Scrabble Entertainment Mauritius Limited and Scrabble Entertainment DMCC by terminating the earlier guarantees of US $ 10 Mn each. The aggregate liability under the aforesaid two guarantees has been capped at an overall ceiling of US$ 20Mn.

-US$ 5 Mn to a studio on behalf of Scrabble Entertainment DMCC

-US$ 5 Mn to a studio on behalf of Scrabble Entertainment Mauritius Limited

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

b) The Parent company has provided Corporate guarantee to bank for Overdraft facility of ₹ 70,000,000 (March 31, 2015 : ₹ 70,000,000) taken by joint venture of subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.

c) During the year ended March 31, 2015, the Parent company has provided bank guarantee of ₹ 10,000,000 to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Exchange Media Private 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.

d) The Parent company has provided Corporate guarantee to bank for Term Loan and Cash Credit facility of ₹ 238,400,000 taken by a subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.

e) The Company has issued a letter of comfort to a bank for term loan of ₹ 300,000,000 (March 31, 2015 : 300,000,000) and cash credit facility of ₹ 30,000,000 (March 31, 2015 : 30,000,000) taken by subsidiary company, assuring that it will take all necessary steps so that the repayment of the loan by the subsidiary is honored as and when due and payable. The outstanding term loan as on March 31, 2016 is ₹ 135,499,860 (March 31, 2015 : 241,499,759).

f) During the year ended March 31 2016, 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 lakhs, excluding interest and penalty, which was subject matter of show cause notice from service tax authorities in the year ended 31 March 2015.

i) ₹ 2,464 lakhs, excluding interest and penalty, for service tax on rentals from leasing of Digital Cinema Equipments for the period April 2008 to March 2014. Based on legal opinion obtained, the Company believes that the lease rental revenues are subject to state-wise Value Added Tax which the Company is paying since the beginning of operations. Accordingly, the Company believes that its position will likely be upheld in the appellate process and that it is unlikely that the liability will arise to the Company out of this matter.

ii) ₹ 2,201 lakhs, excluding interest and penalty, on account of disallowance of CENVAT Credit on Capital Goods (Digital Cinema Equipments) claimed by the Company for the period April 2008 to March 2014 as the possession of the equipments is not with the Company. Based on legal opinion obtained, the Company is of the view that these equipments are used for providing taxable output services and hence should be entitled to avail CENVAT credit and is therefore contesting this demand. The Company believes that its position is likely to be upheld in the appellate process and accordingly no provision has been considered necessary in these financial Statements.

g) 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.

35. Particulars of unhedged foreign currency exposure at the reporting date (In ₹)

Particulars of un-hedged exposure	31 March 2016	31 March 2015
Trade Receivable	₹ 1,291,103/- (US$ 19,464 @ Closing rate of 1 USD = ₹ 66.3329)	₹ 258,826/- (US$ 4,135.22 @ Closing rate of 1 USD = ₹ 62.5908)
Trade Payable (credit balance)	₹ 83,909,565/- (US$ 1,246,976 @ Closing rate of 1 USD = ₹ 66.3329)	₹ 19,951,315/- (US$ 318,758.66 @ Closing rate of 1 USD = ₹ 62.5908)
Advance Recoverable in cash or Kind	₹ 23,110,901/- (US$ 348,407.82 @ Closing rate of 1 USD = ₹ 66.3329)	₹ 12,813,094/- (US$ 204,712.24/- @ Closing rate of 1 USD = ₹ 62.5908)
Import creditors (debit Balance)	₹ 1,409,176/- (US$ 21,244/- @ Closing rate of 1 USD = ₹ 66.3329)	₹ 2,916,731/- (US$ 46,600/- @ Closing rate of 1 USD = ₹ 62.5908)
Cash Balances	₹ 60,550/- (Currency notes 5,718.40 @ Closing rate for particular Currency)	₹ 369,875.44/- (Currency notes 17,649.04 @ Closing rate for particular Currency)
Bank Balances	₹ 2,051,219/- (US$ 23,103.94 @ Closing rate of 1 USD = ₹ 66.3329 & AED 28,809.76 @ Closing rate of 1 AED = ₹ 18.0032)	₹ 6,088,240/- (US$ 91,946.02 @ Closing rate of 1 USD = ₹ 62.5908 & AED 19,578.76 @ Closing rate of 1 AED = ₹ 17.0218)
Performance guarantees given for subsidiary/associate	₹ 2,321,651,500/- (US$ 35,000,000 @ Closing rate of 1 US$ = ₹ 66.3329)	₹ 2,190,678,000/- (US$ 35,000,000 @ Closing rate of 1 US$ = ₹ 62.5908)

36. Details of Joint venture entity

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

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

(In ₹)

Particulars	31 March 2016	31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds	30,972,711	31,252,527
Non - current liabilities	225,000	2,475,000
Current - liabilities	180,892,270	149,263,751
Total	**212,089,981**	**182,991,278**
Non - current assets	7,029,223	18,377,616
Current assets	205,060,758	164,613,666
Total	**212,089,980**	**182,991,282**

(In ₹)

Particulars	31 March 2016	31 March 2015
Total revenue from operations and other income considered in the consolidated financial statements	24,268,520	27,316,637
Total expenses considered in the consolidated financial statements	24,548,336	25,748,685
Net Profit considered in consolidated financial statements	(279,816)	1,567,952

37. 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.

38. The total managerial remuneration for the year in respect of managing director and joint managing director, (after including perquisite value of employees stock options of the Parent Company exercised by them during the year as determined as per Income Tax Act, 1961) is in excess of the limits specified under section 197 read with schedule V of the Act by ₹ 158,271,959.

The definition of managerial remuneration as per the provisions of erstwhile Companies Act, 1956 which was prevailing during the time when the managing director and joint managing director were appointed or during the time when employee stock options were granted to them did not include the employee stock option perquisite value as part of managerial remuneration. Also the employees stock options were granted to these directors at the then fair market value and as such the Company was not required to account for any expense during the period of the vesting on account of grant of these employee stock options.

However as per the provisions of Companies Act, 2013 which has been made effective from 1st April 2014 the definition of managerial remuneration is amended to include value of perquisites as per Income Tax Act, 1961 and as a result the perquisite value of employee stock options which is the difference between the exercise price of the employee stock options and the market price of the shares on the date of exercise of the options, though notional in nature is required to be considered in the definition of managerial remuneration.

Given that this amount has not been paid or incurred by the Company during the year or previous years and accordingly, it is not a perquisite paid in cash. Hence, subsequent to the year end, the Company is in the process of filing application to the Central Government for the waiver of this excess remuneration. Pending the approval from the Central Government no adjustments have been made to the financial statements.

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

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities			
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated net asset	Amount (In ₹)
1	2	3	4	5
A. UFO Moviez India Limited	84.25%	4,440,900,962	86.02%	3,961,627,640
B. Subsidiaries and step down subsidiaries				
I. Indian				
(i) Scrabble Entertainment Limited	3.61%	190,095,366	0.86%	39,562,998
(ii) V N Films Private Limited	-0.20%	(10,291,544)	-0.11%	(5,012,607)
(iii) Southern Digital Screenz India Private Limited	1.54%	81,208,883	0.29%	13,276,927
(iv) Valuable Digital Screen Private Limited	-1.81%	(95,456,297)	0.13%	6,141,398
II. Foreign				
(i) Edridge Limited	3.34%	176,165,717	3.66%	168,493,042
(ii) United Film Organisers Nepal Private Limited	-0.09%	(4,914,833)	0.00%	133,114
(iii) UFO International Limited	-1.09%	(57,417,714)	-1.70%	(78,243,426)
(iv) United Film Organisers (UFO) (Mauritius) Private Limited.	0.00%	(106,145)	0.00%	12,610

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities			
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated net asset	Amount (In ₹)
1	2	3	4	5
(v) UFO Lanka Private Limited.	-0.11%	(5,847,921)	-0.21%	(9,537,207)
(vi) UFO Software Technologies Private Limited.	0.01%	636,258	-0.01%	(410,131)
(vii) Scrabble Entertainment DMCC	4.42%	232,871,285	5.15%	237,074,472
(viii) Scrabble Entertainment Mauritius Limited	4.45%	234,543,128	3.40%	156,557,518
(ix) Scrabble Entertainment Lebanon Sarl	-0.07%	(3,622,043)	-0.07%	(3,177,497)
(x) Scrabble Digital Inc	-0.29%	(15,203,967)	-0.29%	(13,522,909)
C. Minority Interest in all subsidiaries	2.02%	106,209,585	1.59%	73,093,367
D. Associates (Investment as per equity method)				
I. Indian				
(i) Scrabble Digital Limited	0.03%	1,699,500	0.98%	45,208,227
II. Foreign				
(i) Scrabble Digital DMCC	-0.01%	(530,804)	0.13%	6,020,533
(ii) Scrabble Ventures LLC	-0.03%	(1,344,123)	0.15%	6,881,396
E. Joint Venture of VN Films Private Limited (as per proportionate consolidation)				
(i) Mukta V N Films Limited	0.02%	1,272,715	0.03%	1,552,527
Total	**100.00%**	**5,270,868,007**	**100.00%**	**4,605,731,992**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities			
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	As % of consolidated profit and loss	Amount (In ₹)	As % of consolidated profit and loss	Amount (In ₹)
1	2	3	4	5
A. UFO Moviez India Limited	62.95%	399,498,173	52.32%	255,400,181
B. Subsidiaries and step down subsidiaries				
I. Indian				
(i) Scrabble Entertainment Limited	10.49%	66,588,065	15.31%	74,727,549
(ii) V N Films Private Limited	-0.83%	(5,278,937)	-0.60%	(2,908,292)
(iii) Southern Digital Screenz India Private Limited	13.11%	83,188,510	11.81%	57,640,206
(iv) Valuable Digital Screen Private Limited	-15.98%	(101,401,626)	-1.12%	(5,469,024)
II. Foreign				
(i) Edridge Limited	-0.08%	(479,699)	-0.09%	(422,282)
(ii) United Film Organisers Nepal Private Limited	-0.01%	(71,455)	0.03%	125,403
Subsidiary of Edridge Limited & stepdown subsidiary of UFO				
(iii) UFO International Limited	-0.47%	(2,978,218)	-0.85%	(4,162,956)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities			
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	As % of consolidated profit and loss	Amount (In ₹)	As % of consolidated profit and loss	Amount (In ₹)
1	2	3	4	5
Subsidiaries of UFO International Limited & stepdown subsidiaries of UFO				
(iv) United Film Organisers (UFO) (Mauritius) Private Limited.	-0.02%	(118,224)	-0.04%	(196,481)
(v) UFO Lanka Private Limited.	-0.27%	(1,690,392)	-0.01%	(56,187)
(vi) UFO Software Technologies Private Limited.	0.01%	94,646	0.01%	59,096
Subsidiaries of SEL & stepdown subsidiaries of UFO				
(vii) Scrabble Entertainment DMCC	32.24%	204,602,578	32.35%	157,889,958
(viii) Scrabble Entertainment Mauritius Limited	-0.45%	(2,865,848)	-4.87%	(23,761,849)
(ix) Scrabble Entertainment Lebanon Sarl	-0.02%	(143,951)	-0.19%	(933,403)
(x) Scrabble Digital Inc	-0.63%	(3,974,576)	-0.15%	(723,533)
C. Minority Interest in all subsidiaries	-6.21%	(39,428,642)	-8.08%	(39,448,204)
D. Associates (Investment as per equity method)				
I. Indian				
(i) Scrabble Digital Limited	2.80%	17,743,447	1.89%	9,237,603
II. Foreign				
(i) Scrabble Digital DMCC	0.96%	6,122,308	0.55%	2,678,387
(ii) Scrabble Ventures LLC	2.44%	15,503,146	1.41%	6,881,397
E. Joint Venture of VN Films Private Limited (as per proportianate consolidation)				
(i) Mukta V N Films Limited	-0.04%	(279,816)	0.32%	1,567,952
Total	**100.00%**	**634,629,490**	**100.00%**	**488,125,520**

40. Previous year figures

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

As per our report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966
Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

FORM NO. AOC-1

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

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

Part A : Subsidiaries

Sr. No.	Name of the subsidiary	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Reporting currency	Share capital	Reserves & surplus	Total Assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding	Country
1	Scrabble Entertainment Limited	1	INR	7,683,870	604,955,410	1,375,724,850	763,085,570	130,638,309	1,201,153,756	306,383,346	78,773,497	227,609,849		91.33	India
2	Southern Digital Screenz India Private Limited	1	INR	215,488,330	36,477,935	313,887,820	61,921,555	120,000,000	63,014,494	129,084,334	45,895,821	83,188,513		84.18	India
3	Scrabble Entertainment DMCC	17.9912	AED	53,973,600	244,401,852	529,176,839	230,801,387	233,274	1,151,687,489	204,877,345	-	204,877,345		100	U.A.E.
4	Scrabble Entertainment Mauritius Limited	66.3329	USD	49,749,741	224,553,715	438,633,996	164,330,539	48,787,516	85,119,969	199,016,676	6,718,926	192,297,750		100	Mauritius
5	Scrabble Digital Inc	66.3329	USD	36,483,095	(18,272,724)	23,242,252	5,031,881	19,899,870	-	(3,769,102)	258,433	(4,027,535)		100	U.S.A.
6	Scrabble Entertainment Lebanon Sarl	0.0429	LBP	214,500	(3,676,009)	4,851,142	8,312,652	-	-	(339,857)	-	(339,857)		100	Lebanon
7	Scrabble Entertainment Israel Ltd	17.5037	ILS	18	-	17.50	-	-	-	-	-	-		100	Israel
8	Edridge Limited	66.3329	USD	77,076,972	709,196,608	787,280,448	1,006,867	787,278,060	-	(498,823)	-	(498,823)	-	100	Cyprus
9	UFO International Limited	66.3329	USD	66,904,756	(31,757,672)	35,383,694	236,609	20,243,143	3,316,645	(3,017,882)	-	(3,017,882)	-	100	Cyprus
10	UFO Software Technologies Private Limited	1	INR	2,482,190	636,257	3,333,672	215,225	-	178,963	137,645	43,000	94,645	-	100	India
11	Valuable Digital Screens Private Limited	1	INR	144,750	(99,885,674)	247,328,803	347,069,727	-	50,840,185	(101,401,626)	-	(101,401,626)	-	80	India
12	V N Films Private Limited	1	INR	100,000	(10,291,544)	36,005,433	46,196,977	-	409,629	(5,278,937)		(5,278,937)	-	100	India
13	United Film Organisers (UFO) (Mauritius) Private Limited	1.8788	MUR	1,879	(110,968)	127,884	236,973	-	2,433	(125,137)	-	(125,137)	-	100	Mauritius
14	UFO Lanka Private Limited	0.4512	LKR	12,525,086	(8,134,213)	4,453,886	63,013	-	-	(1,654,457)	-	(1,654,457)	-	100	SriLanka
15	United Film Organizers Nepal Private Limited	0.6116	NPR	9,755,020	(4,724,135)	5,053,927	23,043	-	112,810	(70,979)	-	(70,979)	-	100	Nepal

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is 31st Dec 2015
2. The exchange rates considered are as at 31st March 2016.
3. The accounts of Scrabble Digital Inc and United Film Organizers Nepal Limited as at March31, 2016 are not audited and ar management accounts.

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

Part – B: Associates and Joint Ventures

Sr. no.	Name of the Associates/Joint Ventures	Mukta VN Films Ltd	Scrabble Digital Limited	Scrabble Digital DMCC	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico
1	Latest Audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Dec-15	31-Mar-16	31-Mar-16
2	Number of shares held	2,699,950	197,713	100	3,000	1,500
	Amount of Investment in Associate / Joint Venture	27,000,000	39,899,900	1,273,000	19,899,870	7,646
	Extent of Holding %	45.00%	33.33%	33.33%	30%	30%
3	Description of how there is significant influence					
4	Net worth attributable to Shareholding as per latest audited Balance Sheet	30,972,711	41,756,515	13,777,231	23,174,593	(48,389,105)
5	Profit/Loss for the year	(621,814)	53,235,666	18,585,701	52,365,380	11,039,518
	i) Considered in Consolidation	(279,816)	17,743,447	6,194,614	15,709,614	-
	ii) Not Considered in Consolidation	(341,998)	35,492,219	12,391,087	36,655,766	11,039,518

Notes :

1. The exchange rates considered are at 31st March 2016.
2. The management accounts of Scrabble Ventures LLC have been considered as at 31st March 2016.
3. The management accounts of Scrabble Ventures, S. de R.L. de C.V, Mexico have been considered as at 31st March 2016.
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 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 26, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of UFO Moviez India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of UFO Moviez India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to note 34(e)(ii) to the financial statements for a demand of ₹ 220,111,033 (excluding interest and penalty) received by the Company for disallowance of CENVAT credit on digital cinema equipments and which is more fully described therein. Based on legal opinion obtained, the Company is of the view that it should be entitled to avail CENVAT credit and is contesting this demand. Hence, no provision has been considered by the management in the financial statements.
2. We also draw attention to note 41 to the financial statements which describes that the managerial remuneration (including perquisite value of stock options exercised by two directors during the year determined as per Income Tax Act, 1961) for the year is in excess of the limits specified under section 197 read with schedule V of the Act by ₹ 158,271,959 and more fully described therein. Pending the approval from the Central Government for waiver of such excess remuneration, no adjustments have been made to the financial statements.

Our opinion is not qualified in respect of these matters.

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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) In our opinion, the matter described under paragraph 1 of the Emphasis of Matter paragraph above may have an adverse effect on the functioning of the Company.

(f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Govind Ahuja
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: May 26, 2016

Annexure 1 to the Independent Auditors' Report

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets 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 loan that is re-payable on demand, to a Company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). In our opinion and according to the information and explanations given to us, the terms and conditions of the loan are not prejudicial to the interest of the Company.

(b) The loan granted is re-payable on demand. 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 Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of 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 in respect of loans to directors including entities in which they are interested and provisions of section 186 with respect to securities given are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Company.

(vii) (a) The Company is 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, 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, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, value added tax and cess on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal VAT Act, 2003	Value Added Tax	4,195,703	2007-2008	Tribunal
West Bengal VAT Act, 2003	Value Added Tax	579,512	2007-2008 and 2008-2009	Commercial Tax Officer
Finance Act, 1994	Service Tax	499,411	2008-2009 to 2011-2012	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service Tax* Penalty on Service Tax	466,543,240 466,553,240	2008-2009 to 2013-2014	Custom, Excise and Service Tax Appellate Tribunal

* In addition, interest is 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 and as explained in Note 41 to the financial statements and paragraph 2 of our report under the heading 'Emphasis of Matter', the Company is in the process of applying to the Central Government for waiver of excess managerial remuneration (including perquisite value of stock options exercised by two directors during the year determined as per Income Tax Act, 1961) over and above limits specified under section 197 read with schedule V of the Act by ₹ 158,271,959.

Sr. No.	Name of the Director, MD, WTD or any other person to whom remuneration is provided or paid which is not in accordance with section 197	Amount involved (in excess of the limit prescribed)
1	Sanjay Gaikwad (Managing Director)	158,271,959
2	Kapil Agarwal (Joint Managing Director)	

(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 to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, 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.

(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's Registration Number: 101049W/E300004

per Govind Ahuja
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: May 26, 2016

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of UFO Moviez India Limited

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

To the Members of UFO Moviez India Limited

We have audited the internal financial controls over financial reporting of UFO Moviez India Limited ("the Company") as of March 31, 2016 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 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 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 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 Company has, 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, 2016, 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's Registration Number: 101049W/E300004

per Govind Ahuja
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: May 26, 2016

Balance Sheet as at 31 March 2016

(In ₹)

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	274,993,760	258,976,690
Reserves and surplus	4	4,139,727,162	3,703,245,554
		4,414,720,922	**3,962,222,244**
Non-current liabilities			
Long-term borrowings	5	306,458,088	423,364,613
Other long-term liabilities	6	427,147,353	544,854,935
		733,605,441	**968,219,548**
Current liabilities			
Short-term borrowing	7	120,925	10,314
Trade payables	6	153,658,446	163,229,702
Other current liabilities	6	821,898,420	948,472,722
Short-term provisions	8	133,312,895	26,620,496
		1,108,990,686	**1,138,333,234**
TOTAL		**6,257,317,049**	**6,068,775,026**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	2,167,548,928	2,350,249,282
Intangible assets	9	3,578,973	2,059,708
Capital work-in-progress		69,141,048	68,232,160
Non-current investments	10	2,123,394,019	2,123,394,019
Deferred tax assets (net)	11	217,459,710	148,918,760
Long-term loans and advances	12	310,096,914	247,085,344
Other non-current assets	13	23,921,898	76,538,828
		4,915,141,490	**5,016,478,101**
Current assets			
Current investments	14	30,132,824	-
Inventories	15	77,454,256	63,274,828
Trade receivables	16	769,165,257	503,551,729
Cash and bank balances	17	264,975,617	202,703,808
Short-term loans and advances	12	125,703,732	89,364,693
Other current assets	13	74,743,873	193,401,868
		1,342,175,559	**1,052,296,925**
TOTAL		**6,257,317,049**	**6,068,775,026**
Summary of significant accounting policies	2.1		

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

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

per Govind Ahuja
Partner
Membership No.: 48966

Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Statement of profit and loss for the year ended 31 March 2016

(In ₹)

	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations	18	3,490,075,255	2,999,686,407
Other operating Income	19	5,681,461	5,120,310
Other income	20	11,941,564	3,174,886
Total Income (I)		**3,507,698,280**	**3,007,981,603**
Expenses			
Operating direct cost	21	1,144,918,692	957,458,811
Employee benefit expenses	22	535,147,166	441,962,521
Other expenses	23	555,084,167	506,862,457
Total Expenses (II)		**2,235,150,025**	**1,906,283,789**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) -(II)		1,272,548,255	1,101,697,814
Depreciation & amortisation expenses	9	587,658,432	594,375,028
Finance cost	24	97,696,319	150,685,599
Finance income	25	(137,024,793)	(41,659,332)
Profit Before Tax		**724,218,297**	**398,296,519**
Tax expenses			
Current tax		260,932,643	186,185,548
Deferred Tax		(46,567,109)	(43,289,209)
Total tax expenses		**214,365,534**	**142,896,339**
Profit for the year		**509,852,763**	**255,400,180**
Earnings per equity share	26		
Basic (Face value of ₹ 10 each)		19.46	8.66
Diluted (Face value of ₹ 10 each)		18.74	8.34
Summary of significant accounting policies	2.1		

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

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

per Govind Ahuja
Partner
Membership No.: 48966

Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Cash flow statement for the year ended 31 March 2016

(In ₹)

		31 March 2016	31 March 2015
Cash flow from / (used in) operating activities			
Profit before tax		724,218,297	398,296,519
Adjustments to reconcile profit before tax to net cash flows			
Depreciation		587,658,432	594,375,028
Unrealised foreign exchange loss (net)		(608,409)	27,236
Loss on sale and write off of fixed assets		5,406,825	4,977,848
Bad debts written-off		8,330,603	5,073,479
Provision for doubtful debts		9,523,572	6,590,770
Provision for compensated absences		2,030,704	1,626,366
Provision for gratuity		9,841,431	5,091,556
Provision for diminution in value of fixed assets		-	1,407,068
Sundry credit balances written back		(5,681,461)	(5,120,310)
Profit on sale of current investments (net)		(6,234,251)	-
Dividend income		(110,354,591)	(1,044,372)
Interest income		(20,435,951)	(40,614,960)
Interest expense		93,006,819	149,169,090
Operating profit before working capital changes		**1,296,702,020**	**1,119,855,318**
Movements in working capital :			
(Decrease) in trade payables		(8,948,009)	(12,538,944)
(Decrease) in short-term provisions		(4,472,542)	(3,466,274)
Increase in other current liabilities		43,724,941	58,105,447
(Decrease) in other long-term current liabilities		(17,720,206)	(15,040,855)
Decrease / (increase) in trade receivables		(283,467,769)	64,625,455
(Increase) in inventories		(14,179,428)	(820,673)
Decrease / (increase) in short-term loans and advances		(72,603,811)	12,012,398
Decrease / (Increase) in other current assets		120,716,942	(144,794,117)
Decrease / (increase) in long term loans and advances		(1,388,997)	1,036,800
Cash generated from operations		**1,058,363,141**	**1,078,974,555**
Direct taxes paid (net of refunds)		(285,558,188)	(194,361,424)
Net cash flow from operating activities	**(A)**	**772,804,953**	**884,613,131**
Cash flow from / (used in) investing activities			
Purchase of fixed assets including intangible, CWIP and capital advances		(428,843,249)	(328,522,390)
Payment of purchase consideration for purchase of subsidiary shares		(151,498,117)	(160,500,421)
Investment in subsidiary		-	(22,932,885)
Loans given to subsidiary		-	(74,500,000)
Loan repaid back by subsidiary		-	42,750,000
Purchase of current investments		(1,324,000,000)	(222,044,294)
Sale/redemption of current investments		1,300,101,427	257,475,764
Refund of advances paid for purchase of investments		-	20,000,000
Proceeds from sale of fixed assets		11,026,899	12,404,938
Interest received		18,377,004	36,731,536
Dividend received from current investments		-	1,044,372
Dividend received from Subsidiary		110,354,591	-

Cash flow statement for the year ended 31 March 2016

(In ₹)

		31 March 2016	31 March 2015
Placement of bank deposits having original maturity more than 3 months (net)		5,614,376	(42,175,385)
Net cash flow used in investing activities	**(B)**	**(458,867,069)**	**(480,268,765)**
Cash flow from / (used in) financing activities			
Proceeds from issuance of share capital (including premium)		248,946,423	-
Proceeds from long term borrowings		240,623,216	226,044,624
Repayment of long term borrowings		(526,790,741)	(576,165,484)
Availment / (repayment) of short term borrowings (net)		110,611	(8,582,009)
Dividend paid on equity shares		(137,263,280)	-
Tax on dividend paid on equity shares		(27,991,130)	-
Interest paid		(96,303,728)	(152,751,266)
Net cash flow used in financing activities	**(C)**	**(298,668,629)**	**(511,454,135)**
Net (increase) / decrease in cash and cash equivalent (A + B + C)		**15,269,255**	**(107,109,769)**
Cash and cash equivalents at the beginning of the year		63,683,767	170,793,536
Cash and cash equivalents at the end of the year		**78,953,022**	**63,683,767**
Components of cash and cash equivalents			
Cash on hand		316,841	306,266
Balance with banks:			
- on current accounts		78,402,581	63,377,501
- unpaid dividend account*		233,600	-
Cash and cash equivalents [refer note 17]		**78,953,022**	**63,683,767**
Summary of significant accounting policies	2.1		

Notes:

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

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

As per our report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966

Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

Notes to financial statements as at and for the year ended 31 March 2016

1. Corporate information

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

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

2. Basis of preparation

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

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

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires 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.

(b) Change in accounting policy

From April 01, 2015, based on the provisions of schedule II to the Companies Act 2013, relating to component accounting, the Company has identified and determined cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

As per the transitional provisions of Schedule II , carrying amount of components having zero remaining useful life on 1 April 2015 of ₹ 41,519,692 (after reducing deferred tax impact of ₹ 21,973,842) has been adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

As a result of this change, the depreciation charge for the year ended 31 March 2016 is lower by ₹ 11,414,350.

Change in accounting estimate

During the year ended March 31, 2015, as per provisions of Schedule II to the Act, in respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of ₹ 1,965,029 (after reducing deferred tax impact of ₹ 1,011,836) was adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost, net accumulated depreciation and accumulated impairment losses, if any. 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 fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

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

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.

(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

(e) Depreciation on tangible assets

Depreciation on fixed assets 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 fixed assets.

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

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

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

(f) Impairment of tangible and intangible assets

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

(g) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Inventories

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

(j) Revenue recognition

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

Income from services

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognized in the period in which the services are rendered.
- Advertisement income is recognized in the period during which advertisement is displayed.
- Income from digitization charges is recognized on rendering of services.
- Digitisation income is recognized in the period in which services are rendered.
- Registration fee is recognized in the period in which services are rendered.
- Lease rental income on equipment is recognised as mentioned in note 2.1(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. Sales are recorded net of returns, trade discounts, and value added tax.

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 and value added tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

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

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the balance sheet date.

(k) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-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.

(iii) Exchange differences

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

(l) Retirement and other benefits

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employee render related services. There are no other obligations other than the contribution payable to the respective funds. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation. The Company has an Employees' Gratuity Fund managed by the Life Insurance.

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

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

(m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

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

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

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

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of

equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) 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) Cash and cash equivalents

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

(p) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

(q) Provisions

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

(r) Contingent liabilities

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

(s) Borrowing cost

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

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

(t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 which is equally applicable to schedule III of 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.

3. Share capital (In ₹)

	31 March 2016	31 March 2015
Authorised share capital		
45,000,000 (31 March 2015: 45,000,000) equity shares of ₹ 10 each	450,000,000	450,000,000
1,385,000 (31 March 2015: 1,385,000) preference shares of ₹ 1,000/- each	1,385,000,000	1,385,000,000
	1,835,000,000	**1,835,000,000**
Share capital		
Issued, subscribed and fully paid up shares		
27,499,376 (31 March 2015 : 25,897,669) equity shares of ₹ 10/- each fully paid-up	274,993,760	258,976,690
Total issued, subscribed and fully paid up share capital	**274,993,760**	**258,976,690**

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

Equity shares	31 March 2016		31 March 2015	
	No.	₹	No.	₹
At the beginning of the year	25,897,669	258,976,690	25,897,669	258,976,690
Issued during the year - ESOP exercised	1,601,707	16,017,070	-	-
Outstanding at the end of the year	**27,499,376**	**274,993,760**	**25,897,669**	**258,976,690**

(b) Terms/rights attached to equity shares

Voting rights:

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

Rights to Dividend:

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 8 (March 31, 2015: Nil) per share.

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.

Other Rights and restriction

The other rights and restriction applicable to certain shareholders specified below as at March 31, 2015, have been terminated on the commencement of trading of the Equity Shares of the Company on any recoginsed stock exchange pursuant to the IPO i.e. on May 14, 2015.

(i) Pre-emption rights:

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

(ii) Right of First Offer, Right of Sale and tag along rights:

In the event Apollo Group (comprising of Apollo International Limited and an individual shareholder) and VTL Group (comprising of Valuable Technologies Limited, Valuable Media Limited and two individual shareholders) (collectively

called Group A Shareholders) propose to transfer all or part of their securities to any person, shall first offer to the Investor Group, a pro rata right to purchase all their Shares. Investors Group had the right to exercise certain specified tag along rights in case the Group A shareholders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

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

(iii) Exit rights and drag along rights:

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

(iv) Rights pertaining to repayment of capital:

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

(v) Other rights:

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

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

(vi) Restrictions:

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

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

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

Name of the shareholder	31 March 2016		31 March 2015	
	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	19.10	9,253,740	35.73
3i Research (Mauritius) Limited	2,664,879	9.69	5,566,570	21.49
Valuable Technologies Limited	2,243,657	8.16	3,071,745	11.86
Apollo International Limited	2,266,417	8.24	2,266,417	8.75
Valuable Media Limited	1,494,265	5.43	2,131,782	8.23

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

(d) 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 1,601,707 shares (31 March 2015: Nil) 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 28.

4. Reserves and surplus

(In ₹)

	31 March 2016	31 March 2015
Securities premium account		
Balance as per last financial statements	3,440,350,871	3,440,350,871
Add: Additions on ESOPs exercised	232,929,353	-
Closing balance	**3,673,280,224**	**3,440,350,871**
Surplus in the statement of profit and loss		
Balance as per last financial statements	262,894,683	9,459,532
Profit for the year	509,852,763	255,400,180
Less: Depreciation adjustment (net of deferred tax) (refer note 2.1(b))	(41,519,692)	(1,965,029)
Less: Appropriation		
Interim dividend on equity shares [per share ₹ 5.00 (31 March 2015 : Nil)]	(137,496,880)	-
Dividend distribution tax on interim dividend	(27,991,130)	-
Proposed final dividend on equity shares [per share ₹ 3.00 (31 March 2015 : Nil)]	(82,498,128)	-
Dividend distribution tax on proposed dividend	(16,794,678)	-
Net surplus in the statement of profit and loss	**466,446,938**	**262,894,683**
Total reserves and surplus	**4,139,727,162**	**3,703,245,554**

5. Long-term borrowings (Secured)

(In ₹)

	Non-Current portion		Current Maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
Rupee loan from banks (secured by first charge on all fixed assets (except vehicles) and all current assets of the Company)				
Term loan 1 from HDFC Bank	-	4,492,508	4,492,508	108,000,000
Term loan 2 from HDFC Bank	127,924,850	-	59,042,238	-
Term loan 3 from Axis Bank	-	85,416,198	85,416,198	204,999,996
Term loan 4 from Axis Bank	102,810,901	227,802,900	124,992,000	124,992,000
Term loan 5 from Axis Bank	73,917,920	96,222,376	56,250,000	56,250,000
Sub total	**304,653,671**	**413,933,982**	**330,192,944**	**494,241,996**
Other loans				
Vehicle finance from banks and financial institutions (secured against hypothecation of vehicles)				
Vehicle Loan 1 from Axis Bank Ltd.	1,804,417	9,430,631	7,626,214	12,722,115
Vehicle Loan 2 from Kotak Mahindra Prime Ltd.	-	-	-	116,048
Sub Total	**1,804,417**	**9,430,631**	**7,626,214**	**12,838,163**
Amount disclosed under the head "other current liabilities" (refer note 6)	-	-	(337,819,158)	(507,080,159)
Net amount	**306,458,088**	**423,364,613**	**-**	**-**

Term loan 1 having interest of bank base rate plus 2.40% @ 11.70% (March 31,2015: 12.40%) p.a. is repayable in 31 monthly installments of ₹ 90,00,000/- each along with interest from July 31, 2013.

Term loan 2 having interest of bank base rate plus 1.40% @ 10.70% (March 31, 2015: Nil) p.a. is repayable in 42 monthly installments on pro rata basis each along with interest from December 31, 2015.

Term loan 3 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015: 12.15%) p.a. is repayable in 48 monthly installments of ₹ 17,083,333/- each along with interest from September 30, 2012.

Term loan 4 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015:12.15%) p.a. is repayable in 48 monthly installments of ₹ 10,416,000/- each along with interest from April 30, 2014.

Term loan 5 having interest of bank base rate plus 1.75% @ 11.25% (March 31, 2015: 12.15%) p.a. is repayable in 48 monthly installments of ₹ 4,687,500/- each along with interest from December 31, 2014.

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

Vehicle Loan 2 having fixed interest rate of 11.43% p.a is repayable in 36 monthly installments.

6. Trade payables and other current liabilities (In ₹)

	Non-Current portion		Current Maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Trade payables (refer note 36 for details of dues to micro and small enterprises)	-	-	153,658,446	163,229,702
Other liabilities				
Current maturities of long-term borrowings (refer note 5)	-	-	337,819,158	507,080,159
Interest accrued but not due on borrowings	-	-	6,324,737	9,621,646
Deferred lease rental income	51,861,537	73,968,361	25,256,751	25,296,769
Deferred advertisement income	-	-	13,777,831	37,973,779
Advance from customers	-	-	134,381,801	104,296,434
Investor Education and Protection Fund (refer note (i) below)				
Unpaid dividend	-	-	233,600	-
Others				
Deposit from theatres and regional dealers	238,733,102	220,649,198	59,683,276	55,162,299
Deposit from related parties (refer note 32)	136,552,714	150,250,000	-	-
Payables for purchase of fixed assets	-	-	72,993,258	13,775,988
Payables for purchase of investments	-	99,987,376	74,987,376	126,498,117
Salary and reimbursement payable	-	-	62,171,912	39,091,648
Statutory dues payable				
Employee related liabilities	-	-	10,664,150	9,348,617
Service tax payable	-	-	-	176,191
VAT payable	-	-	8,768,261	6,909,472
TDS payable	-	-	14,836,309	13,241,603
	427,147,353	**544,854,935**	**821,898,420**	**948,472,722**

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2016.

7. Short-term borrowings (secured) (In ₹)

	31 March 2016	31 March 2015
Cash credit from Axis bank	120,925	10,314
	120,925	**10,314**

Cash credit from Axis bank is secured by first charge on all the fixed assets of the Company except vehicles and first charge on all the current assets. The cash credit is repayable on demand and carries interest @ 11.50% p.a (March 31, 2015: 12.15% p.a).

8. Short term provisions (In ₹)

	31 March 2016	31 March 2015
Provision for gratuity (refer note 27)	8,269,514	2,900,625
Provision for compensated absences	25,750,575	23,719,871
Proposed dividend	82,498,128	-
Dividend distribution tax on proposed dividend	16,794,678	-
	133,312,895	**26,620,496**

9. Fixed Assets

(In ₹)

	Tangible Assets								Intangible Assets	
	Leasehold Improvements	Plant & Machinery (Refer Note 29 for Assets given on lease)	Computer Systems	Office Equipments	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Total	Computer software	Grand Total
Cost										
At 1 April 2014	13,523,137	4,423,047,770	26,081,289	30,576,208	5,144,856	2,359,906	71,974,368	4,572,707,534	15,975,164	4,588,682,698
Additions	2,706,332	270,061,460	4,444,855	2,762,285	535,858	50,090	24,504,852	305,065,732	216,471	305,282,203
Disposals	70,528	38,873,700	4,445,822	4,724,413	613,806	100,188	3,564,410	52,392,867	-	52,392,867
At 31 March 2015	16,158,941	4,654,235,530	26,080,322	28,614,080	5,066,908	2,309,808	92,914,810	4,825,380,399	16,191,635	4,841,572,034
Additions	6,088,126	455,718,353	4,782,965	3,645,488	940,752	2,800,435	10,020,767	483,996,886	2,407,716	486,404,602
Disposals	-	52,219,540	30,950	-	-	-	1,008,624	53,259,114	-	53,259,114
At 31 March 2016	**22,247,067**	**5,057,734,343**	**30,832,337**	**32,259,568**	**6,007,660**	**5,110,243**	**101,926,953**	**5,256,118,171**	**18,599,351**	**5,274,717,522**
Depreciation/Amortisation										
At 1 April 2014	**5,290,954**	**1,851,976,023**	**13,957,707**	**16,722,339**	**2,680,312**	**1,092,881**	**21,817,558**	**1,913,537,774**	**13,383,462**	**1,926,921,236**
Adjustment (Refer note 2.1(b))	-	2,809,698	167,167	-	-	-	-	2,976,865	-	2,976,865
Charge for the year	3,693,201	556,371,382	9,889,470	6,256,029	957,742	368,550	16,090,189	593,626,563	748,465	594,375,028
Disposals	70,528	22,470,532	4,420,674	4,306,237	601,289	90,437	3,050,387	35,010,084	-	35,010,084
At 31 March 2015	8,913,627	2,388,686,571	19,426,503	18,672,131	3,036,765	1,370,994	34,857,360	2,475,131,118	14,131,927	2,489,263,045
Adjustment (Refer note 2.1(b))	-	63,493,534	-	-	-	-	-	63,493,534	-	63,493,534
Charge for the year	4,274,908	551,983,230	4,770,594	5,479,122	1,137,316	491,800	18,633,011	586,769,981	888,451	587,658,432
Disposals	-	35,980,611	30,950	-	-	-	813,829	36,825,390	-	36,825,390
At 31 March 2016	**13,188,535**	**2,968,182,724**	**24,166,147**	**24,151,253**	**4,174,081**	**1,862,794**	**52,676,542**	**3,088,569,243**	**15,020,378**	**3,103,589,621**
Net Block										
At 31 March 2015	7,245,314	2,265,548,959	6,653,819	9,941,949	2,030,143	938,814	58,057,450	2,350,249,281	2,059,708	2,352,308,989
At 31 March 2016	**9,058,532**	**2,089,551,619**	**6,666,190**	**8,108,315**	**1,833,579**	**3,247,449**	**49,250,411**	**2,167,548,928**	**3,578,973**	**2,171,127,901**

10. Non-current Investments (In ₹)

	31 March 2016	31 March 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
1,161,972 (March 31,2015 : 1,161,972) ordinary shares of US $ 1 each fully paid, in Edridge Limited, Cyprus	573,879,423	573,879,423
10,000 (March 31,2015 : 10,000) ordinary shares of INR 10 each at par, fully paid, in V N Films Private Limited, India.	100,000	100,000
11,580 (March 31, 2015 : 11,580) ordinary shares of INR 10 each fully paid in Valuable Digital Screens Private Limited, India.	49,933,306	49,933,306
701,708 (March 31,2015 : 701,708) ordinary shares of INR 10 each fully paid in Scrabble Entertainment Limited, India	891,851,923	891,851,923
3,618,716 (March 31,2015 : 3,618,716) ordinary shares of INR 10 each fully paid in Southern Digital Screenz India Private Limited, India	430,160,617	430,160,617
99,600 (March 31,2015 : 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	6,225,000	6,225,000
Less : Provision for diminution in value of investments	(5,000,000)	(5,000,000)
	1,225,000	**1,225,000**
Unquoted Preference shares		
Investment in subsidiaries		
59,900 (March 31, 2015 : 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	3,743,750	3,743,750
1,725,000 (March 31,2015 : 1,725,000) 10% optionally convertible preference shares of INR 100 each fully paid, in Southern Digital Screenz India Private Limited, India	172,500,000	172,500,000
	2,123,394,019	**2,123,394,019**
Aggregate amount of unquoted investments	2,128,394,019	2,128,394,019
Aggregate provision for diminution in value of investments	5,000,000	5,000,000

11. Deferred tax assets (net) (In ₹)

	31 March 2016	31 March 2015
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	193,584,744	129,008,531
Provision for doubtful debts	12,101,294	10,861,922
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	11,773,672	9,048,307
Net deferred tax assets	**217,459,710**	**148,918,760**

12. Loan and advances (Unsecured, considered good, unless otherwise stated) (In ₹)

	Non- current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances	7,200,759	6,453,730	-	-
Security deposit	6,655,763	4,107,672	35,246,690	5,492,916
Security deposit to related parties (refer note 32)	-	35,771,540	36,477,049	-
Loan to related party (refer note 32 and 43)	36,250,000	-	-	36,250,000
Advances recoverable in cash or kind	-	427,200	3,352,325	8,843,945
Other loans and advances				
Advance income-tax (net of provision for taxation ₹ 512,888,324 (March 31, 2015 : ₹ 251,955,681))	210,227,072	185,601,528	-	-
Balance with statutory / government authorities	43,667,071	8,076,277	23,489,568	22,132,519
Deposit with Government bodies and others	3,921,526	3,534,020	-	-
Loans and advances to employees (refer note below)	-	-	13,761,661	1,312,542
Prepaid expenses	2,174,723	3,113,377	13,168,414	6,079,301
Others	-	-	208,025	9,253,470
	310,096,914	**247,085,344**	**125,703,732**	**89,364,693**

Loans and advances due by officers (In ₹)

	Non- current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Loans to employees include				
Dues from officers	-	-	4,250,000	-

13. Other assets (unsecured, considered good unless otherwise stated) (In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balances (refer note 17)	23,921,898	76,538,828	-	-
Unbilled revenue	-	-	67,631,156	106,524,884
Interest accrued on loan to related party (refer no 32)	-	-	6,928,077	2,348,063
Interest accrued but not due on fixed deposit	-	-	184,640	2,705,707
Other receivables (refer note (i) below)	-	-	-	81,823,214
	23,921,898	**76,538,828**	**74,743,873**	**193,401,868**

Note:

(i) As at March 31, 2015, other receivables comprised of share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Company. As per offer agreement between the Company and the selling shareholders, all expenses in connection with the IPO were to be borne by the selling shareholders and accordingly classified as receivable from selling shareholders under Other receivables.

14. Current investments (In ₹)

	31 March 2016	31 March 2015
Unquoted mutual funds		
Axis treasury advantage fund - growth option 12,147.475 units at 1,652.5057 (March 31,2015 : Nil units)	20,073,771	-
HDFC liquid fund - direct plan - growth option 3,369.356 units at 2,985.4527 (March 31,2015 : Nil units)	10,059,053	-
	30,132,824	**-**

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 ₹ 30,531,147 (March 31, 2015: Nil).

15. Inventories (valued at lower of cost and net realisable value) (In ₹)

	31 March 2016	31 March 2015
Traded goods (Lamps)	62,164,553	46,492,341
Consumables and spares	15,289,703	16,782,487
	77,454,256	**63,274,828**

16. Trade receivables (Unsecured) (In ₹)

	Non-Current	Current
	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	142,251,730	58,604,793
- considered doubtful	34,966,753	31,956,229
Provision for doubtful receivables	(34,966,753)	(31,956,229)
(A)	**142,251,730**	**58,604,793**
Others receivables		
- considered good	626,913,527	444,946,936
(B)	**626,913,527**	**444,946,936**
TOTAL (A + B)	**769,165,257**	**503,551,729**

17. Cash and bank balances

(In ₹)

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash and cash equivalents				
Balances with banks :				
– On current accounts	-	-	78,402,581	63,377,501
– On unpaid dividend account*	-	-	233,600	-
Cash on hand	-	-	316,841	306,266
	-	**-**	**78,953,022**	**63,683,767**
Other bank balances				
– Deposits with remaining maturity for less than 12 months	-	-	156,253,689	125,251,875
– Deposits with remaining maturity for more than 12 months	5,509,655	57,749,341	-	
	5,509,655	**57,749,341**	**156,253,689**	**125,251,875**
– Margin money deposit with remaining maturity for less than 12 months	-	-	29,768,906	13,768,166
– Margin money deposit with remaining maturity for more than 12 months	18,412,243	18,789,487	-	-
	18,412,243	18,789,487	264,975,617	202,703,808
Amount disclosed under non - current assets (refer note 13)	(23,921,898)	(76,538,828)	-	-
	-	**-**	**264,975,617**	**202,703,808**

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.

18. Revenue from operations

(In ₹)

	31 March 2016	31 March 2015
Sale of services		
Advertisement revenue	1,537,916,626	1,162,574,471
Virtual Print Fees - E-Cinema	700,970,982	622,573,159
Virtual Print Fees - D-Cinema	237,363,791	246,273,289
Lease rental income - E-Cinema	617,911,136	583,412,861
Lease rental income - D-Cinema	114,259,418	121,686,082
Digitisation income	59,915,625	67,227,332
Registration fees income	6,712,000	3,858,300
	3,275,049,578	**2,807,605,494**
Sales of products		
Lamp and spares sale	173,887,083	167,381,627
Sale of digital cinema equipments	41,138,594	24,699,286
	215,025,677	**192,080,913**
	3,490,075,255	**2,999,686,407**

19. Other operating income (In ₹)

	31 March 2016	31 March 2015
Sundry balances written back	5,681,461	5,120,310
	5,681,461	**5,120,310**

20. Other income (In ₹)

	31 March 2016	31 March 2015
Miscellaneous receipts	11,941,564	3,174,886
	11,941,564	**3,174,886**

21. Operating direct cost (In ₹)

	31 March 2016	31 March 2015
Advertisement revenue share	624,978,264	503,104,243
Repair and maintenance - exhibition equipments	76,417,679	68,334,671
Technical service fees	72,176,562	69,280,448
Bandwidth charges	64,859,782	55,162,679
Purchase of digital cinema equipments	28,814,762	16,633,100
Purchase of lamps	174,170,091	143,989,157
Rent on equipments	5,170,967	11,949,756
Content processing charges	11,601,988	10,419,860
Virtual print fees sharing	64,164,204	30,738,438
Other expenses	12,674,081	4,570,870
(Increase) / decrease in inventories of traded goods (lamps)		
Inventories at the beginning of the year	46,492,341	50,796,791
Less : Inventories at the end of the year	(62,164,553)	(46,492,341)
	(15,672,212)	**4,304,450**
Consumables and spares		
Opening stock	16,782,487	11,657,364
Add : purchases	24,069,740	44,096,262
Less : closing stock	(15,289,703)	(16,782,487)
	25,562,524	**38,971,139**
	1,144,918,692	**957,458,811**

Details of components and spares consumed (In ₹)

	31 March 2016	31 March 2015
Projector spares	2,053,060	4,941,439
UPS battery	9,517,573	10,785,471
VSAT spares	9,759,410	8,379,934
Hard disks	869,822	13,166,832
Others (individually less than 10%)	3,362,659	1,697,463
	25,562,524	**38,971,139**

Details of inventory (In ₹)

	31 March 2016	31 March 2015
Consumable and spares		
Paper rolls	2,796,200	3,150,288
VSAT spares	2,468,995	1,099,137
Sigma chip	5,628,368	7,229,760
Others	4,396,140	5,303,302
	15,289,703	**16,782,487**

22. Employee benefit expense

(In ₹)

	31 March 2016	31 March 2015
Salaries and wages	461,507,762	390,668,258
Contribution to provident and other funds	24,408,425	22,640,882
Gratuity expenses (refer note 27)	9,841,431	5,091,556
Compensated absences	2,755,729	2,311,017
Staff welfare expenses	36,633,819	21,250,808
	535,147,166	**441,962,521**

23. Other expenses

(In ₹)

		31 March 2016	31 March 2015
Rent		80,394,831	70,601,240
Freight and forwarding charges		43,067,822	39,612,612
Legal, professional and consultancy charges		67,725,924	59,067,282
Directors sitting fees		7,500,000	2,812,500
Commission on advertisement revenue		118,797,930	84,887,014
Commission on other revenue		17,268,423	30,277,160
Corporate social responsibility expenses (refer note 42)		-	16,594,255
Sales promotion expenses		21,761,364	22,108,411
Electricity charges		15,407,910	15,210,526
Rates and taxes		18,858,820	14,364,839
Payment to auditor (please refer (i) below)		5,897,901	3,551,472
Repairs and maintenance			
- Plant and machinery		1,575,118	3,302,827
- Furniture and fixtures		469,179	514,712
- Others		17,580,156	15,972,103
Insurance		11,556,381	10,061,584
Travelling and conveyance expenses		39,601,701	34,148,706
Communication and courier expenses		16,693,061	16,406,124
Printing and stationery		5,251,404	4,401,437
Bad debts written-off	1,48,43,651		
Less: Provision utilised	(65,13,048)	8,330,603	5,073,479
Loss on sale and write off of fixed assets (net)		5,406,825	4,977,848
Provision for doubtful debts		9,523,572	6,590,770
Provision for diminution in value of fixed assets		-	1,407,068
Miscellaneous expenses		40,167,973	44,113,136
Foreign exchange loss (net)		2,247,269	805,352
		555,084,167	**506,862,457**

(i) Payment to auditor comprises (In ₹)

	31 March 2016	31 March 2015
As Auditor		
Audit fee	3,500,000	9,328,500
Tax audit fee	350,000	-
Limited review	1,500,000	-
Reimbursement of expenses	7,900	358,162
In other capacity		
Other services (certification fees)	540,001	5,350,000
Less: Fee for IPO related services disclosed as other receivables (refer note (i) to note 13)	-	(11,485,190)
	5,897,901	**3,551,472**

24. Interest and finance expense (In ₹)

	31 March 2016	31 March 2015
Interest on		
- Term loan	90,956,507	137,687,463
- Others	2,050,312	11,481,627
Bank charges	2,189,500	1,514,909
Other borrowing costs	2,500,000	1,600
	97,696,319	**150,685,599**

25. Finance income (In ₹)

	31 March 2016	31 March 2015
Interest received		
Bank deposits	15,347,047	28,540,680
Others	5,088,904	12,074,280
Dividend income		
From current investments	-	1,044,372
From non-current investments	110,354,591	-
Profit on sale of current investments (net)	6,234,251	-
	137,024,793	**41,659,332**

26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations: (In ₹)

	31 March 2016	31 March 2015
Basic		
Net profit after tax as per statement of profit and loss	509,852,763	255,400,180
Less : dividends on convertible preference shares and tax thereon (refer note 34)	-	(31,002,198)
Net profit for calculation of basic EPS	**509,852,763**	**224,397,982**
Weighted average number of equity shares in calculating basic EPS	26,203,587	25,897,669
Earning per share	**19.46**	**8.66**
Diluted		
Net profit for calculation of basic EPS	509,852,763	224,397,982
Weighted average number of equity shares in calculating basic EPS	26,203,587	25,897,669
Effect of dilutions on stock options granted under ESOP	1,000,959	1,008,501
Weighted average number of shares outstanding (including dilution)	**27,204,546**	**26,906,170**
Earning per share	**18.74**	**8.34**

27. Gratuity and other post-employment benefit plans

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

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

Net employee benefit expense recognized in the employee cost (In ₹)

	Gratuity	
	31 March 2016	31 March 2015
Current service cost	10,761,092	4,118,072
Interest cost on benefit obligation	31,65,892	1,406,692
Expected return on plan assets	(1,686,384)	(1,745,443)
Net actuarial (gain) / loss recognized in the year	(2,399,169)	1,312,235
Net benefit expense	**9,841,431**	**5,091,556**
Actual return on plan assets	**1,981,504**	**1,745,443**

Balance sheet

Benefit asset/ liability	31 March 2016	31 March 2015
Present value of defined benefit obligation	35,493,761	24,228,825
Fair value of plan assets	27,224,247	21,328,200
Plan liability	**8,269,514**	**2,900,625**

Changes in the present value of the defined benefit obligation are as follows:	31 March 2016	31 March 2015
Opening defined benefit obligation	24,228,825	17,583,653
Current service cost	10,761,092	4,118,072
Interest cost	3,165,892	1,406,692
Benefits paid	(557,999)	(191,827)
Actuarial (gain) / losses on obligation	(2,104,049)	1,312,235
Closing defined benefit obligation	**35,493,761**	**24,228,825**

Changes in the fair value of plan assets are as follows:	31 March 2016	31 March 2015
Opening fair value of plan assets	21,328,200	16,308,310
Expected return	1,686,384	1,745,443
Contributions by employer	4,472,542	3,466,273
Benefits paid	(557,999)	(191,826)
Actuarial gain on plan assets	295,120	-
Closing fair value of plan assets	**27,224,247**	**21,328,200**

The principal assumptions used in determining gratuity as shown below:

	Gratuity	
	31 March 2016	31 March 2015
Discount rate	7.80%	8.00%
Expected rate of return on assets	8.00%	8.75%
Employee turnover	15%	15%

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

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

Amounts for the current year and four years are as follows: (In ₹)

Gratuity	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	35,493,761	22,711,964	17,583,653	13,171,256	9,568,769
Plan assets	27,224,247	21,328,200	16,308,310	9,746,594	7,296,327
Surplus	8,269,515	2,900,625	1,275,343	3,424,662	2,272,442
Experience adjustments on plan liabilities	(2,324,946)	1,312,235	1,379,949	1,532,494	1,071,236
Experience adjustments on plan assets	295,120	-	-	-	-

The Company expects to contribute ₹ 3,116,860/- to the gratuity fund in the next year (31 March 2015: 3,247,349/-).

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

Gratuity	31 March 2016	31 March 2015
Investments with insurer	100%	100%

28. Employee stock option plans

During the year ended March 31, 2016, the Company's three ESOP Schemes viz., ESOP Scheme 2006, ESOP Scheme 2010 and ESOP Scheme 2014 were in existence.

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

All Options granted under ESOP Scheme 2006 are vested. The Shareholders of the Company in their Annual General Meeting held on August 17, 2011 had revised the terms and conditions of the Exercise Period of the Options granted under ESOP Scheme 2006 to make it in consonance with ESOP Scheme 2010 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 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.

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

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	211,051	100.18	211,324	100.18
Granted during the year	-	-	-	-
Exercised during the year	(208,315)	100.18	-	-
Forfeited during the year	-	-	(273)	100.18
Outstanding at the end of the year	2,736	100.18	211,051	100.18
Exercisable at the end of the year	2,736	100.18	211,051	100.18
Weighted average remaining contractual life (in months)	2		14	

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

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

Under ESOP Scheme 2010 a total number of 1,413,497 options were granted in the year ended March 31, 2011 at an exercise price of ₹ 161.87 per share. As per the ESOP Scheme 2010, 25% of the options shall vest at the end of each year from the date of grant.

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

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the modification in vesting period of 82,157 options from being vested equally over a period of 4 years from the date of grant to one year from the date of grant.

The Board at its Extra Ordinary General Meeting held on October 24, 2014 approved the change in exercise period of 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 recoganised stock exchange.

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

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,503,489	163.74	1,505,489	163.76
Granted during the year	-	-	-	-
Exercised during the year	(1,393,392)	163.71	-	-
Forfeited during the year	(11,408)	165.44	(2,000)	178.17
Outstanding at the end of the year	98,689	164.60	1,503,489	163.74
Exercisable at the end of the year	98,689	164.60	1,503,489	163.74
Weighted average remaining contractual life (in months)	2		14	

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

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

Under ESOP Scheme 2014, the aggregate number of options to be granted is 1,150,000 equity shares. During the year ended March 31, 2015, 932,500 options were granted at an exercise price of ₹ 600 per share. As per the ESOP Scheme 2014, 25% of the options shall vest 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.

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

	31 March 2016		31 March 2015	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	929,750	600	-	-
Granted during the year	-	-	932,500	600
Exercised during the year	-	-	-	-
Forfeited during the year	(27,680)	600	(2,750)	600
Outstanding at the end of the year	902,070	600	929,750	600
Exercisable at the end of the year	225,518	600	-	-
Weighted average remaining contractual life (in months)	39		51	

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

Stock Options granted under ESOP 2014 Scheme

The fair value of stock options granted during for the year ended March 31, 2015 with vesting period of 4 year is Nil. The Black Scholes valuation model has been used for computing the fair value considering the following inputs:

	31 March 2016	31 March 2015
Expected volatility	-	0.5%
Risk-free interest rate	-	8.13%
Weighted average share price	-	378.71
Exercise price	-	600
Expected life of options granted in years	-	3.5

However, in the previous year, the Company inadvertently valued the options granted under the ESOP 2014 Scheme at ₹ 315.18 by considering the exercise price as market price and vice versa. Accordingly, the Company has presented proforma net income and earning per share (as per corrected fair value), had the compensation cost been determined in a manner consistent with fair value approach, as follows:

(In ₹)

	31 March 2016	31 March 2015
Net profit for calculation of basic EPS	509,852,763	224,397,982
Less: Employee stock compensation under fair value method	-	(10,895,914)
Proforma profit	**509,852,763**	**213,502,068**
Earnings per share		
Basic		
- As reported	19.46	8.66
- Proforma	19.46	8.24
Diluted		
- As reported	18.74	8.34
- Proforma	18.74	7.94

29. Investments during the previous year

Investments by the Company

(a) Scrabble Entertainment Limited (SEL)

During the year ended March 31, 2015, the Company acquired additional 14.91% stake (114,568 equity shares) in Scrabble Entertainment Limited from the minority shareholders for ₹ 249,987,376. Out of the above the Company has paid ₹ 175,000,000 and balance of ₹ 74,987,376 is payable in four six monthly equal installment ending on December 31, 2016. Post this investment, the Company holds 91.33% of equity share capital of SEL.

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

During the year ended March 31, 2015, the Company acquired additional 9% stake 386,895 equity shares in Southern Digital Screenz India Private Limited (SDS) from the minority shareholders for ₹ 109,998,117. Post this investment, the Company holds 84.18% of equity share capital of SDS.

(c) Valuable Digital Screens Private Limited (VDSPL)

During the year ended March 31, 2015, the Company acquired 7,105 equity shares representing 71.05% of equity share capital of VDSPL from Valuable Technologies Limited for a consideration of ₹ 27,000,421. The Company also incurred ₹ 5,926,990 towards acquisition cost of this Investment. Further the Company invested ₹ 17,005,895 in 4475 equity shares (fresh issue) of VDSPL. Post this investment, the Company holds 80% equity share capital of VDSPL.

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

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 ₹)

	31 March 2016	31 March 2015
Lease payments for the year	85,565,798	82,550,996

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 ₹)

	31 March 2016	31 March 2015
Gross carrying amount	3,669,235,685	3,467,241,253
Accumulated depreciation	1,404,368,301	1,094,314,946
Depreciation recognized in the statement of profit and loss	429,269,838	418,006,229

31. Segment reporting

The Company is engaged in the business of Digital Cinema Services and sale of digital cinema equipments ancillary to sale of services, which are subject to same risk and rewards and the financial statements reflect the result of this business segment, which is the primary segment in accordance with the requirement of Accounting Standard 17 on Segment Reporting. The Company's operations are based in same geographical segment, India.

32. Related party disclosure

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiaries	Edridge Limited, Cyprus
	V N Films Private Limited
	Scrabble Entertainment Limited
	Valuable Digital Screens Private Limited (from December 31, 2014)
	Southern Digital Screenz India Private Limited
	United Film Organisers Nepal Private Limited, Nepal
Step-down Subsidiaries	UFO Europe Limited, Cyprus*
	UFO International Limited, Cyprus
	Scrabble Entertainment DMCC, Dubai (erstwhile known as Scrabble Entertainment JLT)
	UFO Lanka Private Limited, Sri Lanka
	Scrabble Entertainment (Lebanon) Sarl, Lebanon
	UFO Software Technologies Private Limited
	Scrabble Digital Inc.,USA.
	Scrabble Entertainment Mauritius Limited, Mauritius
	Scrabble Entertainment Israel Ltd, Israel*
	United Film Organisers (UFO) (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
Relatives of Key management personnel	Ms. Apeksha Agarwal
	Ms. Benu Agarwal
	Mr. Uday Gaikwad
Enterprises owned or significantly influenced by key management personnel or their relatives	
	Media Infotek Park
	Shree Enterprises
	Valuable Media Limited
	Valuable Technologies Limited
	Qwik Entertainment India Limited
	Impact Media Exchange Limited
	Dusane Infotech (India) Private Limited (till September 15, 2015)
	Nifty Portfolio Services Private Limited
	Advent Fiscal Private Limited
Associate of Subsidiary	Scrabble Digital Limited
Joint venture of Subsidiary	Mukta VN Films Limited

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
1	**Subsidiaries Companies**		
A	**Virtual print fees (Income)**		
	i) Southern Digital Screenz India Private Limited	140,828,415	122,368,101
	ii) VN Films Private Limited	12,548	2,246
	iii) Scrabble Entertainment Limited	237,363,790	255,680,857
B	**Lease rental income**		
	i) Southern Digital Screenz India Private Limited	210,656,210	212,150,248
	ii) Scrabble Entertainment Limited	101,495,378	109,230,846
C	**Interest income on loans**		
	i) V N Films Private Limited	5,088,904	9,518,116
D	**Rent income (Miscellaneous receipts)**		
	i) Scrabble Entertainment Limited	467,527	277,540
E	**Loan given**		
	i) V N Films Private Limited	Nil	74,500,000
F	**Advertisement revenue share (expense)**		
	i) Southern Digital Screenz India Private Limited	199,991,649	143,479,592
G	**Advertisement revenue share for onward payment to theatres**		
	i) Scrabble Entertainment Limited	Nil	3,813,028

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
H	**Recovery of expenses**		
	i) Southern Digital Screenz India Private Limited	1,833,734	2,886,531
	ii) Scrabble Entertainment Limited	413,836	1,925,066
I	**Rent paid**		
	i) Southern Digital Screenz India Private Limited	1,163,640	871,000
	ii) Scrabble Entertainment Limited	687,520	Nil
J	**Virtual print fee sharing (expenses)**		
	i) Scrabble Entertainment Limited	30,653,558	7,704,130
K	**Lease rental expenses**		
	i) Scrabble Entertainment Limited	5,427,852	755,048
L	**Investment in equity shares**		
	i) Valuable Digital Screens Private Limited	Nil	17,005,895
M	**Security Deposit paid back**		
	i) Scrabble Entertainment Limited	14,350,000	28,550,000
N	**Miscellaneous Income**		
	i) Southern Digital Screenz India Private Limited	345,842	Nil
O	**Security Deposit paid**		
	i) Southern Digital Screenz India Private Limited	497,692	Nil
	ii) Scrabble Entertainment Limited	207,817	Nil
P	**Security Deposit received**		
	i) Southern Digital Screenz India Private Limited	652,714	Nil
Q	**Security Deposit received back**		
	i) Scrabble Entertainment Limited	200,000	Nil
R	**Reimbursement of expenses**		
	i) Scrabble Entertainment Limited	62,211	Nil
S	**Loan repaid back**		
	i) V N Films Private Limited	Nil	42,750,000
T	**Sale of equipments and Lamps**		
	i) Valuable Digital Screens Private Limited	976,054	29,663
W	**Dividend Income**		
	i) Scrabble Entertainment Limited	110,354,591	Nil
X	**Corporate Guarantee given on borrowing (Refer Note 34(c))**		
	i) Valuable Digital Screens Private Limited	238,400,000	Nil
2	**Step-down Subsidiaries**		
A	**Sale of assets**		
	i) Scrabble Entertainment DMCC, Dubai	6,822,704	3,697,823
3	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Expenses reimbursed**		
	i) Media Infotek Park	9,513,840	9,767,042
	ii) Dusane Infotech (India) Private Limited	8,742	16,501
B	**Software development charges (expense)**		
	i) Dusane Infotech (India) Private Limited	1,468,000	3,523,200
C	**Technical services fees (expense)**		
	i) Valuable Technologies Limited	72,176,562	69,280,448

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
D	**Bank Guarantee given (Refer Note 34 (b))**		
	i) Impact Media Exchange Private Limited	Nil	10,000,000
E	**Operating direct expenses (License fees on 3D movie)**		
	i) Valuable Technologies Limited	46,229	99,871
F	**Operating direct expenses (Licensee fees – Impact)**		
	i) Impact Media Exchange Limited	7,200,000	3,715,951
G	**Licensee fee- (Other income Club X)**		
	i) Valuable Media Ltd	1,467,106	1,066,314
H	**Rent paid (expense)**		
	i) Media Infotek Park	46,198,944	43,820,138
I	**Advertisement revenue**		
	i) Qwik Entertainment India Limited	Nil	7,680,271
J	**Consultancy & reimbursement expenses**		
	i) Shree Enterprises	631,600	671,938
K	**Purchase of spares and equipment**		
	i) Valuable Technologies Limited	Nil	2,001,391
L	**Recovery of expenses**		
	i) Qwik Entertainment India Limited	Nil	17,250
M	**Purchase of equity shares in Valuable Digital Screens Private Limited**		
	i) Valuable Technologies Limited	Nil	27,000,421
N	**Sale of equipments**		
	i) Valuable Media Limited	5,027,180	Nil
O	**Dividend Paid**		
	i) Valuable Media Limited	7,471,325	Nil
	ii) Valuable Technologies Limited	11,218,285	Nil
	iii) Nifty Portfolio Services Private Limited	2,710,680	Nil
	iv) Advent Fiscal Private Limited	3,685,910	Nil
4	**Associates of Subsidiary**		
A	**Content processing charges (expense)**		
	i) Scrabble Digital Limited	5,895,000	7,513,625
5	**Joint Venture of Subsidiary**		
A	**Corporate Guarantee given on borrowing (Refer Note 34 (a))**		
	i) Mukta V N Films Limited	Nil	70,000,000
6	**Key managerial personnel and their relatives**		
A	Remuneration to key managerial personnel		
	i) Mr. Sanjay Gaikwad	25,000,000	25,000,000
	ii) Mr. Kapil Agarwal	25,000,000	25,000,000
	iii) Mr. Ashish Malushte	7,676,512	5,007,600
	iv) Mr. Rajesh Mishra	7,744,896	7,491,600
	v) Mr. Sameer Chavan	2,424,986	915,921
B	**Remuneration to relatives of key managerial personnel**		
	i) Ms. Apeksha Agarwal	768,576	761,603

(In ₹)

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 March 2016	31 March 2015
C	**Salary advance to key managerial personnel**		
	i) Mr. Ashish Malushte	1,600,000	Nil
	ii) Mr. Rajesh Mishra	2,650,000	Nil
D	**Dividend paid to key managerial personnel**		
	i) Mr. Sanjay Gaikwad	1,318,985	Nil
	ii) Mr. Kapil Agarwal	1,863,470	Nil
	iii) Mr. Ashish Malushte	217,120	Nil
	iv) Mr. Rajesh Mishra	285,745	Nil
E	**Dividend paid to relatives of Key managerial personnel**		
	i) Ms. Benu Agarwal	448,500	Nil
	ii) Mr. Uday Gaikwad	500	Nil

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

Further, the Company had granted employee stock options during year ended March 31, 2015 to key managerial personnel.

Balance outstanding at the year end. (In ₹)

Sr. No.	Particulars	31 March 2016	31 March 2015
1	**Subsidiaries Companies**		
A	**Loan given**		
	i) V N Films Private Limited	36,250,000	36,250,000
B	**Trade receivables**		
	i) Southern Digital Screenz India Private Limited	Nil	6,555,365
	ii) Valuable Digital Screens Private Limited	1,005,717	Nil
	iii) Scrabble Entertainment Limited	Nil	782,595
C	**Advance from Customers**		
	i) Southern Digital Screenz India Private Limited	10,411,433	Nil
	ii) V N Films Private Limited	4,689	Nil
	iii) Scrabble Entertainment Limited	8,636,220	Nil
D	**Deposit receivable**		
	i) Southern Digital Screenz India Private Limited	497,692	Nil
	ii) Scrabble Entertainment Limited	207,817	Nil
E	**Deposit payable**		
	i) Scrabble Entertainment Limited	135,900,000	150,250,000
	ii) Southern Digital Screenz India Private Limited	652,714	Nil
F	**Interest accrued on loans**		
	i) V N Film Private Limited	6,928,077	2,348,063
G	**Unbilled revenue**		
	i) Scrabble Entertainment Limited	51,155,898	50,174,037
	ii) Southern Digital Screenz India Private Limited	Nil	2,349,663
H	**Provision for expenses**		
	i) Southern Digital Screenz India Private Limited	Nil	7,755,052
I	**Corporate guarantee given to bank for borrowing (Refer Note 34(c))**		
	i) Valuable Digital Screens Private Limited	238,400,000	Nil

Sr. No.	Particulars	31 March 2016	31 March 2015
2	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A	**Amount receivable**		
	i) Valuable Media Limited	123,249	218,787
B	**Deposit receivable**		
	i) Media infotek Park	35,771,540	35,771,540
C	**Trade receivables**		
	Qwik Entertainment India Limited	496,397	498,582
D	**Bank guarantee given (Refer Note 34 (b))**		
	i) Impact Media Exchange Limited	10,000,000	10,000,000
3	**Key management personnel**		
A	**Salary advance receivable**		
	i) Mr. Ashish Malushte	1,600,000	Nil
	ii) Mr. Rajesh Mishra	2,650,000	Nil
4	**Joint Venture of Subsidiary**		
A	**Corporate guarantee given to bank for borrowing (Refer Note 34(a))**		
	i) Mukta V N Films Limited	70,000,000	70,000,000

33. Capital and other commitments (In ₹)

	31 March 2016	31 March 2015
Capital commitments	92,222,205	51,977,395
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))		
Other commitments	19,961,481	17,315,991
	112,183,686	**69,293,386**

a) As indicated in note 29 (c) to the financial statements, the Company will acquire the remaining 20% equity of VDSPL from VTL in the financial year 2017-18 for a further consideration to be calculated in accordance with the terms of the investment agreement.

34. Contingent liabilities (In ₹)

	31 March 2016	31 March 2015
Dividend on 4,885,925 - 6% Cumulative Convertible Preference Shares of ₹ 100/- each.	Nil	31,002,198
Corporate Guarantee (refer note a)	70,000,000	70,000,000
Corporate Guarantee (refer note b)	10,000,000	10,000,000
Corporate Guarantee (refer note c)	238,400,000	Nil
Pending litigations / matters (refer note f)		
(i) In respect of Income Tax matters		
Income Tax matters	6,240,033	25,325,053
(ii) In respect of Indirect Tax matters		
Service Tax matters (refer note e)	220,111,033	233,200,000
VAT matters	4,775,215	10,128,138
	549,526,281	**379,655,389**

Notes:

a) During the year ended March 31, 2015, the Company has provided Corporate guarantee to bank for Overdraft facility of ₹ 70,000,000 taken by joint venture of subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.

b) During the year ended March 31, 2015, the Company has provided bank guarantee of ₹ 10,000,000 to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Exchange Media Private 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.

c) The Company has provided Corporate guarantee to bank for Term Loan and Cash Credit facility of ₹ 238,400,000 taken by subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.

d) The Company has issued a letter of comfort to a bank for term loan of ₹ 300,000,000 (March 31, 2015 : 300,000,000) and cash credit facility of ₹ 30,000,000 (March 31, 2015 : 30,000,000) taken by subsidiary company, assuring that it will take all necessary steps so that the repayment of the loan by the subsidiary is honored as and when due and payable. The outstanding term loan of subsidiary company as on March 31, 2016 is ₹ 135,499,860 (March 31, 2015 : 241,499,759).

e) During the year ended March 31 2016, 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 lakhs, excluding interest and penalty, which was subject matter of show cause notice from service tax authorities in the year ended 31 March 2015.

   i) ₹ 246,432,207, excluding interest and penalty, for service tax on rentals from leasing of Digital Cinema Equipments for the period April 2008 to March 2014. Based on legal opinion obtained, the Company believes that the lease rental revenues are subject to state-wise Value Added Tax which the Company is paying since the beginning of operations. Accordingly, the Company believes that its position will likely be upheld in the appellate process and that it is unlikely that the liability will arise to the Company out of this matter.

   ii) ₹ 220,111,033, excluding interest and penalty, on account of disallowance of CENVAT Credit on Capital Goods (Digital Cinema Equipments) claimed by the Company for the period April 2008 to March 2014 as the possession of the equipments is not with the Company. Based on legal opinion obtained, the Company is of the view that these equipments are used for providing taxable output services and hence should be entitled to avail CENVAT credit and is therefore contesting this demand. The Company believes that its position is likely to be upheld in the appellate process and accordingly no provision has been considered necessary in these financial Statements.

f) 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.

35. Particulars of unhedged foreign currency exposure at the reporting date (In ₹)

Particulars of un-hedged exposure	31 March 2016	31 March 2015
Import trade payable (US$)	₹ 63,444,553 (US$ 956,457 @ Closing rate of 1 USD = ₹ 66.33)	₹ 3,428,617 (US$ 54,779 @ Closing rate of 1 USD = ₹ 62.59)
Advance to suppliers(US$)	₹ 522,040 (US$ 7,870 @ Closing rate of 1 USD = ₹ 66.33)	₹ 617,137 (US$ 9,860 @ Closing rate of 1 USD = ₹ 62.59)
Import trade receivables(US$)	₹ 2,322 (US$ 35 @ Closing rate of 1 USD = ₹ 66.33)	Nil

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

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

37. Value of imports calculated on CIF basis (In ₹)

	31 March 2016	31 March 2015
Traded goods (lamp)	170,077,765	143,910,812
Consumable, stores and spares	2,857,010	8,510,579
Capital goods	371,262,353	145,303,198
	544,197,128	**297,724,589**

38. Expenditure in foreign currency (accrual basis) (In ₹)

	31 March 2016	31 March 2015
Travelling and conveyance	2,698,561	1,676,850
Others	9,112,426	9,147,015
	11,810,987	**10,823,865**

39. Imported and indigenous raw materials, components and spare parts consumed

	31 March 2016		31 March 2015	
	% of total consumption	Value (In ₹)	% of total consumption	Value (In ₹)
Components				
Imported	87	160,270,996	81	151,624,201
Indigenously obtained	13	23,789,407	19	35,640,545
	100	**184,060,403**	**100**	**187,264,746**

40. Earnings in foreign currency (accrual basis) (In ₹)

	31 March 2016	31 March 2015
Exports at C.I.F. value	6,822,704	3,697,823
	6,822,704	**3,697,823**

41. The total managerial remuneration for the year in respect of managing director and joint managing director, (after including perquisite value of employees stock options of the Company exercised by them during the year as determined as per Income Tax Act, 1961) is in excess of the limits specified under Section 197 read with schedule V of the Act by ₹ 158,271,959.

The definition of managerial remuneration as per the provisions of erstwhile Companies Act,1956 which was prevailing during the time when the managing director and joint managing director were appointed or during the time when employee stock options were granted to them did not include the employee stock option perquisite value as part of managerial remuneration. Also the employees stock options were granted to these directors at the then fair market value and as such the Company was not required to account any expense during the period of the vesting on account of grant of these employee stock options.

However as per the provisions of Companies Act, 2013 which has been made effective from April 01, 2014 the definition of managerial remuneration is amended to include value of perquisites as per Income Tax Act, 1961 and as a result the perquisite value of employee stock options which is the difference between the exercise price of the employee stock options and the market price of the shares on the date of exercise of the options, though notional in nature is required to be considered in the definition of managerial remuneration.

Given that this amount has not been paid or incurred by the Company during the year or previous years and accordingly, it is not a perquisite paid in cash. Hence, subsequent to the year end, the Company is in the process of filing application to the Central Government for the waiver of this excess remuneration. Pending the approval from the Central Government no adjustments have been made to the financial statements.

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 ₹)

Particulars	31 March 2016	31 March 2015
Gross amount required to be spent	7,582,823	5,446,099
Spent during the year towards advertisement activity, (towards promoting sanitation) i.e., Swatch Bharat Abhiyan	-	16,594,255
Balance unspent during the year	7,582,823	-

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.

Sr. No.	Name of the loanee	Purpose	Rate of Interest	Terms	31 March 2016	31 March 2015
1	V N Films Private Limited	Working capital and / or capital expenditure and / or general corporate purpose	14%	Repayable on demand	36,250,000	36,250,000
					36,250,000	**36,250,000**

44. Previous year figures have been regrouped / reclassified, where necessary, to conform to current year classification.

As per our report of even date

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

per Govind Ahuja
Partner
Membership No.: 48966

Place of signature: Mumbai
Date: May 26, 2016

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 26, 2016

UFO MOVIEZ INDIA LIMITED

(CIN: L22120DL2004PLC164728)
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

12TH ANNUAL GENERAL MEETING ON SEPTEMBER 14, 2016

(To be signed and handed over at the entrance of the meeting venue)

I / We hereby record my / our presence at the 12th Annual General Meeting of the Company on Wednesday, September 14, 2016 at 10.30 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai - 400071, India.

Signature of 1st Holder	Signature of 2nd Holder	Signature of 3rd 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, 2016 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, 2016 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 September 11, 2016 (9.00 a.m.) and ends on September 13, 2016 (5.00 p.m.). The e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

UFO
digital cinema

UFO MOVIEZ INDIA LIMITED

(CIN: L22120DL2004PLC164728)
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 Wednesday, September 14, 2016 at 10.30 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai - 400071, India 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 (Ordinary Business)
1.	To consider and adopt the audited financial statements for the financial year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.
2.	To consider and adopt the audited consolidated financial statements for the financial year ended March 31, 2016 together with the report of the Auditors thereon
3.	To declare a final dividend of ₹ 3 per equity share
4.	To approve the interim dividend of ₹ 5 per equity share, already paid during the year, for the financial year ended March 31, 2016
5.	To appoint a Director in place of Mr. Biswajit Subramanian (DIN No. 00905348), who retires by rotation, and being eligible, offers himself for reappointment
6.	To appoint S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 101049W) as Statutory Auditors of the Company for the Company's financial year ending March 31, 2017 to hold office from the conclusion of ensuing Annual General Meeting (AGM) until the conclusion of next AGM of the Company subject to the provisions of the Companies Act, 2013 and to authorise the Board to fix their remuneration.

Signed this .....day of 2016

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix
₹1/-
Revenue
stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

NOTES

NOTES

If undelivered, please return to:

UFO Moviez India Limited

Valuable Techno Park

Plot No.53/1, Road No.7,

MIDC, Marol, Andheri (East),

Mumbai - 400093

Tel: +91 22 4030 5060