

UFO Moviez India Limited

Enhancing **Value**

THROUGH BIG SCREEN
ENTERTAINMENT

ANNUAL **20**¹⁵
REPORT **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

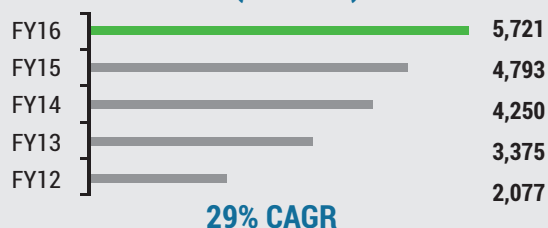
of Advertisers

4.15

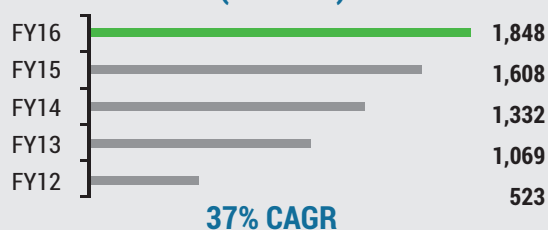
of Ad Minutes
Avg. Per Screen Per Show

CONSOLIDATED FINANCIAL HIGHLIGHTS

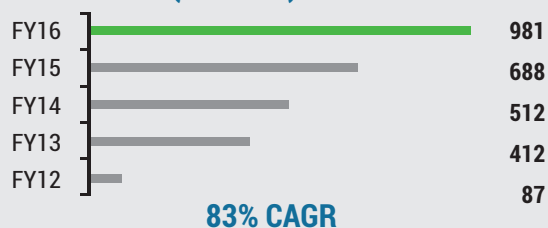
Revenue (in ₹ Mn)



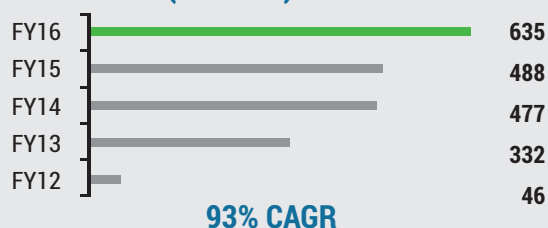
EBITDA (in ₹ Mn)



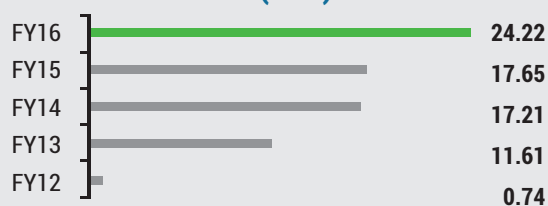
PBT (in ₹ Mn)



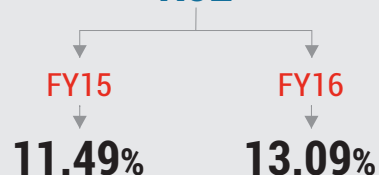
PAT (in ₹ Mn)



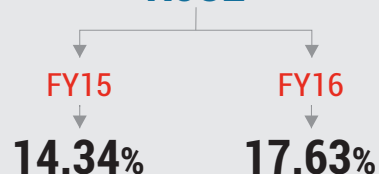
Basic EPS (in ₹)



RoE



RoCE



Net Debt (in ₹ Mn)



Net Debt / EBITDA



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

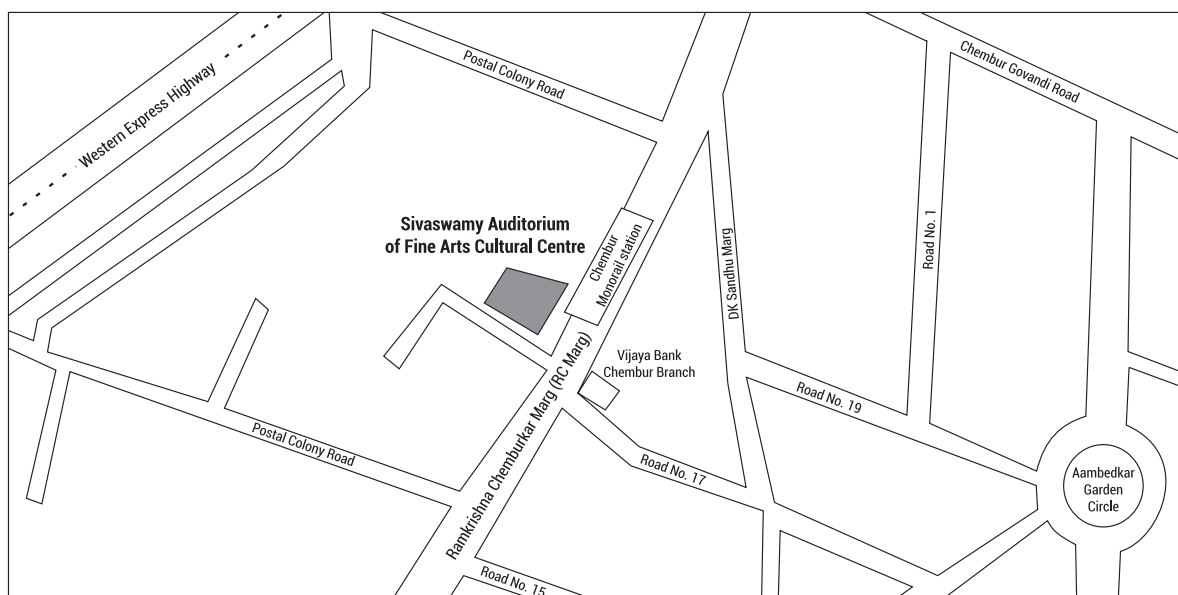
ANNUAL GENERAL MEETING

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:
- Change in their residential status on return to India for permanent settlement;
 - 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:
- In case of holding of shares in demat form, update your bank account details with your depository Participants (DP) immediately.
 - 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, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032.

This will facilitate the remittance of the dividend account

amount as directed by SEBI in the Bank Account electronically.

- 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 utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- (ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".

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

- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at 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