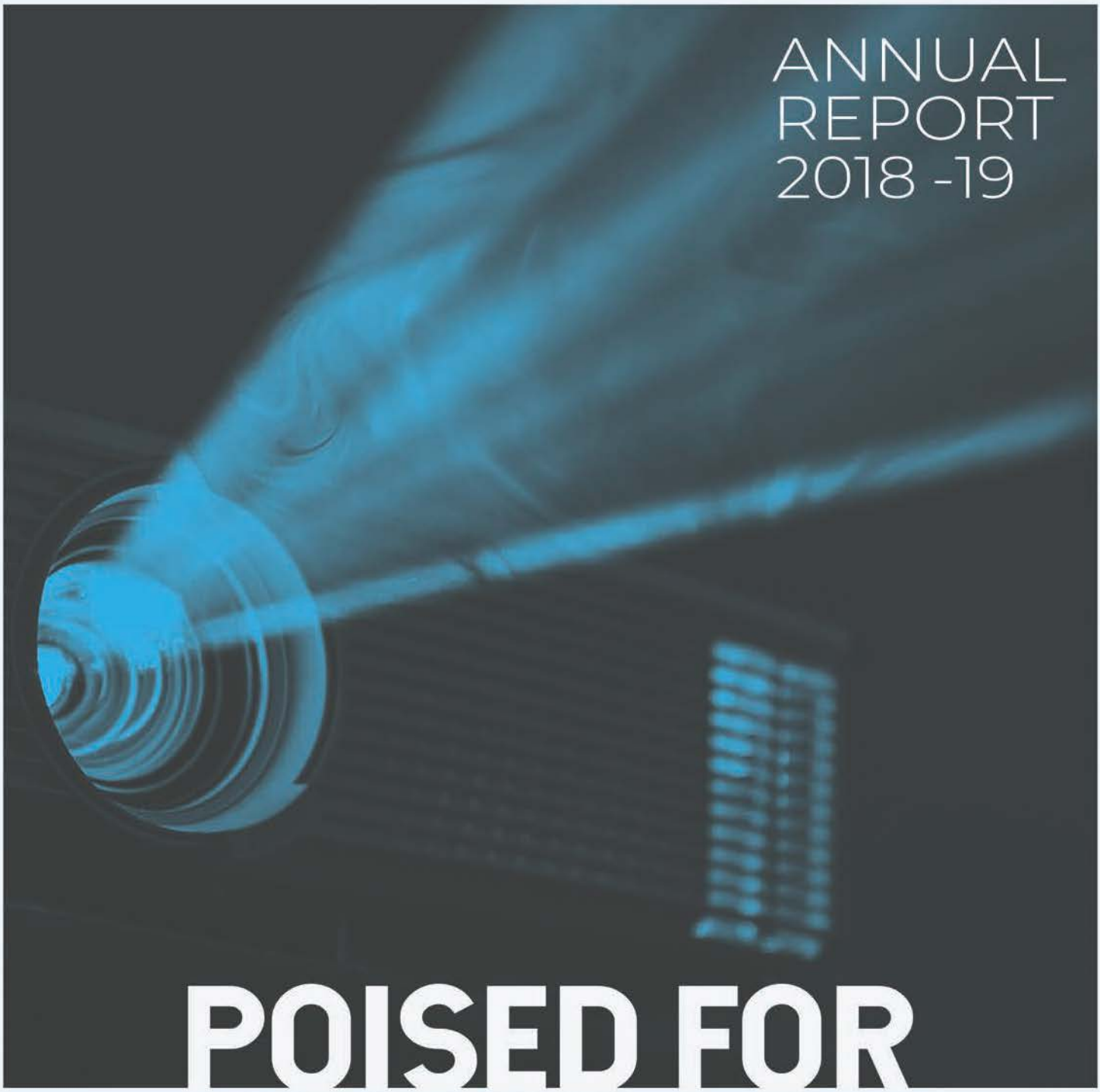
UFO

digital cinema



ANNUAL REPORT 2018 -19

POISED FOR GROWTH

UFO MOVIEZ INDIA LIMITED
ANNUAL REPORT 2018-19

CONTENTS

COMPANY OVERVIEW

UFO Moviez at a Glance 01

Letter to Shareholders 03

Corporate Information 04

STATUTORY REPORTS

Notice 05

Directors' Report 10

Management Discussion and Analysis 33

Corporate Governance Report 39

FINANCIAL STATEMENTS

Consolidated Financial Statements 58

Standalone Financial Statements 124

Attendance Slip 179

Proxy Form 181



UFO
digital cinema

UFO MOVIEZ AT A GLANCE

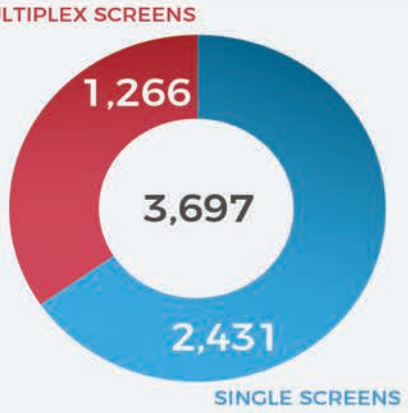
UFO Moviez India Limited is India's largest digital cinema distribution network and in-cinema advertising platform. UFO operates India's largest satellite-based, digital cinema distribution network using its proprietary platform, as well as India's largest D-Cinema network. As on March 31, 2019, UFO's global network, along with subsidiaries and associates, spans 5,758 screens worldwide, including 5,315 screens across India and 443 screens across the Middle East, Israel, Mexico and the USA.

OUR VISION

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

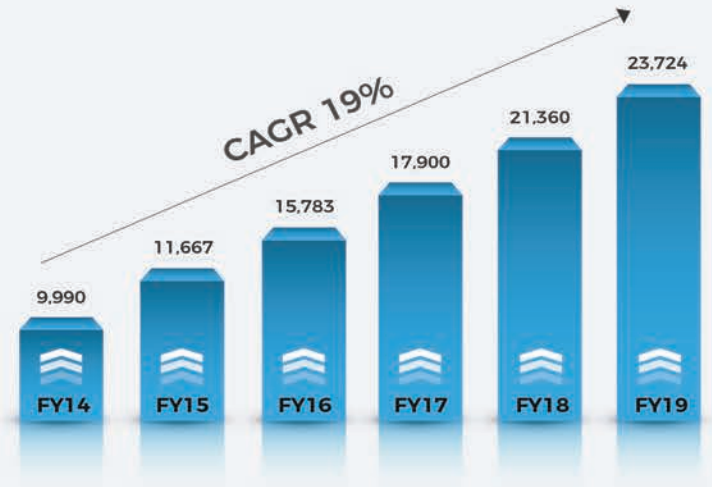


HIGH IMPACT ADVERTISING SCREENS



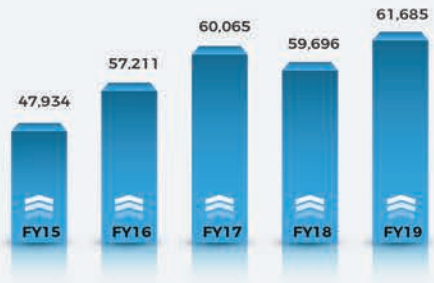
Inventory Utilisation
5.54 Minutes Sold / Show / Ad Screen

ADVERTISEMENT REVENUE (₹ LACS)

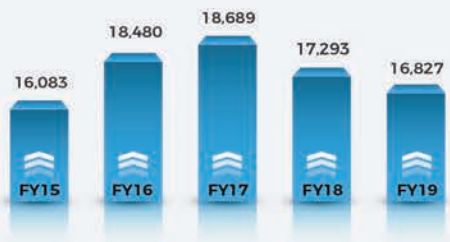


FINANCIAL HIGHLIGHTS

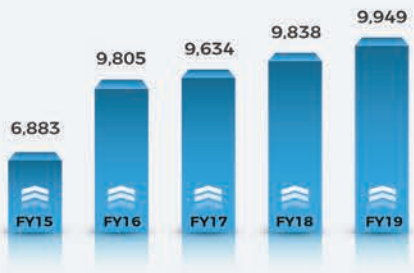
REVENUE (₹ LACS)



EBITDA (₹ LACS)



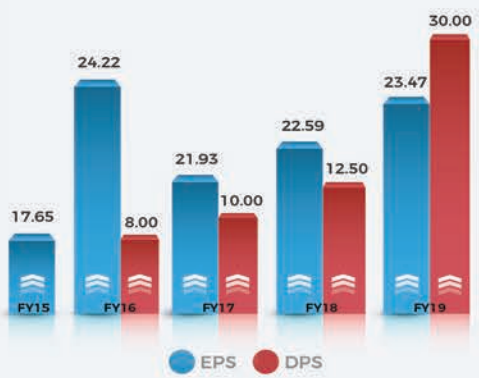
PBT (₹ LACS)



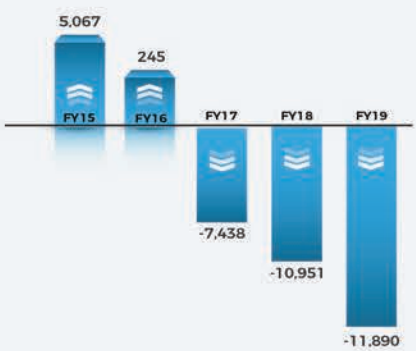
PAT (₹ LACS)



BASIC EPS & DPS (₹)



NET DEBT (₹ LACS)



LETTER TO SHAREHOLDERS



Dear Shareholders,

We are pleased to share that UFO has delivered another year of steady performance. We delivered 11% advertisement growth during the fiscal year 2019. Our cash flow generation continued to remain healthy and Capex intensity remained low. We also declared a 300% dividend for the year, which included a one-time special dividend of 150% in view of the availability of cash with the Company.

Looking forward, we are confident of delivering sustained growth in the medium to long term. The Indian economy is expected to remain the fastest growing major economy in the world on the back of digitization, globalization, favourable demographics and reforms. The Government through the past Union budgets has also been providing a consumption push which will result in higher demand. Consumer behavior and expenditure patterns will continue to shift and correspondingly result in increase in advertising spends. In this scenario, we believe that there will continue to be tremendous growth prospects in India.

UFO's in-cinema Advertisement platform will continue to benefit from these trends as India is expected to become the third largest consumer economy in the World by 2025. We will continue to focus on driving advertisement revenue growth driven by increasing inventory utilization and realizations. The measurement and research on cinemas which was institutionalized will help in further deepening customer engagement. Advertisers prefer credible research that provides footfalls, consumer data and profiles. Hence, this data will drive advertiser interest and enable brands to take better informed investment decisions.

On the Scheme of Arrangement and Amalgamation between UFO and Qube, the petition for the merger with Qube was dismissed by NCLT in January and subsequently we started exploring alternate options to combine UFO and Qube. However, on account of the current market conditions and decline in our stock price, the comparative value of Qube requires a similar write down which is not in line with the expectations of the shareholders of Qube. Hence at this stage there is a standstill. However, the Managements and Promoters of both companies are convinced of the benefits of the unified operations and will continue the efforts to unify both Companies.

Finally, on behalf of the Board of Directors, we would like to take this opportunity to express sincere gratitude to all our stakeholders for their continued interest and faith in UFO. Many thanks to all our shareholders for their unconditional support. A special appreciation to all our employees for their vigorous efforts and commitment that have helped in making UFO a prominent Digital Cinema and In-Cinema advertising service provider in India. We look forward to continuing this journey and achieving bigger dreams together in the future.

Warm Regards,

Sanjay Gaikwad
Founder and Managing Director

Kapil Agarwal
Joint Managing Director

CORPORATE INFORMATION

Board of Directors

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

Chief Executive Officer (CEO) - Indian Operations

Rajesh Mishra

Chief Financial Officer

Ashish Malushte

Company Secretary

Sameer Chavan

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants

Bankers

HDFC Bank Limited
YES Bank Limited

Registrar & Share Transfer Agent

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

Registered and Corporate Office

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

Corporate Identity Number

L22120MH2004PLC285453

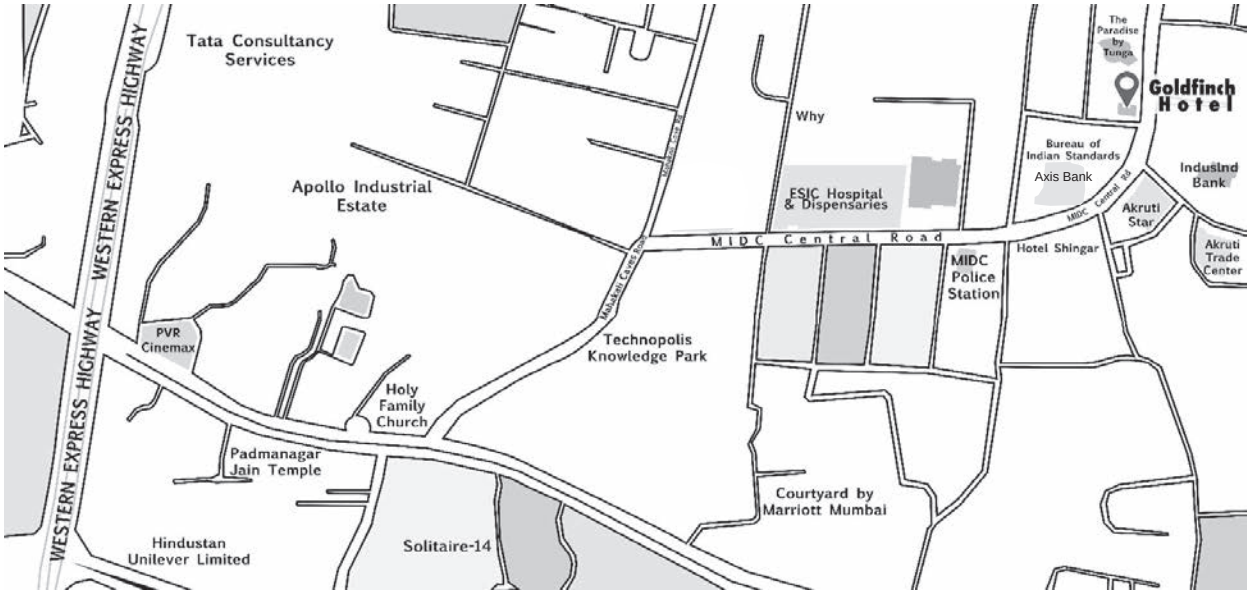
ANNUAL GENERAL MEETING

Day & Date: Thursday, July 25, 2019

Time: 03:00 p.m.

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

ANNUAL GENERAL MEETING VENUE - ROUTE MAP



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of UFO Moviez India Limited ("the Company") will be held on Thursday, the 25th day of July, 2019 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400093 to transact the following business(es):

Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of an interim dividend of 275% (₹ 27.50 per equity share on the face value of ₹10 each) for the financial year ended March 31, 2019 which includes a one-time special dividend of 150% (₹15.00 per equity share on the face value of ₹10 each) declared by the Board.
3. To declare a final dividend of 25% (₹ 2.50 per equity share on the face value of ₹ 10 each), for the financial year ended March 31, 2019.
4. To appoint a Director in place of Mr. Raaja Kanwar (DIN 00024402), who retires by rotation, and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date: May 21, 2019
Place: Mumbai

Notes:

1. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India as notified by the Central Government on General Meetings in respect of Directors seeking appointment or re-appointment at the Annual General Meeting is furnished as an annexure to the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
4. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
   i. it is signed by the Member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Member first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.
   ii. it is duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company/ Registrar & Share Transfer Agent.
5. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Company's Registrar & Share Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) having their office premises at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Andhra Pradesh, India.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11:00 a.m. to 01:00 p.m. except Saturday, Sunday and public holidays, up to the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, July 19, 2019 to Thursday, July 25, 2019 (both days inclusive).
9. Dividend, if declared, will be paid after Thursday, July 25, 2019 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business on Thursday, July 18, 2019.

10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH -13 duly filled to M/s. Karvy Fintech 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 Fintech Private Limited / the Company immediately.

11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2018-19 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 Fintech Private Limited, as the case may be.

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

13. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least between 7 working days prior to the meeting, so that the required information can be made available at the meeting.

14. Pursuant to the provision of the Companies Act, 2013, the amount of unpaid/unclaimed dividends for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (hereinafter referred to as 'IEPF') established by the Central Government. In accordance with provisions of the said Section, no claim shall lie against the Company or the fund in respect of individual amounts of dividend remaining unclaimed for a period of 7 years from the dates they became first due for payment and no payment shall be made in respect of any such claims. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company http://www.ufomoviez.com/IR_Unpaid_Dividend.aspx and on the website of the Ministry of Corporate Affairs.

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

Sr. No.	Year	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed dividend to Investor Education and Protection Fund
1	Interim Dividend 2015-2016	March 11, 2016	April 9, 2023	From April 10, 2023 to May 9, 2023
2	Final Dividend 2015-2016	September 14, 2016	October 13, 2023	From October 14, 2023 to November 12, 2023
3	Dividend 2016-2017	September 26, 2017	October 25, 2024	From October 26, 2024 to November 14, 2024
4	Dividend 2017-2018	August 9, 2018	September 8, 2025	From September 9, 2025 to October 8, 2025

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

As per the provisions of Section 124(1) of the Companies Act, 2013 where a dividend has been declared by a company but has not been paid or claimed within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

Further, as per Section 124(5) of the Companies Act, 2013 any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under Section 125(1) and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

Further as per Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members

holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited. Non-Resident Indian members are requested to inform Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited, immediately of: (i) Change in their residential status on return to India for permanent settlement; (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

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

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

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

18. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23. The remote e-voting period commences on Sunday, July 21 2019 (10:00 am) and ends on Wednesday, July 24, 2019 (05:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Thursday, July 18, 2019 may cast their votes electronically. A person who is not a Member as on the cut- off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

24. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, July 18, 2019.

25. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Thursday, July 18, 2019, he/ she may obtain the User ID and Password in the manner as mentioned below:

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

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

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

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

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

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

27. The Scrutinizer after scrutinizing the votes cast at the Meeting through ballot or polling paper and through remote e-voting, shall within 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

28. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company http://www.ufomoviez.com/Shareholder_Communication.aspx and on the website of the Karvy https://evoting.karvy.com/ The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

29. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, July 25, 2019 subject to receipt of the requisite number of votes in favour of the resolutions.

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