

Date: August 24, 2017

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

BSE Scrip Code: **539141**

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

NSE Symbol: **UFO**

Dear Sirs/ Ma'am,

Sub: Disclosure of events or information under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Ref: Update with respect to the Company's appeal to the Customs Excise & Service Tax Appellate Tribunal and the letter to yourselves dated December 7, 2015

This is further to our letter dated December 7, 2015 wherein we had informed that the Company on December 7, 2015, had received an order from the Commissioner of Service Tax Mumbai ('Adjudicating Authority') demanding Service Tax to the tune of Rs. 24,64,32,207/- (excluding interest and penalty) for the period 2008-09 to 2013-14 on the ground that the rentals collected from leasing of digital cinema equipments to theaters would be subject to Service Tax. Additionally the order also had demanded reversal of CENVAT Credit on Capital Goods (Digital Cinema Equipments) claimed by the Company for the same period to the tune of Rs. 22,01,11,033/- (excluding interest and penalty).

The Company had filed an appeal before the Customs Excise & Service Tax Appellate Tribunal ('Appellate Tribunal'). We wish to inform that we have received the order from the Appellate Tribunal today, August 24, 2017.

The Appellate Tribunal has dropped the Adjudicating Authority's demand of Rs. 22,01,11,033/- for reversal of CENVAT Credit and consequential demand of interest and penalty thereon has also been dropped on merit as well as on limitation.

The Appellate Tribunal has also dropped the Adjudicating Authority's demand of Service Tax to the tune of approximately Rs. 9.37 crore, of the demand of Rs. 24.64 crore on Lease rental of Digital Cinema Equipments for the 'Extended Period' (i.e. from April 2008 to September 2011) being time bar. The corresponding demand of interest and penalty on this amount has also been dropped.

The balance demand of Service Tax to the tune of approximately Rs. 15.27 crore on Lease rental of Digital Cinema Equipments for the 'Normal Period' (i.e. from October 2011 to March 2014) is remanded for reconsideration, on merit to the Adjudicating Authority. In this regard, the Appellate Tribunal made observation that various vital facts and submissions by the Company were not properly verified by the Adjudicating Authority. Consequently, the case relating to Service Tax on Lease rental for Normal Period is remanded for reconsideration to the Adjudicating Authority with certain 'remand directions'.

The Company's position on CENVAT Credit as stated in the disclosure dated December 7, 2015 has thus been upheld by the Appellate Tribunal.

As regards to the remanded issue relating to Service Tax on Lease rental for the Normal Period, the Company continues to be confident that its position on the issue is adequately supported by legal grounds / precedents and further the Company is of the view that the 'remand directions' given by the Appellate Tribunal will further support a fair assessment of the matter when it is taken up by the Adjudicating Authority for hearing.

Thanking you.

Yours faithfully,

For **UFO Moviez India Limited**


Ashish Malushte
Chief Financial Officer


Sameer Chavan
Company Secretary

UFO MOVIEZ INDIA LIMITED