

Date: December 7, 2015

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 Scrip Code: UFO

Dear Sir / Ma'am,

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

Pursuant to the requirements of disclosure of events or information under Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is informed that the Company on December 7, 2015, has received an order from the Commissioner of Service Tax Mumbai ('Order') demanding Service Tax to the tune of Rs. 24,64,32,207/- (excluding interest & penalty) for the period 2008-09 to 2013-14 on the ground that the rentals collected from leasing of digital cinema equipments to theatres would be subjected to Service Tax. Additionally the order also has 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 & penalty).

The equipment leasing rental revenues of the Company are chargeable to state-wise Value Added Taxes ('VAT') being a transaction in the nature of 'transfer of right to use' i.e. deemed sale and the Company has been paying the VAT to various State Governments from the beginning of its operations and been assessed regularly under VAT. However according to the Order, Service Tax is leviable on such lease rental revenues since the 'right to use' is not transferred. The Order also states that since the possession of the equipments are not with the Company CENVAT credit claimed on these capital goods cannot be allowed.


In Company's view the lease rental transactions are correctly assessed to state VAT levy and are not chargeable under Service Tax and with regards to CENVAT credit it is of the view that as long as these Digital Cinema Equipments are used for providing taxable output services, the Company is rightfully entitled to avail CENVAT credit. In Company's view its position on both the issues is adequately supported by robust legal grounds / precedents and therefore the demands on both the counts are unjustified. The Company has made adequate disclosures with regards to this litigation in its 'Prospectus' dated May 11, 2015, filed with SEBI, Registrar of Companies and Stocks Exchanges.

The Company is operating within the laws of the country and is in the process of reviewing the Order in detail and shall file an Appeal before the Appellate Tribunal within the stipulated time frame.

Thanking you,
Yours faithfully,

For UFO Moviez India Limited


Ashish Malushte
Chief Financial Officer


Sameer Chavan
Company Secretary