

ADLABS Entertainment Limited

badi interesting jagah hai

ANNUAL
REPORT 2015-16



theme park • water park • snow park • hotel



IMAGICA PRESENTS
INDIA'S LARGEST SNOW PARK



theme park • water park • snow park • hotel



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**CHAIRMAN'S
MESSAGE**

It is my pleasure & privilege to address you

I am grateful to you for believing and supporting our vision and plans. At Adlabs Entertainment Limited, my vision was to create an outdoor and participative entertainment experience with a Theme Park and an Integrated Entertainment Holiday Destination which compares with global standards. I am proud to say that we have succeeded in translating this vision to a reality with Imagica, which includes a Theme Park, a Water Park, a Hotel & now a Snow Park as well.

Since April 2013, over 3.4 million guest have visited the parks. While these numbers and guest feedback give us a good idea of their expectation and appreciation of the product, we have a long way to go in making this project every Indian's "must visit" holiday destination.

We launched our Hotel 'Novotel Imagica Khopoli' on September 16, 2015 with 116 rooms. We are pleased to inform that the hotel has got off to a great start with an healthy average occupancy of 75% in the first six months of operations. Novotel Imagica in a short period of operations has been able to establish its niche in the leisure and social segments and has firmly established Imagica's position as a multi-day family holiday destination.

During the six months of operations till March 2016, Novotel Imagica has hosted over 150 corporates and 6 destination weddings. This is a sort of record in this industry and we have also seen improvement in ARR since its launch. Novotel Imagica has garnered excellent customer feedback and reviews on TripAdvisor and other hotel review sites.

In fact, Novotel Imagica within few months of operations has received an award for the best "New Hotel in the Upper Mid Segment Category" by HICSA which is the Hotel Convention of Southeast Asia in Delhi in the month of March 2016.

The management has worked on a new branding and positioning and have decided to merge the entire offering under a single brand of 'Imagica'.

We feel that consolidating the Theme Park, Water Park and now the Snow Park under a single brand name Imagica will lead to optimization of marketing costs and a much better brand recall. This will also facilitate focus penetration of Imagica brand in the non-catchment areas with the philosophy of positioning Imagica as a complete holiday destination.

We have also launched a new brand logo embodying the Imagica experience as "Imagica badi interesting jagah hai".

We have actively pursued every stream of potential revenue such as Food and Beverages, Retail, Advertising and Sponsorships, Weddings, and MICE and continue to believe that we are merely at the brink of a large potential in each such stream.

We have surplus land of 170 acres, part of which has already been transferred to our 100% subsidiary Walkwater Properties Pvt. Ltd., which has applied to the Government of Maharashtra for an approval for a special township. We plan to monetize the surplus land and engage with reputed real estate players to develop a township on the said land. This will lead to alternative sources of cash flow and income for the Company, which can be used for reduction / repayment of debt.

We are committed to making our entertainment holiday destination a success and believe a sizeable upfront creative technical and Intellectual Property creation has already been done, allowing us to create newer formats of engagement with our consumers without much additional resources.

We thank all the shareholders for having faith in our company. We are excited to have you on board and we remain committed to making people happy and ultimately realizing the full potential of this venture.

With best regards,

Manmohan Shetty

Chairman



IMAGICA AWARDS



Best New Upper Mid Segment Hotel,
HICSA – 2015



IAAPI Awards 2016 - Print Media



OTM - Most Promising
New Destination Award, 2014 & 2015



IAAPI Award, 2016



IAAPI Awards 2016 - Electronic Media

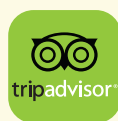


IAAPI Awards 2016 - Most Innovative Ride





facebook
12,92,500+



Tripadvisor
4/5 rating



Youtube Views
48,72,500+



Website
Pageviews
1,69,75,000+



ANDROID DOWNLOADS
238,500+



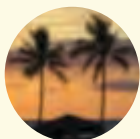
iOS DOWNLOADS
43,500+



Shubham N Bhilwara, India

"Its really a wonderful, amazing experience to going on this. It is a best aqua water park I have seen. In this free flow, jumperi, wave and many others adventure in it....."

"Love the adventure in water go for it"



nanki007 New Delhi, India

"This place is truly unforgettable. Had a great time with family. Built according to international standards One of the best in India!....."

"Great experience"



Mumbaiyya Mumbai, India

"The creators of this theme park have really worked very hard to provide a theme park of international standards. The atmosphere is joyful, the services are impeccable and most importantly the people who run the administration and the management are very caring considerate and helpful. And remarkably polite....."

"Wonderful management. Caring staff."



Akshay M

"Best theme park i have ever seen. Visited the theme park in 30th may 2016 with my family, rides were amazing. Nitro, spin pendulum, Rajasauras and Gold rush express were the best. Snow world is awesome best n too large. Overall we had an excellent experience....."

"Awesome theme park"

Board of Directors



Manmohan Shetty
Chairman



Kapil Bagla
Whole Time Director & CEO



Pooja Deora
Non-Executive Director



Ashutosh Kale
Executive Director



Prashant Purker
Independent Director



Ghulam Mohammed
Independent Director



Anjali Seth
Independent Director



Steven Pinto
Independent Director



Meghna Ghai Puri
Independent Director

Company Information

BOARD OF DIRECTORS

Mr. Manmohan Shetty - Chairman
Mr. Kapil Bagla - Whole Time Director & CEO
Mr. Ashutosh Kale - Executive Director *
Ms. Pooja Deora - Non-Executive Director *
Mr. Prashant Purker - Independent Director
Mr. Ghulam Mohammed - Independent Director
Ms. Anjali Seth - Independent Director
Mr. Steven A. Pinto - Independent Director
Ms. Meghna Ghai Puri - Independent Director *
**(Appointed w.e.f. May 24, 2016)*

CHIEF FINANCIAL OFFICER

Mr. Rakesh Khurmi

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Madhulika Rawat

AUDITORS

M/s. A.T. Jain & Co., Chartered Accountants
(Firm Registration No. 103886W)

REGISTERED OFFICE

30/31, Sangdewadi, Khopoli-Pali Road, Taluka
Khalapur, District Raigarh 410 203
T: +91-2192 669 900 F: +91-22 4068 0088

CIN : L92490MH2010PLC199925

EMAIL

compliance@adlabsentertainment.com

WEBSITE

www.adlabsimagica.com

BANKERS AND FINANCIAL INSTITUTIONS

Union Bank of India
Indian Overseas Bank
Bank of Baroda
Corporation Bank
Jammu and Kashmir Bank
Bank of India
Central Bank of India
Syndicate Bank
Punjab and Sind Bank
Vijaya Bank
Dena Bank
Life Insurance Corporation of India
Tourism Finance Corporation of India Limited

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (W)
Mumbai - 400 078 Maharashtra, India
Tel: (022) 2596 3838 Fax: (022) 2594 6969
website: www.linkintime.co.in



Corporate Social Responsibility



We hosted 21 mentally & physically challenged children including Teachers, Caretaker & Parents (35 members) from Swami Bramhanand Foundation's Sweekar School on September 23, 2015.



Imagica hosted 4 little angels with their families (14 members) in co-ordination with Make a Wish Foundation, Pune on August 31, 2015.

Financial Highlights - Standalone

(₹ in million)

| Particulars | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|---|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| FINANCIAL RESULTS | | | | | | | |
| Revenue from operations | 2,523.91 | 1,894.22 | 1,038.02 | - | - | - | - |
| Total Revenue | 2,690.58 | 1,912.52 | 1,070.13 | 39.30 | - | - | - |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 568.72 | 223.55 | 70.61 | (21.24) | (5.30) | - | - |
| Depreciation and amortisation expense | 877.13 | 797.48 | 305.18 | 0.13 | - | - | - |
| Exceptional Items | - | - | - | 0.63 | - | - | - |
| Profit / (Loss) after tax for the year | (907.08) | (1,071.61) | (527.57) | (14.57) | (6.06) | - | - |
| FINANCIAL POSITION | | | | | | | |
| Equity Share Capital | 798.98 | 798.98 | 484.63 | 458.72 | 419.17 | 430.23 | 347.34 |
| Reserves and Surplus | 5,361.19 | 6,295.67 | 2,651.77 | 2,635.25 | 2,084.77 | 1,858.38 | 1,564.21 |
| Shareholders Funds | 6,160.17 | 7,094.65 | 3,136.40 | 3,093.97 | 2,503.94 | 2,288.61 | 1,911.55 |
| Loan Funds | 10,043.13 | 11,233.49 | 11,400.44 | 7,881.03 | 1,980.83 | 454.90 | 232.38 |
| Gross Fixed Assets | 15,823.10 | 15,860.57 | 14,274.57 | 10,728.90 | 4,470.67 | 2,715.08 | 2,422.84 |
| Net Fixed Assets | 13,818.71 | 14,733.17 | 13,944.63 | 10,704.12 | 4,457.14 | 2,707.82 | 2,420.70 |
| Current Assets, Loans & Advances | 709.74 | 4,511.32 | 914.26 | 834.20 | 218.50 | 144.74 | 75.30 |
| Total Assets | 16,885.55 | 20,040.11 | 15,002.36 | 11,545.74 | 4,675.64 | 2,856.20 | 2,499.28 |
| EQUITY SHARE DATA | | | | | | | |
| Earnings Per Share | (11.35) | (20.96) | (11.29) | (0.33) | (0.16) | - | - |



Notice

Notice is hereby given that the 7th Annual General Meeting of the Members of Adlabs Entertainment Limited will be held on Thursday, July 28, 2016 at 11.30 a.m. at the Imagica Capital B2, Adlabs - Imagica, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203, to transact the following businesses:

Ordinary Business:

- To consider and adopt:
 - the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
 - the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 and the report of Auditors thereon.
- To appoint a Director in place of Mr. Kapil Bagla (DIN: 00387814), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and all other applicable statutes and laws, if any (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A. T. Jain & Co, Chartered Accountants (Reg. No. 103886W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business:

- To appoint Ms. Pooja Deora (DIN: 00013027) as a Director.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Pooja Deora (DIN: 00013027), who was appointed as an Additional Director of the Company pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- To appoint Ms. Meghna Ghai Puri (DIN: 00130085) as an Independent Director.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Meghna Ghai Puri (DIN: 00130085), who was appointed as an Additional Independent Director of the Company pursuant to Section 161 of the Act and Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years commencing from May 24, 2016 to May 23, 2021."

- To appoint Mr. Ashutosh Kale (DIN: 06844520) as an Executive Director.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashutosh Kale (DIN: 06844520), who was appointed as an Additional Director pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Board of Directors, and approval of the Board and subject to the provisions of Section 196,197 and any other applicable provisions of the Act and the rules framed thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the said Act, and subject to all such sanctions and approvals, as may be necessary, consent of the Members of the Company be and is hereby accorded to appoint Mr. Ashutosh Kale (DIN: 06844520), as an Executive Director of the Company for a period of 3 (three) years commencing from May 24, 2016 to May 23, 2019 as per the terms and conditions set out in the explanatory statement attached hereto including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ashutosh Kale.

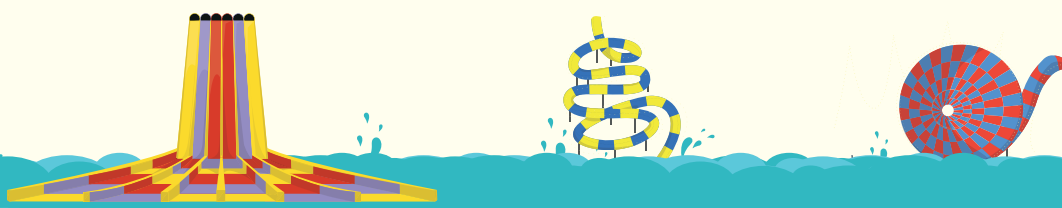
RESOLVED FURTHER THAT the Board of Directors and/ or the Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

By Order of the Board of Directors

Date : May 24, 2016
Place : Mumbai

Registered Office:
30/31, Sangdewadi, Khopoli-Pali Road,
Taluka Khalapur, District Raigarh 410 203

Madhulika Rawat
Company Secretary



Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight 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 percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 18. The Company will also send communication relating to remote e-voting which *inter alia* would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. A statement pursuant to 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members holding shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. 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, except Saturdays during business hours up to the date of the Meeting.
9. The Register of Members and Transfer Books of the Company shall remain closed from Friday, July 22, 2016 to Thursday, July 28, 2016 (both days inclusive) for the purpose of Annual General Meeting.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company/ Registrar and Transfer Agent, Link Intime India Private Limited (RTA).
11. Non-resident Indian Members are requested to inform Link Intime India Private Limited immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and

- b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.

12. The details of the Directors seeking re-appointment/appointment under item no. 2, 4, 5 and 6 of the accompanying Notice, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in 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 accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent, for consolidation into a single folio.
16. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. Bus service for the shareholders will be available from the following locations at 8.00 a.m. for attending the Meeting of the Company:

Mumbai

Borivali
Sanjay Gandhi National Park,
Western Express Highway,
Borivali (East) – 400 066

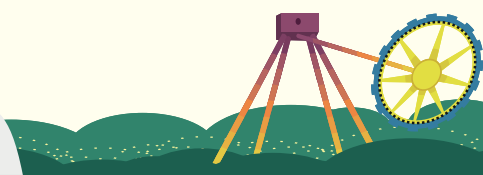
Pune

Near Gate of Fab India
Next to Ruby Hall Clinic
Sassoon Road,
Pune - 411 001

Dadar

Ruia College,
L Nappo Road,
Dadar (East) – 400 019

18. Voting through electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.



III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on July 25, 2016 (9:00 a.m.) and ends on July 27, 2016 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 21, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants(s)) :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nSDL.com/>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "ADLABS ENTERTAINMENT LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip (for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy):

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|---|---------|--------------|
| | | |

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. 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).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, July 21, 2016.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, July 21, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nSDL.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Sanjay Dholakia, Practising Company Secretary (Membership No. 2655 & COP No: 1798) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in



the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.adlabsimagica.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4:

Ms. Pooja Deora (DIN: 00013027) was appointed as an Additional Director of the Company with effect from May 24, 2016, to hold office upto the date of this Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The Company has received a notice in writing from a Member along with the deposit of requisite amount as required under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Ms. Pooja Deora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Brief resume of Ms. Pooja Deora:

Ms. Pooja Deora, with her years of retail as well as creative expertise, set up the Retail, Food and Beverage and Marketing/Branding at Adlabs Imagica.

She was earlier a whole time member on the Board of Directors in Adlabs Films Limited ("AFL"). Her return to India, with a Bachelor's degree in Science in Management at Purdue University, coincided with AFL setting up India's first and the world's largest IMAX dome theatre in Mumbai along with a four screen multiplex. She took on the responsibility of cinema design, launch and operations for that property leading to AFL setting up a chain of multiplexes across the country in 2003 which coincided with India's economic and retail boom.

Within a short span of time, she had overseen the entry of AFL into the multiplex business and guided this division into acquiring leadership status in the country.

She helped to manage the transition process at AFL, post majority acquisition by the Reliance ADAG group leading the company's initiatives in creating movie content and also implementing prestigious projects in animation.

She does not hold any shares of the Company in her name.

Save and except Ms. Pooja Deora, Mr. Manmohan Shetty and their relatives, to the extent of their shareholding, if any, in this Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends passing of the Ordinary Resolution as set out at Item no. 4 of the Notice for the appointment of Ms. Pooja Deora as a Director, liable to retire by rotation.

Item No. 5:

Ms. Meghna Ghai Puri (DIN: 00130085) was appointed as an Additional Independent Director of the Company with effect from May 24, 2016 to hold office upto the date of this Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The Company has received a notice in writing from a Member along with the deposit of requisite amount as required under Section 160 of the Act proposing her candidature for the office of Independent Director of the Company.

Ms. Meghna Ghai Puri is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Ms. Meghna Ghai Puri that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Pursuant to the provisions of Section 149 and other applicable provisions of the Act with respect to appointment and tenure of the Independent Directors, an Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

On the recommendation of Nomination and Remuneration Committee, the Board agrees that, Ms. Meghna Ghai Puri fulfills the conditions for her appointment as an Independent Director as specified in the Act, rules framed thereunder and the Listing Regulations for her appointment as an Independent Director for a term upto five consecutive years.

Brief resume of Ms. Meghna Ghai Puri:

Ms. Meghna Ghai Puri possesses a B.Sc. Honours in Business Management from Kings College, London and a Post Graduate Diploma in Communications, Advertising & Marketing from the CAM Foundation, London. Ms. Meghna returned to India after a brief work stint at CDguru.com in the UK.

She was involved in every aspect of the setup & operations of Whistling Woods International (WWI) since its inception. Ms. Meghna also spearheaded Marketing & International Distribution activities at Mukta Arts Ltd. in 2003. 'Taal', 'Pardes' & 'Yaadein' are a few of the prominent projects that she led.

In the short span of less than 8 years, she has spearheaded the launch of seven schools within Whistling Woods. These schools run degree & diploma courses in Film & TV, Acting, Animation, Fashion and MBA in Media and Entertainment & BBA in Media & Communication.

Over time, she realised the need to expand the indigenously-crafted education model followed by WWI to other verticals and geographies. Out of this emerged additional campuses of WWI in the UK, Nigeria and Pune.

Recently, she was awarded with the prestigious Honorary Fellowship by UK's largest College – Bradford College for her contribution to Media Education.

She does not hold any shares of the Company in her name.

A copy of the draft letter of appointment of Ms. Meghna Ghai Puri as an Independent Director setting out the terms and conditions is available for inspection by the Members of the Company at the Registered office of the Company during.

Save and except Ms. Meghna Ghai Puri and her relatives, to the extent of their shareholding, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.



Approval of Members is accordingly sought for the appointment of Ms. Meghna Ghai Puri as an Independent Director, not liable to retire by rotation, by passing an Ordinary Resolution as set out at Item no. 5 of the Notice.

Item No. 6

Mr. Ashutosh Kale (DIN: 06844520) was appointed as an Additional Executive Director of the Company with effect from May 24, 2016 to hold office upto the date of this Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Ashutosh Kale for the office of Director of the Company.

Mr. Ashutosh Kale is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

At the Board Meeting held on May 24, 2016, the Board has, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Ashutosh Kale as Executive Director of the Company for a period of 3 years from May 24, 2016 to May 23, 2019 under the provisions of Sections 196, 197 and other applicable provisions of the Act and the rules made thereunder (including any statutory amendment(s) modification(s) or re-enactment as thereof for the time being in force), read with Schedule V to the said Act upon the terms and conditions and remuneration hereinafter indicated. The said appointment and remuneration payable is subject to the approval of the Members of the Company in Annual General Meeting

The remuneration payable to and the terms of appointment of Mr. Ashutosh Kale as Executive Director of the Company during the tenure of his appointment will comprise of salary, allowances, and other perquisites, the aggregate monetary value of such salary, allowances and perquisites, being limited to ₹ 49,50,000 (Rupees Forty Nine Lakhs Fifty Thousand only) (fixed plus variable including Performance Linked Incentive) per annum.

The Board/ Nomination and Remuneration Committee is entitled to revise the salary, allowances and perquisites payable to the Mr. Ashutosh Kale at any time, such that the overall remuneration payable shall not exceed the limits specified in Schedule V to the Act.

Approval of the members is accordingly sought for the appointment of Mr. Ashutosh Kale as a Director liable to retire by rotation and Executive Director of the Company for a period of 3(three) years, as set out in Item no. 6 of the accompanying Notice.

Mr. Ashutosh Kale fulfills the conditions for eligibility contained in Part II of Schedule V to the Companies Act, 2013. The terms and conditions of appointment and payment of remuneration are set out in the Agreement to be entered into between the Company and Mr. Ashutosh Kale.

The draft of the agreement to be entered into between the Company and Mr. Ashutosh Kale is available for inspection of the Members at the registered office of the Company.

Information pursuant to the provisions of Schedule V of the Companies Act, 2013 and forming part of the explanatory statement to the Notice convening the General Meeting.

I. GENERAL INFORMATION

- Nature of Industry:** Entertainment
- Date of commencement of commercial operations:** The Company commenced its business on November 1, 2013.

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- Financial performance based on given indicators (Based on Audited published financial statement for the year ended March 31, 2016):**

(₹ in million)

| Particulars | Financial Year Ended March 31, 2016 | Financial Year Ended March 31, 2015 |
|--|-------------------------------------|-------------------------------------|
| Total Revenue | 2690.58 | 1,912.52 |
| Profit/(Loss) before tax and exceptional items | (1410.98) | (1,719.60) |
| Exceptional items | - | - |
| Profit/(Loss) before tax | (1410.98) | (1,719.60) |
| Tax Expenses | | |
| - Current Tax | - | - |
| - Deferred Tax | 503.90 | 648.00 |
| Profit/(Loss) after tax | (907.08) | (1,071.60) |

- Foreign investments or collaborations, if any:** There are no foreign investments made by the Company and there is no foreign collaboration in the Company.

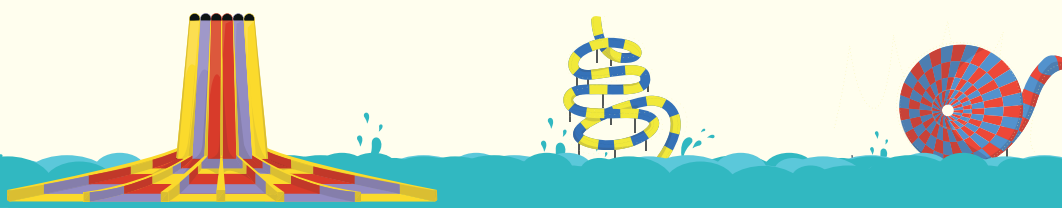
II INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Ashutosh Kale, an alumnus of National Defence Academy, has over two decades of experience in the Indian Army. He holds a Master's degree in Defence and Strategic Analysis and has been trained in Kenya in International Operations by the British Army. He has served as an instructor in the Indian Military Academy and as an Anti-Terrorism Expert. He was handpicked to lead a contingent of 1700 Indian troops in the United Nations wherein he was responsible for leading Strategic, Diplomatic, Cultural, PR and Humanitarian initiatives in the Horn of Africa. He has worked closely with OXFAM, ICRC and UNHCR. He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea).

He has also worked with The Leela and Go Air and looked after their Pan India Security Operations.

- Past remuneration:** Not Applicable, as this is the first time he is appointed as an Executive Director of the Company.
- Recognition and Awards:** He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea).
- Job Profile and his suitability:** He is VP – Operations and heading the Operations of the Company. He is highly experienced professional. Hence, the Board considered him to be suitable for the position of Executive Director of the Company.
- Remuneration proposed:** ₹ 49,50,000 per annum.
- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The remuneration proposed is best suited as compared with industry, size of the Company and profile of the position.
- Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Apart from



receiving managerial remuneration, he does not have any other pecuniary relationship with the Company.

III. Other Information:

1. **Reasons for Loss or Inadequate Profits:** The Company has posted operating profits from the first year of operations. The losses are primarily on account of (i) Depreciation and (ii) Interest on loans. This is not unusual in the initial years for newer companies implementing projects with large capital expenditure.
2. **Steps taken or proposed to be taken to improve performance:** The Company has displayed volume growth of over 45% in the previous year and corresponding revenue growth of 33%. While the management is already committed in enhancing footfalls y-o-y and has engaged multiple measures to this end, there is also an attempt to improve average realizations further thereby boosting overall revenue and profitability. Along with the above, there are active steps being taken to optimize operating costs as well.
3. **Expected increase in productivity and profits in measurable terms:** The management believes that, considering the operating leverage, a revenue growth of 25% to 30% would enable cash break even for the Company. Necessary steps are being taken to achieve increase in the productivity, sales and

thereby achieve cash profits in FY 2016-17.

IV. Disclosure:

As required, the information is provided under Corporate Governance Section of Annual Report.

Save and except Mr. Ashutosh Kale and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

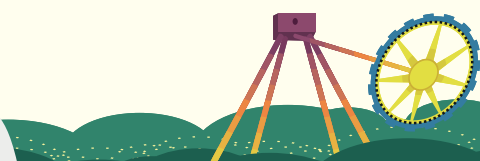
The Board accordingly recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Date : May 24, 2016
Place : Mumbai

Madhulika Rawat
Company Secretary

Registered Office:
30/31, Sangdewadi, Khopoli-Pali Road,
Taluka Khalapur,
District Raigarh 410 203



Directors' Report

To,
The Members,

Your Directors present the 7th Annual Report of the Board of Directors of your Company along with the Balance Sheet, Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2016.

SUMMARY OF FINANCIAL HIGHLIGHTS

The standalone performance of the Company for the financial year ended March 31, 2016 is summarized below:

| Particulars | ₹ in million) | |
|--|-------------------------------------|-------------------------------------|
| | Financial Year Ended March 31, 2016 | Financial Year Ended March 31, 2015 |
| Total Revenue | 2,690.58 | 1,912.52 |
| Profit/(Loss) before tax and exceptional items | (1,410.98) | (1,719.60) |
| Exceptional items | - | - |
| Profit/(Loss) before tax | (1,410.98) | (1,719.60) |
| Tax Expenses | | |
| - Current Tax | - | - |
| - Deferred Tax | 503.90 | 648.00 |
| Profit/(Loss) after tax | (907.08) | (1,071.60) |
| Add : Balance brought forward from previous year | (1,619.80) | (548.20) |
| Balance carried to Balance Sheet | (2,526.88) | (1,619.80) |

FINANCIAL PERFORMANCE

For the financial year 2015-16, the footfalls of the Theme Park and the Water Park put together stood at 1.55 million, versus 1.06 million, in the previous year i.e. a growth of 46%. The revenues from operations stood at ₹2,523.91 million, versus ₹1,894.22 million in previous year signifying growth of 33% on a YoY basis. Consequently, the EBITDA for FY 2015-16 is ₹402.05 million, versus ₹205.25 million in the previous year signifying growth of 96%.

The outstanding secured loan as on March 31, 2016 aggregate to ₹9,628.64 million. The said outstanding is post pre-payment done vide IPO proceeds.

The weighted average rate of interest is 12.04 % p.a.

Your Company had sold land admeasuring out of overall 170 acres of surplus land approximately 138 acres, to Walkwater Properties Private Limited ("WPPL"), wholly owned subsidiary company of the Company in FY 2014-15 and the transfer was completed during FY 2015-16. In consideration of the said transfer 21,151,321 equity shares of ₹10 each at a premium of ₹40 per share aggregating to ₹1,057,566,026 were issued and allotted to the Company by WPPL.

THE STATE OF COMPANY AFFAIRS

Your Company owns & operates an Integrated Entertainment Holiday Destination "IMAGICA" which is build to match global standards and includes a theme park, a water park, a snow park, a hotel, and other associated activities such as retail & merchandise, food and beverages, etc.

During the year under review, your Company launched its Hotel 'Novotel Imagica Khopoli' on September 16, 2015 with 116 rooms in the first phase out of a total of 287 rooms proposed. Your Company is pleased to inform that hotel has delivered average occupancy of 75% in the first 6 months of its operations. Novotel Imagica, within a short period since it's launch, has been able to establish its niche in the leisure and social segments and has firmly established Imagica's position as a multi-day family holiday destination.

With the philosophy of positioning Imagica as an exciting holiday destination; your Company has launched a new brand logo embodying the Imagica experience as "Imagica badi interesting jagah hai".

Your Company completed the Snow Park and the same was opened to public in April, 2016. The Snow Park is built over an area of 30,000 sq. feet and is the largest Snow based attraction in India.

EXTRACT OF ANNUAL RETURN

Extract of annual return is enclosed in *Annexure 1*.

DIVIDEND & TRANSFER TO RESERVES

In view of the loss for the year under review, no amount is proposed to be transferred to the reserve(s) and your Directors have not recommended payment of any dividend for the year under review.

NUMBER OF BOARD MEETINGS

During the year ended March 31, 2016, the Board of Directors met 5 (five) times viz., on, May 27, 2015, August 3, 2015, November 2, 2015, January 28, 2016 and March 10, 2016. The maximum interval between any two meetings did not exceed 120 days.

Details of the meetings of the Board alongwith the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of this Annual Report.

COMPOSITION OF AUDIT COMMITTEE

The composition of Audit Committee of the Company is as follows:

1. Mr. Steven A. Pinto, Chairman;
2. Mr. Ghulam Mohammed;
3. Mr. Prashant Purker; and
4. Ms. Anjali Seth.

DECLARATION OF INDEPENDENCE BY DIRECTOR

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6) and relevant Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

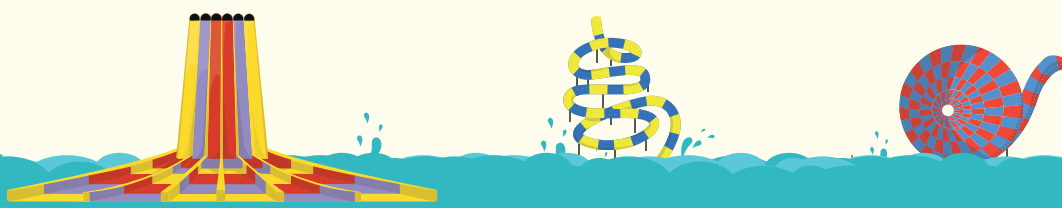
DIRECTORS

Pursuant to Section 152 of the Companies Act, 2013, Mr. Kapil Bagla, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Mr. Prashant Purker ceased to be a Nominee Director w.e.f. May 13, 2015 and thereafter he was appointed as an Independent Director of the Company w.e.f. May 27, 2015 for a period of 5 years.

The Board made the following appointments based on the recommendations of the Nomination and Remuneration Committee:

- Ms. Pooja Deora was appointed as an Additional Director with effect from May 24, 2016;
- Ms. Meghna Ghai Puri was appointed as an Additional Independent Director of the Company with effect from May 24, 2016; and
- Mr. Ashutosh Kale was appointed as an Additional Director of the Company with effect from May 24, 2016.



The aforesaid appointments were made to hold office upto the date of the ensuing Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The Company has received notice in writing from a Member along with the deposit of requisite amount as required under Section 160 of the Act proposing their candidature for the office of Director of the Company.

The brief resume of the Directors being appointed/ re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorship(s), Committee Membership(s)/ Chairmanship(s), their shareholding etc., is given in the section on Corporate Governance Report forming part of this Annual Report.

KEY MANAGERIAL PERSONNELS

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Act are as follows:

Mr. Kapil Bagla : Whole Time Director and Chief Executive Officer
Mr. Rakesh Khurmi : Chief Financial Officer
Ms. Madhulika Rawat : Company Secretary

During the year under review, Mr. Ghanshyam Jhala, resigned as Company Secretary and Compliance Officer of the Company with effect from the close of business hours of October 9, 2015 and Ms. Madhulika Rawat was appointed as the Company Secretary and Compliance Officer of the Company with effect from November 2, 2015.

SUBSIDIARY COMPANIES

Walkwater Properties Private Limited is the only subsidiary company of your Company. During the period under review, no Company became/ ceased to be a subsidiary of your Company.

A separate statement in terms of Section 129(3) of the Act containing salient features of the financial statements of the subsidiary of your Company in Form AOC 1 forms part of this Annual Report.

Pursuant to the Section 136 of the Act which has exempted companies from attaching the Annual Reports and other particulars of its subsidiary companies along with Annual Report of the Company, the Annual Report of Walkwater Properties Private Limited is not attached with this Annual Report.

The financial statements of the subsidiary company and related information shall be uploaded on the website of your Company which can be accessed using the link www.adlabsimagica.com/investor_docs/Annual%20Accounts%202015-16.pdf and the same is available for inspection by the Members at the registered office of your Company during business hours on all working days up to the date of the Annual General Meeting, as required under Section 136 of the Act.

Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the registered office address of your Company.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link https://www.adlabsimagica.com/investor_docs/Material%20Subsidiary%20Policy.pdf.

DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31,

2016, there were no deposits which were unpaid or unclaimed and due for repayment.

AUDITORS

Statutory Auditors

M/s. A. T. Jain & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. A. T. Jain & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and that they are not disqualified for such appointment within the meaning of Section 141 of the Act.

The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 134 of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Aabid & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Report of the Secretarial Audit in Form MR 3 for the financial year 2015-16 is annexed as *Annexure 2* to the Report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

The Board has appointed M/s. Aabid & Co., Company Secretaries as Secretarial Auditors for the financial year 2016-17.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Act do not apply as there was no dividend declared and paid by the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal control procedures commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements. Further Internal auditors are appointed to carry audit assignments and to periodically review the transactions across the divisions and evaluate effectiveness of internal control systems.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

During the year, there were no loans and guarantees given under Section 186 of the Act. Particulars of investments have been disclosed as part of the financial statements of your Company for the year under review, as Note 13.



PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE ACT IN THE PRESCRIBED FORM

All contract(s) / arrangement(s) / transaction(s) entered into by your Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis"; and
- not "material",

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, Form AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also, which are "material & at arm's length basis", is not provided as an annexure of the Directors' Report.

However, details of the Related Party Transactions entered into during the year under review and as on March 31, 2016, are disclosed as part of the financial statements of your Company for the year under review, as Note 31. Further, pursuant to the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has approved and adopted a Policy on Related Party Transactions. The said policy is available on your Company's website viz. www.adlabsimagica.com.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

Board has constituted a Risk Management Committee of the Board, to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks. Risk Management Committee works towards identifying internal and external risks and implementing risk mitigation steps. On quarterly basis, status updates are provided to the Board of Directors of the Company.

More details on risks and threats have been disclosed in the section "Management Discussion and Analysis".

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

This policy has been formally formulated and adopted in terms of Section

135 of the Act and Rules framed thereunder to undertake CSR activities. The Company has always made consistent efforts to maintain an active corporate social responsibility portfolio.

The Company has duly constituted CSR Committee comprising of Mr. Steven A. Pinto, Mr. Prashant Purker and Mr. Manmohan Shetty.

The responsibilities of the CSR Committee include:

- 1) Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- 2) Recommending the amount of expenditure for the CSR activities.
- 3) Monitoring CSR activities from time to time.

In view of the losses for the year under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. Accordingly, the details of the CSR activities during the year under review are not provided in this Report.

NOMINATION AND REMUNERATION POLICY

The Company follows a policy on nomination and remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination and Remuneration Committee. The policy on the above is attached as *Annexure 3*.

FORMAL ANNUAL EVALUATION

The Company has devised a policy for performance evaluation of its individual directors, the Board and the Committees constituted by it, which includes criteria for performance evaluation.

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, working of the Committees and the Directors individually.

The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board's effectiveness in decision making, in providing necessary advice and suggestions to the Company's management, etc.

A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of the Non Independent Directors, the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in meetings, contribution towards positive growth of the Company, etc.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Act with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements, for the financial year ended March 31, 2016, based on the financial statements received from the subsidiary company, as approved by its Board of Directors has been prepared in accordance with Accounting Standard 21 (AS-21) on "Consolidated Financial Statements" read with the Accounting Standards and Rules as applicable.

VIGIL MECHANISM

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism policy are made available on the Company's website www.adlabsimagica.com.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as *Annexure 4* to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the registered office of the Company during working hours, pursuant to the provisions of the first proviso to Section 136(1) of the Act and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarise the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiary company, Board constitution and procedures, matters reserved for the Board, and the Company's major risks and risk management strategy. The Policy on the Company's Familiarisation Programme for IDs can be accessed at https://www.adlabsimagica.com/investor_docs/Familiarisation%20programme%20for%20Independent%20Directors.pdf.

HUMAN RESOURCES

The Company regards human resources as a valuable asset. The Company encourages a performance driven culture and enables the employees with focused training at regular intervals. Further, the training needs of the

staff at all divisions are periodically assessed and training programmes are conducted using internal resources and/or engaging external facilitators and trainers. The total number of permanent employees on the rolls of the Company as on the year end were 879.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in *Annexure 5* to this Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis is annexed as *Annexure 6*.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Policy on Prevention of Sexual Harassment at Workplace has been formulated by the Company. The policy aims to develop a harmonious and productive working environment free from sexual harassment. The Company also ensures all allegations of sexual harassment are investigated and dealt with effectively and appropriately.

During the year under review, the Company received 7 complaints pertaining to sexual harassment. All the complaints have been resolved as on March 31, 2016.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company during the financial year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 24, 2016

Manmohan Shetty
Chairman
(DIN: 00013961)



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

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:

| | | |
|---|---|---|
| 1 | CIN | L92490MH2010PLC199925 |
| 2 | Registration Date | 10.02.2010 |
| 3 | Name of the Company | Adlabs Entertainment Limited |
| 4 | Category | Company Limited by shares |
| 5 | Company Sub Category | Indian Non-government Company |
| 6 | Address of the Registered office and contact details | 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203, Maharashtra Tel.: +91-2192 669 900 Fax: +91-22 4068 0088 Email: compliance@adlabsentertainment.com |
| 7 | Whether listed company | Yes |
| 8 | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Road, Bhandup – (West), Mumbai – 400 078 Tel.: (022) 2596 3838 , 25946970 Fax: (022) 2594 6969 |

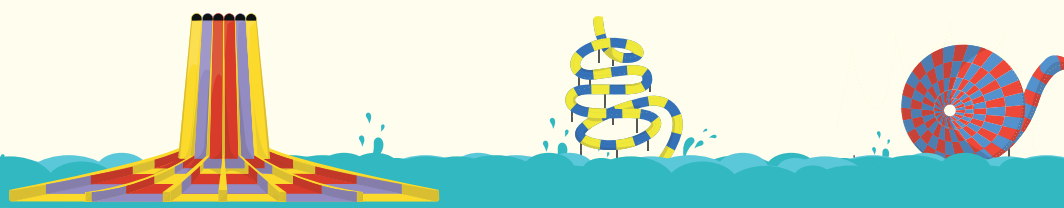
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Amusement Park | 93210 | 95.84 |

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 | Thrill Park Limited 9 th Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai 400 053 | U92190MH2007PLC175250 | Holding Company | 53.29 | 2(87)((ii) |
| 2 | Walkwater Properties Private Limited 9 th Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai 400 053 | U45400MH2007PTC175247 | Subsidiary Company | 100.00 | 2(87)((ii) |



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 (As on 01.04.2015) | | | | No. of shares held at the end of the year (As on 31.03.2016) | | | | % change during the year |
|---|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (A) PROMOTERS | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| (a) Individual/ HUF | 2,842,152 | - | 2,842,152 | 3.56 | 2,945,634 | - | 2,945,634 | 3.69 | 0.13 |
| (b) Central Govt. | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (c) State Govt(s) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (d) Bodies Corporate | 42,575,087 | - | 42,575,087 | 53.29 | 42,575,087 | - | 42,575,087 | 53.29 | 0.00 |
| (e) Banks/ FI | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (f) Any Other | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub-Total (A)(1) | 45,417,239 | - | 45,417,239 | 56.84 | 45,520,721 | - | 45,520,721 | 56.97 | 0.13 |
| 2. Foreign | | | | | | | | | |
| (a) NRIs - Individuals | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (b) Other - Individuals | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (c) Bodies Corporate | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (d) Banks/ FI | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (e) Any Other | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub-Total (A)(2) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 45,417,239 | - | 45,417,239 | 56.84 | 45,520,721 | - | 45,520,721 | 56.97 | 0.13 |
| (B) PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | 5,259,009 | - | 5,259,009 | 6.58 | 7,736,180 | - | 7,736,180 | 9.68 | 3.10 |
| (b) Banks/ FI | 2,853,866 | - | 2,853,866 | 3.57 | 670,211 | - | 670,211 | 0.84 | (2.73) |
| (c) Central Govt. | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (d) State Govt(s) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (e) Venture Capital Funds | 652,210 | - | 652,210 | 0.82 | - | - | - | 0.00 | (0.82) |
| (f) Insurance Companies | 4,074,464 | - | 4,074,464 | 5.10 | - | - | - | 0.00 | (5.10) |
| (g) FIs | 3,355,921 | - | 3,355,921 | 4.20 | 1,884,072 | - | 1,884,072 | 2.36 | (1.84) |
| (h) Foreign Venture Capital Funds | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (i) Others | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub-Total (B)(1) | 16,195,470 | - | 16,195,470 | 20.27 | 10,290,463 | - | 10,290,463 | 12.88 | (7.39) |
| 2. Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| i. Indian | 12,614,918 | - | 12,614,918 | 15.79 | 17,868,773 | - | 17,868,773 | 22.36 | 6.58 |
| ii. Overseas | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| (b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to ₹1 lakh. | 2,097,486 | - | 2,097,486 | 2.63 | 2,225,481 | 2 | 2,225,483 | 2.79 | 0.16 |
| ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh. | 948,138 | - | 948,138 | 1.19 | 928,031 | - | 928,031 | 1.16 | (0.03) |
| (c) Any Other | | | | | | | | | |
| 1. NRI | 84,297 | - | 84,297 | 0.11 | 119,410 | - | 119,410 | 0.15 | 0.04 |
| 2. Directors & Relatives | 178 | - | 178 | 0.00 | 178 | - | 178 | 0.00 | 0.00 |
| 3. Foreign Company | 2,540,084 | - | 2,540,084 | 3.18 | 2,540,084 | - | 2,540,084 | 3.18 | 0.00 |
| 4. Clearing Member | - | - | - | 0.00 | 134,231 | - | 134,231 | 0.17 | 0.17 |
| 5. Hindu Undivided Family | - | - | - | 0.00 | 270,236 | - | 270,236 | 0.34 | 0.34 |
| 6. Trust | - | - | - | 0.00 | 200 | - | 200 | 0.00 | 0.00 |
| Sub-Total (B)(2) | 18,285,101 | - | 18,285,101 | 22.89 | 24,086,624 | 2 | 24,086,626 | 30.15 | 7.26 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 34,480,571 | - | 34,480,571 | 43.16 | 34,377,087 | 2 | 34,377,089 | 43.03 | (0.13) |
| (C) SHARES HELD BY CUSTODIAN FOR GDRS AND ADRS | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| GRAND TOTAL (A)+(B)+(C) | 79,897,810 | - | 79,897,810 | 100.00 | 79,897,808 | 2 | 79,897,810 | 100.00 | 0.00 |



(ii) Shareholding of Promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2015) | | | Shareholding at the end of the year (As on 31.03.2016) | | | % change in shareholding 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 | Thrill Park Limited | 42,575,087 | 53.29 | 29.28 | 42,575,087 | 53.29 | 33.29 | 0.00 |
| 2 | Manmohan Shetty | 2,842,152 | 3.56 | 0.00 | 2,945,634 | 3.69 | 3.56 | 0.13 |
| | Total | 45,417,239 | 56.85 | 29.28 | 45,520,721 | 56.98 | 36.85 | 0.13 |

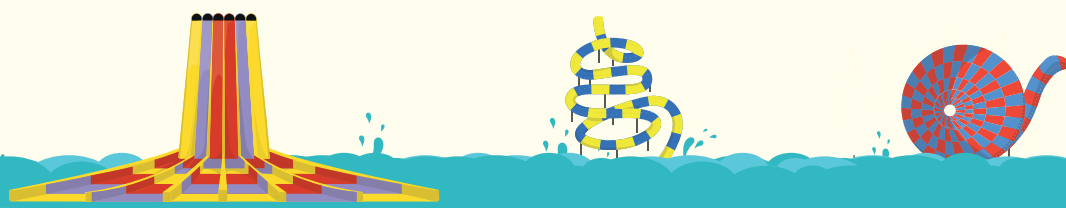
(iii) Change in Promoters' Shareholding

| S. No. | Name | Shareholding at the beginning of the year (01.04.2015)/ end of the year (31.03.2016) | | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01.04.2015 to 31.03.2016) | |
|--------|----------------------|--|----------------------------------|--|------------------------------------|------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ Decrease in shareholding | Reason | No. of shares | % of total shares of the company |
| 1 | Thrill Park Limited* | 42,575,087 | 53.29 | 01.04.2015 | 0 | Nil Movement during the year | | |
| | | 42,575,087 | 53.29 | 31.03.2016 | | | 42,575,087 | 53.29 |
| 2 | Manmohan Shetty | 2,842,152 | 3.56 | 01.04.2015 | | | | |
| | | | | 26.02.2016 | 21,739 | Market Purchase | 2,863,891 | 3.58 |
| | | | | 04.03.2016 | 26,470 | Market Purchase | 2,890,361 | 3.62 |
| | | | | 11.03.2016 | 12,655 | Market Purchase | 2,903,016 | 3.63 |
| | | | | 18.03.2016 | 19,784 | Market Purchase | 2,922,800 | 3.66 |
| | | | | 25.03.2016 | 12,300 | Market Purchase | 2,935,100 | 3.67 |
| | | 2,945,634 | 3.69 | 31.03.2016 | 10,534 | Market Purchase | 2,945,634 | 3.69 |

*There was no change in the shareholding of Thrill Park Limited during 01.04.2015 to 31.03.2016.

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

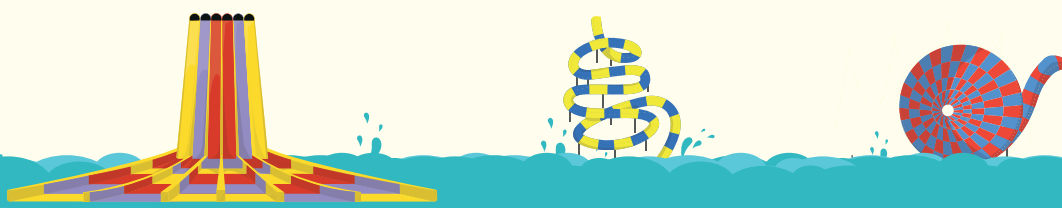
| S. No. | Shareholder's Name | Shareholding | | Date | Transactions during the year | | Cumulative Shareholding during the year (01.04.2015 to 31.03.2016) | |
|--------|--|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
| | | No. of shares held at the beginning of the year (01.04.2015)/ end of year (31.03.2016) | % of total shares of the company | | Increase/ Decrease in shareholding | Reason | No of shares held | % of total shares of the company |
| 1 | India Advantage Fund S3 I | 10,434,779 | 13.06 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 10,434,779 | 13.06 | 31.03.2016 | | | 10,434,779 | 13.06 |
| 2 | NYLIM Jacob Ballas India Holdings IV | 2,540,084 | 3.18 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 2,540,084 | 3.18 | 31.03.2016 | | | 2,540,084 | 3.18 |
| 3 | Sundaram Mutual Fund A/c Sundaram Smile Fund | 1,034,775 | 1.30 | 01.04.2015 | | | | |
| | | | | 10.04.2015 | (17,400) | Transfer | 1,017,375 | 1.27 |
| | | | | 15.05.2015 | 9,950 | Transfer | 1,027,325 | 1.29 |



| S. No. | Shareholder's Name | Shareholding | | Date | Transactions during the year | | Cumulative Shareholding during the year (01.04.2015 to 31.03.2016) | |
|--------|--|--|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
| | | No. of shares held at the beginning of the year (01.04.2015)/ end of year (31.03.2016) | % of total shares of the company | | Increase/ Decrease in shareholding | Reason | No of shares held | % of total shares of the company |
| | | | | 22.05.2015 | 10,455 | Transfer | 1,037,780 | 1.30 |
| | | | | 19.06.2015 | 50,000 | Transfer | 1,087,780 | 1.36 |
| | | | | 30.10.2015 | 64,746 | Transfer | 1,152,526 | 1.44 |
| | | | | 06.11.2015 | 42,396 | Transfer | 1,194,922 | 1.50 |
| | | | | 20.11.2015 | 2,000 | Transfer | 1,196,922 | 1.50 |
| | | | | 27.11.2015 | 98,000 | Transfer | 1,294,922 | 1.62 |
| | | | | 04.12.2015 | 100,000 | Transfer | 1,394,922 | 1.75 |
| | | | | 11.03.2016 | 25,000 | Transfer | 1,419,922 | 1.78 |
| | | | | 25.03.2016 | 220,251 | Transfer | 1,640,173 | 2.05 |
| | | 1,716,996 | 2.15 | 31.03.2016 | 76,823 | Transfer | 1,716,996 | 2.15 |
| 4 | SBI Contra Fund | 1,138,227 | 1.42 | 01.04.2015 | | | | |
| | | | | 01.05.2015 | 561,773 | Transfer | 1,700,000 | 2.13 |
| | | 1,700,000 | 2.13 | 31.03.2016 | | | 1,700,000 | 2.13 |
| 5 | Kotak Mahindra Bank Limited | 2,038,484 | 2.55 | 01.04.2015 | | | | |
| | | | | 19.02.2016 | 390,210 | Transfer | 2,428,694 | 3.04 |
| | | | | 26.02.2016 | (178,183) | Transfer | 2,250,511 | 2.82 |
| | | 2,250,511 | 2.82 | 31.03.2016 | | | 2,250,511 | 2.82 |
| 6 | SBI Magnum Balanced Fund* | 620,841 | 0.78 | 01.04.2015 | | | | |
| | | | | 01.05.2015 | 76,764 | Transfer | 697,605 | 0.87 |
| | | | | 08.05.2015 | 181,130 | Transfer | 878,735 | 1.10 |
| | | | | 15.05.2015 | 400,000 | Transfer | 1,278,735 | 1.60 |
| | | | | 12.06.2015 | 88,370 | Transfer | 1,367,105 | 1.71 |
| | | | | 18.09.2015 | 190,400 | Transfer | 1,557,505 | 1.95 |
| | | 1,557,505 | 1.95 | 31.03.2016 | | | 1,557,505 | 1.95 |
| 7 | Bajaj Allianz Life Insurance Company Limited | 1,528,803 | 1.91 | 01.04.2015 | | | | |
| | | | | 08.05.2015 | (411,000) | Transfer | 1,117,803 | 1.40 |
| | | | | 30.06.2015 | 5,000 | Transfer | 1,122,803 | 1.41 |
| | | | | 11.12.2015 | (29,641) | Transfer | 1,093,162 | 1.37 |
| | | | | 18.12.2015 | (90,931) | Transfer | 1,002,231 | 1.25 |
| | | | | 31.12.2015 | (18,338) | Transfer | 983,893 | 1.23 |
| | | | | 08.01.2016 | (10,000) | Transfer | 973,893 | 1.22 |
| | | | | 05.02.2016 | (21,751) | Transfer | 952,142 | 1.19 |
| | | | | 26.02.2016 | 50,000 | Transfer | 1,002,142 | 1.25 |
| | | | | 04.03.2016 | 9,100 | Transfer | 1,011,242 | 1.27 |
| | | | | 18.03.2016 | 55,000 | Transfer | 1,066,242 | 1.33 |
| | | 1,066,242 | 1.33 | 31.03.2016 | | | 1,066,242 | 1.33 |



| S. No. | Shareholder's Name | Shareholding | | Date | Transactions during the year | | Cumulative Shareholding during the year (01.04.2015 to 31.03.2016) | |
|--------|--|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
| | | No. of shares held at the beginning of the year (01.04.2015)/ end of year (31.03.2016) | % of total shares of the company | | Increase/ Decrease in shareholding | Reason | No of shares held | % of total shares of the company |
| 8 | HDFC Standard Life Insurance Company Limited | 1,373,777 | 1.72 | 01.04.2015 | | | | |
| | | | | 10.04.2015 | (6,640) | Transfer | 1,367,137 | 1.71 |
| | | | | 24.07.2015 | (39,639) | Transfer | 1,327,498 | 1.66 |
| | | | | 07.08.2015 | (192,792) | Transfer | 1,134,706 | 1.42 |
| | | | | 18.03.2016 | (64,479) | Transfer | 1,070,227 | 1.34 |
| | | | | 25.03.2016 | (44,802) | Transfer | 1,025,425 | 1.28 |
| | | 1,025,425 | 1.28 | 31.03.2016 | | | 1,025,425 | 1.28 |
| 9 | Kotak Mahindra Old Mutual Life Insurance Limited | 1,019,242 | 1.28 | 01.04.2015 | | Nil movement during the year | | |
| | | 1,019,242 | 1.28 | 31.03.2016 | 0 | | 1,019,242 | 1.28 |
| 10 | Reliance Capital Trustee Co. Ltd A/c Reliance Equity Opportunities Fund* | 800,100 | 1.00 | 01.04.2015 | | Nil movement during the year | | |
| | | 800,100 | 1.00 | 31.03.2016 | 0 | | 800,100 | 1.00 |
| 11 | Integrated Core Strategies Asia Pte. Limited* | 875,186 | 1.10 | 01.04.2015 | | | | |
| | | | | 01.05.2015 | 1,995 | Transfer | 877,181 | 1.10 |
| | | | | 29.05.2015 | (18,669) | Transfer | 858,512 | 1.07 |
| | | | | 05.06.2015 | (1,940) | Transfer | 856,572 | 1.07 |
| | | | | 12.06.2015 | (31,962) | Transfer | 824,610 | 1.03 |
| | | | | 19.06.2015 | (85,934) | Transfer | 738,676 | 0.92 |
| | | | | 26.06.2015 | (75,004) | Transfer | 663,672 | 0.83 |
| | | | | 30.06.2015 | (570) | Transfer | 663,102 | 0.83 |
| | | | | 03.07.2015 | (980) | Transfer | 662,122 | 0.83 |
| | | | | 10.07.2015 | (1,600) | Transfer | 660,522 | 0.83 |
| | | | | 17.07.2015 | (4,156) | Transfer | 656,366 | 0.82 |
| | | | | 24.07.2015 | (12,681) | Transfer | 643,685 | 0.81 |
| | | | | 31.07.2015 | (9,541) | Transfer | 634,144 | 0.79 |
| | | | | 07.08.2015 | (184,643) | Transfer | 449,501 | 0.56 |
| | | | | 14.08.2015 | (1,020) | Transfer | 448,481 | 0.56 |
| | | | | 21.08.2015 | (6,192) | Transfer | 442,289 | 0.55 |
| | | | | 28.08.2015 | (3,273) | Transfer | 439,016 | 0.55 |
| | | | | 04.09.2015 | (1,166) | Transfer | 437,850 | 0.55 |
| | | | | 11.09.2015 | (10,772) | Transfer | 427,078 | 0.53 |
| | | | | 18.09.2015 | (224,591) | Transfer | 202,487 | 0.25 |
| | | | | 25.09.2015 | (1,746) | Transfer | 200,741 | 0.25 |
| | | | | 30.09.2015 | (1,313) | Transfer | 199,428 | 0.25 |
| | | | | 09.10.2015 | (4,144) | Transfer | 195,284 | 0.24 |
| | | | | 16.10.2015 | (6,473) | Transfer | 188,811 | 0.24 |
| | | | | 23.10.2015 | (4,596) | Transfer | 184,215 | 0.23 |
| | | | | 30.10.2015 | (5,514) | Transfer | 178,701 | 0.22 |
| | | | | 06.11.2015 | (6,707) | Transfer | 171,994 | 0.22 |
| | | 13.11.2015 | (2,319) | Transfer | 169,675 | 0.21 | | |
| | | 20.11.2015 | (1,713) | Transfer | 167,962 | 0.21 | | |
| | | 27.11.2015 | (10,680) | Transfer | 157,282 | 0.20 | | |
| | | 04.12.2015 | (4,721) | Transfer | 152,561 | 0.19 | | |



| S. No. | Shareholder's Name | Shareholding | | Date | Transactions during the year | | Cumulative Shareholding during the year (01.04.2015 to 31.03.2016) | |
|--------|---------------------|--|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
| | | No. of shares held at the beginning of the year (01.04.2015)/ end of year (31.03.2016) | % of total shares of the company | | Increase/ Decrease in shareholding | Reason | No of shares held | % of total shares of the company |
| | | | | 11.12.2015 | (1,992) | Transfer | 150,569 | 0.19 |
| | | | | 18.12.2015 | (4,350) | Transfer | 146,219 | 0.18 |
| | | | | 25.12.2015 | (3,593) | Transfer | 142,626 | 0.18 |
| | | | | 31.12.2015 | (46,131) | Transfer | 96,495 | 0.12 |
| | | | | 01.01.2016 | (19,299) | Transfer | 77,196 | 0.10 |
| | | | | 22.01.2016 | (515) | Transfer | 76,681 | 0.10 |
| | | | | 29.01.2016 | (5,423) | Transfer | 71,258 | 0.09 |
| | | | | 05.02.2016 | (8,583) | Transfer | 62,675 | 0.08 |
| | | | | 12.02.2016 | (3,409) | Transfer | 59,266 | 0.07 |
| | | | | 19.02.2016 | (6,230) | Transfer | 53,036 | 0.07 |
| | | | | 26.02.2016 | (4,731) | Transfer | 48,305 | 0.06 |
| | | | | 04.03.2016 | (489) | Transfer | 47,816 | 0.06 |
| | | | | 11.03.2016 | (2,025) | Transfer | 45,791 | 0.06 |
| | | | | 18.03.2016 | (3,813) | Transfer | 41,978 | 0.05 |
| | | | | 25.03.2016 | (1,010) | Transfer | 40,968 | 0.05 |
| | | 39,057 | 0.05 | 31.03.2016 | (1,911) | Transfer | 39,057 | 0.05 |
| 12 | ICICI Bank Limited* | 815,382 | 1.02 | 01.04.2015 | | | | |
| | | | | 10.04.2015 | (77,308) | Transfer | 738,074 | 0.92 |
| | | | | 01.05.2015 | (738,074) | Transfer | 0 | 0.00 |
| | | | | 08.05.2015 | 185 | Transfer | 185 | 0.00 |
| | | | | 22.05.2015 | (10) | Transfer | 175 | 0.00 |
| | | | | 29.05.2015 | (25) | Transfer | 150 | 0.00 |
| | | | | 19.06.2015 | 520 | Transfer | 670 | 0.00 |
| | | | | 26.06.2015 | 500 | Transfer | 1,170 | 0.00 |
| | | | | 24.07.2015 | (14) | Transfer | 1,156 | 0.00 |
| | | | | 07.08.2015 | 75 | Transfer | 1,231 | 0.00 |
| | | | | 28.08.2015 | 688 | Transfer | 1,919 | 0.00 |
| | | | | 20.11.2015 | 4,482 | Transfer | 6,401 | 0.01 |
| | | | | 27.11.2015 | (375) | Transfer | 6,026 | 0.01 |
| | | | | 18.12.2015 | 486 | Transfer | 6,512 | 0.01 |
| | | | | 25.12.2015 | 718 | Transfer | 7,230 | 0.01 |
| | | | | 31.12.2015 | (4) | Transfer | 7,226 | 0.01 |
| | | | | 08.01.2016 | 306 | Transfer | 7,532 | 0.01 |
| | | | | 15.01.2016 | (442) | Transfer | 7,090 | 0.01 |
| | | | | 22.01.2016 | (1,540) | Transfer | 5,550 | 0.01 |
| | | | | 29.01.2016 | 3,000 | Transfer | 8,550 | 0.01 |
| | | | | 05.02.2016 | 24 | Transfer | 8,574 | 0.01 |
| | | | | 12.02.2016 | 315 | Transfer | 8,889 | 0.01 |
| | | | | 19.02.2016 | 493 | Transfer | 9,382 | 0.01 |
| | | | | 04.03.2016 | 83 | Transfer | 9,465 | 0.01 |
| | | | | 18.03.2016 | (24) | Transfer | 9,441 | 0.01 |
| | | 10,341 | 0.01 | 31.03.2016 | 900 | Transfer | 10,341 | 0.01 |

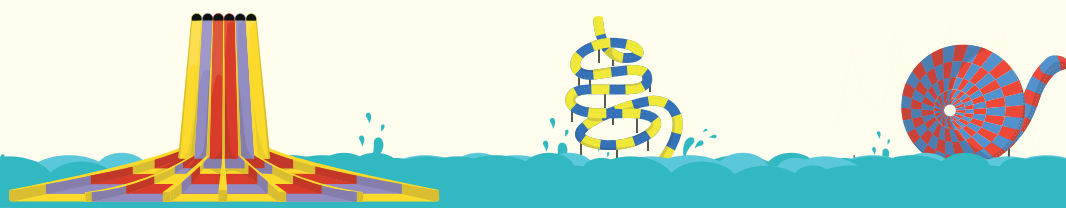
* Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2015.



(v) Shareholding of Directors and Key Managerial Personnel:

| S. No. | Name and Designation of Directors and Key Managerial Personnel | Shareholding | | Date | Transactions during the year | | Cumulative shareholding during the year (01/04/2015 to 31/03/2016) | |
|--------|---|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
| | | Number of shares at the beginning of the year (01/04/2016)/ end of the year (31/03/2016) | % of total shares of the company | | Increase/ Decrease in shareholding | Reason | No. of shares | % of total shares of the company |
| 1. | Mr. Manmohan Shetty (Chairman & Director) | 2,842,152 | 3.56 | 01.04.2015 | | | | |
| | | | | 26.02.2016 | 21,739 | Market Purchase | 2,863,891 | 3.58 |
| | | | | 04.03.2016 | 26,470 | Market Purchase | 2,890,361 | 3.62 |
| | | | | 11.03.2016 | 12,655 | Market Purchase | 2,903,016 | 3.63 |
| | | | | 18.03.2016 | 19,784 | Market Purchase | 2,922,800 | 3.66 |
| | | | | 25.03.2016 | 12,300 | Market Purchase | 2,935,100 | 3.67 |
| | | 2,945,634 | 3.69 | 31.03.2016 | 10,534 | Market Purchase | 2,945,634 | 3.69 |
| 2. | Mr. Kapil Bagla (Whole Time Director and CEO) | 178 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 178 | 0.00 | 31.03.2016 | | | 178 | 0.00 |
| 3. | Mr. Prashant Purker (Non Executive and Independent Director) | 0 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 0 | 0.00 | 31.03.2016 | | | 0 | 0.00 |
| 4. | Mr. Steven A. Pinto (Non Executive and Independent Director) | 0 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 0 | 0.00 | 31.03.2016 | | | 0 | 0.00 |
| 5. | Ms. Anjali Seth (Non Executive and Independent Director) | 0 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 0 | 0.00 | 31.03.2016 | | | 0 | 0.00 |
| 6. | Mr. Ghulam Mohammed (Non Executive and Independent Director) | 0 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 0 | 0.00 | 31.03.2016 | | | 0 | 0.00 |
| 7. | Mr. Rakesh Khurmi (Chief Financial Officer) | 0 | 0.00 | 01.04.2015 | 0 | Nil movement during the year | | |
| | | 0 | 0.00 | 31.03.2016 | | | 0 | 0.00 |
| 8. | Ms. Madhulika Rawat (Company Secretary) | 0 | 0.00 | 01.04.2015 | | | | |
| | | | | 19.02.2016 | 100 | Market Purchase | 100 | 0.00 |
| | | 100 | 0.00 | 31.03.2016 | | | 100 | 0.00 |



V. INDEBTEDNESS

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

(₹ in million)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2015) | | | | |
| i) Principal Amount | - | 590.10 | - | 590.10 |
| Secured Term Loan | 9,848.21 | - | - | 9,848.21 |
| Secured Buyers Credit | 1,286.95 | - | - | 1,286.95 |
| ii) Interest due but not paid | 1.28 | - | - | 1.28 |
| iii) Interest accrued but not Due | 8.57 | - | - | 8.57 |
| Total (i+ii+iii) | 11,145.01 | 590.10 | - | 11,735.11 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 972.00 | - | - | 972.00 |
| - Reduction | (2,481.50) | (87.60) | - | (2,569.10) |
| Net Change | (1,509.50) | (87.60) | - | (1,597.10) |
| Indebtedness at the end of the financial year (31.03.2016) | | | | |
| i) Principal Amount | - | 462.00 | - | 462.00 |
| Secured Term Loan | 9,327.67 | - | - | 9,327.67 |
| Secured Buyers Credit | 300.97 | - | - | 300.97 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 6.87 | 40.50 | - | 47.37 |
| Total (i+ii+iii) | 9,635.51 | 502.50 | - | 10,138.01 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

| S. No. | Particulars of Remuneration | Mr. Kapil Bagla (Whole Time Director) |
|--------|--|--|
| 1 | Gross salary | |
| | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,426,296 |
| | b. Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 |
| | c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 |
| 2 | Stock Option | 0 |
| 3 | Sweat Equity | 0 |
| 4 | Commission - as % of profit - others | 0 |
| 5 | Others | 0 |
| | Total (A) | 13,426,296 |
| | Ceiling as per the Companies Act, 2013 | 15,095,129 |

Note: Gross Salary mentioned in the table is the amount paid during the financial year 2015-16.



B. Remuneration to other directors:

(Amount in ₹)

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|--------|--|---------------------|---------------------|-----------------|---------------------|-------------------|
| | | Mr. Steven A. Pinto | Mr. Ghulam Mohammed | Ms. Anjali Seth | Mr. Prashant Purker | |
| 1. | Independent Directors | | | | | |
| - | Fee for attending board committee meetings | 475,000 | 450,000 | 275,000 | 0 | 1,200,000 |
| - | Commission | 0 | 0 | 0 | 0 | 0 |
| - | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 475,000 | 450,000 | 275,000 | 0 | 1,200,000 |
| 2. | Other Non-Executive Directors | | | | | |
| - | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 |
| - | Commission | 0 | 0 | 0 | 0 | 0 |
| - | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 |
| | Total (B)=(1+2) | 475,000 | 450,000 | 275,000 | 0 | 1,200,000 |
| | Total Managerial Remuneration* | | | | | 14,626,296 |
| | Overall Ceiling as per the Companies Act, 2013 | | | | | 15,095,129 |

* Total Remuneration to Managing Director, Whole Time Director and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel:

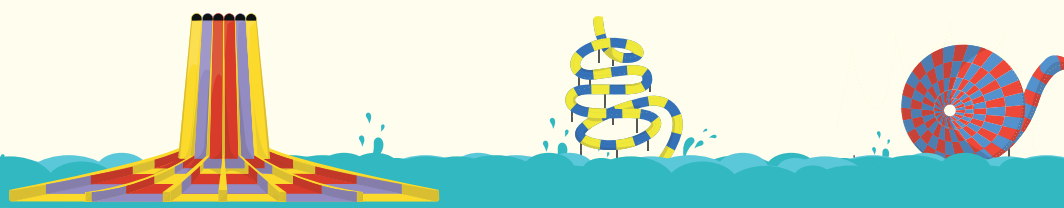
(Amount in ₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | | Total Amount |
|--------|---|--------------------------|---|--|--|-------------------|
| | | Mr. Kapil Bagla (CEO) | Mr. Rakesh Khurmi (Chief Financial Officer) | Mr. Ghanshyam Jhala (Company Secretary) (From April 1, 2015 to October 9, 2015) | Ms. Madhulika Rawat (Company Secretary) (From November 2, 2015 to March 31, 2016) | |
| 1 | Gross salary | | | | | |
| a. | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,426,296 | 7,556,886 | 1,406,241 | 676,924 | 23,372,280 |
| b. | Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| c. | Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 | 0 |
| 4 | Commission - as % of profit - others | 0 | 0 | 0 | 0 | 0 |
| 5 | Others | 0 | 0 | 0 | 0 | 0 |
| | Total | 13,426,296 | 7,556,886 | 1,406,241 | 676,924 | 23,372,280 |

Note: Gross Salary mentioned in the table is the amount paid during the financial year 2015-16

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offences for the year ending March 31, 2016.



**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,
Adlabs Entertainment Limited.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Adlabs Entertainment Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 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:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by Adlabs Entertainment Limited as given in Annexure I for the Financial Year ended March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made there under,
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is applicable 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 ('SEBI Act'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) Other applicable Acts and Rules annexed as Annexure- II (Mention the other laws as may be applicable specifically to the Company)

We have also examined Compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 provision of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were circulated at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that, there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

For Aabid & Co

Mohammed Aabid

Partner

FCS NO.:6579

C.P.No.:6625

Place: Mumbai

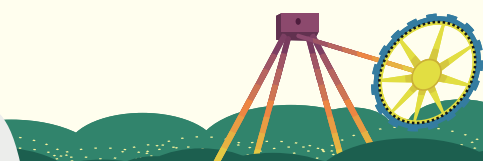
Date: May 24, 2016

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-III' and forms an integral part of this report.

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2015.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.



6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
7. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents/ reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
9. Statutory Registers viz.
 - Register of Directors' & Key Managerial Personnel (KMP)
 - Register of Members
 - Register of Charges
15. The Environment (Protection) Act, 1986
16. Water (Prevention and Control of Pollution) Act, 1974
17. Air (Prevention and Control of Pollution) Act, 1981
18. Environment Protection Act, 1986
19. Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
20. Bombay Police Act, 1951
21. Entertainment Duty Act, Bombay 1923
22. Maharashtra Fire Prevention & Life Safety Measures Act, 2006
23. Income Tax Act, 1961
24. Relevant provisions of the Service Tax and Rules and Regulations thereunder.
25. The Foreign Exchange Management Act, 1999, Rules and Regulations made thereunder.

ANNEXURE – II

List of Applicable Laws to the Company

Registered Office :

30/31, Sangdewadi, Khopoli - Pali Road, Taluka Khalapur, District Raigarh – 410 203.

Corporate Office :

9th Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai – 400 053.

Under the Major Group and Head :

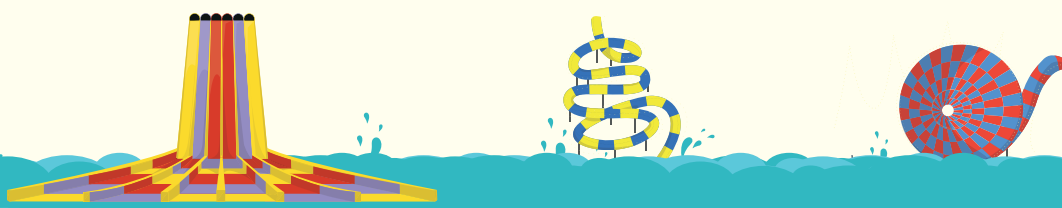
1. Companies Act, 2013.
2. The Maternity Benefit Act, 1961.
3. The Payment of Gratuity Act, 1972
4. The Maharashtra Shops & Establishment Act, 1972
5. The Employee's State Insurance Act, 1948
6. Employee's Compensation Act, 1923
7. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
8. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
9. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
10. The Profession Tax Act, 1975.
11. Tourism Policy of Maharashtra, 2006
12. The Food, Safety & Standard Act, 2006
13. The Bombay Prohibition Act, 1949
14. Legal Metrology Act, 2009

ANNEXURE-III

To,
The Members,
Adlabs Entertainment Limited.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on April 4, 2014.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

- a) **Key Managerial Personnel:** Key Managerial Personnel means-
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Company Secretary;
 - iii. Whole Time Director;
 - iv. Chief Financial Officer; and
 - v. such other officer as may be prescribed.
- b) **Senior Management:**
Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

3. ROLE OF COMMITTEE

The role of the Committee *inter alia* will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- b) to recommend to the Board the appointment and removal of Senior Management;
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) to devise a policy on Board diversity; and
- h) to develop a succession plan for the Board and to regularly review the plan.

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

- a) The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

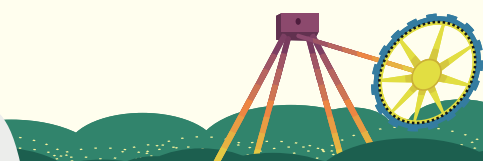
- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

- a) The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.



10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters as may be requested by the Board.

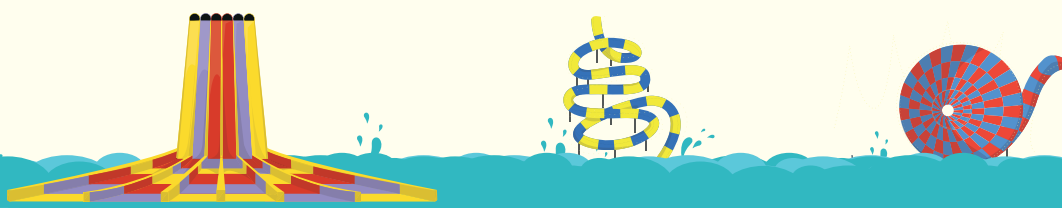
11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- b) to approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- c) to consider any other matters as may be requested by the Board; and
- d) Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.



STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year ("FY")

| Name of Director | Median (in ₹) | Remuneration (in ₹) | Ratio |
|------------------|---------------|---------------------|-----------|
| Manmohan Shetty | 229,500 | - | 1 : 00 |
| Kapil Bagla | 229,500 | 13,600,000 | 1 : 59.26 |
| Ghulam Mohammed | 229,500 | 450,000 | 1 : 1.96 |
| Steven A. Pinto | 229,500 | 475,000 | 1 : 2.07 |
| Anjali Seth | 229,500 | 275,000 | 1 : 1.20 |
| Prashant Purker | 229,500 | - | 1 : 00 |

Notes:

- Median is derived including remuneration paid to Mr. Kapil Bagla, Whole Time Director & Chief Executive Officer of the Company.
- To derive median, only employees on the payroll of the Company are taken into consideration.
- Mr. Manmohan Shetty, Chairman of the Company is without remuneration.
- Mr. Prashant Purker had written to the Company stating that he shall not take any remuneration from the Company.
- Mr. Steven A. Pinto, Ms. Anjali Seth and Mr. Ghulam Mohammed receive only sitting fees which are considered as remuneration for the purpose of above calculation.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year

| Name of Director | Designation | FY 2014-15 | FY 2015-16 | % increased |
|------------------|---|------------|------------|-------------|
| Kapil Bagla | Whole Time Director & Chief Executive Officer | 12,184,250 | 13,600,000 | 11.62% |
| Rakesh Khurmi | Chief Financial Officer | 7,700,000 | 8,239,000 | 7.00% |
| Ghanshyam Jhala | Company Secretary | 1,680,000 | 1,848,000 | 10.00% |
| Madhulika Rawat | Company Secretary | 0 | 1,692,300 | NA |

Notes:

- Mr. Ghanshyam Jhala resigned as the Company Secretary of the Company with effect from October 9, 2015.
- Ms. Madhulika Rawat was appointed as the Company Secretary of the Company with effect from November 2, 2015. The remuneration mentioned above is the per annum remuneration fixed during appointment.
- Mr. Steven A. Pinto, Ms. Anjali Seth and Mr. Ghulam Mohammed are paid with the sitting fees and hence the same is not considered in providing this information.

(iii) The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year 2015-16 is 16.03%.

(iv) The number of permanent employees on the rolls of Company

Permanent employees on the rolls of the Company as on March 31, 2016 were 879.

(v) The explanation on the relationship between average increase in remuneration and Company performance

The average increase in remuneration of the employees of the Company was in line with the following:

- Human Resource Philosophy;
- Following best industry standard;
- Financial performance of the Company;
- Market trends in the country; and
- Contribution made by the employee.

As at the end of the year under review i.e. at March 31, 2016, revenue from operations increased by 33% and EBITDA increased by 96% whereas the average remuneration of the employees of the Company increased by 7.25%. However, the increment for employees of Grade 1 and 2 are pending.

(vi) Comparison of the remuneration of the Key Managerial Personnel ("KMP") against the performance of the Company

For the financial year 2015-16 the revenue from operations of the Company increased by 33% and the EBITDA increased by 96%.

The remuneration to all KMPs aggregate to approximately 1.01 % of the revenue from operations.

The KMP remuneration is a combination of fixed and performance linked variable remuneration (PLI) which varies between 5% to 30% of the fixed remuneration.



(vii) Variations in Market Capitalisation of the Company and Price earnings ratio as at March 31, 2015 and March 31, 2016 and percentage increase over 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

| Particulars | As on March 31, 2016 | | As on March 31, 2015* | |
|----------------------------------|----------------------|---------|-----------------------|-----|
| | BSE | NSE | BSE | NSE |
| Market Capitalisation (in Crore) | 679.53 | 682.73 | -- | -- |
| Price Earnings Ratio (in ₹) | (7.49) | (7.53) | -- | -- |
| Earnings Per Share (in ₹) | (11.35) | (11.35) | -- | -- |

* Equity Shares of the Company have been listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f April 6, 2015.

| Particulars | BSE | NSE |
|---|---------|---------|
| Market price per share as on April 6, 2015* (in ₹) | 191.25 | 192.65 |
| Market price per share as on March 31, 2016* (in ₹) | 85.05 | 85.45 |
| Change in Market Price since listing (%) | (55.53) | (55.64) |

* Market price per share is the closing price of that day.

(viii) 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

Average percentile increase for employees (other than managerial personnel) for the FY 2015-16 is 11% and average percentile increase for managerial personnel for the FY 2015-16 is 9%. There has been no exceptional increase in the remuneration for managerial personnel for the FY 2015-16.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

| Name | Designation | Remuneration for FY 2015-16 (in ₹) | % of Revenue from operations for FY 2015-16 | % of EBITDA for FY 2015-16 |
|-----------------|---|------------------------------------|---|----------------------------|
| Kapil Bagla | Whole Time Director & Chief Executive Officer | 13,600,000 | 0.54 | 2.39 |
| Rakesh Khurmi | Chief Financial Officer | 8,239,000 | 0.33 | 1.45 |
| Ghanshyam Jhala | Company Secretary | 1,848,000 | 0.07 | 0.32 |
| Madhulika Rawat | Company Secretary | 1,692,300 | 0.07 | 0.30 |

Notes:

1. Mr. Ghanshyam Jhala resigned as the Company Secretary of the Company with effect from October 9, 2015.
2. Ms. Madhulika Rawat was appointed as the Company Secretary of the Company with effect from November 2, 2015.

However, the remuneration mentioned above is the remuneration fixed on per annum basis and not the actual paid remuneration.

The KMP remuneration is a combination of fixed and performance linked incentive (PLI) which varies between 5% to 30% of the fixed remuneration. The PLI is linked to the individual performance of the KMP and the performance of the Company.

(x) The key parameters for any variable component of remuneration availed by the directors

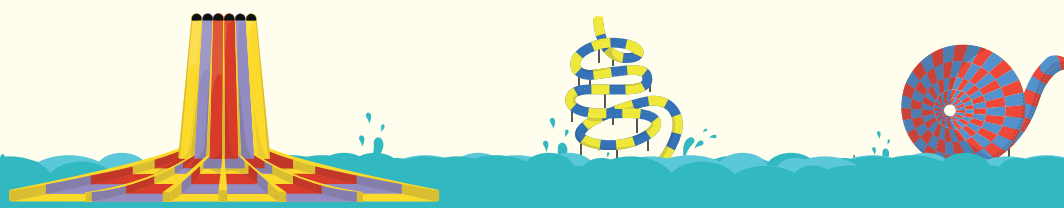
No variable component of remuneration has been availed by Mr. Kapil Bagla, Whole Time Director of the Company.

(xi) 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

This is not applicable to the Company.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration paid for FY 2015-16 was as per remuneration policy of the Company and approved by the Nomination and Remuneration Committee of the Board.



**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS
AND OUTGO REQUIRED UNDER THE COMPANY (ACCOUNTS) RULES, 2014.**

A. CONSERVATION OF ENERGY

1) The steps taken or impact on conservation of energy:

The following steps have been taken to conserve energy during FY 2015-16:

Water Park

- (a) Trimming of Pump Impellers for 8 Pumps.
- (b) Optimization of running hours of the rides at the Water Park based on Guest Population – Green Initiative.

Theme Park

- (a) Manual Operation of Air Compressor with strict controls on operational timings and re-alignment / re-connection of existing Air Compressor to increase loading and subsequently increasing its efficiency.
- (b) Operations of HVAC Units were optimized. Machines were kept in fan mode during winters, redundant machines were switched off and Green Initiative was implemented to run only one chiller during the operational hours.
- (c) Optimization of running hours of filtering systems without compromising on the quality of water.
- (d) Optimization of running hours of the rides at the Theme Park based on Guest Population – Green Initiative.

Hotel

- (a) Identification of the source of the area in lighting where we can save energy by changing incandescent lamp in to LED.
- (b) Water taps which consumed more than the 6 liters of water within minutes accordingly installed aerators to save water.

2) The steps taken by the Company for utilizing alternate sources of energy:

The Company has installed of 18 Solar Lights in Car Parking Area.

3) The capital investment on energy conservation equipments:

Trimming of Impeller = ₹ 26,000

Solar Lights = ₹ 3,22,000

LED Lights = ₹1,00,000

B. TECHNOLOGY ABSORPTION

1) The efforts made towards technology absorption

As the Company is an end user of ride systems and not into manufacturing, the technology absorption is not relevant.

Detailed operations and maintenance manuals are provided by the vendor and are followed in our maintenance routine.

2) The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has developed a domestic vendor database for certain electrical and mechanical components like authorized distributors of the products and sales outlets in India.

For general replacement parts and components, the Company has also developed import substitution such as Bearings, Allen Bradley Electronic products (like detectors, sensors), Electrical drives, Drive brakes, Drive chains, Rope drives, Drive tyres etc.

There are also efforts taken to reduce electrical consumption with Green initiatives and by using LED lighting wherever possible.

3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

the details of technology imported;

the year of import;

whether the technology been fully absorbed; and

if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

As the Company is an end user of ride systems and not into manufacturing, the technology absorption is not relevant.

Detailed operations and maintenance manuals are provided by the vendor and are followed in our maintenance routine.

4) The expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities related to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company does not possess any foreign technology. The Company has however engaged a few theme park professionals for maintenance, inspection, creation of design development and project management.

Total foreign exchange earnings and outgo for the financial year is as follows:

(a) Total Foreign Exchange earnings : NIL

(b) Total Foreign Exchange outgo : ₹79.48 million



AN OVERVIEW OF THE INDUSTRY

The Global Parks Industry

The global parks industry traces its origin to the 1950s when the first parks were open in the USA and Canada. These were a natural extension of the town fairs that were held periodically to coincide with cultural and religious events. As per International Association of Amusement Parks and Attractions (IAAPA), an Amusement Park is defined as 'a large, high-profile attraction that offers guests a complex of rides, food services and games'.

Park format are broadly classified as amusement parks, theme parks and water parks. A theme park is defined as a unique setting or rides with specific themes. Water parks, on the other hand, offers a range of water based activities.

The total global parks industry was estimated at over US\$ 28 billion in terms of revenues. This is expected to rise US\$ 32 billion by 2017. Geographically, parks in the USA and Europe are near maturity levels now, and Asia is fast emerging as the new growth hot-spot for in the industry.

Footfalls and Attendance

In terms of footfalls, there was an increase of 5.4 per cent in 2015 compared to 2014 in the top 25 Amusement Theme Parks worldwide. In absolute terms, total global footfalls increased to 235.6 million in 2015 compared to 223.5 million in 2014. The footfalls of the Top 25 theme Park worldwide have grown at a CAGR of 4.7% since 2011. See below table.

| Region | No. of Park | 2011 (In million) | 2015 (in million) | CAGR (2010-2015) | 2014 (in million) | 2015 (in million) | Growth |
|--------------------------|-------------|----------------------|----------------------|---------------------|----------------------|----------------------|--------|
| Global Theme Park | | | | | | | |
| Worldwide | Top 25 | 196.3 | 235.6 | 4.7% | 223.5 | 235.6 | 5.4% |
| North America | Top 20 | 127.0 | 146.3 | 3.6% | 138.1 | 146.3 | 5.9% |
| Europe | Top 20 | 57.8 | 61.2 | 1.4% | 59.5 | 61.2 | 2.9% |
| Asia | Top 20 | 103.3 | 130.9 | 6.1% | 120.9 | 130.9 | 8.3% |

(Source: Global Attractions Attendance Report, 2015, 2014 & 2011, Theme Index, TEA/AECOM)

Footfalls in the top 20 theme parks in Asia increased by approximately 6.9 per cent. Overall, the top 20 parks in Asia recorded footfalls of 130.9 million compared to 146.3 million in the North America. In water parks, Asia is ahead of North America in 2015 with a total footfall of 19.5 million compared to 15.9 million in the USA. The growth in Asian Theme Park market & Water Park market has been led by Chinese Parks.

The Indian Parks Industry

The Indian amusement park sector is valued at USD 400 million (INR 25 billion) is at a very nascent stage when compared to the USD 25 billion (INR 1,625 billion) global amusement park segment (Source The Future: Now Streaming, KPMG 2016). With the rising income levels, increasing domestic tourism and favourable demographics, the sector is estimated to grow by a Compounded Annual Growth Rate (CAGR) of 19 percent over the next five years, thereby offering immense growth opportunities in this sector. (Source The Future: Now Streaming, KPMG 2016).

The Indian parks industry is categorised based on the annual attendance as under:

| Type | No. of Parks | Annual Visitors |
|--------------|--------------|----------------------------|
| Large Parks | ~ 15 | More than 0.5 million |
| Medium Parks | ~ 50 | Between 0.3 to 0.5 million |
| Small Parks | ~ 100 | Less than 0.3 million |

(Source: IMaCS Report, Jan 2015)

The table below sets out the details of major Parks in India:

| Name of Park | Location | Annual Attendance (in million) | Area (in acres) | No. of rides |
|-------------------------------|----------|-----------------------------------|--------------------|--------------|
| Adlabs Imagica | Mumbai | 1.6 ¹ | 132 | 40 |
| Essel World and Water Kingdom | Mumbai | 1.8 | ~90 | 75 |

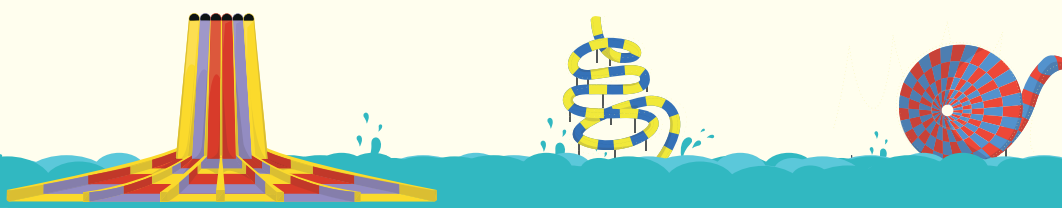
| Name of Park | Location | Annual Attendance (in million) | Area (in acres) | No. of rides |
|--------------------------------|------------|-----------------------------------|---------------------|--------------|
| World of Wonders | Noida | N.A. | 147 | 30 |
| Nicco Park | Kolkata | 1.5 | ~40 | 33 |
| Ramoji Film City | Hyderabad | 1.5 | ~2,000 ² | N.A. |
| Wonderla | Bangalore | 0.9 | 82 | 50+ |
| Veega Land | Cochin | 1.0 | ~30 | 55 |
| MGM Dizzee World | Chennai | 1.0 | 45 | 60 |
| Kishkintha | Chennai | 0.7 | 120 | 25 |
| VGP Universal Kingdom | Chennai | N.A. | N.A. | 11 |
| Ocean Park | Hyderabad | N.A. | 20 | 33 |
| Snow World | Hyderabad | N.A. | <0.5 | N.A. |
| Kingdom of Dreams ³ | Gurgaon | 0.4 | 6 | N.A. |
| Black Thunder | Coimbatore | 0.5 | 65 | 23 |
| Adventure Island | Delhi | 0.7 | 24 | 26 |
| Fun N Food Village | Delhi | 0.5 | N.A. | N.A. |
| GRS Fantasy Park | Mysore | N.A. | N.A. | 10 |
| Queensland | Chennai | N.A. | 70 | 51 |
| Jurassic Park | Sonepat | N.A. | N.A. | N.A. |

(Source: IMaCS Report, Jan 2015)

1. Park attendance for Imagica (Theme Park & Water Park) for Financial Year 2015-16.
2. World's largest film studio complex and a popular destination for tourists seeking recreation and amusement park experience.
3. Live entertainment and leisure destination.

Note: N.A. means Not Available.

There is a significant gap in the market for premium outdoor entertainment destination in the country comparable with the best in the world. The small and mid-level amusement parks currently do not offer the same quality of fun and entertainment as international theme parks. India conspicuously lacked a world-class, international quality, premium theme park experience destination.



Ticket Prices

While ticket prices in India have to be adjusted to suit the local markets, ticket prices are now fast being aligned to international levels. The typical ticketing model in India is the single-pay ticket priced between INR 600 to INR 1,000 per adult. Some parks are also offering pay-as-you-go tickets. There are discounts ranging from 15 percent to 20 percent for children, while some parks also offer the same discounts for senior citizens.

The following table shows the ticket prices at major parks in India compared to parks globally:

| Name of Parks | Peak Ticket Price in INR | Currency | Price in respective currency |
|---|--------------------------|------------------|------------------------------|
| Indian Parks | | | |
| Imagica Theme Park* | 1,999 | INR | 1,999 |
| Imagica Water Park* | 1,099 | INR | 1,099 |
| Wonderla, Bangalore | 1,095 | INR | 1,095 |
| Water Kingdom | 999 | INR | 999 |
| Wonderla, Hyderabad | 967 | INR | 967 |
| Wonderla, Kochi | 950 | INR | 950 |
| Essel World | 949 | INR | 949 |
| Global Parks | | | |
| Universal Studio Singapore | 4,870 | Singapore Dollar | 98 |
| Atlantis (Aquaventure Waterpark), Dubai | 4,748 | UAE Dharams | 260 |
| Hong Kong Disneyland | 4,658 | Hong Kong Dollar | 539 |
| Shanghai Disneyland | 5,094 | CNY | 499 |

(Source : Respective Park Company websites)

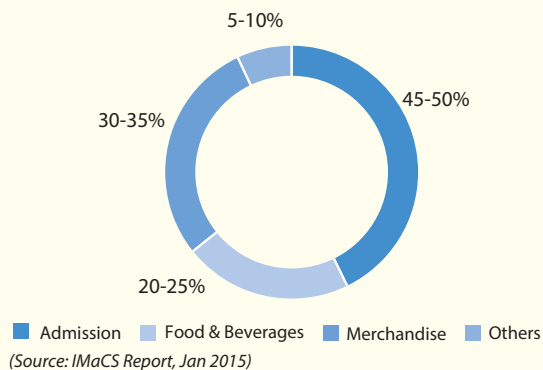
* Indicates peak ticket prices for adults exclusive of taxes

Revenue Mix

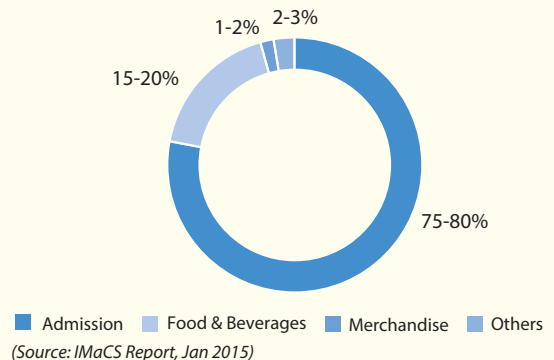
In India, the revenue from parks is still highly dominated by admission tickets forming about 75 percent to 80 percent to the total revenues. Internationally, admission tickets revenues account for about 50 percent of the total revenue. The share of F&B, retailing and merchandise sales is low in India. However, this mix is fast changing and the revenue mix is expected to be aligned to international trend.

The following chart showcases the typical revenue break-up:

INTERNATIONAL PARK REVENUE SPLIT



INDIAN PARK REVENUE SPLIT



COMPANY AND BUSINESS OVERVIEW

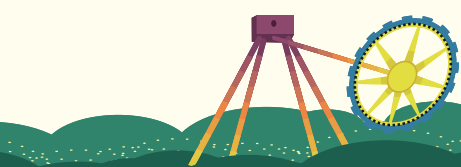
Adlabs Entertainment Limited is the brainchild of Mr. Manmohan Shetty who has been closely associated with the entertainment business in India. As one of the pioneers of the multiplex business in India, Mr. Shetty was instrumental in transforming the film exhibition business through India's first IMAX theatre and Adlabs chains of multiplexes that brought world class cinematic experience to the Indian audiences.

Adlabs Entertainment Limited has now successfully created India's First & Only International Standard Entertainment Holiday Destination "IMAGICA", which includes a Theme Park, Water Park, Snow Park & a Luxury Hotel – Novotel Imagica Khopoli.

Below are some of the achievements at Imagica:

- India's first International Theme Destination;
- India's first International Standard Theme Park;
- Imagica Snow Park is India's Largest Snow Park;
- Novotel Imagica Khopoli is India's first Theme park based Hotel;
- OTM Award for Excellence – Most Promising New Destination Award;
- TripAdvisor's Traveller's Choice Awards 2015;
- India's Most Trusted Brands 2015 – Theme Park category;
- TRA Research 2015 – India's Most Attractive Brands, Entertainment Category;
- IAAPI Awards 2016 - Most Innovative Ride;
- IAAPI Awards 2016 - Electronic Media – TV Channel;
- IAAPI Awards 2016 - Print Media;
- I For India - For the first time in Asia Pacific a simulation ride that gives flying experience over India's exquisite monuments and varied landscapes;
- Mr. India-The Ride is India's first Bollywood movie integrated ride;
- Nitro is India's Longest, Tallest & Fastest roller coaster;
- Deep Space is India's first indoor high speed roller coaster;
- Rajasaurus is India's longest flume ride;
- Wrath of God is India's first attraction that is a blend of live theatre, special effects and multimedia; and
- Aqua Loop is India's first water park loop ride.

Imagica Theme Park was completed in a record time of 24 months and launched in April 2013. It is very conveniently located off the Mumbai-Pune Expressway, just 74 kms from Mumbai. Spread across a sprawling area of 132 acres, Imagica is a ONE STOP destination for NON STOP fun with an estimated daily capacity of 15,000 visitors. It offers a one-of-its kind experience with 25 rides.



The concept and design of the theme park was done by the internationally acclaimed design consultant Peter Smulders of Attraction International. The rides and attractions have been designed and sourced from global industry leaders like Bolliger & Mabillard Inc., Switzerland, Zamperla Asia Pacific Inc., Italy, Sally Industries Inc., USA, E2M Technologies B.V., Netherland, Premier Rides, USA, Hafema Rides GmbH, Germany and Santec Fabricators (India) P. Ltd. - part of the Sanderson Group, Australia.

The Company also owns and operates a range of Food & Beverages (F&B) outlets at Imagica. These include Roberto's Food Court - a multi-cuisine food court with a separate Jain restaurant, Red Bonnet - an American diner-styled restaurant, Imagica Capital - an Indian buffet restaurant as well as Zeze bar and grill themed on an African Zulu village. There is also Armada - a café and bar modelled as a ship giving a panoramic view of the entire theme park. In addition to these, there are several kiosks dotted across the park.

To enable visitors take back fond memories of the experiences at Imagica, we have six retail stores and numerous kiosks all over the park. The retail & merchandising on offer includes toys, apparel, bags, caps and mementos with a prominent Imagica branding based on rides and attractions at the park. The Company also sells Imagica merchandise on-line through its own website as well as other popular e-commerce websites.

The Company has a strict quality and safety policy with all its vendors compliant with international standards and certifications like - ASTM, European or EN Standards. TUV SUD South Asia Pvt. Ltd. was engaged to carry out inspection, testing and installation certifications.

Imagica Theme Park became fully operational on November, 2013. There was an immediate and overwhelming response as visitors were awed and amazed at the world-class and international standard of experience that they could now enjoy in India. In FY 2016, the annual number of visitors to Imagica was 15,54,199.

On October, 2014, the Company launched its water park, adjacent to Theme Park. Inspired by the Greek island of Mykonos that is famous of its typical blue-and-white painted buildings, Water Park offers a range of 14 water slides and wave pools. The estimated daily capacity of Water Park is about 5,000 visitors.

The water slides and the equipment at Water Park have been sourced from global industry leaders like Whitewater West Industries Ltd., Canada, Polin Dis Tic Ltd., Turkey and Neptune Benson (Defender Water Filtration Systems), USA. The Company's consultants and vendors have worked with many leading theme parks and water parks globally and have provided invaluable expertise in brining international experience in India.

The positioning of Water Park has been primarily focussed on the youth and young party goer, Company's offerings are therefore, aligned to this positioning. Events that connect with the youth like Bollywood events, electronic dance music events, popular Indian and international DJs parties are held over the weekend. Accordingly, the F&B offerings also are primarily designed as 'grab and go' options. In addition, there is Ammos - a street styled, dine-in, multi-cuisine food court. Other F&B options include Sun Beatz - Pizzeria, Lebanese & Bar located next to the wave pool, Cones - offering a variety of ice-creams and sundaes, Sandy Sippis - offering a choice of juices, shakes and smoothies, and many more.

In addition to the two parks, the Company is also promoting a 287 key hotel - Novotel Imagica Khopoli through a management agreement with AAPC India Hotel Management Private Limited (AAPC), a company of the Accor Group, which operates several hotel chains. The Company has also entered into a service agreement with AAPC for certain consultancy and design services.

The first phase of Novotel Imagica Khopoli comprises of 116 rooms and was launched in September 2015 and the Company is extremely enthused by the performance of its Hotel Novotel Imagica. For 2015-16 the average occupancy of the hotel stood at a healthy 75% at an average Room ARR was ₹ 5800+. Novotel Imagica has been able to establish itself amongst the leaders in the MICE, Leisure and social event segments of the markets. This reiterates the Company's belief of establishing its position as a "Holiday destination". The Hotel has consistently generated an excellent customer feedback and reviews. Facilities include banquet halls, conference rooms, speciality restaurants, a gourmet bar, recreation areas, swimming pool, spa, kids activity areas and a fitness centre.

The Company has also entered into a Revenue Sharing arrangement with ACME Entertainment, whereby ACME has constructed, installed, erected and is operating the Snow Park. The snow park has build upon the experience by adding a totally new option and augment Imagica's positioning as a ONE STOP ENTERTAINMENT destination.

The Company has surplus land of approximately 138 acres, this land has been transferred to our 100% subsidiary Walkwater Properties, which has applied to the Government of Maharashtra for an approval for a special township. We plan to engage with reputed real estate players to develop a township on this land, and monetize it.

Business Review

The Company delivered an impressive performance during the year ended March 31, 2016. Some of the highlights are:

| Particulars | FY16 | FY15 | YoY % |
|---|-----------|-----------|-------|
| Footfall | 15,54,199 | 10,64,493 | 46.00 |
| Revenue from Operations (₹ in million) | 2,523.91 | 1,894.22 | 33.24 |
| EBITDA* (₹ in million) | 402.05 | 205.25 | 95.88 |

*EBITDA does not include other income.

Average Realization and Operating Costs

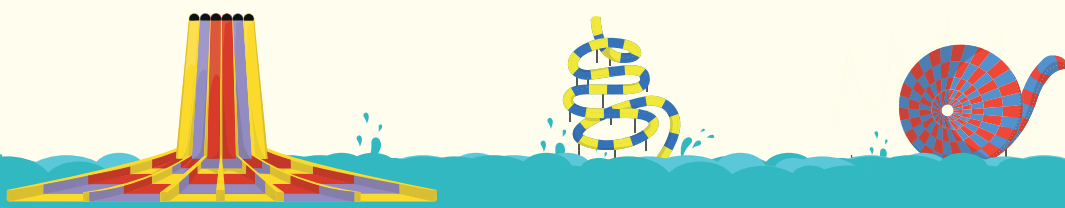
Gross realisation per visitor (weighted average for both parks put together) was ₹1,521. The break-up of the realisation is as follows:

| Particulars | Average Realization per person (in ₹) |
|----------------------|---------------------------------------|
| Ticket | 1,067 |
| Food & Beverages | 264 |
| Retail & Merchandise | 137 |
| Others | 53 |
| Total | 1,521 |

The outstanding bank loan as on March 31, 2016 is ₹ 9,628.64 million. The said outstanding is post pre payment done vide Initial Public Offer proceeds.

Since April 2013, over 3.4 million people have visited the parks. While these numbers and guest feedback give us a good idea of their expectation and appreciation of the product we have a long way to go in making this project every Indians must visit holiday destination.

In FY 2015-16, the Company had launched "Happy Tuesday" offer which had an entry price of ₹999 and this property and this offering has shown some tremendous traction. With this we are able to sample a segment of the population who are price conscious but are still aspirational. Now they got the opportunity to enjoy Imagica. So a normal dull, middle of the week Tuesday has transformed itself into a busy and buzzing day and the Company has seen great success and improved its capacity utilization tremendously.



The Company launched its Hotel 'Novotel Imagica Khopoli' on September 16, 2015 with 116 rooms. The Company is pleased to inform that the hotel has got off to a great start with average occupancy of 75% in the first six months of operations. Novotel Imagica, within a short period of operations, has been able to establish its niche in the leisure and social segments and has firmly established Imagica's position as family holiday destination.

During the six months of operations till March 2016, Novotel Imagica, Khopoli has hosted over 150 corporates and 6 destination weddings. This is a sort of record in this industry and ARR has also shown steady improvement since launch. Novotel Imagica has garnered excellent customer feedback and reviews on TripAdvisor and other hotel review websites.

In fact, Novotel Imagica within few months of operations has received an award for the best "New Hotel in the Upper Mid Segment Category" by HICSA which is the Hotel Convention of Southeast Asia in Delhi in the month of March, 2016.

Imagica has worked on a new branding and positioning and have decided to merge the entire offering under a single brand of 'Imagica'. We feel that consolidating the Theme Park, Water Park and now the Snow Park under a single brand name Imagica will lead to an optimization of marketing cost and a much better brand recall. This will also facilitate focus penetration of Imagica brand in the non-catchment area with the philosophy of positioning Imagica as a holiday destination. We have also launched a new brand logo bodying the Imagica experience as "Imagica badi interesting jagah hai"

The Company completed the Snow Park development in March, 2016 and thereafter conducted trial runs for the same. The Snow Park was commercially launched in April, 2016. The Snow Park area is built over 30,000 sq. feet and is the largest Snow attraction in India. The Snow Park has a capacity of 3,500 guests to 4,000 guests per day. The park will have daily nine sessions of about 45 minute each and each session can host about 400 guests.

The Company has actively pursued every stream of potential revenue such as Food and Beverages, Retail, Advertising and Sponsorships, Weddings, and MICE and continue to believe that we are at the brink of a large potential in every stream.

The Company has surplus land of approximately 138 acres, this land has been transferred to our 100% subsidiary Walkwater Properties, which has applied to the Government of Maharashtra for an approval for a special township. We plan to engage with reputed real estate players to develop a township on this land, and monetize it.

KEY STRENGTHS OF THE COMPANY

The Company's competitive strengths are set out below:

- **The Company is uniquely Positioned to Capitalise on the Increasing Propensity of Indians to Spend on Entertainment**

Favourable macroeconomic and demographic factors such as economic growth, rising disposable income, a growing young population, an expanding middle class and rapid urbanisation have resulted in the Indian population spending more on entertainment. With the rise in education levels and exposure to international trends, Indian consumers are willing to pay a premium for quality entertainment.

Imagica is the Only One Stop Entertainment Destination in India, designed to provide a wholesome and 'value for money' entertainment option for guests. The Company offers entertainment options for all age groups through a variety of rides and attractions, which the Company believes are comparable to and provide the international standards of experience that leading theme parks and water parks offer globally. Company's offerings are also customised to Indian tastes. This positions Imagica to capitalise on the increasing number of Indian customers spending on good quality entertainment.

- **The Company is strategically Located in an Attractive Catchment Area**

Imagica is located off the Mumbai - Pune Expressway. Currently, it attracts; guests from Mumbai, Pune and the rest of Maharashtra and Gujarat, which are some of the more economically developed areas in India. Mumbai is well connected to other large cities in India by air, road and rail with multiple flight options in a day. Further, Imagica is located in an area that experiences suitable weather throughout the year to spend a day outdoors. In addition, the majority of its rides, attractions and queuing areas in the parks are covered to avoid any inconvenience during the monsoon season.

- **Rides and Attractions of International Quality Standards which are Customised to Indian Tastes and Preferences**

Imagica is attractively themed and deliver high-quality entertainment, aesthetic appeal, shopping and dining options.

Imagica has been designed by, an internationally acclaimed design consultant Attractions International for entertainment destinations. The rides and attractions for the theme park have been designed by and sourced from global industry leaders such as Bolliger & Mabillard Inc., Zamperla Asia Pacific Inc., Sally Industries Inc., E2M Technologies B.V. and Santec Fabricators (India) Private Limited, which is a part of the Sanderson Group. The water slides and equipment in the water park have been sourced from global industry leaders such as Whitewater West Industries Limited, Neptune Benson (Defender Water Filtration Systems) and Polin Dis Tic. Ltd. Sti. Imagica also follows high levels of park security and safety standards to offer a safe and injury free environment for the guests to enjoy the parks.

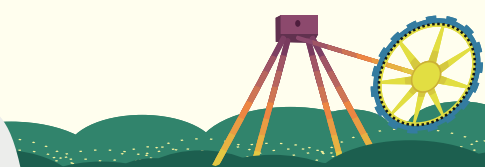
- **Competitive Advantage through Entry Barriers**

The Company has ability to leverage the 'first-mover advantage' through Adlabs Imagica. There are significant barriers to entry in the business of theme and water parks in India and it is difficult to replicate a project of similar scale and size in India. Among the most important of these barriers is the need for significant capital expenditure to set up theme and water parks, the difficulty to identify and purchase large and suitable parcels of land on commercially viable terms and the long lead-time from the conceptualisation to the launch of rides and attractions. The Company believes that its location off the Mumbai - Pune Expressway, the large parcel of land owned by the Company, its rides and attractions of international quality and standards and its qualified management and operations team provide the Company with a significant competitive advantage over any new park.

- **The Company is a well-positioned Brand and Marketing Focus**

In our short operational history, the Company believes that it has been able to establish brand recognition in Mumbai, Pune and the rest of Maharashtra and Gujarat markets. The Company believes that it has been able to achieve this through a combination of factors:

- ▶ Delivering superior visitor experiences in the parks through its diverse offerings of rides and attractions and other entertainment options and thus, developing a brand recall through word of mouth publicity;
- ▶ Company has also actively focused on attracting school groups as it is believed that school children who visit the parks act as the Company's brand ambassadors and have the potential of bringing the entire family back on another visit;
- ▶ Dynamic and attractive pricing strategy to coincide with various events, festivals, seasons and holidays throughout the year;



- ▶ Existing well-established position of the 'Imagica' brand in the media and entertainment industry; and
 - ▶ Engaging with various target groups through focused marketing, consisting of regular electronic, print and digital media campaigns and direct sales efforts.
- **Proven and Experienced Management Team and Execution Strength**

The senior management team includes experienced media and entertainment, marketing and consumer businesses executives, with an average tenure of more than 15 years in such industries. Mr. Manmohan Shetty is a well known entrepreneur in the media and entertainment business in India and has more than three decades of experience in consumer-facing entertainment businesses.

OUTLOOK AND OPPORTUNITIES

The all-round India growth story continues to remain strong and attractive. Both IMF and World Bank (WB) have predicted the Indian economy to grow at 7.5% in 2015-16 and 2016-17. The key drivers of growth for the India economy are in place for a sustained and uninterrupted growth in the future. Both favourable macroeconomic factors as well as dynamic demographics indicate to a period of assured uptrend and growth in the Indian amusement parks industry.

Against this positive and optimistic outlook of the economy, the outlook for the Company is extremely favourable and exciting, with a high potential for accelerated growth and expansion. The company is adopting the following business strategies to grow the business in the future:

- **Develop Adlabs Imagica as an Integrated Holiday Destination**

Currently, a significant majority of the guests are residents of the catchment area, Mumbai, Pune, rest of Maharashtra and Gujarat who make day-trips to our theme park off the Mumbai - Pune Expressway. With the launch of the hotel, Novotel Imagica and Snow Park, the Company intends to market Imagica as a multiple day holiday destination and attract guests for a longer stay. The Company intends to offer various cost promotion and combination packages of admission tickets to the parks and stay at the hotel to take advantage of cross selling opportunities. In addition, the Company aim to market its facilities as a suitable venue for hosting wedding receptions, parties, conferences and meetings and other corporate events.

- **Continue to Focus on Increasing the Number of Guests Hosted at the Parks**

The Company plans to increase attendance at the parks through the following strategies:

- ▶ Increasing awareness of its parks and 'Imagica' brand through effective media and marketing campaigns, aimed at various target groups including families, young kids, college students and young professionals. The Company also continue to reach out to a greater number of schools and corporates for increasing attendance at the parks;
- ▶ Offering a variety of ticket options and disciplined pricing and promotional strategies to coincide with events and holidays throughout the year. The Company also aims to follow a dynamic pricing model which will enable the Company to adjust admission prices for the parks based on expected demand and attract diverse segments of customer base;
- ▶ By periodically introducing new attractions, differentiating experiences and enhancing service offerings, the Company believes that word of mouth is the most important marketing

tool and, therefore, the Company's primary business objective is to make the time spent by the guests in its parks as enjoyable as possible. We specifically focus on entrance and security procedures, queue management, cleanliness, quick availability of F&B products and retail merchandise to make the guests' experiences as comfortable and entertaining as possible; and

- ▶ Focusing on sales and marketing initiatives in the secondary catchment areas, such as the print campaign from time to time in major cities like Delhi NCR, Bangalore, Hyderabad and Jaipur, to attract tourists visiting the Mumbai - Pune region.

- **Diversify Revenue Streams**

Sales of admission tickets comprised a significant portion of the Company's total income. Going forward the Company intends to increase its non-ticketing revenue through the following strategies:

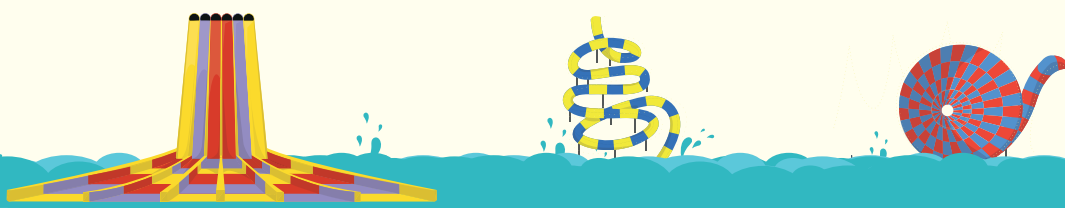
- ▶ Focus on F&B and retail & merchandise operations by targeting the per capita spending of the guests. The Company believes that by providing its guests additional and enhanced offerings at various price points, the Company can increase spending in its parks. The Company will continue to innovate in its F&B offerings to cater to the diverse preferences of its guests.
- ▶ Monetise the crowd movement in the parks by offering sponsorship opportunities to advertisers for special events, naming rights for the rides and attractions, partnering in destination advertising and assisting in products and brand activations;
- ▶ With the completion of the hotel, the Company intends to position Imagica as a destination for varying customer requirements, including for entertainment, corporate meetings and off-sites and other social events;
- ▶ The Company aims to develop an emotional connect with its guests through its brands and characters developed by the Company, which the Company believes will provide with the opportunities to leverage its intellectual property portfolio, and to develop new media and entertainment options and to increase the sale of consumer products, in and outside Imagica.

- **Increase Profitability and Achieve Cost Optimisation**

The Company believes that increased attendance at the parks and an increase in the per capita spending will allow the Company to make its business more profitable because of the relatively fixed cost-base and the high operative leverage involved in its business. The Company will continue to focus on F&B and retail and merchandise spending to improve its operating margins. With the commencement of operations of the water park, snow park and hotel, the Company will be able to offer more dynamic pricing combo offers to account for seasonal fluctuations in attendance. The Company also aim to achieve better cost optimisation through economies of scale by measures such as company-wide and centralised procurement and sourcing strategy and integrated marketing campaigns. In addition, the Company aim to benefit from shared services such as security, ticketing, F&B and general administration of the parks.

- **Expand Existing Operations and Foray into New Geographies in India**

In addition to the ongoing development of the hotel, we aim to pursue other expansion opportunities at the parks. The Company intends to add three to four rides and attractions over the next five years, including one major ride or attraction every two years, at the parks.



The Company intends to use the existing areas available inside the parks for these new rides and attractions.

The Company also intends to set up integrated holiday destinations in other locations in India, either through parks owned and operated by us or through a partnership or a franchise model. The Company believes it should have two more parks apart from Mumbai park i.e one in south and one in north. The size and scale of the parks will be designed basis the market potential of that region and financial viability.

PARK SECURITY AND SAFETY

The Company was awarded with an ISO certified for Integrated Management Systems by Bureau of Indian Standards (BIS) for Imagica. Following is the list of ISO certifications awarded

- Quality Management System- IS/ISO 9001:2008
- Environmental Management System-IS /ISO 14001:2004
- Occupational Health and Safety Management system – IS 18001:2007

The Company recognise park security and safety as one of our most important focus areas in ensuring the success of the parks. The park security and safety plan is based on three principles: being proactive, the utilisation of an optimum combination of technology and manpower and meeting international standards on security and safety. Some of the key features of the Company's security and safety plan are set out below:

- **Security Agency:** The Company has engaged one of the leading security solutions providers in India for its security needs and have developed a security plan based on a study of threats and vulnerabilities. The scope of services provided by its security solutions service provider includes the development of, setting up and operating the security infrastructure in the parks, deploying security personnel and carrying out regular training for its employees for security related issues, particularly emergency response situations.
- **Identified Perimeters and Zones:** The Company divided its parks into various layers with defined internal and external perimeters for effective monitoring and response. The Company has deployed access control measures at the identified entry and exit points to reduce trespassing and monitor crowd movement. The Company has also divided the parks into various zones to facilitate effective emergency response, evacuation and deployment of resources and manpower.
- **Command Centre:** The Company's command centre has been planned as an integrated set-up, capable of monitoring and controlling the management of the parks and responding to all circumstances which may have an adverse effect on guest experiences. The functions of the Company's command centre include controlling and monitoring all access controls across the parks, including the entry and exit points and for the rides and attractions; coordinate the response to any situation that requires attention; operate the public address system which is designed for effective communication for functions such as crowd management; Company's security infrastructure consists of necessary equipment's such as metal detectors, explosive vapour and trace detectors, radio sets, forced entry resistant door system, panic buttons, hooters and retractable barriers, which have been deployed at vantage points across the parks.
- **Safety Procedures:** The most important aspect of the Company's safety procedures is regular training and assessment of our ride operators and attendants to prevent accidents or injuries resulting from unsafe acts and conditions. In addition to monitoring for any hazard or unsafe condition,

the ride operators carry out inspections at pre-designated intervals and report any unsafe condition to the maintenance department for correction. We follow a more detailed inspection and monitoring procedure for some of the critical rides and attractions, such as the roller-coasters. The Company also engaged over 50 qualified lifeguards, who are on duty during the operating hours of the water park.

- **Fire and Medical Emergency Plan:** The Company also has a comprehensive fire and medical emergency response plan. The Company installed smoke and heat detectors in its offices and indoor attractions and water sprinkler and fire hydrant systems and fire extinguishers across the parks. In addition, there is a team of fire-men stationed in the theme park throughout the operational hours. There is a medical centre in the parks including a five- bed ward, which is staffed by a team of one doctor and eight nurses to respond to any medical emergency in the parks up to such time that the guests are moved to the nearby hospitals. There are two ambulances which are deployed in the parks throughout the operational hours.

MAINTENANCE

The Company's maintenance team is responsible for the inspection, upkeep, repair and testing of the rides and attractions. The Company has appointed a safety officer as a member of each of its parks management team to supervise the maintenance and ride operations teams, and carry out regular audits and surprise inspections.

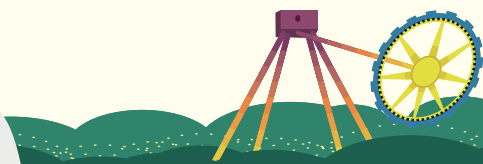
Every ride and attraction at the parks is inspected regularly, according to daily, weekly, monthly, and annual schedules. The Company has formulated detailed maintenance guidelines and checklists for each of our rides and attractions with the objective of ensuring that the rides and attractions are operating within the manufacturer's criteria and that maintenance is conducted according to internal standards, industry best practice and standards, as well as the ride designer or manufacturer's specifications. The Company recently installed a networked enterprise software system which is used to plan and track all the maintenance activities. The maintenance system of some of the rides and attractions is also linked over VPN to the respective vendors to ensure effective monitoring, data sharing and resolution of issues, if any. All ride maintenance personnel are trained to perform their duties according to internal training processes, in addition to recognised industry certification programs for maintenance activities. The infrastructure maintenance function comprises upkeep, repair, preventive maintenance and improvement of the parks infrastructure.

The Company obtains safety certifications from its vendors stating that the rides and attractions installed at the parks have been designed and manufactured in accordance with international standards such as the American Society for Testing and Materials, or the ASTM standard, the European, or the EN standard or the Deutsches Institut für Normung e.V., or the DIN standard. The Company has also engaged TUV SUD South Asia Pvt. Ltd., a leading global technical services organisation to carry out inspection, testing and installations certifications for the rides and attractions. The Company also periodically engages the services of third-party maintenance audit agencies to inspect the maintenance procedures.

RISKS

- **The business is seasonal in nature, and may be affected by weather conditions, school vacations, public holidays and weekends.**

The Amusement park industry is seasonal in nature. The parks could experience volatility in attendance as a result of school vacations, public holidays, weekends and adverse weather conditions such as excessive heat and monsoons. It is believed that attendance at the parks and revenues from F&B and retail and merchandise operations



is, and will continue to be, higher during school vacations, public holidays and weekends. In addition, the water park and snow park is expected to generate higher revenues in the summer months. Conversely, there may be a reduction in revenues during the monsoon months. Further, unfavourable weather conditions such as forecasts of excessive rainfalls or heat may reduce the attendance at the parks.

- **Company's business and results of operations could be adversely affected by changes in public and consumer tastes or a decline in discretionary consumer spending, consumer confidence and general economic conditions.**

The success of the parks depends substantially on consumer tastes and preferences that can change in often unpredictable ways. The Company must adapt to these changes to meet consumer tastes and preferences. The Company carries out research and analysis before opening new rides and attractions and often invest substantial time and resources to gauge the extent to which these new rides and attractions will earn consumer acceptance. Further, Company's success depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of disposable income. Actual or perceived difficult economic conditions and inflationary periods may adversely impact park attendance figures, the frequency with which guests choose to visit parks and guest spending patterns at the parks. Both attendance and total per capita spending at the parks are key drivers of the Company's revenue and profitability, and reductions in either can adversely affect the Company's business and results of operations.

- **Incidents or adverse publicity concerning the Amusement Park industry generally could harm the Company's brand or reputation as well as negatively impact the Company's business.**

The Company's brands and its reputation are among its most important assets. Our ability to attract and retain guests depends, in part, upon the external perceptions of the parks, the quality of the parks and services and performance of the Company's operations team. The operation of the parks involves the risk of accidents, contagious, airborne or waterborne diseases and other incidents that may negatively affect guest satisfaction and the perception of the guests in relation to safety, health and security of the parks, which could negatively impact the Company's brand and reputation and its business and results of operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal controls commensurate with its size. It has also adopted standard operating procedures, policies and process guidelines. These guidelines are well documented with clearly defined authority limits corresponding with the level of responsibility for each functional area. They are designed to ensure that transactions are conducted and authorised within their framework. Further, the Company's reporting guidelines ensure that transactions are recorded and reported in conformity with generally accepted accounting principles. These guidelines are regularly reviewed and

updated to meet the expectations of the current business environment. The Company's Code of Business Conduct lays down ethical standards expected from each of its personnel's and business associates in their day-to-day actions. The Company's robust internal audit programme which works to conduct a risk-based audit not only tests the adherence to laid down policies and procedures but also suggests improvements in the current processes and systems. The audit program is agreed upon with the Audit Committee. Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations. Company had appointed M/s. Deloitte Haskins & Sells LLP as the internal auditor during the financial year 2015-16.

SIGNIFICANT DEVELOPMENT IN HUMAN RESOURCES

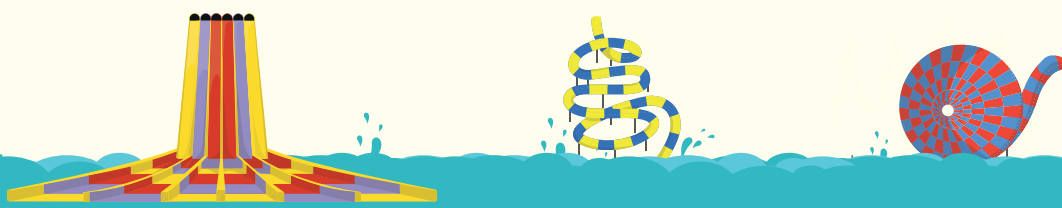
People are one of the key and critical success factors for the Company. The Theme Park and Amusement Park industry in India is in the nascent stages. As such to find skilled manpower having experience of the industry is challenging. The company has developed a very strong on-job training and development program, which cuts across the junior team members as well as the middle management layer. The senior technical & engineering team has been trained under supervision of global experts of theme park industry. The Company engaged these experts during the development and initial operations of the Park.

Being located in the outskirts of Mumbai and Pune, we need to make sure that the employees are motivated enough to travel the distance for work. The Company provides employee friendly transport and local stay facilities for the same. Employee satisfaction is a top priority, and the Company ensures that all its employees enjoy a safe, healthy and progressive work environment at all its offices. The Company's HR team works cohesively with the employees to help them in their personal as well as professional development. The Company has a well-defined Code of Conduct that guides all employees in their interaction with the various stakeholders of the Company. The Company has a unique work-culture based on team building and bonding through cross-job training.

As of March 31, 2016, the total number of permanent employees on the rolls of the Company were 879.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Adlabs Entertainment Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis section.



Corporate Governance Report

OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is an important component in enhancing stakeholders' value and it emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

The Company has in place processes and systems whereby the Company complies with the requirements of Corporate Governance under Clause 49 of the Listing Agreement which was applicable till November 10, 2015 and the corresponding SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") effective December 1, 2015. As a Company, we believe in implementing Corporate Governance practices that go beyond meeting the letter of law. The Company has adopted practices mandated in the Listing Regulations.

BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Company is broad-based and consists of eminent individuals from industry, management, technical, financial, and legal field. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board comprises of an optimum combination of Executive, Non-Executive, Independent and Women Directors as required under Companies Act, 2013 and Listing Regulations. As on date, the Board comprises of nine (9) Directors, out of which five (5) are Independent Directors, one (1) is Non-Executive Director and three (3) are Executive Directors. The Chairman of the Board is an Executive Director.

Attendance of the Directors at the Board Meetings held during the financial year 2015-16 and the last Annual General Meeting held on September 7, 2015 and the number of other Directorship(s) and Committee Membership(s) or Chairpersonship(s) held by Directors in other Companies:

| Name of Director | No. of Board Meetings during the year | | Attendance at last AGM | No. of Directorship(s) (As on 31.03.2016) | Number of Board Committees in which Member /Chairman (As on 31.03.2016) | |
|-----------------------|---------------------------------------|----------|------------------------|---|---|-------------|
| | Held | Attended | | | Member | Chairperson |
| Mr. Manmohan Shetty | 5 | 5 | Yes | 7 | Nil | Nil |
| Mr. Kapil Bagla | 5 | 5 | Yes | 7 | 1 | Nil |
| Mr. Prashant Purker | 5 | 4 | Yes | 8 | 4 | Nil |
| Mr. Steven A. Pinto | 5 | 5 | No | 6 | 2 | 2 |
| Mr. Ghulam Mohammed | 5 | 5 | Yes | 11 | 2 | 1 |
| Ms. Anjali Seth | 5 | 4 | Yes | 7 | 2 | 1 |
| Ms. Pooja Deora* | NA | NA | NA | NA | NA | NA |
| Mr. Ashutosh Kale* | NA | NA | NA | NA | NA | NA |
| Ms. Meghna Ghai Puri* | NA | NA | NA | NA | NA | NA |

*Ms. Pooja Deora – Non Executive Director, Ms. Meghna Ghai Puri – Independent Director and Mr. Ashutosh Kale – Executive Director were appointed as Additional Directors on the Board w.e.f. May 24, 2016, subject to the shareholders' approval in ensuing Annual General Meeting.

Notes:

1. Directorships exclude foreign companies, companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.
2. Above mentioned directorship(s) includes directorships in Adlabs Entertainment Limited and all listed, unlisted and private limited companies.
3. As required by Regulation 26 of the Listing Regulations, the disclosure includes membership(s)/ chairpersonship(s) of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (listed and unlisted).
4. Membership(s) of Committees includes chairpersonship(s), if any.
5. None of the directors hold directorship(s) in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Companies Act, 2013.
6. No director holds membership(s) of more than 10 committees of board, nor, is a chairperson of more than 5 committees of Board across all listed companies with which he/she is associated as a Director.

Composition and Category of Directors

| Name of Directors and DIN | Category |
|--|--|
| Mr. Manmohan Shetty (DIN : 00013961) | Promoter, Chairman and Executive Director |
| Mr. Kapil Bagla (DIN : 00387814) | Whole Time Director |
| Mr. Ashutosh Kale* (DIN : 06844520) | Executive Director |
| Ms. Pooja Deora* (DIN : 00013027) | Non Executive and Non Independent Director |
| Mr. Prashant Purker (DIN : 00082481) | Non Executive and Independent Director |
| Mr. Steven A. Pinto (DIN : 00871062) | Non Executive and Independent Director |
| Mr. Ghulam Mohammed (DIN : 00591038) | Non Executive and Independent Director |
| Ms. Anjali Seth (DIN : 05234352) | Non Executive and Independent Director |
| Ms. Meghna Ghai Puri* (DIN: 00130085) | Non Executive and Independent Director |

*Ms. Pooja Deora – Non Executive Director, Ms. Meghna Ghai Puri – Non Executive and Independent Director and Mr. Ashutosh Kale – Executive Director were appointed as Additional Director on the Board w.e.f. May 24, 2016, subject to the shareholders' approval in ensuing Annual General Meeting.

Note:

1. Mr. Manmohan Shetty and Ms. Pooja Deora, are related to each other.



Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiary company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

During the financial year 2015-16, the Board met 5 (five) times on May 27, 2015, August 3, 2015, November 2, 2015, January 28, 2016 and March 10, 2016. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulations.

Separate Meeting of Independent Directors

A separate meeting of the Independent Directors was held on March 10, 2016 without the presence of Executive Directors or Management representatives, *inter alia*, to discuss the performance of Non-Independent Directors and the Board as a whole and 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 its duties. All Independent Directors of the Company attended the meeting.

Familiarisation Programmes 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 details of the familiarization programmes for Independent Directors has been posted on the Company's website and can be accessed at http://www.adlabsimagica.com/investor_docs/Familiarisation%20programme%20for%20Independent%20Directors.pdf

Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

Mr. Manmohan Shetty

Manmohan Shetty, 68, is the Chairman of the Company. He has passed his first year arts examination from the University of Mumbai. He has more than three decades of experience in the media and entertainment business which includes running a film processing laboratory, theatrical exhibition business, film production and digital cinema. He is responsible for the Company's overall business operations and is responsible for conceptualising and launching "Imagica". Prior to the incorporation of the Company, he founded Adlabs Films Limited which went public in January 2001. He was also instrumental in introducing the 'IMAX' exhibition format by setting up India's first IMAX theatre in Mumbai. He was also the former Chairman of the National Film Development Corporation set up by the Government of India and the former President of the Film and Television Producers Guild of India. He has been a Director of the Company since its incorporation.

He is a Director on the Board of Whistling Woods International Limited, Centrum Capital Limited, P & M Infrastructures Limited, Thrill Park Limited, Mukta Arts Limited and Walkwater Media Limited.

He is the Chairman of Corporate Social Responsibility Committee and Risk Management Committee and a member of Nomination and Remuneration Committee of the Company. He holds 29,45,634 equity shares in the Company as on March 31, 2016.

Mr. Kapil Bagla

Kapil Bagla, 47, is the Whole Time Director of the Company. He holds a bachelor's degree in Mechanical Engineering from Regional College of Engineering and Technology, Surat and a master's degree in Management Studies from the Welingkar Institute of Management and Research, University of Mumbai. He has over two decades of experience in financial services and media industry. Prior to joining the Company he was working with Adlabs Films Limited as the corporate head – strategic planning and acquisitions, Centrum Capital Limited as an executive director, Calculus Credit Limited as the assistant vice president, Apple Industries Limited and Larsen & Toubro Limited. He is also the Chief Executive Officer of the Company and has been instrumental in the creation of "Imagica". He is responsible for business management, strategic planning, project implementation, general management and corporate finance. He has been a Director of the Company since its incorporation.

He is a Director on the Board of Thrill Park Limited, Ideacount Education Private Limited, Indian Association of Amusement Parks and Industries, Blue Haven Entertainment Private Limited, Swapnaji Trading Private Limited, and Walkwater Properties Private Limited. He is a member of Stakeholders' Relationship Committee and Risk Management Committee of the Company. He is also a member of Nomination and Remuneration Committee of Thrill Park Limited. He holds 178 equity shares in the Company as on March 31, 2016.

Mr. Prashant Purker

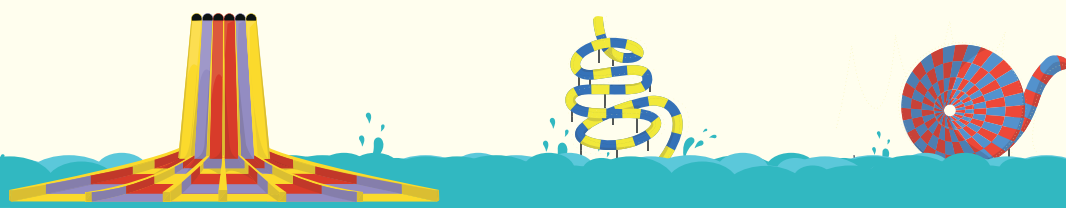
Prashant Purker, 54, is a Non-Executive and Independent Director of the Company. He holds a bachelor's degree in Technology (Metallurgical Engineering) from the Indian Institute of Technology, Kanpur and holds a post graduate diploma in Management from Indian Institute of Management, Ahmedabad. He has over two decades of experience in global financial markets and Indian capital markets, across equity and debt instruments. He was appointed as Director of the Company on May 27, 2015.

He is a Director on the Board of Devyani International Limited, BTI Payments Private Limited, Sainik Mining and Allied Services Limited, RJ Corp Limited, ICICI Venture Funds Management Co. Limited, Walkwater Properties Private Limited and AION India Investment Advisors Private Limited. He is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. He is a member of Audit Committee in Devyani International Limited. He is also a member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in RJ Corp Limited. He is the Chairman of Audit Committee and a member of Compensation Committee in BTI Payments Private Limited. He is also a member of Compensation Committee and Corporate Social Responsibility Committee in AION India Investment Advisors Private Limited. He does not hold any shares in the Company as on March 31, 2016.

Ms. Anjali Seth

Anjali Seth, 57, is a Non-Executive and Independent Director of the Company. She holds a bachelors' degree in Law from the University of Delhi. She has over two decades of experience as a legal counsel in the banking and real estate space. Prior to joining the Company, she worked both as a litigator and corporate lawyer with banks, real estate companies and acted as a legal consultant to both Indian and international standard companies such as World Gold Council and Kalpataru Power Transmission Limited. She was appointed as a director in the Company on April 4, 2014.

She is a Director on the Board of JMC Projects (India) Limited, Caprihans India Limited, Walkwater Properties Private Limited, ADF Foods Limited, Kalpataru Power Transmission Private Limited, and Kalpataru Limited. She is a



member of Audit Committee and Chairperson of Stakeholders' Relationship Committee of the Company. She does not hold any shares in the Company as on March 31, 2016.

Mr. Ghulam Mohammed

Ghulam Mohammed, 67, is a Non-Executive and Independent Director of the Company. He holds a bachelors' degree in Arts (Hons.) from the University of Mumbai. He has over four decades of experience in manufacturing, IT, international trade and exports, strategic, corporate, financial advisory and new projects. Prior to joining the Company, Ghulam Mohammed has held various senior management positions relating to IT, international trade and setting up new joint ventures and projects in the Mahindra & Mahindra Group of companies. He was appointed as a director of the Company on April 4, 2014.

He is a Director on the Board of Tribune Corporate and Investment Advisory Services Private Limited, Oswal Industries Limited, Indo – IB Capital Partners Private Limited, Jsoft Solutions Limited, Thrill Park Limited, Oriental Industrial Investment Corporation Limited, E2 Labs Information Security Private Limited, NCR Indivision Tech Ventures Private Limited, NCR Indicare Private Limited and Digisports And Fitness (India) Private Limited. He is a member of Audit Committee and Nomination and Remuneration Committee of the Company. He is the Chairman of Audit Committee and a member of Nomination and Remuneration Committee in Thrill Park Limited. He does not hold any shares in the Company as on March 31, 2016.

Mr. Steven A. Pinto

Steven Pinto, 70, is a Non-Executive and Independent Director of the Company. He holds a bachelors' degree in Arts (Economics Hons.) from the University of Mumbai and a master's degree in Management from the University of Mumbai. He has over four decades of experience in the banking industry. Prior to joining the Company, he held varied senior management positions in banks and companies. He was appointed as a director of the Company on April 4, 2014.

He is a Director on the Board of Automobile Corporation of Goa Limited, Club 7 Holidays Ltd, Centrum Direct Limited, Centrum Wealth Management Limited and Centrum Retail Services Limited. He is the Chairman of Audit Committee and Nomination and Remuneration Committee and a member of Corporate Social Responsibility Committee of the Company. He is also the Chairman of Audit Committee and Risk Management Committee and a member of Corporate Social Responsibility Committee in Automobile Corporation of Goa Limited. He does not hold any shares in the Company as on March 31, 2016.

Ms. Pooja Deora

Pooja Deora, 38, is a Non-Executive and Non Independent Director of the Company. Pooja Deora with her years of retail as well as creative expertise, set up the Retail, Food and Beverage and Marketing/Branding at Imagica.

She was earlier a whole time member on the Board of Directors in Adlabs Films Limited ("AFL"). Her return to India, with a Bachelor's degree in Science in Management at Purdue University, coincided with AFL setting up India's first and the world's largest IMAX dome theatre in Mumbai along with a four screen multiplex. She took on the responsibility of cinema design, launch and operations for that property leading to AFL setting up a chain of multiplexes across the country in 2003 which coincided with India's economic and retail boom.

Within a short span of time, she had overseen the entry of AFL into the multiplex business and guided this division into acquiring leadership status in the country.

She helped manage the transition process at AFL, post majority acquisition by the Reliance ADAG group leading the company's initiatives in creating movie content and also implementing prestigious projects in animation.

She is a Director on the Board of Walkwater Media Limited, Fender Consultants Private Limited and Unicorn Studios Private Limited. She does not hold any shares in the Company.

Ms. Meghna Ghai Puri

Meghna Ghai Puri, 37, is a Non-Executive and Independent Director of the Company. She possesses a B.Sc. Honours in Business Management from Kings College, London and a Post Graduate Diploma in Communications, Advertising & Marketing from the CAM Foundation, London. Ms. Meghna returned to India after a brief work stint at CDguru.com in the UK.

She was involved in every aspect of the setup & operations of Whistling Woods International (WWI) since its inception. Ms. Meghna also spearheaded Marketing & International Distribution activities at Mukta Arts Ltd. in 2003. 'Taal', 'Pardes' & 'Yaadein' are a few of the prominent projects that she led.

In the short span of less than 8 years, she has spearheaded the launch of seven schools within Whistling Woods. These schools run degree & diploma courses in Film & TV, Acting, Animation, Fashion and MBA in Media and Entertainment & BBA in Media & Communication.

Over time, Ms. Meghna realised the need to expand the indigenously-crafted education model followed by WWI to other verticals and geographies. Out of this emerged additional campuses of WWI in the UK, Nigeria and Pune.

Recently, she was awarded with the prestigious Honorary Fellowship by UK's largest College – Bradford College for her contribution to Media Education.

She is a Director on the Board of Whistling Woods International Limited and Whistling Woods International Foundation. She is the Chairperson of Audit Committee in Whistling Woods International Limited. She does not hold any shares in the Company.

Mr. Ashutosh Kale

Ashutosh Kale, 51, is an Executive Director of the Company. He is an alumnus of National Defence Academy, has over two decades of experience in the Indian Army. He holds a Master's degree in Defence and Strategic Analysis and has been trained in Kenya in International Operations by the British Army. He has served as an instructor in the Indian Military Academy and as an Anti-Terrorism Expert. He was handpicked to lead a contingent of 1700 Indian troops in the United Nations wherein he was responsible for leading Strategic, Diplomatic, Cultural, PR and Humanitarian initiatives in the Horn of Africa. He has worked closely with OXFAM, ICRC and UNHCR. He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea).

He has also worked with The Leela and Go Air and looked after their Pan India Security Operations.

He does not hold any shares in the Company.

AUDIT COMMITTEE

The constitution and terms of reference of the Audit Committee are in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, as may be applicable.

Terms of reference

The terms of reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- The audit committee shall review the information required as per Listing Regulations.

Composition and Attendance

The composition of the Audit Committee and the details of meetings attended by the Directors during the financial year 2015-16 are given below:

| Name of Members | Position | Category | No. of meetings | |
|---------------------|----------|----------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Steven A Pinto | Chairman | Independent Director | 4 | 4 |
| Mr. Ghulam Mohammed | Member | Independent Director | 4 | 4 |
| Mr. Prashant Purker | Member | Independent Director | 4 | 3 |
| Ms. Anjali Seth | Member | Independent Director | 4 | 3 |

The Audit Committee met four (4) times during the financial year 2015-16 i.e. on May 27, 2015, August 3, 2015, November 2, 2015 and January 28, 2016. The maximum gap between two meetings was not more than 120 days.

The Chairman of Audit Committee, Mr. Steven A Pinto, was not able to attend the last Annual General Meeting of the Company, which was held on September 7, 2015 as there had been a sudden change in his travel plans and he had to travel to Russia for an extremely important and unavoidable engagement. In his place, he had authorised Mr. Prashant Purker on his behalf to reply to the shareholders' queries, if any.

Ms. Madhulika Rawat, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

Minutes of all the meetings of the Audit Committee are circulated to all the members of the Board and are also placed in the next scheduled meeting of the Board, for discussion and review thereof.

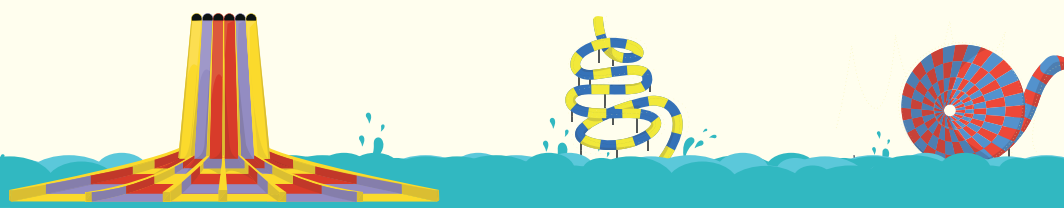
NOMINATION AND REMUNERATION COMMITTEE

The constitution and the terms of reference of the Nomination and Remuneration Committee ("NRC") are in compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as follows:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board the appointment and removal of Senior Management.
- To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.



- To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

Composition and Attendance

The composition of Nomination and Remuneration Committee and attendance of Committee members during the financial year 2015-16 are given below:

| Name of Member | Position | Category | No. of Meetings | |
|----------------------|----------|----------------------|------------------------|----------|
| | | | Held during the tenure | Attended |
| Mr. Steven A Pinto | Chairman | Independent Director | 4 | 4 |
| Mr. Ghulam Mohammed | Member | Independent Director | 4 | 4 |
| Mr. Kapil Bagla* | Member | Executive Director | 3 | 3 |
| Mr. Manmohan Shetty® | Member | Executive Director | 1 | 1 |
| Mr. Prashant Purker | Member | Independent Director | 4 | 3 |

* Ceased to be the member of the Committee w.e.f. November 2, 2015.

@ Member of the Committee w.e.f. November 2, 2015.

The Nomination and Remuneration Committee met four (4) times during the financial year 2015-16 i.e. on May 27, 2015, August 3, 2015, November 2, 2015 and March 10, 2016.

The Chairman of the Committee, Mr. Steven A Pinto, was not able to attend the last Annual General Meeting of the Company, which was held on September 7, 2015 as there had been a sudden change in his travel plans and he had to travel to Russia for an extremely important and unavoidable engagement. In his place, he had authorised Mr. Prashant Purker on his behalf to reply to the shareholders' queries, if any.

Ms. Madhulika Rawat, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated includes participation and contribution by a director, effective deployment of his/ her knowledge, expertise and commitment.

REMUNERATION TO DIRECTORS

Executive Directors:

- Mr. Manmohan Shetty, Chairman and Executive Director of the Company was appointed without remuneration.
- All elements of remuneration package of Mr. Kapil Bagla and Mr. Ashutosh Kale are as follows:

(Amount in ₹)

| Particulars | Mr. Kapil Bagla | Mr. Ashutosh Kale |
|---|--|--|
| All elements of remuneration package | | |
| • Salary and Allowances | 95,41,128 | 37,10,134 |
| • Gratuity and Contribution to provident Fund | 713,280 | 2,77,365 |
| • Ex-gratia | 353,596 | 1,37,500 |
| • Performance Linked Incentives (PLI) | 29,91,996 | 8,25,001 |
| Total | 1,36,00,000 | 49,50,000 |
| Details of fixed component and PLI | | |
| • Fixed Component | 1,06,08,004 | 41,24,999 |
| • PLI | 29,91,996 | 8,25,001 |
| Total | 1,36,00,000 | 49,50,000 |
| Notice Period and severance fees | Two months' notice or Company paying three months' salary in lieu thereof. | Two months' notice or Company paying three months' salary in lieu thereof. |
| Stock Options, if any | NA | NA |

Performance Criteria for PLI

Executive Director's Performance Linked Incentive is linked to individual performance and the performance of the Company. The total reward package for Executive Directors is intended to be market competitive with linkage to performance in line with Company's Remuneration Policy.

Non-Executive Directors:

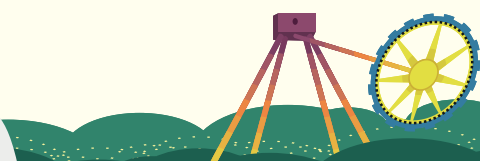
The Non-Executive Directors are paid remuneration by way of sitting fees.

The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committees of Board attended by them. Pursuant to the limits approved by the Board, all directors being non-executive, are paid sitting fees of ₹50,000 for attending each meeting of the Board and ₹25,000 for attending each meeting of Committees of Board. The Non- Executive Directors do not have any material pecuniary relationship or transactions with the Company.

The sitting fees paid during the financial year 2015-16 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2015-16, are as follows:

| Name of the Director | Sitting Fees (₹) |
|----------------------|------------------|
| Mr. Prashant Purker* | Nil |
| Mr. Steven A. Pinto | 4,75,000 |
| Ms. Anjali Seth | 2,75,000 |
| Mr. Ghulam Mohammed | 4,50,000 |

* Sitting fees was not paid to Mr. Prashant Purker during financial year 2015-16, since he has voluntarily waived off the sitting fees payable to him.



No remuneration by way of commission to the Non-Executive Directors was proposed for the financial year 2015-16.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution and the terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

The composition of the Stakeholders' Relationship Committee is as follows:

| Name of Member | Position | Category |
|---------------------|-------------|----------------------|
| Ms. Anjali Seth | Chairperson | Independent Director |
| Mr. Kapil Bagla | Member | Independent Director |
| Mr. Prashant Purker | Member | Independent Director |

There were no meetings of Stakeholders' Relationship Committee held during the financial year 2015-16.

Name and designation of Compliance Officer:

Ms. Madhulika Rawat, the Company Secretary is the Compliance Officer of the Company.

The details of shareholders' complaints received and disposed of during the year under review are as under:

| Number of Investor Complaints | |
|--|-----|
| Pending at the beginning of the financial year | Nil |
| Received during the financial year | Nil |
| Disposed off during the financial year | Nil |
| Pending at the end of the financial year | Nil |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be incurred on such activities.
- Monitor the Company's CSR Policy periodically.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company.

Composition and Attendance

The composition of Corporate Social Responsibility Committee and attendance of Committee members during the financial year 2015-16 are given below:

| Name of Member | Position | Category | No. of Meetings | |
|---------------------|----------|----------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Manmohan Shetty | Chairman | Executive Director | 1 | 1 |
| Mr. Prashant Purker | Member | Independent Director | 1 | 1 |
| Mr. Steven A. Pinto | Member | Independent Director | 1 | 1 |

The CSR Committee met once during the financial year 2015-16 i.e. on March 10, 2016.

RISK MANAGEMENT COMMITTEE

The constitution and the terms of reference of the Risk Management Committee are in compliance with the provisions of Regulation 21 of Listing Regulations.

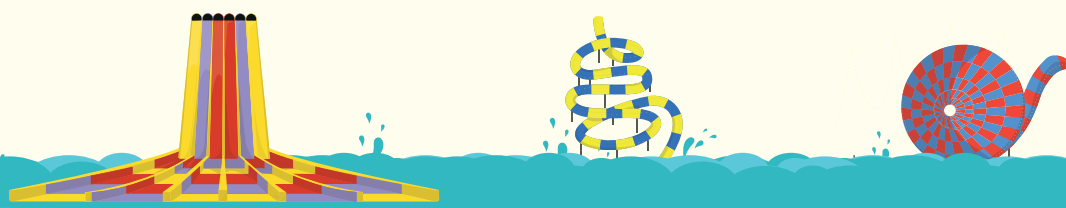
The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Composition and Attendance

The composition of Risk Management Committee and attendance of Committee members during the financial year 2015-16 are given below:

| Name of Member | Position | Category | No. of Meetings | |
|---------------------|----------|--------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Manmohan Shetty | Chairman | Executive Director | 1 | 1 |
| Mr. Kapil Bagla | Member | Executive Director | 1 | Nil |
| Mr. Ashutosh Kale | Member | Executive Director | 1 | 1 |

The Risk Management Committee met once during the financial year 2015-16 i.e. on July 28, 2015.



GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company held as under:

| Date | Time | Whether Special Resolution Passed or not | Special Resolutions passed | Location |
|--------------------|------------|--|--|---|
| September 7, 2015 | 12.00 noon | Yes | <ol style="list-style-type: none"> 1. Keeping Register of Members at a place other than the Registered Office 2. To increase the remuneration of Kapil Bagla, Whole time Director and CEO of the Company 3. To create, grant, offer, issue and allot options exercisable in equity shares under "Adlabs Employees Stock Option Plan 2015" and "Adlabs Employees Stock Option Scheme 2015" | Imagica Capital B2, Adlabs Imagica, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh – 410 203 |
| September 30, 2014 | 3.00 P.M. | Yes | <ol style="list-style-type: none"> 1. To appoint Pooja Deora to office or place of profit 2. To appoint Aarti Shetty to office or place of profit. 3. To re-appoint Kapil Bagla as Whole Time Director of the Company | 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh – 410 203 |
| September 30, 2013 | 3.00 P.M. | Yes | <ol style="list-style-type: none"> 1. To appoint Mr. Manmohan Shetty as Chairman and Managing Director without Remuneration. | 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh – 410 203 |

Postal Ballot:

During the year under review, no resolution was passed through Postal Ballot.

DISCLOSURES

• Related party transactions

During the year 2015-16, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters or Directors or Management or their relatives, or subsidiaries other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts. A copy of the policy on dealing with related party transactions has been posted on the Company's website and can be accessed at https://www.adlabsimagica.com/investor_docs/Related%20Party%20Transaction%20Policy.pdf.

• Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above, during the last three years.

Further, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

• Whistle Blower Policy / Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit

Committee. The Whistle Blower Policy is displayed on the Company's website viz. https://www.adlabsimagica.com/investor_docs/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf.

• Subsidiaries

The Company monitors performance of the subsidiary, *inter-alia*, by following means:

- Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board / Audit Committee.
- Quarterly review of Risk Management process by the Audit Committee / Board.

The Company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's website and can be accessed at https://www.adlabsimagica.com/investor_docs/Material%20Subsidiary%20Policy.pdf.

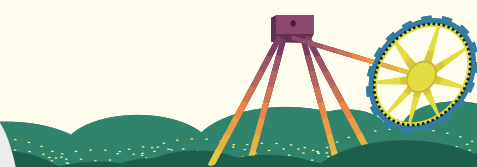
• Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

• Adoption of non mandatory requirements

The Company has also ensured the implementation of non mandatory items such as:

- Separate post of Chairman and CEO.
- The Company is already following the regime of unmodified audit opinions/ reporting.



MEANS OF COMMUNICATION

- Quarterly Results are published in Business Standard, English daily newspaper circulating in substantially the whole of India and in Sakal, Marathi vernacular daily newspaper and are also posted on the Company's website www.adlabsimagica.com.
- Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to the investors, in a user friendly manner. The basic information about the Company as called for in terms of Regulation 46 of the Listing Regulations is provided on Company's website and the same is updated regularly.
- Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report and is displayed on Company's website.
- The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website under the 'Investor Relations' section.
- The Company has also designated the email-id compliance@adlabsentertainment.com exclusively for investor servicing.

GENERAL SHAREHOLDERS' INFORMATION

| | |
|--|--|
| CIN | : L92490MH2010PLC199925 |
| Registered office address | : 30/31, Sangdewadi, Khopoli Pali Road, Taluka Khalapur, District Raigarh 410 203 |
| Date, Time and Venue of Annual General Meeting | : Thursday, July 28, 2016 at 11.30 a.m. at the Imagica Capital B2, Adlabs - Imagica, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203 |
| Financial year | : April 1 to March 31 |
| Book closure dates | : July 22, 2016 to July 28, 2016 (both days inclusive) |
| Dividend Payment Date | : Not Applicable |

Tentative calendar of the Board Meetings for consideration of quarterly results for the financial year 2016-17

| | |
|--|----------------------------------|
| For the quarter ended June 30, 2016 | : On or before August 14, 2016 |
| For the quarter and half year ended September 30, 2016 | : On or before November 14, 2016 |
| For the quarter ended December 31, 2016 | : On or before February 14, 2017 |
| For the quarter and year ended March 31, 2017 | : On or before May 30, 2017 |

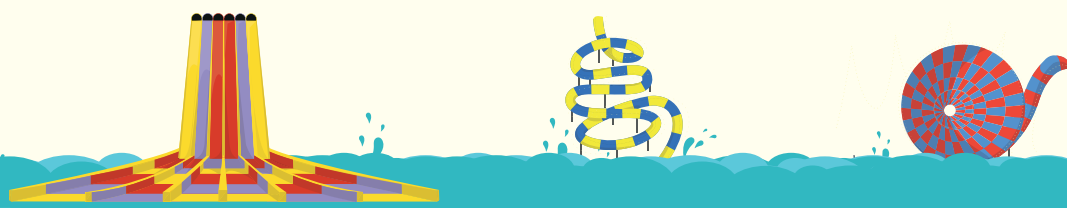
| | |
|----------------------------|--|
| Listing on Stock Exchanges | : The Equity Shares of the Company are listed on: <ol style="list-style-type: none"> BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001 National Stock Exchange of India Limited (NSE) "Exchange Plaza", 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 |
| Stock Code | : The BSE scrip code of equity shares is 539056 The NSE scrip symbol of equity shares is ADLABS |
| ISIN | : INE172N01012 |
| Listing Fees | : Annual listing fees for the year 2015-16 (as applicable) has been paid by the Company to the stock exchanges. |

Market Price Data

| Month-Year | BSE | | NSE | |
|----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April-2015 | 207.05 | 132.00 | 207.00 | 131.95 |
| May-2015 | 182.20 | 134.00 | 182.00 | 134.90 |
| June-2015 | 174.80 | 128.60 | 174.95 | 127.35 |
| July-2015 | 177.50 | 151.00 | 177.70 | 149.00 |
| August-2015 | 178.90 | 112.70 | 178.70 | 111.90 |
| September-2015 | 133.40 | 111.80 | 133.50 | 111.25 |
| October-2015 | 129.60 | 109.80 | 129.25 | 109.10 |
| November-2015 | 131.60 | 100.00 | 131.80 | 100.25 |
| December-2015 | 136.90 | 107.50 | 145.80 | 110.40 |
| January-2016 | 145.00 | 102.30 | 145.25 | 101.40 |
| February-2016 | 115.90 | 68.00 | 115.90 | 68.25 |
| March-2016 | 93.60 | 70.00 | 93.00 | 68.20 |

Performance in comparison to broad - based indices

| Month-Year | Adlabs | BSE Sensex | Nifty |
|----------------|--------|------------|---------|
| April-2015 | 140.10 | 27011.31 | 8181.50 |
| May-2015 | 150.60 | 27828.44 | 8433.65 |
| June-2015 | 158.30 | 27780.83 | 8368.50 |
| July-2015 | 165.60 | 28114.56 | 8532.85 |
| August-2015 | 125.20 | 26283.09 | 7971.30 |
| September-2015 | 112.70 | 26154.83 | 7948.90 |
| October-2015 | 125.20 | 26656.83 | 8065.80 |
| November-2015 | 123.10 | 26145.67 | 7935.25 |
| December-2015 | 131.70 | 26117.54 | 7946.35 |
| January-2016 | 102.70 | 24870.69 | 7563.55 |
| February-2016 | 69.80 | 23002.00 | 6987.05 |
| March-2016 | 85.05 | 25341.86 | 7738.40 |



Registrar and Transfer Agent (RTA)

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (W), Mumbai-400 078.
Tel: (022) 2596 3838, 2594 6970
Fax: (022) 2594 6969
e-mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

Shareholders' / Investors' are requested to send share certificate(s) along with share transfer deed in the prescribed form no. SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is normally registered within 7 days of receipt of transfer documents by Company's RTA.

Shareholding Pattern as on March 31, 2016

| Category Code | Category of shareholder | No. of Shareholders | Total No. of Shares | As a percentage of (A+B+C) |
|---------------|--|---------------------|---------------------|----------------------------|
| (A) | Shareholding of Promoter and Promoter Group | | | |
| (1) | Indian | 2 | 45,520,721 | 56.97 |
| (2) | Foreign | 0 | 0 | 0.00 |
| | Total Shareholding of promoter and Promoter Group | 2 | 45,520,721 | 56.97 |
| (B) | Public Shareholding | | | |
| (1) | Institutions | 23 | 10,290,463 | 12.88 |
| (2) | Non Institutions | | | |
| | Total Public Shareholding | 10,989 | 24,086,626 | 30.15 |
| (C) | Shares held by Custodians and against which the depository receipts have been issued | 0 | 0 | 0.00 |
| (1) | Promoter and Promoter Group | 0 | 0 | 0.00 |
| (2) | Public | 0 | 0 | 0.00 |
| | TOTAL(A)+(B)+(C) | 11,014 | 79,897,810 | 100.00 |

Distribution of shareholding as on March 31, 2016

| No. of Equity Shares held | No. of Shareholders | No. of Shares | % of total shares |
|---------------------------|---------------------|-------------------|-------------------|
| 1 - 500 | 9,889 | 1,138,483 | 1.42 |
| 501 - 1000 | 626 | 463,458 | 0.58 |
| 1001 - 2000 | 195 | 295,889 | 0.37 |
| 2001 - 3000 | 71 | 180,714 | 0.23 |
| 3001 - 4000 | 34 | 118,762 | 0.15 |
| 4001 - 5000 | 44 | 204,223 | 0.26 |
| 5001 - 10000 | 47 | 338,182 | 0.42 |
| 10001 and above | 111 | 77,158,099 | 96.57 |
| TOTAL | 11,017 | 79,897,810 | 100.00 |

Dematerialisation of shares

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on March 31, 2016, 99.99 per cent of the Company's equity shares are held in dematerialised form with NSDL and CDSL.

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

The Company does not have any outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company carries limited foreign exchange risk, largely on account of certain Buyers Credit availed during the project phase and this exposure is reduced substantially over the years. During the year, the Company has managed foreign exchange risk and hedged to the extent considered appropriate. The details of foreign currency exposure are disclosed in Note No. 2.8 to the Standalone Financial Statements.

Reconciliation of share capital audit report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Code of conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and the same has been put on the company's website www.adlabsimagica.com. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the CEO of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the code of conduct for directors and senior management of the Company for the financial year 2015-16".

Kapil Bagla
CEO

CEO/CFO Certification

Mr. Kapil Bagla, CEO and Mr. Rakesh Khurmi, CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of Listing Regulations.

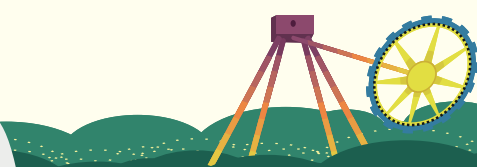
Address for Correspondence

Registered Office:

30/31, Sangdewadi, Khopoli - Pali Road, Taluka Khalapur,
District Raigarh 410 203, Maharashtra

Corporate Office:

9th Floor, Lotus Business Park, New Link Road,
Andheri (West), Mumbai - 400 053, Maharashtra



Practicing Company Secretary's Certificate on Corporate Governance

To
The Members,
ADLABS ENTERTAINMENT LIMITED
30/31 Sangdewadi, Khopoli-Pali Road,
Taluka Khalapur, District Raigarh 410 203, Maharashtra

Re: Certificate regarding compliance of conditions of Corporate Governance.

We have examined the compliance of conditions of corporate governance by ADLABS ENTERTAINMENT LIMITED, for the year ended on March 31, 2016 as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

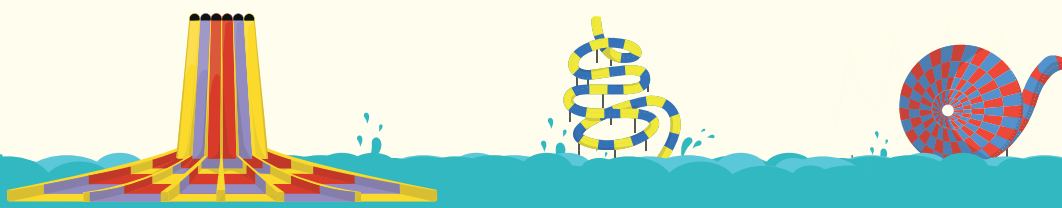
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Part C of Schedule V of the Listing Regulations.

We further state that such compliance is neither an 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.

For Aabid & Co.

Place: Mumbai
Date: May 24, 2016

Mohammed Aabid
Partner
Membership No.: 6579
COP No.: 6625



Independent Auditor's Report

TO THE MEMBERS OF ADLABS ENTERTAINMENT LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Adlabs Entertainment Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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 and presentation 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 3(2) of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

AUDITORS' 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 there under.

We conducted our audit in accordance with the Standards on Auditing 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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 A, 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of the written representations received from the directors as on March 31, 2016, 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.
 - f. 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 B".
 - 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.7 to the standalone 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 A.T. Jain & Co.

Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain

Partner

Membership No.: 33809

Place : Mumbai

Date : 24th May, 2016



Independent Auditor's Report

Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Adlabs Entertainment Limited

We report that

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per the information and explanations given to us, Fixed Assets were physically verified during the year by the management as per its programme. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. Stock of Food Items, Merchandise, stores and spare parts are reported to be physically verified in accordance with the procedure followed by the management. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has granted loan to one party covered in the register maintained under Section 189 of the Act.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the party were not prima facie prejudicial to the interest of the Company.
 - b) The loan was repayable on demand and has been squared off during the year, therefore reporting under clause (iii)(b) & (iii)(c) of paragraph 3 of the Order is not applicable.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given and investment made.
5. As per the information's and explanations given to us the company has not accepted any deposits from the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of excise, value added tax which have not been deposited with

the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Customs Duty have not been deposited by the Company on account of disputes:

| Name of Statute | Nature of Dues | Amount (₹ in million) | Period to which it Relates | Forum where dispute is Pending |
|------------------|-------------------------------|-----------------------|--------------------------------|--------------------------------|
| Custom Act, 1962 | Special Additional Duty (SAD) | 7.75* | June – 2012 to September -2013 | CESTAT |
| Custom Act, 1962 | Penalty | 111.85 | June – 2012 to September -2013 | CESTAT |

[* Total demand ₹ 111.85 million less amount deposited ₹ 104.10 million.]

8. According to the information and explanation given to us and based on the documents and records examined by us, in our opinion the company has not defaulted in repayment of loans due to banks and financial institutions.
9. In our opinion and on the basis of information and explanations given to us, money raised by way of initial public offer and the term loans were applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain
Partner
Membership No.: 33809

Place : Mumbai
Date : 24th May, 2016



Independent Auditor's Report

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Adlabs Entertainment Limited

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

We have audited the internal financial controls over financial reporting of Adlabs Entertainment 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 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 Companies Act, 2013.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Company's

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 A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain
Partner
Membership No.: 33809

Place : Mumbai
Date : 24th May, 2016



Balance Sheet as at 31st March , 2016

(₹ in million)

| | Notes | As at 31st March, 2016 | As at 31st March, 2015 |
|--|-------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Fund | | | |
| Share capital | 3 | 798.98 | 798.98 |
| Reserves and surplus | 4 | 5,361.19 | 6,295.67 |
| | | 6,160.17 | 7,094.65 |
| Non Current Liabilities | | | |
| Long-term borrowings | 5 | 9,581.23 | 10,393.49 |
| Long-term provisions | 6 | 26.40 | 20.93 |
| | | 9,607.63 | 10,414.42 |
| Current Liabilities | | | |
| Short-term borrowings | 7 | 461.90 | 840.00 |
| Trade payables | 8 | 316.02 | 284.08 |
| Other current liabilities | 9 | 335.52 | 1,401.10 |
| Short-term provisions | 10 | 4.31 | 5.86 |
| | | 1,117.75 | 2,531.04 |
| Total | | 16,885.55 | 20,040.11 |
| ASSETS | | | |
| Non-current Assets | | | |
| Fixed Assets | | | |
| - Tangible assets | 11 | 12,897.47 | 13,102.16 |
| - Intangible assets | 12 | 309.27 | 323.93 |
| - Capital work- in-progress | | 608.02 | 1,306.68 |
| - Intangible assets under development | | 3.95 | 0.40 |
| | | 13,818.71 | 14,733.17 |
| Non Current Investments | 13 | 1,061.72 | 4.15 |
| Deferred tax assets (net) | 28 | 1,295.38 | 791.47 |
| Long-term loans and advances | 14 | 119.85 | 107.65 |
| | | 16,295.66 | 15,636.44 |
| Current Assets | | | |
| Inventories | 15 | 123.74 | 105.17 |
| Trade receivables | 16 | 37.89 | 58.92 |
| Cash and bank balances | 17 | 202.65 | 3,935.80 |
| Short-term Loans and Advances | 18 | 1.15 | 3.64 |
| Other current assets | 19 | 224.46 | 300.14 |
| | | 589.89 | 4,403.67 |
| Total | | 16,885.55 | 20,040.11 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

For and on behalf of the Board of Directors of ADLABS Entertainment Limited

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



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

(₹ in million)

| | Notes | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|---------|--|--|
| INCOME: | | | |
| Revenue from operations | 20 | 2,523.91 | 1,894.22 |
| Other income | 21 | 166.67 | 18.30 |
| Total Revenue [I] | | 2,690.58 | 1,912.52 |
| EXPENSES: | | | |
| Cost of material consumed | 22 | 142.39 | 97.55 |
| Purchase of trading goods | | | |
| - Merchandise | | 126.29 | 81.31 |
| (Increase)/decrease in inventories | 23 | (20.75) | (17.83) |
| Personnel expenses | 24 | 594.75 | 479.14 |
| Operating and other expenses | 25 | 1,279.18 | 1,048.80 |
| Total Expenses [II] | | 2,121.86 | 1,688.97 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) [I-II] | | 568.72 | 223.55 |
| Less:- | | | |
| Depreciation and amortisation expense (Refer note 2.3 and 2.6) | 11 & 12 | (877.13) | (797.48) |
| Interest & Finance costs | 26 | (1,102.57) | (1,145.67) |
| Total | | (1,979.70) | (1,943.15) |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (1,410.98) | (1,719.60) |
| Less :- Prior period items | | - | - |
| Profit / (Loss) before tax | | (1,410.98) | (1,719.60) |
| Tax Expenses | | | |
| - Current tax | | - | - |
| - Deferred tax charge | 28 | 503.90 | 648.00 |
| Total tax expense | | 503.90 | 648.00 |
| Profit / (Loss) after tax for the year | | (907.08) | (1,071.60) |
| Earnings per share | 27 | (11.35) | (20.96) |
| Basic and Diluted (Nominal value of shares ₹ 10 each) | | | |
| Summary of Significant Accounting Policies | | | |
| The accompanying notes are an integral part of the Financial Statements. | | | |

As per our report of even date

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

For and on behalf of the Board of Directors of

ADLABS Entertainment Limited

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

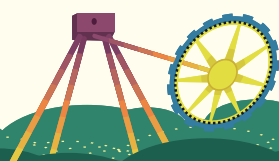
Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



Cash Flow Statement for the year ended 31st March, 2016

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| A: CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net loss before tax | (1,410.98) | (1,719.60) |
| Adjustments for: | | |
| Depreciation and amortisation | 877.13 | 797.48 |
| Gain on Sales of Fixed Assets | (121.14) | - |
| Interest income | (5.48) | (5.38) |
| Interest expense and finance cost | 1,102.57 | 1,145.67 |
| Operating Loss before Working Capital Changes | 442.10 | 218.18 |
| Movements in working capital : | | |
| Decrease / (increase) in trade receivables | 21.03 | (52.59) |
| (Decrease) / increase in trade payables | 31.94 | 137.21 |
| Decrease / (increase) in inventories | (18.57) | (55.68) |
| Decrease / (increase) in other current and non current assets | 78.13 | 91.87 |
| (Decrease) / increase in current and non current liabilities | 34.57 | 9.29 |
| Cash Generated from Operations | 589.20 | 348.28 |
| Direct taxes paid (net of refunds) | (13.06) | (3.19) |
| Net Cash generated in Operating Activities | 576.14 | 345.09 |
| B: CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets and change in capital work-in-progress | (885.64) | (1,422.55) |
| Sale of Fixed Assets | 0.11 | - |
| Interest income | 5.48 | 5.38 |
| Fixed Deposit Matured | 22.26 | 38.36 |
| Net Cash Used in Investing Activities | (857.79) | (1,378.81) |
| C: CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from issue of equity shares / loan from promoters | - | 3,877.36 |
| Share issue expenses paid | (217.10) | (90.51) |
| IPO proceeds pending refund | (352.28) | 352.28 |
| Proceeds from Unsecured Term Loans from promoter | (128.10) | 70.00 |
| Proceeds from long term borrowings (net) | (1,322.53) | 1,444.81 |
| Proceeds from short term borrowings increase / (decrease) net | (250.00) | 250.00 |
| Interest expense and finance cost paid | (1,159.23) | (1,251.82) |
| Net Cash used in Financing Activities | (3,429.24) | 4,652.12 |
| Net increase in cash and cash equivalents (A + B + C) | (3,710.89) | 3,618.39 |
| Cash and cash equivalents at the beginning of the year | 3,895.06 | 276.67 |
| Cash and cash equivalents at the end of the year | 184.17 | 3,895.06 |
| | | |
| Components of cash and cash equivalents as end of the year | 31st March, 2016 | 31st March, 2015 |
| Cash on hand | 21.94 | 24.44 |
| With banks - on current account | 57.50 | 3,861.82 |
| Fixed deposits with bank | 4.30 | 8.80 |
| Liquid fund investment | 100.43 | - |
| Cash and cash equivalent in cashflow statement | 184.17 | 3,895.06 |

Notes :

1. Comparative figures are regrouped wherever necessary.
2. Figures in bracket represent cash outflow.

As per our report of even date

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner
Membership No: 33809

Place: Mumbai
Date: 24th May, 2016

For and on behalf of the Board of Directors of ADLABS Entertainment Limited

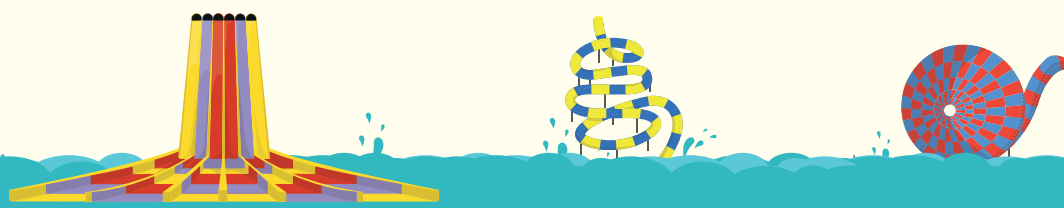
Manmohan Shetty
Chairman

Rakesh Khurmi
Chief Financial Officer

Place: Mumbai
Date: 24th May, 2016

Kapil Bagla
Whole Time Director

Madhulika Rawat
Company Secretary



Notes forming part of the Financial Statements

1) GENERAL NOTE ON BUSINESS:

Adlabs Entertainment Limited (the Company) is engaged in the business of development and operations of theme based entertainment destinations in India, including theme parks, water parks and associated activities including retail merchandising and food and beverages. The flagship project of the company is located at Khalapur, on Mumbai Pune Expressway and is branded "Imagica – Theme Park" for the theme park component and "Imagica – Water Park" for the water park component. During the year the Company has launched its Hotel at the same location by the name "Novotel Imagica" with 116 rooms in first phase out of the 287 rooms. Balance rooms are expected to be operational during financial year 2016-17.

Note No.2

NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH ,2016.

2) SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis Of Preparation Of Financial Statements

The Company follows Mercantile System of Accounting. The financial statements have been prepared and presented under the historical cost convention and in accordance with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 3(2) of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2.2 Use of Estimates

The Presentation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

2.3 Fixed Assets & Depreciation

Fixed assets are valued at cost less accumulated depreciation. All cost comprises of purchase price, duties levies attributable to the fixed assets are capitalized. Costs also include interest and financing costs, test and trial run cost till commencement of commercial operations of amusement park project, net charges on foreign exchange contracts (Buyers credit) and adjustments arising from exchange rate variations including mark to market provisions attributable to the fixed assets are also capitalized.

Fixed assets retired from active use and held for disposal are stated at lower of their net book value and net realizable value and are disclosed separately.

Depreciation is charged on Straight Line Method in Accordance with the rate and in the manner specified in Schedule II of the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower. Useful life of the assets is tabulated below.

| Sr. No | Nature of Asset | Estimated Useful Life |
|--------|---|-----------------------|
| 1. | Building | 30 Years |
| 2. | Roads | 5 Years |
| 3. | Plant and Machinery | 15 Years |
| 4. | Furniture and fittings | |
| | (a) General furniture and fittings | 10 Years |
| | (b) Furniture and fittings used in hotels and restaurants. | 8 Years |
| 5. | Motor Vehicles | |
| | (a) Motor cycles | 8 Years |
| | (b) Motor buses and motor cars. | 8 Years |
| | (c) Electrically operated vehicles including battery powered or fuel cell powered vehicles. | 8 Years |
| 6. | Office equipments | 5 Years |
| 7. | Computers and data processing units | |
| | (a) Servers and networks | 6 Years |
| | (b) End user devices, such as, desktops, laptops, etc. | 3 Years |
| 8. | Electrical Installations and Fittings | 10 Years |
| 9. | Pipes & Fittings | 15 Years |
| 10. | Trees & Nursery | 3 Years to 30 Years |



Notes forming part of the Financial Statements

2.4 Revenue Recognition

The Company has revenue recognition policies for its various operating segments that are appropriate to the nature of each business.

Tickets

Revenues from theme park/water park ticket sales are recognized when the tickets are issued.

The accounting policy for recognizing revenue from sale of Open Pass/Gift Passes or Open Day Tickets with all days validity which are Non-Refundable in nature are recognised when Passes/ Tickets are utilized or expired.

Food/Beverages

Revenue is recognized when food/ drinks are supplied or served or services rendered.

Merchandise

Retail sale are recognized on delivery of the merchandise to the customer, when the property in goods and significant risk and rewards are transferred for a price and no effective ownership control is retained.

Room Revenue

Revenue recognized upon rendering of services.

Others

The revenue is recognized on accrual basis and when significant risk and rewards are transferred.

2.5 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is arrived in the following manner:

| | |
|--------------------------|--------------------------|
| Food items | : Weighted Average Basis |
| Merchandise | : Cost |
| Consumable & Spare Parts | : Cost |

2.6 Intangible Assets

- Intangible Assets are stated at Cost of Acquisition net of recoverable taxes less accumulated amortizations/deletions,
- Depreciation is charged, based on the useful lives of the assets as estimated by the management.

| Sr. No | Nature of asset | Estimated Useful Life |
|--------|----------------------|-----------------------|
| 1. | Trademarks and Logos | 10 Years |
| 2. | Softwares | 6 Years |
| 3. | Films | 10 Years |

2.7 Provisions, Contingent Liabilities and Contingent assets

A provision is recognized when the company has a present obligation as a result of a past event, and 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 determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote. A contingent asset is neither recognized nor disclosed.

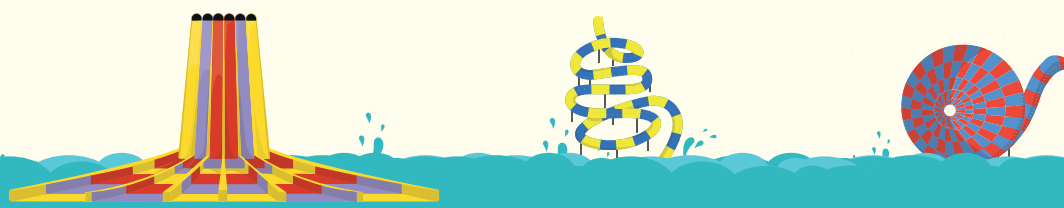
Claim against the Company not acknowledged as debts for the year ended March 31, 2016 are as follows

| Name of Statute | Nature of Dues | Amount (₹ in million) | Period to which it Relates | Forum where dispute is Pending |
|------------------|-------------------------------|--------------------------|--------------------------------|-----------------------------------|
| Custom Act, 1962 | Special Additional Duty (SAD) | 7.75* | June – 2012 to September -2013 | CESTAT |
| Custom Act, 1962 | Penalty | 111.85 | June – 2012 to September -2013 | CESTAT |

[* Total demand ₹ 111.85 million less amount deposited ₹ 104.10 million.]

2.8 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items.



Notes forming part of the Financial Statements

The Company as per provisions under para 46A of AS-11 notification, has added/deducted from the Cost of Assets the Exchange Fluctuation including mark to market provisions arising on reporting of Long Term Foreign Currency Monetary Item utilized for acquiring the said Fixed Assets. The Company has also entered into derivative contracts for hedging the exchange fluctuation on such Long term Foreign Currency Monetary items utilized for acquiring fixed assets. The amount of Exchange Difference (after adjusted the gain on hedge) adjusted to Fixed Assets during the reporting year is ₹ 83.05 million (net) (Previous year: ₹ 88.20 million)

2.9 Borrowing Cost: (Interest and Finance Charges)

Borrowing costs that are attributable to acquisition and construction of qualifying assets are capitalized till the asset is put to use. All other borrowing costs are recognized as expenditure in the year in which they are incurred.

Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Capitalized borrowing costs amounted to ₹ 94.18 million (previous year: ₹ 106.60 million) and related to Fixed Assets.

Average cost for capitalization & financial charges thereon of 7.6% to 12.75% (previous year: 9.74%) was used as a basis for capitalization for assets which are still under Work in Progress.

2.10 Employee Benefit

The company has provided for leave encashment and gratuity as per actuarial valuation done on projected unit credit method. Both the liabilities are non funded.

2.11 Income Tax

Current Tax:

Provision for current Income Tax is made on the estimated taxable income using the applicable tax rates and tax laws.

Deferred Tax:

Deferred Tax arising on the timing differences and which are capable of reversal in one or more subsequent year is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax asset is not recognized unless there is a virtual certainty as regards to the reversal of the same in future years.

2.12 Investments

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds is determined on a portfolio basis.

2.13 Lease

(a) Where the company is a Lessor

The Company has given on lease three premises/place for period of 5 years to 15 years. The lease rentals received during the reporting year amount to ₹ 7.90 million.

The future minimum lease receipts of such operating leases as at 31st March, 2016 are summarized as below.

| Particulars | (₹ In million) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| Amount receivable within one year from the balance sheet date. | 1.31 | 1.21 |
| Amount receivable in the period between one year and five years | 4.13 | 4.77 |
| Amount receivable beyond five years | 6.47 | 7.14 |
| Total | 11.91 | 13.12 |

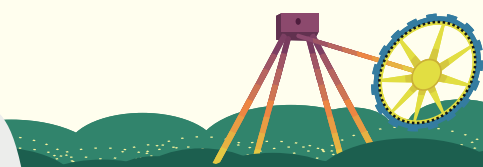
(b) Where the Company is a Lessee

The Company has taken certain assets like Land, Office premises, furniture and fixtures and apartments on lease. They are on rental lease term which range between 10 months to 7 years. The lease rentals paid during the year amount to ₹ 21.51 million.

The future minimum lease payments in respect of such operating leases as at 31st March 2016 are summarized below.

| Particulars | (₹ In million) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| Amount payable within one year from the balance sheet date. | 21.56 | 45.52 |
| Amount payable in the period between one year and five years | 9.08 | 47.83 |
| Amount payable beyond five years | 0.03 | 0.03 |
| Total | 30.67 | 93.38 |

The above lease payments are exclusive of service tax.



Notes forming part of the Financial Statements

2.14 Impairment of Asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

2.15 Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

As permitted by the Guidance Note the Company has elected to present 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 / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance costs, tax expense and, where applicable, prior period items.

2.16 Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises.

(₹ In million)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Principal amount due to any supplier as at the period end | 3.77 | 3.69 |
| Interest due on the principal amount unpaid at the period end to any supplier | 0.84 | 0.39 |
| Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period | - | - |
| Payment made to the enterprises beyond appointed date under Section 16 of MSMED | - | 0.31 |
| Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period, but without adding the interest specified under MSMED | - | 0.16 |
| The amount of interest accrued and remaining unpaid at the end of each accounting period; and | 0.84 | 0.55 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above is actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED. | - | - |

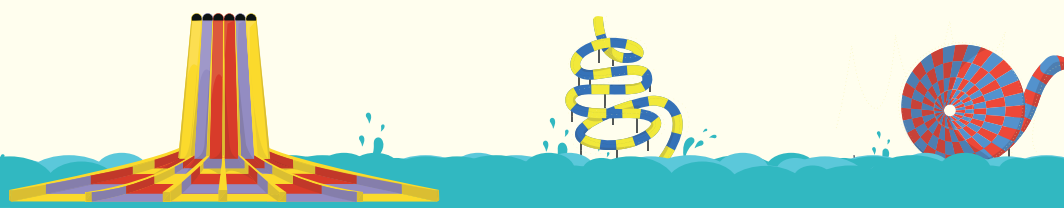
NOTE 3 : SHARE CAPITAL

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Authorised Capital | | |
| 200,000,000 (Previous Year: 200,000,000) | | |
| Equity shares of ₹10/- each | 2,000.00 | 2,000.00 |
| Total | 2,000.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid up | | |
| 79,897,810 (Previous Year: 79,897,810) | | |
| Equity shares of ₹10/- each, fully paid up | 798.98 | 798.98 |
| Total | 798.98 | 798.98 |

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

| Particulars | 31st March, 2016 | | 31st March, 2015 | |
|---|------------------|----------------|------------------|----------------|
| | Number of shares | (₹ in million) | Number of shares | (₹ in million) |
| Shares outstanding at the beginning of the year | 79,897,810 | 798.98 | 48,463,035 | 484.63 |
| Add :- Debentures converted during the year | - | - | 13,108,448 | 131.08 |
| Add :- Issued during the year | - | - | 18,326,327 | 183.27 |
| Outstanding at the end of the year | 79,897,810 | 798.98 | 79,897,810 | 798.98 |



Notes forming part of the Financial Statements

(b) Details of shares held by holding Company

| Name of the Shareholder | No of Shares | |
|-------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Equity Shares | | |
| Thrill Park Limited | 42,575,087 | 42,575,087 |

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

| Name of the Shareholder | 31st March, 2016 | | 31st March, 2015 | |
|---------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| Thrill Park Limited | 42,575,087 | 53.29 | 42,575,087 | 53.29 |
| India Advantage Fund S3 I | 10,434,779 | 13.06 | 10,434,779 | 13.06 |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 4 : RESERVES AND SURPLUS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Securities Premium Account | | |
| Opening balance | 7,915.47 | 3,199.97 |
| Add:- Premium received during the year on account of conversion of debentures | - | 1,808.91 |
| Add:- Premium received during the year on account of issue of shares | - | 3,194.10 |
| Less:- Initial public offer expenses (IPO) | (27.40) | (287.51) |
| Closing Balance | 7,888.07 | 7,915.47 |
| Surplus / (Deficit) in the statement of profit and loss | | |
| Opening balance | (1,619.80) | (548.20) |
| Surplus / (deficit) in the statement of Profit and Loss | (907.08) | (1,071.60) |
| Net surplus/(deficit) in the statement of Profit and Loss | (2,526.88) | (1,619.80) |
| Total reserves and surplus | 5,361.19 | 6,295.67 |

NOTE 5 : LONG TERM BORROWINGS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Term Loans | | |
| - From banks (refer note no. 36) | 8,222.19 | 8,674.41 |
| - From financial institutions (refer note no. 36) | 1,105.48 | 923.80 |
| - Buyers credit from banks | 300.97 | 1,286.95 |
| | 9,628.64 | 10,885.16 |
| Less:- Amount disclosed under the head "Other current liabilities" | 47.51 | 491.77 |
| | 9,581.13 | 10,393.39 |
| Other Loans | | |
| - Loans and advances from a related party | 0.10 | 0.10 |
| Total | 9,581.23 | 10,393.49 |
| The above amount includes | | |
| Secured | 9,628.64 | 10,885.16 |
| Unsecured | 0.10 | 0.10 |
| Note :- Loan guaranteed by promoters | 9,628.64 | 10,885.16 |



Notes forming part of the Financial Statements

NOTE 6 : LONG TERM PROVISIONS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------|---------------------------|---------------------------|
| Provision for gratuity | 17.19 | 13.03 |
| Provision for leave encashment | 9.21 | 7.90 |
| Total | 26.40 | 20.93 |

NOTE 7 : SHORT TERM BORROWINGS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------------|---------------------------|---------------------------|
| - From banks (Secured) | - | 250.00 |
| - Loan from promoters (Unsecured) | 461.90 | 590.00 |
| Total | 461.90 | 840.00 |

NOTE 8 : TRADE PAYABLES

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Expenses trade payable (refer note no. 2.16) | 316.02 | 284.08 |
| Total | 316.02 | 284.08 |

NOTE 9 : OTHER CURRENT LIABILITIES

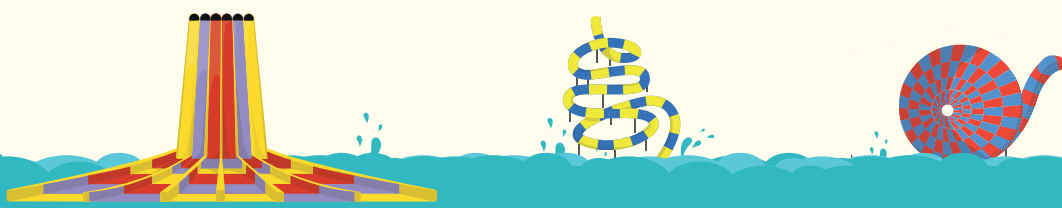
(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| - Advance received against sales | 29.38 | 5.25 |
| - Interest accrued but not due on borrowings | 47.37 | 8.57 |
| - Interest accrued and due on borrowings | - | 1.28 |
| - Current maturity of long term borrowings | 47.51 | 491.77 |
| Other liabilities for | | |
| - Statutory dues | 23.38 | 17.46 |
| - Security deposits from sales agents | 2.15 | 1.55 |
| - Sundry creditors for land purchase | 28.69 | 29.14 |
| - Sundry creditors for capital goods and services (Refer note no.2.16) | 149.74 | 296.80 |
| - IPO Proceeds Payable (OFS) | - | 352.28 |
| - IPO Expense Payable | 7.30 | 197.00 |
| Total | 335.52 | 1,401.10 |

NOTE 10 : SHORT TERM PROVISIONS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Provisions for employee benefits | | |
| - Provision for gratuity | 1.29 | 0.66 |
| - Provision for leave travel allowance | 2.29 | 4.36 |
| - Provision for leave encashment | 0.73 | 0.84 |
| Total | 4.31 | 5.86 |



Notes forming part of the Financial Statements

NOTE 11 : TANGIBLE ASSETS

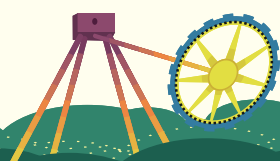
(₹ in million)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--|-----------------------|---------------------------|---|------------------------|-----------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| | As at 1st April, 2015 | Additions during the Year | Deductions/ Decapitalized during the Year | As at 31st March, 2016 | As at 1st April, 2015 | Depreciation for the Year | Deduction during the Year | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 |
| Land (refer note no. 36,39 and 40) | 2,443.00 | - | 936.46 | 1,506.54 | - | - | - | - | 1,506.54 | 2,443.00 |
| Computer and Software | 112.56 | 16.37 | - | 128.93 | 24.80 | 20.29 | - | 45.09 | 83.84 | 87.77 |
| Computer Others | 24.83 | 11.47 | 0.17 | 36.13 | 15.24 | 7.34 | 0.13 | 22.45 | 13.68 | 9.59 |
| Electrical Installation | 837.07 | 84.68 | 3.39 | 918.36 | 111.29 | 88.19 | - | 199.48 | 718.88 | 725.77 |
| Furniture & Fixtures | 713.82 | 326.53 | 2.22 | 1,038.13 | 102.88 | 95.62 | - | 198.50 | 839.63 | 610.94 |
| Office Equipments | 229.13 | 111.78 | 0.16 | 340.75 | 66.35 | 57.91 | 0.01 | 124.25 | 216.50 | 162.78 |
| Plant & Machinery (refer note no. 2.8) | 5,710.02 | 313.02 | 19.28 | 6,003.76 | 529.57 | 386.36 | - | 915.93 | 5,087.83 | 5,180.45 |
| Building | 3,678.26 | 705.04 | 3.32 | 4,379.98 | 161.08 | 129.94 | - | 291.02 | 4,088.96 | 3,517.18 |
| Building Road | 91.33 | 9.21 | - | 100.54 | 15.26 | 19.42 | - | 34.68 | 65.86 | 76.07 |
| Pipes and Fitting | 133.05 | - | - | 133.05 | 7.04 | 8.89 | - | 15.93 | 117.12 | 126.01 |
| Vehicles | 27.58 | - | - | 27.58 | 9.07 | 3.45 | - | 12.52 | 15.06 | 18.52 |
| Nursery | 30.95 | 12.92 | - | 43.87 | 11.90 | 12.68 | - | 24.58 | 19.29 | 19.05 |
| Electrical Vehicle | 3.92 | - | - | 3.92 | 0.69 | 0.49 | - | 1.18 | 2.74 | 3.23 |
| Nursery - Tree | 8.03 | - | - | 8.03 | 0.36 | 0.27 | - | 0.63 | 7.40 | 7.66 |
| Rides & Attraction - Bandit of Robinhood (refer note no. 42) | 117.44 | - | - | 117.44 | 3.30 | - | - | 3.30 | 114.14 | 114.14 |
| TOTAL- A | 14,160.99 | 1,591.02 | 965.00 | 14,787.01 | 1,058.83 | 830.85 | 0.14 | 1,889.54 | 12,897.47 | 13,102.16 |

NOTE 12 : INTANGIBLE ASSETS

(₹ in million)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|-----------------------|---------------------------|---|------------------------|-----------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| | As at 1st April, 2015 | Additions during the Year | Deductions/ Decapitalized during the Year | As at 31st March, 2016 | As at 1st April, 2015 | Depreciation for the Year | Deduction during the Year | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 |
| Software | 94.90 | 16.35 | - | 111.25 | 26.38 | 16.38 | - | 42.76 | 68.49 | 68.51 |
| Logo and Trade Mark | 6.78 | 0.18 | - | 6.96 | 1.08 | 0.69 | - | 1.77 | 5.19 | 5.70 |
| Film | 290.83 | 15.08 | - | 305.91 | 41.11 | 29.21 | - | 70.32 | 235.59 | 249.72 |
| TOTAL- B | 392.51 | 31.61 | - | 424.12 | 68.57 | 46.28 | - | 114.85 | 309.27 | 323.93 |
| GRAND TOTAL A+B | 14,553.50 | 1,622.63 | 965.00 | 15,211.13 | 1,127.40 | 877.13 | 0.14 | 2,004.39 | 13,206.74 | 13,426.09 |



Notes forming part of the Financial Statements

NOTE 13 : NON CURRENT INVESTMENTS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Investment in subsidiary company | | |
| Walkwater Properties Private Limited (F.V ₹ 10/-) | 1,061.72 | 4.15 |
| No. of Shares Current year- 2,15,66,321,previous year-4,15,000 | | |
| | 1,061.72 | 4.15 |
| Aggregate value of investment at cost | 1,061.72 | 4.15 |
| Aggregate value of unquoted investment | 1,061.72 | 4.15 |

NOTE 14 : LONG-TERM LOANS AND ADVANCES

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Capital Advances | | |
| Advance for land at Khalapur (Unsecured, considered good) | 66.76 | 66.76 |
| Security Deposits (Unsecured, considered good) | 35.18 | 36.16 |
| Other | | |
| Advance income taxes (net) | 16.25 | 3.19 |
| Deposits with government authorities | 1.66 | 1.54 |
| Total | 119.85 | 107.65 |

NOTE 15 : INVENTORIES

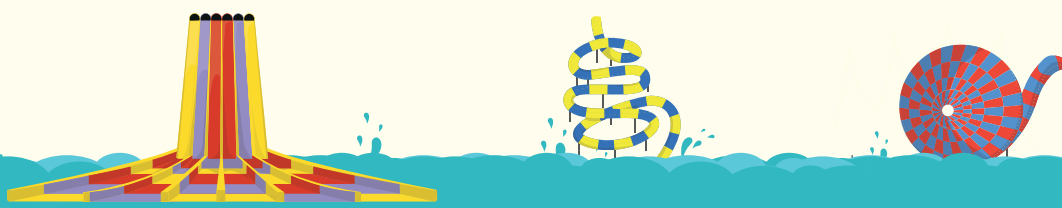
(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|----------------------------|---------------------------|---------------------------|
| Raw material | | |
| - Food Items | 17.72 | 9.91 |
| Trading goods | | |
| - Merchandise | 49.16 | 28.41 |
| Consumables & spares parts | 56.86 | 66.85 |
| Total | 123.74 | 105.17 |

NOTE 16 : TRADE RECEIVABLES

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Unsecured, considered good unless stated otherwise | | |
| Over six months | - | - |
| Other | 37.89 | 58.92 |
| Total | 37.89 | 58.92 |



Notes forming part of the Financial Statements

NOTE 17 : CASH AND BANK BALANCES

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balance with banks | 57.50 | 3,861.82 |
| Cash on hand | 21.94 | 24.44 |
| Fixed deposit | 4.30 | 8.80 |
| Liquid fund investment | 100.43 | - |
| Total A | 184.17 | 3,895.06 |
| Other bank balances | | |
| Fixed deposits (pledge with banks) | 18.48 | 40.74 |
| Total B | 18.48 | 40.74 |
| Total (A+B) | 202.65 | 3,935.80 |

NOTE 18 : SHORT-TERM LOANS AND ADVANCES

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------|---------------------------|---------------------------|
| Loan to employees | 1.15 | 3.64 |
| | 1.15 | 3.64 |

NOTE 19 : OTHER CURRENT ASSETS

(₹ In million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------------------------|---------------------------|---------------------------|
| Share application money | 125.00 | 125.00 |
| Custom duty refund receivable | 0.32 | 0.65 |
| Deposits- secured | - | 6.02 |
| Deposit- others | 25.79 | 35.68 |
| Stamp duty refund receivable | - | 0.10 |
| Advances to suppliers | 30.13 | 127.00 |
| Prepaid expenses | 11.79 | 5.58 |
| Balance with government authorities | 8.50 | - |
| Derivative assets | 0.45 | - |
| Receivable from related party | 21.85 | - |
| Other receivables | 0.63 | 0.11 |
| Total | 224.46 | 300.14 |



Notes forming part of the Financial Statements

NOTE 20 : REVENUE FROM OPERATIONS

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Sale of products | 2,437.19 | 1,863.03 |
| Other operating revenue | 86.72 | 31.19 |
| Revenue from operations (Net) | 2,523.91 | 1,894.22 |
| Details of Product sold | | |
| Tickets sales | 1,658.00 | 1,415.32 |
| Food & beverages | 460.47 | 311.12 |
| Merchandise sales | 213.74 | 136.59 |
| Room Revenue | 104.98 | - |
| Total | 2,437.19 | 1,863.03 |
| Details of Other operating revenue | | |
| Income from parking services | 15.77 | 10.85 |
| Income from third party logistic services | 33.18 | 8.37 |
| Income from space on hire | 15.23 | 4.75 |
| Income from lockers | 17.51 | 6.08 |
| Misc. Income | 5.03 | 1.13 |
| Total | 86.72 | 31.18 |

NOTE 21 : OTHER INCOME

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|-------------------------------------|--|--|
| Income from liquid fund investments | 40.05 | 12.92 |
| Interest Income | 5.48 | 5.38 |
| Gain on Sale of Assets | 121.14 | - |
| Total | 166.67 | 18.30 |

NOTE 22 : COST OF MATERIAL CONSUMED

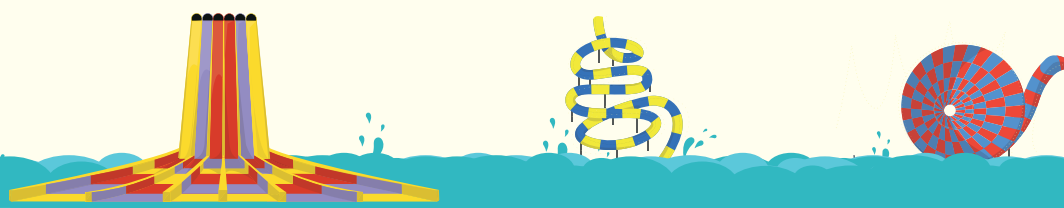
(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---------------------------------|--|--|
| Cost of food & beverage, others | 135.96 | 91.23 |
| Cost of liquor | 6.43 | 6.32 |
| Total | 142.39 | 97.55 |

NOTE 23 : (INCREASE) / DECREASE IN INVENTORIES

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Stock in trade at the beginning of the year | | |
| - Merchandise | 28.41 | 10.58 |
| Less: Stock in trade at the end of the year | | |
| - Merchandise | 49.16 | 28.41 |
| Total | (20.75) | (17.83) |



Notes forming part of the Financial Statements

NOTE 24 : PERSONNEL EXPENSES

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--------------------------------------|--|--|
| Salaries, wages and bonus | 454.62 | 365.59 |
| Contribution to provident fund | 24.46 | 23.46 |
| Employee welfare and other amenities | 115.67 | 90.09 |
| Total | 594.75 | 479.14 |

NOTE 25 : OPERATING AND OTHER EXPENSES

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Consumables & spares parts | 6.71 | 43.97 |
| Rent | 19.24 | 17.07 |
| Rates and taxes | 33.64 | 23.18 |
| Repairs and Maintenance | 139.66 | 70.88 |
| Power, fuel and water | 165.08 | 135.04 |
| Freight and forwarding expenses | 0.69 | 1.77 |
| House keeping expenses | 59.48 | 51.72 |
| Event & entertainment expenses | 42.05 | 49.06 |
| Advertisement, sales and marketing expenses | 521.25 | 395.40 |
| Insurance expense | 19.59 | 21.43 |
| Communication expenses | 7.66 | 5.77 |
| Travelling and conveyance expenses | 80.58 | 53.16 |
| Payment to auditors (refer note 29) | 1.86 | 1.21 |
| Legal and professional fees | 30.76 | 37.62 |
| Provision for Doubtful Debts and Advances | 0.10 | - |
| Foreign exchange loss (net) | 0.21 | 0.29 |
| Commission | 88.68 | 52.51 |
| Security and safety expenses | 39.15 | 62.63 |
| Printing and stationery expenses | 11.47 | 7.59 |
| Directors sitting fees | 1.08 | 3.58 |
| Other operating expenses | 10.24 | 14.92 |
| Total | 1,279.18 | 1,048.80 |

NOTE 26 : INTEREST AND FINANCE COST

(₹ In million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|------------------------|--|--|
| Interest | 1,064.87 | 1,114.31 |
| Funds raising expenses | 26.59 | 7.20 |
| Bank charges | 11.11 | 24.16 |
| Total | 1,102.57 | 1,145.67 |



Notes forming part of the Financial Statements

27) EARNINGS PER SHARE (EPS)

| Sr. No | Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--------|--|-------------------------------------|-------------------------------------|
| 1 | Net (Loss) as per Profit and Loss Account attributable to Equity Shareholders in Rupees in million | (907.08) | (1071.60) |
| 2 | Weighted Average number of equity shares used as denominator for calculating EPS | 79,897,810 | 50,897,529 |
| 3 | Basic and Diluted Earnings per share in Rupees | (11.35) | (21.05) |
| 4 | Face Value per equity share in Rupees | 10.00 | 10.00 |

28) DEFERRED TAX ASSET (NET)

(₹ In million)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--|------------------------|------------------------|
| Deferred Tax Assets | | |
| On account of Business Loss | 1,884.53 | 1,161.77 |
| On account of Other Items | 1.02 | 1.02 |
| Expenditure allowed on Payment basis | 9.66 | 7.62 |
| Gross Deferred Tax Assets (A) | 1,895.21 | 1,170.41 |
| Deferred Tax Liabilities | | |
| Differences in depreciation and other differences in block of fixed assets as per tax books and financial books. | 599.83 | 378.94 |
| Gross Deferred Tax Liabilities (B) | 599.83 | 378.94 |
| Deferred Tax Asset (Net) (A-B) | 1295.38 | 791.47 |

The timing differences result in a net deferred asset, relating mainly to unabsorbed depreciation and carried forward losses under the Income Tax Act, 1961.

The company has recognised deferred tax assets on unabsorbed business losses and unabsorbed depreciation in view of operation of Theme Park ,water park and Hotel picking up pace and increasing footfalls .

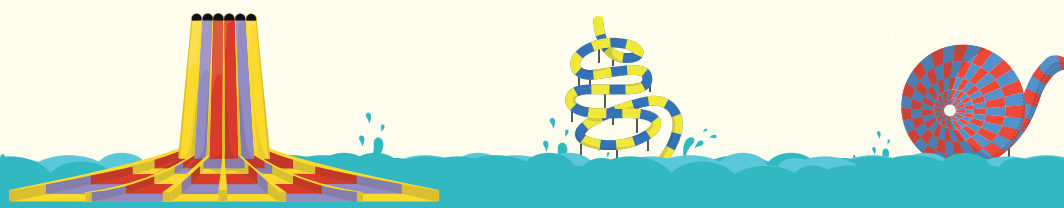
29) AUDITORS REMUNERATION:

(₹ In million)

| Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---------------------------|-------------------------------------|-------------------------------------|
| Audit Fees | 1.40 | 1.12 |
| Reimbursement of expenses | 0.02 | - |
| Taxation Matters | 0.04 | 0.08 |
| IPO Matters* | - | 1.78 |
| Limited Review Fees | 0.20 | - |
| Tax Audit Fees | 0.20 | - |
| Total | 1.86 | 2.98 |

* Payment of ₹ Nil (Previous year ₹ 1.78 million) made to auditors for IPO matters are reduced from securities premium account as IPO expenses.

30) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 129.24 million as on 31st March, 2016.



Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (AS IDENTIFIED BY THE MANAGEMENT).

a) Related Party Relationship

i) Holding Company

- Thrill Park Ltd.

ii) Subsidiary Company

- Walkwater Properties Private Limited

iii) Key Managerial Personnel

- Manmohan Shetty
- Kapil Bagla
- Harjeet Chhabra
- Vincent Pijnenburg (up to 15th November 2015)
- Rakesh Khurmi

iv) Relatives

- Pooja Deora
- Aarti Shetty

v) Entities controlled by Relatives of Director

- Walkwater Properties Private Limited (up to 10th September 2014)(WPPL)

b) Transaction with Related Parties (Excluding Reimbursements).

(₹ In million)

| Sr. No | Nature of Transaction | Holding Company | Subsidiary Company | Key Managerial Personnel | Relatives | Entities Controlled by Relatives of Director |
|--------------------------------|--------------------------------------|---|--------------------|--------------------------|-----------|--|
| 1 | Sale of Land | - | 1,057.57 | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| 2 | Loan | | | | | |
| | | Received During the year | 50.00 | - | - | - |
| | | (70.00) | (-) | (-) | (-) | (-) |
| | Repaid During the year | 178.10 | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| | Given during the year | - | 4.00 | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | |
| | Refund during the year | - | 4.00 | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| 3 | Investments | | | | | |
| | | Consideration Received of equity share against sale of Land | - | 1057.57 | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| | Subscription of equity share of WPPL | - | - | - | - | - |
| | | (-) | (4.05) | (-) | (-) | (-) |
| Purchase equity share of WPPL | - | - | - | - | - | |
| | (-) | (-) | (-) | (0.10) | (-) | |
| 4 | Advances | | | | | |
| | | Received During the year | - | - | - | - |
| | | (27.00) | (-) | (-) | (-) | (-) |
| | Repaid During the year | - | - | - | - | - |
| | | (27.00) | (-) | (-) | (-) | (-) |
| Advances given during the year | - | - | - | - | - | |
| | (-) | (-) | (-) | (-) | (0.27) | |



Notes forming part of the Financial Statements

(₹ In million)

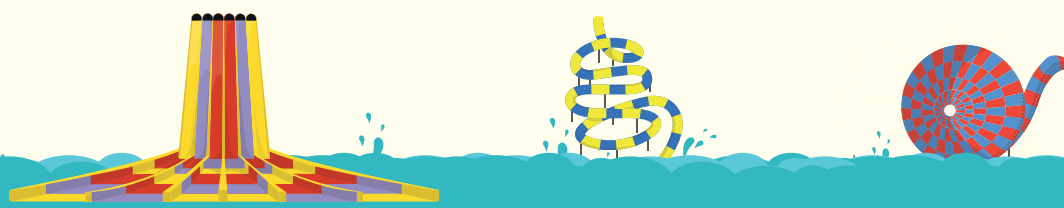
| Sr. No | Nature of Transaction | Holding Company | Subsidiary Company | Key Managerial Personnel | Relatives | Entities Controlled by Relatives of Director |
|----------|------------------------------------|-----------------|--------------------|--------------------------|-----------|--|
| 5 | Current Liabilities | | | | | |
| | Amount Payable towards IPO Proceed | - | - | - | - | - |
| | | (368.58) | (-) | (-) | (-) | (-) |
| 6 | Current Assets | | | | | |
| | Assignment of Advance | - | 30.85 | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| 7 | Expenses | | | | | |
| | Rent | - | 2.06* | 6.01* | - | - |
| | | (-) | (-) | (8.24) | (-) | (-) |
| | Fees | - | - | - | 13.68* | - |
| | | (-) | (-) | (-) | (11.01) | (-) |
| | Remuneration | - | - | 37.25 | - | - |
| | | (-) | (-) | (28.07) | (-) | (-) |
| | Royalty | - | - | 0.11* | - | - |
| | | (-) | (-) | (0.11) | (-) | (-) |
| | Secondment Charges | - | 1.54* | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| 8 | Income | | | | | |
| | Interest | - | 0.03 | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |

c) Outstanding as at 31st March, 2016

(₹ in million)

| Sr. No. | | As at 31st March, 2016 | Maximum o/s bal. during the year | As at 31st March, 2015 | Maximum o/s bal. during the year |
|----------|-------------------------------|------------------------|----------------------------------|------------------------|----------------------------------|
| 1 | Long Term Borrowing | | | | |
| | Holding Company | | | | |
| | Thrill Park Ltd | 0.10 | 0.10 | 0.10 | 0.10 |
| 2 | Short Term Borrowing | | | | |
| | Loan from Promoter | | | | |
| | Manmohan Shetty | 450.00 | 450.00 | 450.00 | 450.00 |
| | Loan from Holding Co. | | | | |
| | Thrill Park Ltd. | 11.90 | 140.00 | 140.00 | 140.00 |
| 3 | Current Liabilities | | | | |
| | Holding Company | | | | |
| | Thrill Park Ltd | | 352.28 | 352.28 | 368.58 |
| | Others | | | | |
| | Manmohan Shetty | 0.10 | 0.11 | 0.11 | 0.11 |
| | Pooja Deora | 1.57 | 1.57 | 3.33 | 3.33 |
| | Aarti Shetty | 2.61 | 2.61 | 3.07 | 3.07 |
| 4 | Non Current Investment | | | | |
| | Walkwater properties Pvt.Ltd. | 1061.72 | 1061.72 | 4.15 | 4.15 |
| 5 | Current Assets | | | | |
| | Walkwater properties Pvt.Ltd. | 21.85 | 21.85 | 1.38 | 1.38 |
| 6 | Deposit Given | | | | |
| | Walkwater properties Pvt.Ltd. | 5.40 | 5.40 | 5.40 | 5.40 |

* The amount includes service tax



Notes forming part of the Financial Statements

Note

- Figures in the Bracket represent previous year figures
- Equity share subscribed during the year of Walkwater Properties Pvt. Ltd. ₹ 1057.57 million (P.Y ₹ 4.05 million)
- The details of Consultancy fees paid to Ms. Aarti Shetty ₹ 6.84 million (P.Y. ₹ 5.39 million), and Mrs. Pooja Deora ₹ 6.84 million (P.Y. ₹ 5.62 million).
- The Remuneration paid to Mr. Kapil Bagla ₹ 13.43 million (P.Y. ₹ 8.52 million), Mr Harjeet Chhabra ₹ 10.61 million (P.Y ₹ 7.41 million), Mr Vincent Pijnenberg ₹ 5.65 million (P.Y ₹ 7.61 million) and Mr Rakesh Khurmi ₹ 7.56 million (P.Y ₹ 4.53 million)
- Rent paid towards use of office premises located at 9th floor, Lotus Business Park, New Link Road, Andheri-West, Mumbai-400053. to Mr.Manmohan Shetty amounted to ₹ 6.01 million (P.Y. ₹ 8.24 million) and rent paid towards use of furniture and fixtures to M/s Walkwater Properties Pvt. Ltd. amounted to ₹ 2.06 million (P.Y. ₹ Nil).
- The Company has paid royalty of ₹ 0.11 million (P.Y. ₹ 0.11 million) to Manmohan Shetty
- The details of IPO Proceed payable to holding company M/s Thrill Park Limited amounted to ₹ Nil (P.Y ₹ 368.58 million)

32) SEGMENTAL REPORTING AS PER AS – 17 IS APPLICABLE TO THE COMPANY FOR THE YEAR UNDER CONSIDERATION.

(₹ in million)

| Particular | Tickets | Restaurants | Merchandise | Hotel | Other Operations | Un-allocable | Total |
|---|-------------|-------------|-------------|----------|------------------|--------------|-------------|
| Segment Revenue | 1,658.01 | 460.46 | 213.74 | 104.98 | 86.72 | 161.19 | 2,685.10 |
| | (1,415.31) | (311.12) | (136.59) | - | (31.19) | (12.92) | (1,907.13) |
| Segment Result before Interest and Taxes | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | 73.52 | -313.91 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-212.92) | (-579.31) |
| Less : Interest expense | - | - | - | - | - | -1,102.57 | -1,102.57 |
| | - | - | - | - | - | (-1,145.67) | (-1,145.67) |
| Add : Interest and dividend income | - | - | - | - | - | 5.48 | 5.48 |
| | - | - | - | - | - | (5.38) | (5.38) |
| Profit before tax | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | -1,023.57 | -1,410.98 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-1,353.21) | (-1,719.60) |
| Deferred tax | - | - | - | - | - | 503.90 | 503.90 |
| | - | - | - | - | - | (648.00) | (648.00) |
| Profit after tax | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | -519.65 | -907.08 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-705.21) | (-1,071.60) |
| Other Information | | | | | | | |
| Segment assets | 9,861.71 | 610.95 | 229.02 | 1,706.48 | 7.22 | 4,470.17 | 16,885.55 |
| | (10,696.02) | (353.99) | (218.58) | - | (2.72) | (8,768.80) | (20,040.11) |
| Segment liabilities | 248.05 | 23.76 | 30.54 | 34.31 | 3.73 | 10,384.99 | 10,725.38 |
| | (1,357.93) | (15.60) | (9.12) | - | (65.33) | (11,497.48) | (12,945.46) |
| Capital Expenditure during the year | 102.51 | 155.49 | 1.92 | 1,268.52 | - | 65.69 | 1,594.13 |
| | (1,253.28) | (17.40) | (9.15) | - | - | - | (1,279.83) |
| Depreciation and amortisation | 757.21 | 44.04 | 9.42 | 66.46 | - | - | 877.13 |
| | (759.95) | (29.11) | (8.42) | - | - | - | (797.48) |

Figures in the Bracket represent previous year figures



Notes forming part of the Financial Statements

- 33) a) Earnings in Foreign Currency: Nil
b) Expenditure in Foreign Currency :

(₹ In million)

| Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--------------------|--|--|
| Ride & Attraction | 21.22 | 19.14 |
| Software | 0.90 | 0.60 |
| Professional Fees | 26.34 | 22.72 |
| Interest | 10.75 | 14.61 |
| Marketing Expenses | 20.04 | - |
| License Fees | 0.23 | - |
| Total | 79.48 | 57.07 |

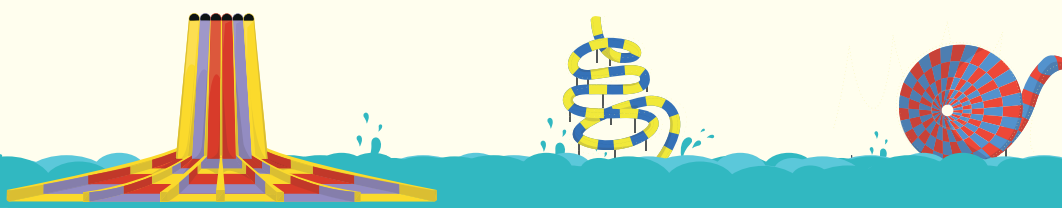
Figure Reported under expenditure in foreign currency includes Bank charges and advances paid to suppliers.

- 34) Value of imports on C.I.F. basis by the company are as follows:

(₹ In million)

| Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|----------------------------|--|--|
| Components and Spare Parts | 14.55 | 24.20 |
| Capital goods | 23.11 | 133.27 |

- 35) The Current assets, Loans & Advances (including capital advances) have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the balance sheet. Current assets, Loans & Advances (including capital advances) are subject to Confirmation and Reconciliation. Other known liabilities are adequate and not in excess of what are required.
- 36) The Term Loan facility availed by the Company is secured by pari passu first charge on movable and immovable fixed assets of the Company including mortgage of 298 acres of land to consortium lead by Union Bank of India in favour of IDBI Trusteeship Services Ltd. However, during the year the Company has transferred 137.33 acres of mortgaged land to wholly owned subsidiary with mortgage to continue in favour of lenders. The said loan is also secured by first pari passu charge on Current assets of the Company. Term Loan availed from Banks will be repaid over period of 7 to 10 years in unequal monthly installments starting from April 2017 to July 2018. Term Loan availed from Financial Institutions will be repaid over period of 10 years in unequal monthly installments starting from April 2015. Interest rate on term loan taken from Banks and Financial institutions varies from base rate plus 2.60 to 3.10. Interest rate on Loan taken in form of Buyers Credit varies from 0.48 to 3.00.
- 37) The Company equity shares are in dematerialized form with the Central Depository Services (India) Limited (CDSL) and with National Securities Depository Limited (NSDL) having ISIN No. INE172N01012.
- 38) The previous year figures have been reworked, regrouped, rearranged and re-classified, wherever necessary. Amount and other disclosure for the preceeding year are included as an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosures relating to that year.
- 39) During the year the Company has transferred the 137.33 acres of land to its 100% subsidiary Company on 10th March, 2016 for which the deed of conveyance is executed on 29th September, 2014 for a total consideration of ₹ 1,057.57 million.
- 40) The Company has executed an agreement to sale on 7th November, 2014 to sell 32.58 acres of land for a total consideration of ₹ 273.71 million to its 100% subsidiary Walkwater Properties Pvt. Ltd., subject to receipt of approval from the Directorate of Industries / Government of Maharashtra ("DIC") and a no objection (NOCs) from the lenders.



Notes forming part of the Financial Statements

41) UTILIZATION OF IPO PROCEEDS

(₹ In million)

| Purpose of utilization of Fund | 31st March, 2016 | 31st March, 2015 |
|---|------------------|------------------|
| Proceed from IPO (Net of amount payable to shareholders under offer for sale) | 3,377.36 | 3,377.36 |
| Utilized as under :- | | |
| - Repayment of Loan | 2,560.00 | - |
| - General Corporate Purpose | 362.45 | - |
| - IPO Expenses | 314.91 | - |
| Total | 3,237.36 | - |

The Balance Unutilized Proceeds are kept in designated IPO - Mutual Fund and Scheduled Bank Current Account.

- 42) The company has suspended operation of Bandit of Robinhood ride on account of malfunctioning and it has filed with the vendor for damages including compensation for loss of business. The company has separately disclosed it as retired asset under fixed asset schedule and is carried at lower of Net Book Value or Net Realisable value.

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

For and on behalf of the Board of Directors of ADLABS Entertainment Limited

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



Independent Auditor's Report

TO THE MEMBERS OF ADLABS ENTERTAINMENT LIMITED REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Adlabs Entertainment Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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, 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 there under.

We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the 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 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 aforesaid 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, as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes 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 consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 3(2) of the Companies (Indian Accounting Standards) Rules, 2015.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31st March, 2016 taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure"; and
- (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 Auditor's) 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 the consolidated financial position of the Group – Refer Note 2.7 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

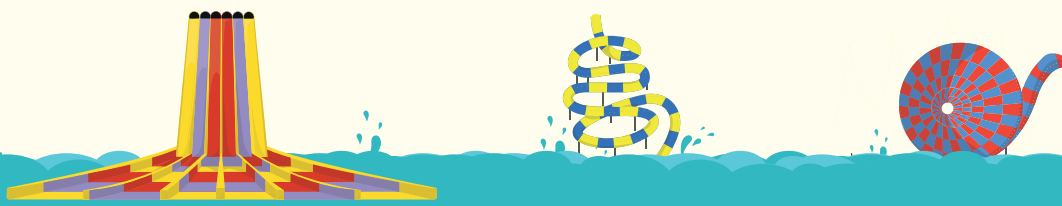
For A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain

Partner

Membership No.: 33809

Place : Mumbai
Date : 24th May, 2016



Independent Auditor's Report

Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Adlabs Entertainment 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 the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Adlabs Entertainment Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are 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 (ICAI). 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 Companies Act, 2013.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 Company's 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 and its subsidiary company, which is a company incorporated in India, have, 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 A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain
Partner
Membership No.: 33809

Place : Mumbai
Date : 24th May, 2016



Consolidated Balance Sheet as at 31st March, 2016

(₹ in million)

| | Notes | As at 31st March, 2016 | As at 31st March, 2015 |
|---|-------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Fund | | | |
| Share capital | 3 | 798.98 | 798.98 |
| Reserves and surplus | 4 | 5,234.43 | 6,294.19 |
| | | 6,033.41 | 7,093.17 |
| Non Current Liabilities | | | |
| Long-term borrowings | 5 | 9,581.23 | 10,393.49 |
| Long-term provisions | 6 | 26.40 | 20.93 |
| | | 9,607.63 | 10,414.42 |
| Current Liabilities | | | |
| Short-term borrowings | 7 | 461.90 | 840.00 |
| Trade payables | 8 | 316.02 | 284.08 |
| Other current liabilities | 9 | 380.19 | 1,463.82 |
| Short-term provisions | 10 | 4.31 | 5.86 |
| | | 1,162.42 | 2,593.76 |
| Total | | 16,803.46 | 20,101.35 |
| ASSETS | | | |
| Non-current Assets | | | |
| Fixed Assets | | | |
| - Tangible assets | 11 | 12,902.10 | 13,105.83 |
| - Intangible assets | 12 | 321.78 | 336.45 |
| - Capital work- in-progress | | 608.02 | 1,306.68 |
| - Intangible assets under development | | 3.95 | 0.40 |
| | | 13,835.85 | 14,749.36 |
| Deferred tax assets (net) | 28 | 1,295.38 | 791.47 |
| Long-term loans and advances | 13 | 114.45 | 102.25 |
| | | 15,245.68 | 15,643.08 |
| Current Assets | | | |
| Inventories | 14 | 1,112.31 | 150.51 |
| Trade receivables | 15 | 37.89 | 58.92 |
| Current Investment | 16 | - | 5.70 |
| Cash and bank balances | 17 | 203.05 | 3,935.94 |
| Short-term Loans and Advances | 18 | 1.91 | 7.05 |
| Other current assets | 19 | 202.62 | 300.15 |
| | | 1,557.78 | 4,458.27 |
| Total | | 16,803.46 | 20,101.35 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the consolidated financial statements. | | | |

As per our report of even date

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

**For and on behalf of the Board of Directors of
ADLABS Entertainment Limited**

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

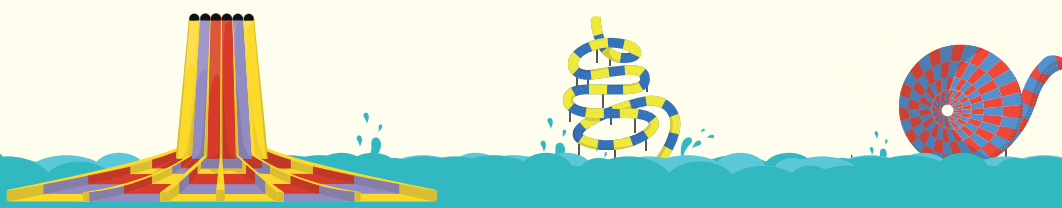
Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



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

(₹ in million)

| | Notes | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|---------|--|--|
| INCOME: | | | |
| Revenue from operations | 20 | 2,523.91 | 1,894.22 |
| Other income | 21 | 45.89 | 18.32 |
| Total Revenue [I] | | 2,569.80 | 1,912.54 |
| EXPENSES: | | | |
| Cost of material consumed | 22 | 142.39 | 97.55 |
| Purchase of trading goods | | | |
| - Merchandise | | 126.29 | 81.31 |
| (Increase)/decrease in inventories | 23 | (20.75) | (17.83) |
| Personnel expenses | 24 | 596.09 | 479.14 |
| Operating and other expenses | 25 | 1,282.25 | 1,049.12 |
| Total Expenses [II] | | 2,126.27 | 1,689.29 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) [I-II] | | 443.53 | 223.25 |
| Less:- | | | |
| Depreciation and amortisation expense (Refer note 2.3 and 2.6) | 11 & 12 | (879.15) | (798.65) |
| Interest & Finance costs | 26 | (1,102.57) | (1,145.67) |
| Total | | (1,981.72) | (1,944.32) |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (1,538.19) | (1,721.07) |
| Add :- Prior period items | | 1.92 | - |
| Profit / (Loss) before tax | | (1,536.27) | (1,721.07) |
| Tax Expenses | | | |
| - Current tax | | - | - |
| - Deferred tax charge | 28 | 503.90 | 648.00 |
| Total tax expense | | 503.90 | 648.00 |
| Profit / (Loss) after tax for the year | | (1,032.37) | (1,073.07) |
| Earnings per share | 27 | (12.92) | (21.08) |
| Basic and Diluted (Nominal value of shares ₹ 10 each) | | | |
| Summary of Significant Accounting Policies | 2 | | |
| The accompanying notes are an integral part of the consolidated financial statements. | | | |

As per our report of even date

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

**For and on behalf of the Board of Directors of
ADLABS Entertainment Limited**

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

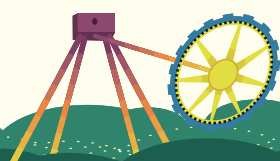
Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March 2016

| | (₹ in million) | |
|---|--|--|
| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
| A: CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net loss before tax | (1,415.15) | (1,722.78) |
| Adjustments for: | | |
| Depreciation and amortisation | 879.16 | 799.70 |
| Profit on sale of Current Investments | (121.14) | - |
| Gain on Redemption of Mutual Fund | (0.36) | - |
| Prior period items | (1.92) | - |
| Sundry Balance w/off | - | 0.39 |
| Interest income | (5.48) | (5.38) |
| Interest expense and finance cost | 1,102.56 | 1,145.68 |
| Operating Loss before Working Capital Changes | 437.67 | 217.62 |
| Movements in working capital : | | |
| Decrease / (increase) in trade receivables | 23.73 | (97.81) |
| (Decrease) / increase in trade payables | 34.35 | 177.15 |
| Decrease / (increase) in inventories | (23.97) | (55.68) |
| Decrease / (increase) in other current and non current assets | 78.16 | 91.86 |
| (Decrease) / increase in current and non current liabilities | 34.57 | 9.29 |
| Cash Generated from Operations | 584.51 | 342.43 |
| Direct taxes paid (net of refunds) | (13.24) | (3.19) |
| Net Cash used in Operating Activities | 571.27 | 339.24 |
| B: CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets and change in capital work-in-progress | (886.72) | (1,422.55) |
| Sale of Fixed Assets | 0.11 | - |
| Interest income | 5.48 | 5.38 |
| Proceeds from Sale of Mutual Fund | 6.06 | - |
| Repayment of advance by related party | - | 11.57 |
| Investment in Mutual Fund | - | (5.70) |
| Fixed Deposit Matured | 22.26 | 38.36 |
| Net Cash Used in Investing Activities | (852.81) | (1,372.93) |
| C: CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from issue of equity shares / loan from promoters | - | 3,877.36 |
| Share issue expenses paid | (217.10) | (90.51) |
| IPO proceeds pending refund | (352.28) | 352.28 |
| Proceeds from Unsecured Term Loans from promoter | (128.10) | 70.00 |
| Proceeds from long term borrowings (net) | (1,322.54) | 1,444.83 |
| Proceeds from short term borrowings increase / (decrease) net | (250.00) | 250.00 |
| Interest expense and finance cost paid | (1,159.22) | (1,251.82) |
| Net Cash generated from Financing Activities | (3,429.24) | 4,652.13 |
| Net increase in cash and cash equivalents (A + B + C) | (3,710.78) | 3,618.44 |
| Cash and cash equivalents at the beginning of the year | 3,895.34 | 276.90 |
| Cash and cash equivalents at the end of the period/year | 184.57 | 3,895.34 |
| Components of cash and cash equivalents as at | 31st March, 2016 | 31st March, 2015 |
| | (₹ in million) | (₹ in million) |
| Cash on hand | 21.95 | 24.44 |
| With banks - on current account | 57.89 | 3,862.10 |
| Fixed deposits with bank | 4.30 | 8.80 |
| Liquid fund investment | 100.43 | - |
| Cash and cash equivalent in cashflow statement | 184.57 | 3,895.34 |
| Notes : | | |
| 1. Comparative figures are regrouped wherever necessary. | | |
| 2. Figures in bracket represent cash outflow. | | |

As per our report of even date

For A. T. JAIN & CO.
Firm Registration No : 103886W
Chartered Accountants

S. T. Jain
Partner
Membership No: 33809

Place: Mumbai
Date: 24th May, 2016

**For and on behalf of the Board of Directors of
ADLABS Entertainment Limited**

Manmohan Shetty
Chairman

Rakesh Khurmi
Chief Financial Officer

Place: Mumbai
Date: 24th May, 2016

Kapil Bagla
Whole Time Director

Madhulika Rawat
Company Secretary



Notes forming part of the Consolidated Financial Statements

1) GENERAL NOTE ON BUSINESS:

Adlabs Entertainment Limited (the Company) is engaged in the business of development and operations of theme based entertainment destinations in India, including theme parks, water parks and associated activities including retail merchandising and food and beverages. The flagship project of the company is located at Khalapur, on Mumbai Pune Expressway and is branded "Imagica – Theme Park" for the theme park component and "Imagica – Water Park" for the water park component. During the year the Company has launched its Hotel at the same location by the name "Novotel Imagica Khopoli" with 116 rooms in first phase out of the 287 rooms. Balance rooms are expected to be operational during financial year 2016-17.

Walkwater Properties Private Limited (the Subsidiary) is engaged in the business of developing real estate and leasing of properties.

Together referred as "Group"

NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016.

2) SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation of Financial Statements

The group follows Mercantile System of Accounting. The consolidated financial statements have been prepared and presented under the historical cost convention and in accordance with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 3(2) of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions to the extent applicable.

The consolidated financial statement of assets and liabilities of the Group as on 31st March, 2016, and the related financial statement of profits and losses and cash flows for the year ended 31st March, 2016 (herein collectively referred to as "Consolidated financial statements") have been compiled by the management from the Standalone financial statements of the Group for the year ended 31st March, 2016.

The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

In respect of the Subsidiary company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements".

The excess of cost to the Company of its investment in the Subsidiary Company over the Company's share of net assets of the Subsidiary Company is recognised in the financial statements as goodwill, which is tested for impairment at each balance sheet date. The excess of Company's share of net assets of the Subsidiary Company over the cost of acquisition is treated as capital reserve.

The results of operations of a Subsidiary are included in the Consolidated Financial Statements from the date on which the parent-Subsidiary relationship comes into existence.

The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2.2 Use of Estimates

The Presentation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the consolidated financial statements and reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

2.3 Fixed Assets & Depreciation

Fixed assets are valued at cost less accumulated depreciation. All cost comprises of purchase price, duties levies attributable to the fixed assets are capitalized. Costs also include interest and financing costs, test and trial run cost till commencement of commercial operations of amusement park project, net charges on foreign exchange contracts (Buyers credit) and adjustments arising from exchange rate variations including mark to market provisions attributable to the fixed assets are also capitalized.

Fixed assets retired from active use and held for disposal are stated at lower of their net book value and net realizable value and are disclosed separately.

Leasehold improvements are depreciated on the straight line basis over the tenure of the agreement.

During the year the Subsidiary has changed its accounting policy from Written Down Value Method to Straight Line Method to be in consonance with Holding Company Depreciation accounting Policy, further management believes that such change will result into more appropriate presentation of financial statements.



Notes forming part of the Consolidated Financial Statements

Had the Subsidiary continued to use the earlier method of depreciation on Fixed Assets as on 31st March,2016, the profit after tax for the current year would have been higher by ₹ 0.20 Million and the written down value of fixed assets would be higher by ₹ 0.20 million

The Group charges depreciation on Straight Line Method in accordance with the rate and in the manner specified in Schedule II of the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower. Useful life of the assets is tabulated below.

| Sr. No | Nature of Asset | Estimated Useful Life |
|--------|---|-----------------------|
| 1. | Building | 30 Years |
| 2. | Roads | 5 Years |
| 3. | Plant and Machinery | 15 Years |
| 4. | Furniture and fittings | |
| | (a) General furniture and fittings | 10 Years |
| | (b) Furniture and fittings used in hotels and restaurants. | 8 Years |
| 5. | Motor Vehicles | |
| | (a) Motor cycles | 8 Years |
| | (b) Motor buses and motor cars. | 8 Years |
| | (c) Electrically operated vehicles including battery powered or fuel cell powered vehicles. | 8 Years |
| 6. | Office equipment's | 5 Years |
| 7. | Computers and data processing units | |
| | (a) Servers and networks | 6 Years |
| | (b) End user devices, such as, desktops, laptops, etc. | 3 Years |
| 8. | Electrical Installations and Fittings | 10 Years |
| 9. | Pipes & Fittings | 15 Years |
| 10. | Trees & Nursery | 3 Years to 30 Years |

2.4 Revenue Recognition

The Group has revenue recognition policies for its various operating segments that are appropriate to the nature of each business.

Tickets

Revenues from theme park/water park ticket sales are recognized when the tickets are issued.

The accounting policy for recognizing revenue from sale of Open Pass/Gift Passes or Open Day Tickets with all days validity which are Non-Refundable in nature are recognised when Passes/ Tickets are utilized or expired.

Food/Beverages

Revenue is recognized when food/ drinks are supplied or served or services rendered.

Merchandise

Retail sale are recognized on delivery of the merchandise to the customer, when the property in goods and significant risk and rewards are transferred for a price and no effective ownership control is retained.

Room Revenue

Revenue recognized upon rendering of services.

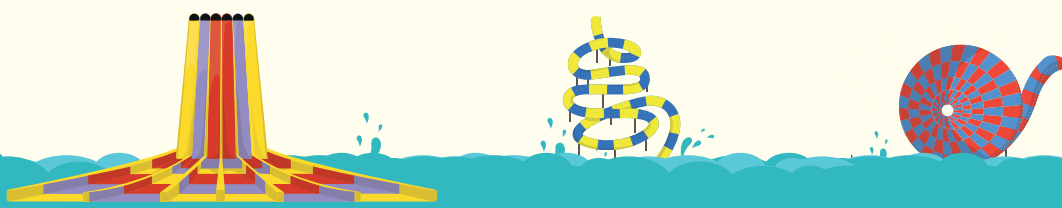
Others

The revenue is recognized on accrual basis and when significant risk and rewards are transferred.

2.5 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is arrived in the following manner:

| | | |
|---------------------------|---|------------------------|
| Food items | : | Weighted Average Basis |
| Merchandise | : | Cost |
| Consumable & Spare Parts | : | Cost |
| Land (Work in Progress) | : | Cost |



Notes forming part of the Consolidated Financial Statements

2.6 Intangible Assets

- i) Intangible Assets are stated at Cost of Acquisition net of recoverable taxes less accumulated amortizations/deletions,
- ii) Depreciation is charged, based on the useful lives of the assets as estimated by the management.

| Sr. No | Nature of asset | Estimated Useful Life |
|--------|----------------------|-----------------------|
| 1. | Trademarks and Logos | 10 Years |
| 2. | Softwares | 6 Years |
| 3. | Films | 10 Years |

2.7 Provisions, Contingent Liabilities and Contingent assets

A provision is recognized when the group has a present obligation as a result of a past event, and 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 determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote. A contingent asset is neither recognized nor disclosed.

Claim against the Group not acknowledged as debts for the year ended March 31, 2016 are as follows

| Name of Statute | Nature of Dues | Amount (₹ in million) | Period to which it Relates | Forum where dispute is Pending |
|------------------|-------------------------------|-----------------------|--------------------------------|--------------------------------|
| Custom Act, 1962 | Special Additional Duty (SAD) | 7.75* | June – 2012 to September -2013 | CESTAT |
| Custom Act, 1962 | Penalty | 111.85 | June – 2012 to September -2013 | CESTAT |

[* Total demand ₹ 111.85 million less amount deposited ₹ 104.10 million.]

2.8 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items.

The Group as per provisions under para 46A of AS-11 notification, has added/deducted from the Cost of Assets the Exchange Fluctuation including mark to market provisions arising on reporting of Long Term Foreign Currency Monetary Item utilized for acquiring the said Fixed Assets. The Group has also entered into derivative contracts for hedging the exchange fluctuation on such Long term Foreign Currency Monetary items utilized for acquiring fixed assets. The amount of Exchange Difference (after adjusted the gain on hedge) adjusted to Fixed Assets during the reporting year is ₹ 83.05 million (net) (Previous year: ₹ 88.20 million) .

2.9 Borrowing Cost (Interest and Finance Charges)

Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are recognized as expenditure in the year in which they are incurred.

Capitalized borrowing costs amounted to ₹ 94.18 million (Previous year: ₹ 106.60 million)

Average cost for capitalization & financial charges thereon of 7.6% to 12.75% (previous year: 9.74%) was used as a basis for capitalization for assets which are still under Work in Progress.

2.10 Employee Benefit

The Group has provided for leave encashment and gratuity as per actuarial valuation done on projected unit credit method. Both the liabilities are non funded.

2.11 Income Tax

Current Tax:

Provision for current Income Tax is made on the estimated taxable income using the applicable tax rates and tax laws.

Deferred Tax:

Deferred Tax arising on the timing differences and which are capable of reversal in one or more subsequent year is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax asset is not recognized unless there is a virtual certainty as regards to the reversal of the same in future years.



Notes forming part of the Consolidated Financial Statements

2.12 Investments

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds is determined on a portfolio basis.

2.13 Lease

(a) Where the group is a Lessor

The group has given on lease three premises/place for period of 5 years to 15 years. The lease rentals received during the reporting year amount to ₹ 7.90 million.

The future minimum lease receipts of such operating leases as at 31st March, 2016 are summarized as below.

(₹ in million)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Amount receivable within one year from the balance sheet date. | 1.31 | 1.21 |
| Amount receivable in the period between one year and five years | 4.13 | 4.77 |
| Amount receivable beyond five years | 6.47 | 7.14 |
| Total | 11.91 | 13.12 |

The above lease receipts are exclusive of service tax

(b) Where the group is a Lessee

The group has taken certain assets like Land, Office premises, furniture and fixtures and apartments on lease. They are on rental lease term which range between 10 months to 7 years. The lease rentals paid during the year amount to ₹ 21.51 million.

The future minimum lease payments in respect of such operating leases as at 31st March 2016 are summarized below.

(₹ in million)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Amount payable within one year from the balance sheet date. | 21.56 | 45.52 |
| Amount payable in the period between one year and five years | 9.08 | 47.83 |
| Amount payable beyond five years | 0.03 | 0.03 |
| Total | 30.67 | 93.38 |

The above lease payments are exclusive of service tax.

2.14 Impairment of Asset

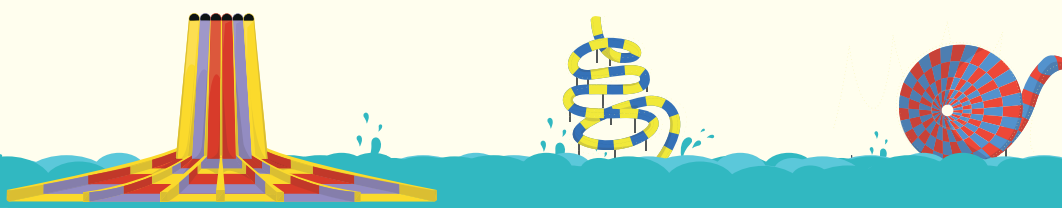
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

2.15 Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

As permitted by the Guidance Note the Group has elected to present EBITDA as a separate line item on the face of the statement of consolidated profit and loss. The group measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the group does not include depreciation and amortization, finance costs, tax expense and, where applicable, prior period items.

2.16 Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). On the basis of the information and records available with the group, the following disclosures are made for the amounts due to the Micro and Small enterprises.



Notes forming part of the Consolidated Financial Statements

(₹ in million)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Principal amount due to any supplier as at the period end | 3.77 | 3.69 |
| Interest due on the principal amount unpaid at the period end to any supplier | 0.84 | 0.39 |
| Amount of Interest paid by the group in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period | - | - |
| Payment made to the enterprises beyond appointed date under Section 16 of MSMED | - | 0.31 |
| Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period, but without adding the interest specified under MSMED | - | 0.16 |
| The amount of interest accrued and remaining unpaid at the end of each accounting period; and | 0.84 | 0.55 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above is actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED. | - | - |

NOTE 3 : SHARE CAPITAL

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Authorised Capital | | |
| 200,000,000 (Previous Year: 200,000,000) | | |
| Equity shares of ₹ 10/- each | 2,000.00 | 2,000.00 |
| Total | 2,000.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid up | | |
| 79,897,810 (Previous Year: 79,897,810) | | |
| Equity shares of ₹ 10/- each, fully paid up | 798.98 | 798.98 |
| Total | 798.98 | 798.98 |

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

| Particulars | 31st March, 2016 | | 31st March, 2015 | |
|---|------------------|----------------|------------------|----------------|
| | Number of shares | (₹ in million) | Number of shares | (₹ in million) |
| Shares outstanding at the beginning of the year | 79,897,810 | 798.98 | 48,463,035 | 484.63 |
| Add :- Debentures converted during the year | - | - | 13,108,448 | 131.08 |
| Add :- Issued during the year | - | - | 18,326,327 | 183.26 |
| Outstanding at the end of the year | 79,897,810 | 798.98 | 79,897,810 | 798.98 |

(b) Details of shares held by holding Company

| Name of the Shareholder | No of Shares | |
|-------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Equity Shares | | |
| Thrill Park Limited | 42,575,087 | 42,575,087 |

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

| Name of the Shareholder | 31st March, 2016 | | 31st March, 2015 | |
|---------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| Thrill Park Limited | 42,575,087 | 53.29 | 42,575,087 | 53.29 |
| India Advantage Fund S3 I | 10,434,779 | 13.06 | 10,434,779 | 13.06 |



Notes forming part of the Consolidated Financial Statements

NOTE 4 : RESERVES AND SURPLUS

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Securities Premium Account | | |
| Opening balance | | |
| Add:- Premium received during the year on account of issue of shares | 7,915.47 | 3,199.97 |
| Less:- Initial public offer expenses (IPO) | - | 5,003.01 |
| | (27.40) | (287.51) |
| Closing Balance | 7,888.07 | 7,915.47 |
| Surplus / (Deficit) in the statement of profit and loss | | |
| Opening balance | (1,621.27) | (548.20) |
| Surplus / (deficit) in the statement of Profit and Loss | (1,032.37) | (1,073.07) |
| Net surplus/(deficit) in the statement of Profit and Loss | (2,653.64) | (1,621.27) |
| Total reserves and surplus | 5,234.43 | 6,294.19 |

NOTE 5 : LONG TERM BORROWINGS

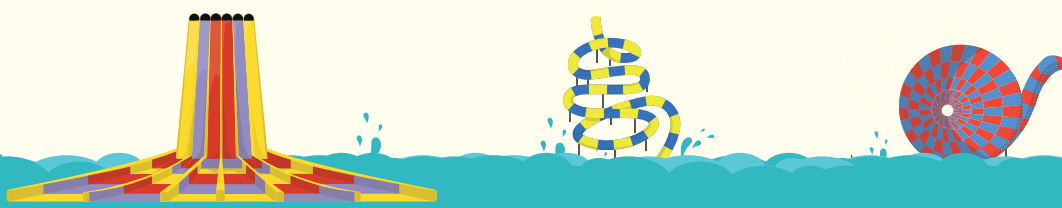
(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Term Loans | | |
| - From banks (refer note no. 34) | 8,222.19 | 8,674.41 |
| - From financial institutions (refer note no. 34) | 1,105.48 | 923.80 |
| - Buyers credit from banks | 300.97 | 1,286.95 |
| | 9,628.64 | 10,885.16 |
| Less:- Amount disclosed under the head "Other current liabilities" | 47.51 | 491.77 |
| | 9,581.13 | 10,393.39 |
| Other Loans | | |
| - Loans and advances from a related party | 0.10 | 0.10 |
| Total | 9,581.23 | 10,393.50 |
| The above amount includes | | |
| Secured | 9,628.64 | 10,885.16 |
| Unsecured | 0.10 | 0.10 |
| Note :- Loan guaranteed by promoters | 9,628.64 | 10,885.16 |

NOTE 6 : LONG TERM PROVISIONS

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--------------------------------|---------------------------|---------------------------|
| Provision for gratuity | 17.19 | 13.03 |
| Provision for leave encashment | 9.21 | 7.90 |
| Total | 26.40 | 20.93 |



Notes forming part of the Consolidated Financial Statements

NOTE 7 : SHORT TERM BORROWINGS

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------------|---------------------------|---------------------------|
| - From banks (Secured) | - | 250.00 |
| - Loan from promoters (Unsecured) | 461.90 | 590.00 |
| Total | 461.90 | 840.00 |

NOTE 8 : TRADE PAYABLES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Expenses trade payable (refer note no. 2.16) | 316.02 | 284.08 |
| Total | 316.02 | 284.08 |

NOTE 9 : OTHER CURRENT LIABILITIES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| - Advance received against sales | 29.38 | 5.25 |
| - Interest accrued but not due on borrowings | 47.37 | 8.57 |
| - Interest accrued and due on borrowings | - | 1.28 |
| - Current maturity of long term borrowings | 47.51 | 491.77 |
| Other liabilities for | | |
| - Statutory dues | 33.99 | 17.48 |
| - Security deposits from sales agents | 2.15 | 1.55 |
| - Sundry creditors for land purchase | 28.69 | 29.14 |
| - Sundry creditors for capital goods and services (Refer note no.2.16) | 149.74 | 296.80 |
| - IPO Proceeds Payable (OFS) | - | 352.28 |
| - IPO Expense Payable | 7.30 | 197.00 |
| - Liability for expenses | 3.41 | 1.20 |
| Deposit for project | 19.15 | 50.00 |
| - From other (Advance for project) | 11.50 | 11.50 |
| Total | 380.19 | 1,463.82 |

NOTE 10 : SHORT-TERM PROVISIONS

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Provisions for employee benefits | | |
| - Provision for gratuity | 1.28 | 0.66 |
| - Provision for leave travel allowance | 2.29 | 4.36 |
| - Provision for leave encashment | 0.74 | 0.84 |
| Total | 4.31 | 5.86 |



Notes forming part of the Consolidated Financial Statements

NOTE 11 : TANGIBLE ASSETS

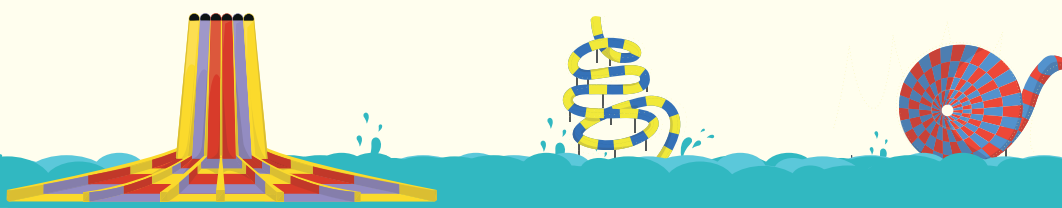
(₹ in million)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|--|-----------------------|---------------------------|---|------------------------|-----------------------|---------------------------|---------------------------------------|------------------------|------------------------|------------------------|--|
| | As at 1st April, 2015 | Additions during the Year | Deductions/ Decapitalized during the Year | As at 31st March, 2016 | As at 1st April, 2015 | Depreciation for the Year | Deduction/ Adjustment during the Year | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 | |
| Land | 2,443.00 | - | 936.46 | 1,506.54 | - | - | - | - | 1,506.54 | 2,443.00 | |
| Computer and Software | 112.56 | 16.37 | - | 128.93 | 24.80 | 20.29 | - | 45.09 | 83.84 | 87.76 | |
| Computer Others | 24.83 | 11.47 | 0.17 | 36.13 | 15.24 | 7.34 | 0.13 | 22.45 | 13.68 | 9.59 | |
| Electrical Installation | 837.07 | 84.68 | 3.39 | 918.36 | 111.29 | 88.19 | - | 199.48 | 718.88 | 725.78 | |
| Furniture & Fixtures | 731.74 | 327.32 | 2.22 | 1,056.84 | 117.29 | 97.43 | 1.92 | 212.80 | 844.04 | 614.44 | |
| Office Equipments | 233.07 | 112.02 | 0.16 | 344.93 | 70.08 | 58.12 | 0.01 | 128.19 | 216.74 | 162.98 | |
| Plant & Machinery (refer note no. 2.8) | 5,710.03 | 313.02 | 19.28 | 6,003.77 | 529.57 | 386.36 | - | 915.93 | 5,087.84 | 5,180.46 | |
| Building | 3,678.26 | 705.04 | 3.32 | 4,379.98 | 161.08 | 129.94 | - | 291.02 | 4,088.96 | 3,517.17 | |
| Building Road | 91.32 | 9.21 | - | 100.53 | 15.26 | 19.42 | - | 34.68 | 65.85 | 76.06 | |
| Pipes and Fitting | 133.05 | - | - | 133.05 | 7.04 | 8.89 | - | 15.93 | 117.12 | 126.00 | |
| Vehicles | 27.58 | - | - | 27.58 | 9.07 | 3.45 | - | 12.52 | 15.06 | 18.51 | |
| Nursery | 30.95 | 12.92 | - | 43.87 | 11.90 | 12.68 | - | 24.58 | 19.28 | 19.05 | |
| Electrical Vehicle | 3.92 | - | - | 3.92 | 0.69 | 0.49 | - | 1.18 | 2.74 | 3.22 | |
| Nursery - Tree | 8.03 | - | - | 8.03 | 0.36 | 0.27 | - | 0.63 | 7.40 | 7.67 | |
| Rides & Attraction - Bandit of Robinhood (refer note no. 36) | 117.44 | - | - | 117.44 | 3.30 | - | - | 3.30 | 114.14 | 114.14 | |
| TOTAL- A | 14,182.85 | 1,592.05 | 965.00 | 14,809.90 | 1,076.97 | 832.87 | 2.06 | 1,907.78 | 12,902.10 | 13,105.83 | |

NOTE 12 : INTANGIBLE ASSETS

(₹ in million)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|------------------------|-----------------------|---------------------------|---|------------------------|-----------------------|---------------------------|---------------------------------------|------------------------|------------------------|------------------------|--|
| | As at 1st April, 2015 | Additions during the Year | Deductions/ Decapitalized during the Year | As at 31st March, 2016 | As at 1st April, 2015 | Depreciation for the Year | Deduction/ Adjustment during the Year | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 | |
| Software | 94.90 | 16.35 | - | 111.25 | 26.38 | 16.38 | - | 42.76 | 68.49 | 68.52 | |
| Logo and Trade Mark | 6.78 | 0.18 | - | 6.96 | 1.08 | 0.69 | - | 1.77 | 5.19 | 5.70 | |
| Film | 290.83 | 15.08 | - | 305.91 | 41.11 | 29.21 | - | 70.32 | 235.59 | 249.72 | |
| Goodwill | 12.51 | - | - | 12.51 | - | - | - | - | 12.51 | 12.51 | |
| TOTAL- B | 405.02 | 31.61 | - | 436.63 | 68.57 | 46.29 | - | 114.86 | 321.78 | 336.45 | |
| GRAND TOTAL A+B | 14,587.87 | 1,623.66 | 965.00 | 15,246.53 | 1,145.54 | 879.15 | 2.06 | 2,022.63 | 13,223.88 | 13,442.28 | |



Notes forming part of the Consolidated Financial Statements

NOTE 13 : LONG-TERM LOANS AND ADVANCES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Capital Advances | | |
| Advance for land at Khalapur (Unsecured, considered good) | 66.76 | 66.76 |
| Security Deposits (Unsecured, considered good) | 29.78 | 30.76 |
| Other | | |
| Advance income taxes (net) | 16.25 | 3.19 |
| Deposits with government authorities | 1.66 | 1.54 |
| | 114.45 | 102.25 |

NOTE 14 : INVENTORIES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|----------------------------|---------------------------|---------------------------|
| Raw material | | |
| - Food Items | 17.72 | 9.91 |
| Trading goods | | |
| - Merchandise | 49.16 | 28.41 |
| Consumables & spares parts | 56.86 | 66.85 |
| Land work in Progress | 988.57 | 45.34 |
| | 1,112.31 | 150.51 |

NOTE 15 : TRADE RECEIVABLES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Unsecured, considered good unless stated otherwise | | |
| Over six months | - | - |
| Other | 37.89 | 58.92 |
| Total | 37.89 | 58.92 |

NOTE 16 : CURRENT INVESTMENT

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|----------------------------------|---------------------------|---------------------------|
| Investment in Mutual Fund | | |
| Borada Pioneer Liquid Fund units | - | 5.70 |
| Total | - | 5.70 |



Notes forming part of the Consolidated Financial Statements

NOTE 17 : CASH AND BANK BALANCES

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balance with banks | 57.89 | 3,862.10 |
| Cash on hand | 21.95 | 24.44 |
| Fixed deposit | 4.30 | 8.80 |
| Liquid fund investment | 100.43 | - |
| Total A | 184.57 | 3,895.34 |
| Other bank balances | | |
| Fixed deposits (pledge with banks) | 18.48 | 40.74 |
| Total B | 18.48 | 40.74 |
| Total (A+B) | 203.05 | 3,936.08 |

NOTE 18 : SHORT-TERM LOANS AND ADVANCES

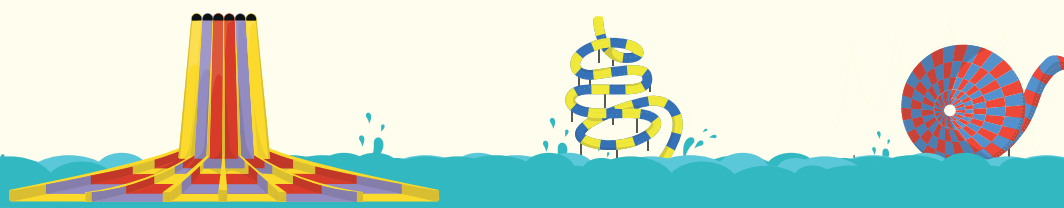
(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|------------------------|---------------------------|---------------------------|
| Loan to employees | 1.15 | 3.64 |
| MAT Credit Entitlement | 0.29 | 0.29 |
| Prepaid Expenses | 0.08 | 2.99 |
| TDS 2015-2016 | 0.18 | - |
| Service Tax Receivable | 0.21 | - |
| Total | 1.91 | 6.92 |

NOTE 19 : OTHER CURRENT ASSETS

(₹ in million)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------------------------|---------------------------|---------------------------|
| Share application money | 125.00 | 125.00 |
| Custom duty refund receivable | 0.32 | 0.65 |
| Deposits- secured | - | 6.02 |
| Deposit- others | 25.80 | 35.68 |
| Stamp duty refund receivable | - | 0.10 |
| Advances to suppliers | 30.13 | 127.00 |
| Prepaid expenses & insurance | 11.79 | 5.58 |
| Balance with government authorities | 8.50 | - |
| Derivative assets | 0.45 | - |
| Other receivables | 0.63 | 0.12 |
| Total | 202.62 | 300.15 |



Notes forming part of the Consolidated Financial Statements

NOTE 20 : REVENUE FROM OPERATIONS

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Sale of products | 2,437.19 | 1,863.03 |
| Other operating revenue | 86.72 | 31.19 |
| Revenue from operations (Net) | 2,523.91 | 1,894.22 |
| Details of Product sold | | |
| Tickets sales | 1,658.00 | 1,415.32 |
| Food & beverages | 460.47 | 311.12 |
| Merchandise sales | 213.74 | 136.59 |
| Room Revenue | 104.98 | - |
| Total | 2,437.19 | 1,863.03 |
| Details of Other operating revenue | | |
| Income from parking services | 15.77 | 10.85 |
| Income from third party logistic services | 33.18 | 8.37 |
| Income from space on hire | 15.23 | 4.75 |
| Income from lockers | 17.51 | 6.08 |
| Misc. Income | 5.03 | 1.14 |
| Total | 86.72 | 31.19 |

NOTE 21 : OTHER INCOME

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|-------------------------------------|--|--|
| Income from liquid fund investments | 40.41 | 12.92 |
| Interest Income | 5.45 | 5.38 |
| Gain on Sale of Assets | 0.03 | - |
| Interest on Income Tax Refund | - | 0.02 |
| Total | 45.89 | 18.32 |

NOTE 22 : COST OF MATERIAL CONSUMED

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---------------------------------|--|--|
| Cost of food & beverage, others | 135.96 | 91.23 |
| Cost of liquor | 6.43 | 6.32 |
| Total | 142.39 | 97.55 |

NOTE 23 : (INCREASE) / DECREASE IN INVENTORIES

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Stock in trade at the beginning of the year | | |
| - Merchandise | 28.41 | 10.58 |
| Less: Stock in trade at the end of the year | | |
| - Merchandise | 49.16 | 28.41 |
| Total | (20.75) | (17.83) |



Notes forming part of the Consolidated Financial Statements

NOTE 24 : PERSONNEL EXPENSES

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--------------------------------------|--|--|
| Salaries, wages and bonus | 455.96 | 365.59 |
| Contribution to provident fund | 24.46 | 23.46 |
| Employee welfare and other amenities | 115.67 | 90.09 |
| Total | 596.09 | 479.14 |

NOTE 25 : OPERATING AND OTHER EXPENSES

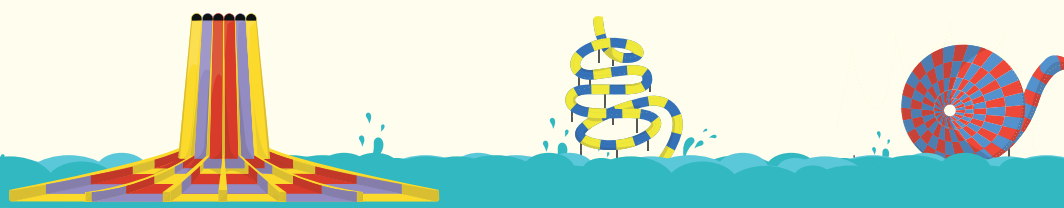
(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Consumables & spares parts | 6.71 | 44.80 |
| Rent | 17.44 | 17.07 |
| Rates and taxes | 33.64 | 23.30 |
| Repairs and Maintenance | 140.44 | 70.89 |
| Power, fuel and water | 165.08 | 134.22 |
| Freight and forwarding expenses | 0.69 | 1.77 |
| House keeping expenses | 59.48 | 51.72 |
| Event & entertainment expenses | 42.05 | 49.06 |
| Advertisement, sales and marketing expenses | 521.25 | 395.40 |
| Insurance expense | 19.76 | 21.46 |
| Communication expenses | 7.66 | 5.77 |
| Travelling and conveyance expenses | 80.58 | 53.16 |
| Payment to auditors (refer note 29) | 1.91 | 1.24 |
| Legal and professional fees | 30.81 | 37.65 |
| Provision for Doubtful Debts and Advances | 0.10 | - |
| Foreign exchange loss (net) | 0.21 | 0.29 |
| Commission | 88.68 | 52.51 |
| Security and safety expenses | 39.15 | 62.63 |
| Printing and stationery expenses | 11.47 | 7.59 |
| Directors sitting fees | 1.18 | 3.65 |
| Other operating expenses | 10.24 | 14.94 |
| ROC Filing Fees | 2.66 | - |
| Shares Allotment Expenses | 1.06 | - |
| Total | 1,282.25 | 1,049.12 |

NOTE 26 : INTEREST AND FINANCE COST

(₹ in million)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|------------------------|--|--|
| Interest | 1,064.87 | 1,114.31 |
| Funds raising expenses | 26.59 | - |
| Bank charges | 11.11 | 31.36 |
| Total | 1,102.57 | 1,145.68 |



Notes forming part of the Consolidated Financial Statements

27) EARNINGS PER SHARE (EPS)

| Sr. No | Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--------|--|-----------------------------------|-----------------------------------|
| 1 | Net (Loss) as per Profit and Loss Account attributable to Equity Shareholders in Rupees in million | (1,032.37) | (1073.07) |
| 2 | Weighted Average number of equity shares used as denominator for calculating EPS | 79,897,810 | 50,897,529 |
| 3 | Basic and Diluted Earnings per share in Rupees | (12.92) | (21.08) |
| 4 | Face Value per equity share in Rupees | 10.00 | 10.00 |

28) DEFERRED TAX ASSET (NET)

(₹ in million)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|----------------------|----------------------|
| Deferred Tax Assets | | |
| On account of Business Loss | 1,884.53 | 1161.77 |
| On account of Other Items | 1.02 | 1.02 |
| Expenditure allowed on Payment basis | 9.66 | 7.62 |
| Gross Deferred Tax Assets (A) | 1,895.21 | 1170.41 |
| Deferred Tax Liabilities | | |
| Differences in depreciation and other differences in block of fixed assets as per tax books and financial books. | 599.83 | 378.94 |
| Gross Deferred Tax Liabilities (B) | 599.83 | 378.94 |
| Deferred Tax Asset (Net) (A-B) | 1295.38 | 791.47 |

The timing differences result in a net deferred asset, relating mainly to unabsorbed depreciation and carried forward losses under the Income Tax Act, 1961.

The Group has recognised deferred tax assets on unabsorbed business losses and unabsorbed depreciation in view of operation of Theme Park ,water park and Hotel picking up pace and increasing footfalls .

29) AUDITORS REMUNERATION

(₹ in million)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---------------------------|-----------------------------------|-----------------------------------|
| Audit Fees | 1.45 | 1.18 |
| Reimbursement of expenses | 0.02 | - |
| Taxation Matters | 0.04 | 0.08 |
| IPO Matters* | - | 1.78 |
| Limited Review Fees | 0.20 | - |
| Tax Audit Fees | 0.20 | - |
| Total | 1.91 | 3.04 |

* Payment of ₹ Nil (Previous year ₹ 1.78 Million) made to auditors for IPO matters are reduced from securities premium account as IPO expenses.

30) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 129.24 million as on 31st March, 2016.



Notes forming part of the Consolidated Financial Statements

31) LIST OF RELATED PARTIES AND TRANSACTIONS (EXCLUDING REIMBURSEMENTS) AS PER REQUIREMENTS OF ACCOUNTING STANDARD - 18, 'RELATED PARTY DISCLOSURES'

(₹ in million)

| Name of Related Party | Relationship | Nature of Transaction | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-------------------------|--------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Mr. Manmohan Shetty | Key Managerial Personnel | Rent paid | 6.01 | 8.24 |
| | | Royalty paid | 0.11 | 0.11 |
| | | Loan Received | - | 15.49 |
| | | Loan Repaid | - | 3.92 |
| M/s Thrill Park Limited | Holding Company | Amount payable towards IPO expenses | - | 368.58 |
| | | Loan Received | 50.00 | 70.00 |
| | | Loan Repaid | 178.10 | - |
| | | Advance Received | - | 27.00 |
| | | Advance Paid | - | 27.00 |
| Miss. Aarti Shetty | Relative | Consultancy fees | 6.84 | 5.39 |
| | | Shares purchased | - | 0.05 |
| Mr. Kapil Bagla | Key Managerial Personnel | Remuneration | 13.43 | 8.52 |
| Mr. Harjeet Chhabra | Key Managerial Personnel | Remuneration | 10.61 | 7.41 |
| Mr. Vincent Pijnenburg | Key Managerial Personnel | Remuneration | 5.65 | 7.61 |
| Mr. Rakesh Khurmi | Key Managerial Personnel | Remuneration | 7.56 | 4.53 |
| Mrs. Pooja Deora | Relatives | Consultancy fees | 6.84 | 5.62 |
| | | Shares purchased | - | 0.05 |
| Mrs. Anjali Seth | Key Managerial Personnel | Director Siting Fees | 0.11 | 0.10 |
| Mr. Prashant Purker | Key Managerial Personnel | Director Siting Fees | - | 0.03 |

Statement of Consolidated Outstanding balances of Related Parties

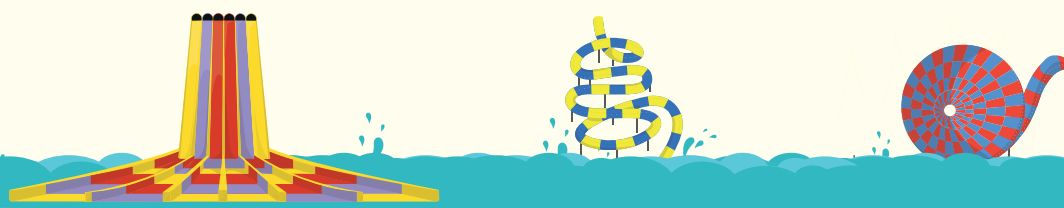
(₹ in million)

| Name of Related Party | Relationship | Nature | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-----------------------|--------------------------|----------------------|-----------------------------------|-----------------------------------|
| M/s. Thrill Park Ltd. | Holding Company | Long Term Borrowing | 0.10 | 0.10 |
| | | Short Term Borrowing | 11.90 | 140.00 |
| | | Current Liabilities | - | 352.28 |
| Mr. Manmohan Shetty | Key Managerial Personnel | Short Term Borrowing | 450.00 | 450.00 |
| | | Current Liabilities | 0.10 | 0.11 |
| Pooja Deora | Relative | Current Liabilities | 1.57 | 3.33 |
| Aarti Shetty | Key Managerial Personnel | Current Liabilities | 2.61 | 3.07 |

32) SEGMENTAL REPORTING AS PER AS - 17 IS APPLICABLE TO THE COMPANY FOR THE YEAR UNDER CONSIDERATION.

(₹ in million)

| Particular | Tickets | Restaurants | Merchandise | Hotel | Other Operations | Un-allocable | Total |
|--|------------|-------------|-------------|--------|------------------|--------------|-------------|
| Segment Revenue | 1,658.01 | 460.46 | 213.74 | 104.98 | 86.72 | 40.44 | 2,564.35 |
| | (1,415.31) | (311.12) | (136.59) | - | (31.19) | (12.92) | (1,907.13) |
| Segment Result before Interest and Taxes | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | -51.72 | -439.15 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-214.41) | (-580.80) |
| Less : Interest expense | - | - | - | - | - | -1,102.57 | -1,102.57 |
| | - | - | - | - | - | (-1,145.67) | (-1,145.67) |
| Add : Interest and dividend income | - | - | - | - | - | 5.45 | 5.45 |
| | - | - | - | - | - | (5.40) | (5.40) |



Notes forming part of the Consolidated Financial Statements

(₹ in million)

| Particular | Tickets | Restaurants | Merchandise | Hotel | Other Operations | Un-allocable | Total |
|-------------------|-----------|-------------|-------------|--------|------------------|--------------|-------------|
| Profit before tax | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | -1,148.84 | -1,536.27 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-1,354.68) | (-1,721.07) |
| Deferred tax | - | - | - | - | - | 503.90 | 503.90 |
| | - | - | - | - | - | (648.00) | (648.00) |
| Profit after tax | -507.29 | 124.00 | 34.26 | -57.64 | 19.24 | -644.94 | -1,032.37 |
| | (-498.67) | (128.52) | (18.70) | - | (-14.94) | (-706.68) | (-1,073.07) |

Other Information

| | | | | | | | |
|-------------------------------------|-------------|----------|----------|----------|---------|-------------|-------------|
| Segment assets | 9,861.71 | 610.95 | 229.02 | 1,706.48 | 7.22 | 4388.08 | 16,803.46 |
| | (10,696.02) | (353.99) | (218.58) | - | (2.72) | (8,830.04) | (20,101.35) |
| Segment liabilities | 248.05 | 23.76 | 30.54 | 34.31 | 3.73 | 10429.66 | 10,770.05 |
| | (1,357.93) | (15.60) | (9.12) | - | (65.33) | (11,560.21) | (13,008.21) |
| Capital Expenditure during the year | 102.51 | 155.49 | 1.92 | 1,268.52 | - | 66.67 | 1,595.11 |
| | (1,253.28) | (17.40) | (9.15) | - | - | (10.94) | (1,290.77) |
| Depreciation and amortisation | 757.21 | 44.04 | 9.42 | 66.46 | - | 2.02 | 879.15 |
| | (759.95) | (29.11) | (8.42) | - | - | (1.17) | (798.65) |

Figures in the Bracket represent previous year figures

33) The Current assets, Loans & Advances (including capital advances) have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the balance sheet. Current assets, Loans & Advances (including capital advances) are subject to Confirmation and Reconciliation. Other known liabilities are adequate and not in excess of what are required.

34) The Term Loan facility availed by the Company is secured by pari passu first charge on movable and immovable fixed assets of the Company including mortgage of 298 acres of land to consortium lead by Union Bank of India in favour of IDBI Trusteeship Services Ltd. However, during the year the Company has transferred 137.33 acres of mortgaged land to wholly owned subsidiary with mortgage to continue in favour of lenders.

The said loan is also secured by first pari passu charge on Current assets of the Company.

Interest rate on term loan taken from Banks and Financial institutions varies from base rate plus 2.60 to 3.10.

Interest rate on Loan taken in form of Buyers Credit varies from 0.48 to 3.00.

35) INVENTORIES

(₹ in million)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Construction work in progress | | |
| Opening work in progress - (a) | 46.72 | - |
| Add: Cost incurred during the year | | |
| Land Cost | 936.46 | - |
| Stamp Duty expense | - | 42.33 |
| Municipal charges and taxes | 3.81 | - |
| Legal and Professional Fees | 1.58 | 4.39 |
| Cost incurred during the year- (b) | 941.85 | 46.72 |
| Total Cost of Construction at the year end - (a+b) | 988.57 | 46.72 |
| Less: Cost Transfer to the statement of profit and loss | - | - |
| Closing work in progress | 988.57 | 46.72 |



Notes forming part of the Consolidated Financial Statements

36) The group has suspended operation of Bandit of Robinhood ride on account of malfunctioning and it has filed with the vendor for damages including compensation for loss of business. The group has separately disclosed it as retired asset under fixed asset schedule and is carried at lower of Net Book Value or Net Realisable value.

37) RATIOS OF CONSOLIDATION FOR NET ASSETS AND PROFIT AND LOSS ACCOUNT ARE AS FOLLOWS.

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|----------------------------------|--|-----------------------|---------------------------------------|-----------------------|
| | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or (loss) | Amount (₹ in Million) |
| 1 | 2 | 3 | 4 | 5 |
| Parent Company | 84.26% | 5,083.72 | -99.55% | -1027.76 |
| 1. Adlabs Entertainment Limited | | | | |
| Indian Subsidiary Company | | | | |
| 2. WalkWater Properties Pvt Ltd | 15.74% | 949.69 | -0.45% | -4.61 |

For A. T. JAIN & CO.

Firm Registration No : 103886W

Chartered Accountants

S. T. Jain

Partner

Membership No: 33809

Place: Mumbai

Date: 24th May, 2016

For and on behalf of the Board of Directors of

ADLABS Entertainment Limited

Manmohan Shetty

Chairman

Rakesh Khurmi

Chief Financial Officer

Place: Mumbai

Date: 24th May, 2016

Kapil Bagla

Whole Time Director

Madhulika Rawat

Company Secretary



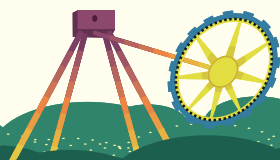
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

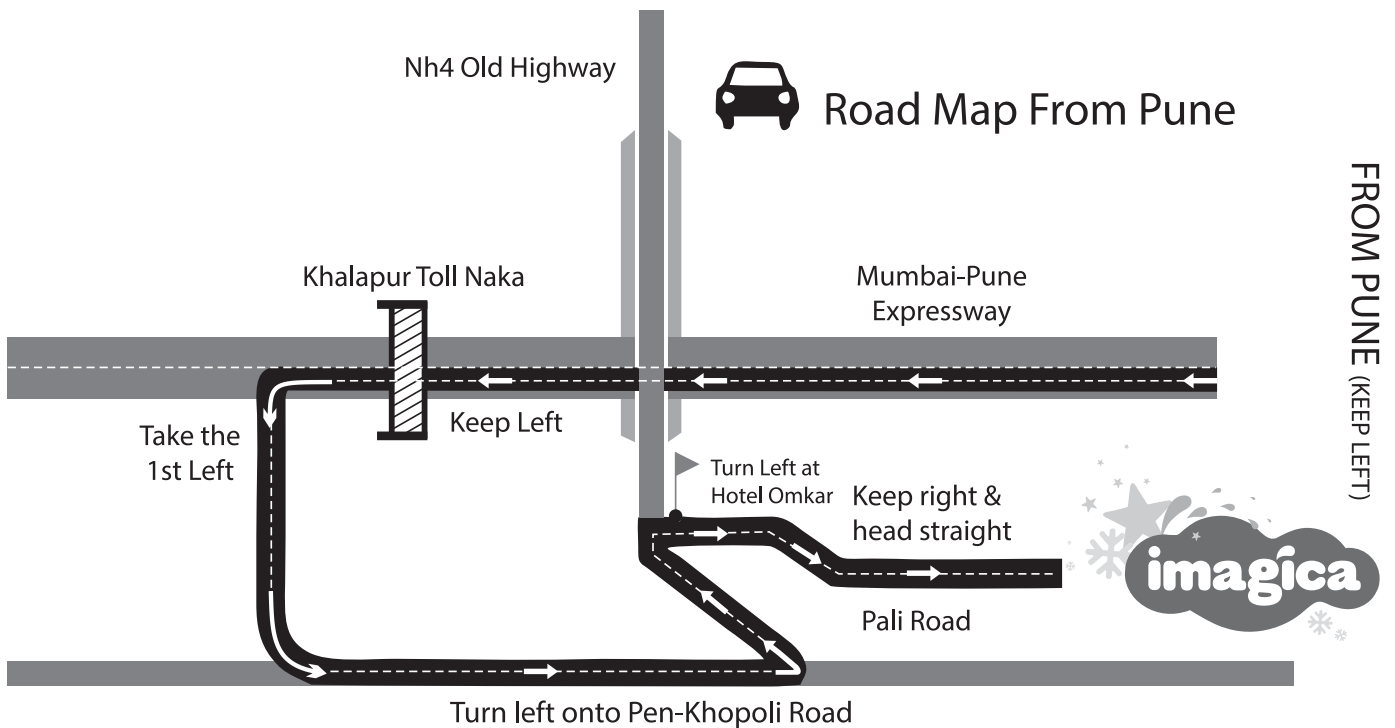
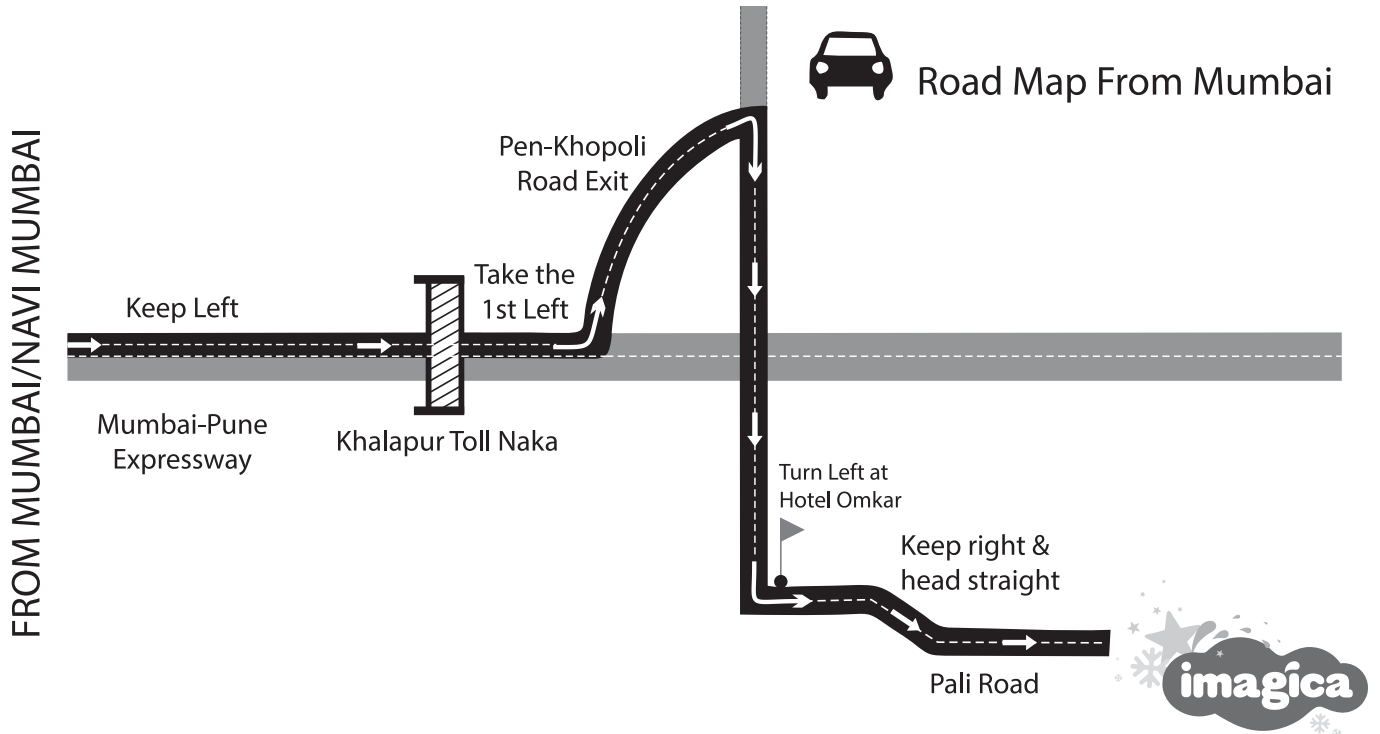
Statement containing salient features of the financial statement of subsidiary company:

(₹ in million)

| S. No. | Particulars | Details |
|--------|--------------------------------|--------------------------------------|
| 1. | Name of the Subsidiary Company | Walkwater Properties Private Limited |
| 2. | Share capital | 215.66 |
| 3. | Reserves & surplus | 827.89 |
| 4. | Total assets | 1,115.46 |
| 5. | Total Liabilities | 71.91 |
| 6. | Investments | 0.00 |
| 7. | Turnover | 2.16 |
| 8. | Profit/(Loss) before taxation | (4.18) |
| 9. | Provision for taxation | 0.00 |
| 10. | Profit/(Loss) after taxation | (4.18) |
| 11. | Proposed Dividend | 0.00 |
| 12. | % of shareholding | 100.00 |



Route map to the venue of AGM





ADLABS Entertainment Limited

Registered office: 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203
Tel.: +91 2192 669 900 | Fax: +91 22 4068 0088 | Website: www.adlabsimagica.com
E-mail: compliance@adlabsentertainment.com | CIN: L92490MH2010PLC199925

PROXY FORM - MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): _____ E-mail ID: _____

Registered Address : _____ Folio No./ Client ID: _____

DP ID: _____

I/We, being the member(s) of _____ equity shares of Adlabs Entertainment Limited, hereby appoint:

1. Name : _____

E-mail Id : _____

Address : _____

Signature : _____ or failing him

2. Name : _____

E-mail Id : _____

Address : _____

Signature : _____ or failing him

3. Name : _____

E-mail Id : _____

Address : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on the 28th day of July, 2016 at 11.30 a.m. at the Imagica Capital B2, Adlabs - Imagica, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolutions | For | Against |
|--------|--|-----|---------|
| 1. | To consider and adopt: a) the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 and the report of Auditors thereon. | | |
| 2. | To appoint a Director in place of Mr. Kapil Bagla (DIN: 00387814), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | To appoint Auditors and to fix their remuneration. | | |
| 4. | To appoint Ms. Pooja Deora (DIN: 00013027) as a Director. | | |
| 5. | To appoint Ms. Meghna Ghai Puri (DIN: 00130085) as an Independent Director. | | |
| 6. | To appoint Mr. Ashutosh Kale (DIN: 06844520) as an Executive Director. | | |

Signed this _____ day of _____ 2016.

Affix
Revenue
Stamp

Signature of shareholder _____

Signature of Proxy holder(s) _____

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

Lined writing area consisting of 21 horizontal blue lines.

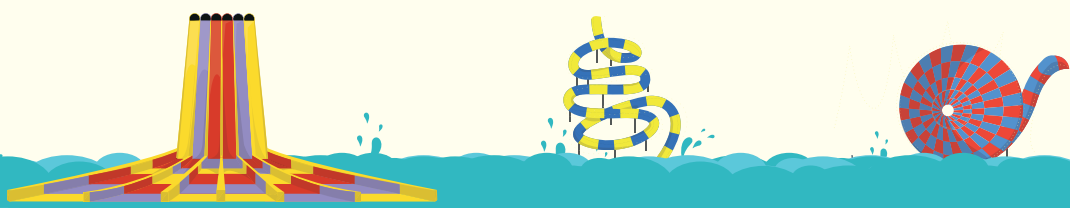


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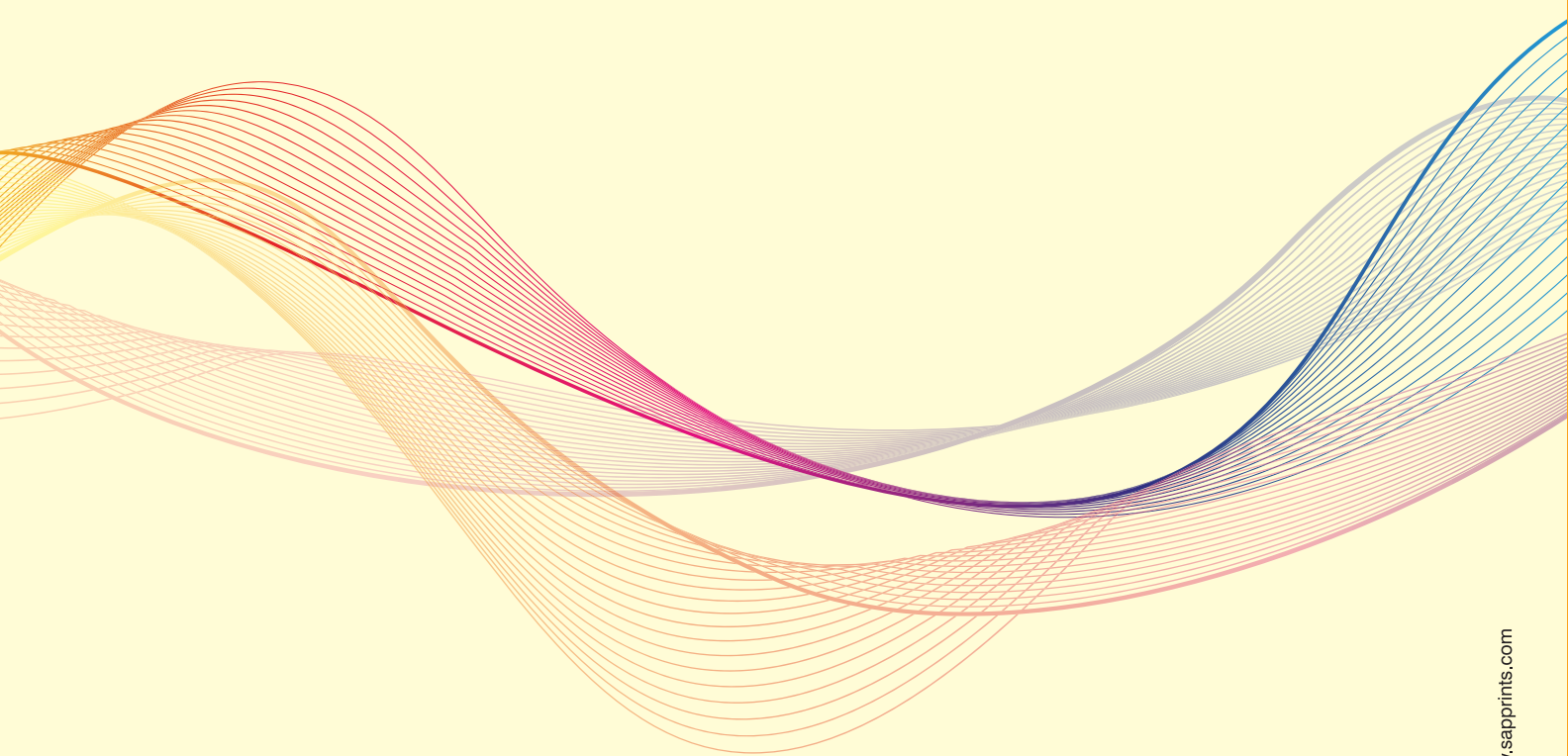
NOTES







theme park • water park • snow park • hotel



www.adlabsimagica.com

ADLABS Entertainment Limited



Registered office: 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203
Tel.: +91 2192 669 900 | Fax: +91 22 4068 0088 | Website: www.adlabsimagica.com
E-mail: compliance@adlabsentertainment.com | CIN: L92490MH2010PLC199925

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional attendance slip on request.

| | | | |
|------------|--|----------------------|--|
| DP. Id* | | Regd. Folio No. | |
| Client Id* | | No. of Share(s) held | |

NAME AND ADDRESS OF THE SHAREHOLDER

I/we hereby record my/our presence at the **7th ANNUAL GENERAL MEETING** on Thursday, July 28, 2016 at 11.30 a.m., at the Imagica Capital B2, Adlabs - Imagica, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigarh 410 203.

*Applicable for investors holding share(s) in electronic form.

Signature of the shareholder or proxy : _____

E-VOTING PARTICULARS

| EVEN (Electronic Voting Event Number) | User ID | Password |
|--|----------------|-----------------|
| 104190 | | |

Note: Please read instructions given at Note No. 18 (Procedure for voting through electronic means) to the Notice of the 7th Annual General Meeting carefully before voting electronically. The voting time commences from July 25, 2016 (9:00 a.m.) and ends on July 27, 2016 (5:00 p.m.). The voting module shall be disabled by NSDL for voting thereafter.