

Date: July 28, 2020

**BSE Limited**

Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.

**BSE Scrip Code: 539141**

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor, Plot No. C/1  
G Block, Bandra Kurla Complex,  
Bandra (East)  
Mumbai – 400 051.

**NSE Scrip Code: UFO**

Dear Sir / Ma'am,

**Sub: Annual Report for the FY 2019-20 and Notice of 16<sup>th</sup> Annual General Meeting (AGM)**

Pursuant to Regulation 34(l) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2019-20 along with the Notice of AGM which being sent to the members by the e-mail.

The Annual Report containing the Notice of AGM is also uploaded on the Company's website <https://www.ufomoviez.com/investor>

Brief details of the 16<sup>th</sup> AGM of the Company are as below:

<b>Day &amp; Date of AGM</b>	Thursday, August 20, 2020
<b>Time of AGM</b>	03:00 p.m. IST
<b>Mode</b>	Video Conference / Other Audio Visual Means
<b>Web-link for participation through video conferencing</b>	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
<b>Cut-off date for e-voting</b>	Thursday, August 13, 2020
<b>Remote e-voting start date and time</b>	Monday, August 17, 2020 at 9:00 a.m. IST
<b>Remote e-voting end date and time</b>	Wednesday, August 19, 2020 at 5:00 p.m. IST
<b>E-voting website</b>	<a href="https://evoting.karvy.com/">https://evoting.karvy.com/</a>

Kindly take note of the above on your record.

Thanking you,

Yours faithfully,

For **UFO Moviez India Limited**

**Sameer Chavan**  
Company Secretary

Encl: a/a

# ANNUAL REPORT

2019-20

**UFO**  
CINE MEDIA NETWORK



**UFO** 20

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# UFO MOVIEZ INDIA LIMITED

Annual Report 2019 - 20

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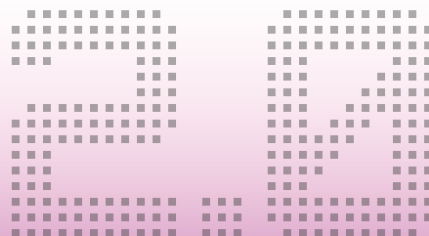


## UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest in-cinema advertising platform that has the power to impact almost 2.1 billion viewers annually through 3,792 screens comprising of 2,002 screens in the PRIME channel and 1,790 screens in the POPULAR channel across 1,231 cities, leading directly into the hearts of India's Urban Heartland.

## OUR VISION

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



Dear Shareholders,

As we write this letter, the entire humanity is going through a crisis due to COVID-19 pandemic, a never seen before situation, at least in our lifetimes. As and when we emerge from this situation, the World will be a different place. Some of the changes are already visible. Social distancing has become a norm while work from home is a new normal. We are confident that we will emerge stronger once this situation is over.

Coming to the performance of the Company, fiscal year 2019-20 was a weaker year owing to economic slowdown and impact of the pandemic. Advertisement revenues, especially from Government verticals, were lower which led to lower profitability. However, the Company's cash flows generation remained steady and we continued to be net cash positive even after the Board declared a healthy dividend of 150% during the year. This marked the fifth consecutive dividend declared by the Board.

The fiscal year 2019-20 also marked the commencement of "UFO - 2.0" as we presented our new brand identity "UFO - Cine Media Network" in December of 2019 reinforcing our focus on in-cinema advertising. Along with the launch of the new vibrant logo, we also realigned the advertisement network into two powerful channels - PRIME SCREENS (multiplexes and Hollywood release centres) and POPULAR SCREENS (standalone screens and mass appeal screens). Our focus is on leveraging our new brand positioning with a large network of 3,792 high impact advertisement screens comprising of 2,002 PRIME and 1,790 POPULAR channels screens through a focused strategy to drive inventory utilization and spot rates.

However, towards the end of the financial year 2020, India went into a nationwide lockdown in March 2020 on account of the COVID-19 pandemic. The rapid spread of COVID-19 has impacted all our lives that we could have never envisaged and the human tragedy is shocking and saddening. We are going through an unprecedented challenging period as the shutdown of cinemas has resulted in significant losses for the entire industry. We swiftly responded to the situation by taking various measure like optimizing expenses, putting capital expenditure on hold and availing moratorium facility on loan and interest to conserve cash to sustain this phase.

At the time of writing, the Government ordered a phase-wise re-opening of economic activities from June 2020. The decision to re-open Cinemas will be taken by the Government in the third phase of unlocking depending on the situation. Until then, to ensure business continuity and sustainability, the Company has provided Work From Home facility to employees, wherever feasible. The well-being of all employees and customers is the Company's highest priority. We have established protocols for social distancing, sanitization and medical screening in our Offices as we prepare for a future re-opening. Also, we have held wide-ranging discussions with various stakeholders on 'Building Trust with Audiences' so that audiences are comfortable coming back to cinemas. We intend to start a program to reach out to independent cinemas and small multiplexes to understand their current state and support them in instituting standard operating procedures and protocols and training their employees. This will make audiences feel safe and bring them back to cinemas when they reopen.

The road to recovery post reopening of cinemas is likely to be slow as social distancing and other measures to be implemented in cinemas will have an impact on cinema footfalls. Normalization of cinema occupancy and availability of new content is going to be critical for the full recovery of advertisement and theatrical revenues. However, we remain cautiously optimistic about the future.

We hope that all our stakeholders stay safe and the world succeeds in containing this pandemic soon. We would like to thank all our shareholders, employees, customers and all other stakeholders for their unconditional support in these pressing times.



**Warm Regards,**

**Sanjay Gaikwad**  
Founder and Managing Director

**Kapil Agarwal**  
Joint Managing Director

## CORPORATE INFORMATION

### Board of Directors

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

**Chief Executive Officer (CEO)** - Indian Operations  
Rajesh Mishra

### Chief Financial Officer

Ashish Malushte

### Company Secretary

Sameer Chavan

### Statutory Auditors

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

### Bankers

HDFC Bank Limited  
YES Bank Limited

### Registrar & Share Transfer Agent

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

### Registered and Corporate Office

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

### Corporate Identity Number

L22120MH2004PLC285453

## ANNUAL GENERAL MEETING

<b>Day &amp; Date of Annual General Meeting</b>	Thursday, August 20, 2020
<b>Time of Annual General Meeting</b>	03:00 p.m. IST
<b>Mode</b>	Video Conference / Other Audio Visual Means
<b>Web-link for participation through video conferencing</b>	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
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<b>E-voting website</b>	<a href="https://evoting.karvy.com/">https://evoting.karvy.com/</a>

## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **UFO Moviez India Limited** ("the Company") will be held on Thursday, the 20th day of August, 2020 at 03:00 p.m. IST through Video Conference / Other Audio Visual Means, to transact the following business.

### Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of an interim dividend of 150% (₹ 15.00 per equity share on the face value of ₹ 10 each) for the financial year ended March 31, 2020 declared by the Board.
3. To appoint a Director in place of Mr. Ameya Hete (DIN: 01645102), who retires by rotation, and being eligible, offers himself for re-appointment.

By order of the Board of Directors

**Sameer Chavan**

**Company Secretary**

Date: June 22, 2020

Place: Mumbai

M. No. F7211

### Notes:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), without physical presence of the Members at a common venue.
2. Incompliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 16th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM" or "e-AGM"). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. **e-AGM:** Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
4. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at [vickyscrutinizer@gmail.com](mailto:vickyscrutinizer@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com)
6. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited having office at Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana -500032.
7. **Attending e-AGM :** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by clicking "Video Conference" login by using the remote e-voting credentials which shall be provided as per Note No. 18 below. Kindly refer Note No. 17 below for detailed instruction for participating in e-AGM through Video Conferencing.
8. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
9. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
10. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members

through Company's Registrar and Transfer Agent KFin Technologies Private Limited. Kindly refer Note no. 18 below for detailed instruction for remote e-voting.

12. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Private Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No. 19 below for instruction for e-voting during the AGM.
13. The Company has fixed Thursday, August 13, 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. 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 shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
14. The Register of Members and Transfer Book of the Company will be closed from Friday, August 14, 2020 to Thursday, August 20, 2020 (both days inclusive).
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on March 31, 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at <https://www.ufomoviez.com/investor>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The same is also available on the website of KFin Technologies Private Limited at the website address <https://evoting.karvy.com>
16. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)**
  - i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - b. Members holding shares in physical form may register their email address and mobile

number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

- ii. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to visit the website of KFin Technologies Private Limited [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for temporary registration of email id of shareholders for 16th e-AGM and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions.
 

In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.
17. **Instructions to the Members for attending the e-AGM through Video Conference:**
- i. **Attending the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com/> by clicking 'i.e.-AGM Video Conference and Streaming' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders'/members' login where the EVENT and the Name of the Company can be selected.
  - ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 18 below.
  - iii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
  - iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.



- v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. **Submission of Questions / queries prior to e-AGM:**  
Members desiring any additional information with regard to Accounts/ Annual Reports or has any questions or query at the e-AGM may visit <https://emeetings.kfintech.com/> and click on the tab to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-voting period.
- vii. **Speaker Registration before e-AGM:** In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc.in advance as provided in Note No. 17(vi) above.
- viii. All documents referred to in the accompanying explanatory statement are available for inspection electronically. Members seeking to inspect such documents can send an e-mail to [investors@ufomoviez.com](mailto:investors@ufomoviez.com)
- ix. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to [investors@ufomoviez.com](mailto:investors@ufomoviez.com)
- x. Members who may require any technical assistance or support before or during the e-AGM are requested to contact KFin Technologies Private Limited at toll free number 1-800-3454-001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com)

## 18. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the

Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ('remote e-voting').

Members attending the e-AGM who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

- i. The remote e-voting facility will be available during the following period:
  - a. Day, date and time of commencement of remote e-voting: Monday, August 17, 2020 at 9:00 a.m.
  - b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Wednesday, August 19, 2020 at 5:00 p.m.
- ii. Details of Website: <https://evoting.karvy.com>
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Thursday, August 13, 2020. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on Friday, July 17, 2020 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after Friday, July 17, 2020 being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. Thursday, August 13, 2020, may obtain the User Id and password in the manner as mentioned below:
  - a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:  
MYEPWD <space> 'e-Voting Event Number'  
+Folio number or DPID Client ID to  
+91-9212993399  
Example for NSDL:  
MYEPWD<SPACE>IN12345612345678  
Example for CDSL:  
MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE>  
XXXX1234567890  
If e-mail address or mobile number of the Member is registered against Folio No./

- DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click “Forgot Password” and enter Folio No. or DPID Client ID and PAN to generate a password.
- b) Member may call KFin’s Toll free number 1-800-3454-001.
  - c) Member may send an e-mail request to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) and [evoting@karvy.com](mailto:evoting@karvy.com)
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.
  - vi. Details of persons to be contacted for issues relating to e-voting:
 

Mr. B Srinivas , Manager - Corporate Registry, KFin Technologies Private Limited, Unit: UFO MOVIEZ INDIA LIMITED, Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Contact No. 040-6716 2222/ 7961 1000 Toll Free No.:18003454001, E-mail: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)
  - vii. The Board of Directors have appointed Mr. Vicky M. Kundaliya, Practicing Company Secretary (Membership No. FCS 7716; CP No.: 10989) or in his absence Mr. Kaushal Dalal, Practicing Company Secretary (Membership No. FCS 7141; CP No: 7512) the Scrutiniser to scrutinise the voting process in a fair and transparent manner.
  - viii. The procedure and instructions for remote e-Voting facility are as follows:
    - i. Open your web browser during the remote e-voting period and navigate to ‘<https://evoting.karvy.com>’.
    - ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin Technologies Private Limited for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on “LOGIN”.

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - iv. You need to login again with the new credentials.
  - v. On successful login, the system will prompt you to select the E- Voting Event Number for UFO MOVIEZ INDIA LIMITED.
  - vi. If you are holding shares in Demat form and had logged on to [https:// evoting.karvy.com](https://evoting.karvy.com) and casted your vote earlier for any other Company, then your existing login id and password are to be used.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. Thursday, August 13, 2020 under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cut-off date.
  - viii. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
  - ix. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - xi. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.
  - xii. During the voting period, Members can login any number of times till they cast their vote on the resolution(s).
  - xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail

ID: vickyscrutinizer@gmail.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <https://evoting.karvy.com> or contact Mr. B Srinivas of KFin Technologies Private Limited at 040- 6716 1530 at email id [Einward.ris@kfintech.com](mailto:Einward.ris@kfintech.com) or at 1800-3454-001 (toll free).

- ix. The Scrutinizer's decision on the validity of the vote shall be final.
  - x. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
  - xi. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall counter sign the same.
  - xii. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. <https://www.ufomoviez.com/investor> and on the website of KFin Technologies Private Limited i.e. <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
  - xiii. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 20, 2020, subject to receipt of the requisite number of votes in favour of the resolutions.
- 19. Instructions for members for Voting during the e-AGM session:**
- i. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
  - ii. E-voting during the e-AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
  - iii. Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.
  - iv. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.
20. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India as notified by the Central Government on General Meetings in respect of Directors seeking appointment or re-appointment at the Annual General Meeting is furnished as an annexure to the Notice.
  21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  22. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH -13 duly filled to M/s. KFin Technologies Private Limited at the above- mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. KFin Technologies Private Limited / the Company.
  23. Pursuant to the provision of the Companies Act, 2013, the amount of unpaid/unclaimed dividends for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (hereinafter referred to as 'IEPF') established by the Central Government. In accordance with provisions of the said Section, no claim shall lie against the Company or the fund in respect of individual amounts of dividend remaining unclaimed for a period of 7 years from the dates they became first due for payment and no payment shall be made in respect of any such claims. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company <https://www.ufomoviez.com/investor> and on the website of the Ministry of Corporate Affairs.
  24. The due date of transferring unclaimed and unpaid dividend declared by the Company to IEPF:

Sr. No.	Year	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed dividend to Investor Education and Protection Fund
1	Interim Dividend 2015-2016	March 11, 2016	April 9, 2023	From April 10, 2023 to May 9, 2023
2	Final Dividend 2015-2016	September 14, 2016	October 13, 2023	From October 14, 2023 to November 12, 2023
3	Dividend 2016-2017	September 26, 2017	October 25, 2024	From October 26, 2024 to November 14, 2024
4	Dividend 2017-2018	August 9, 2018	September 8, 2025	From September 9, 2025 to October 8, 2025
5	Interim Dividend 2018-19	May 21, 2019	June 20, 2026	From June 21, 2026 to July 20, 2026
5	Dividend 2018-19	July 25, 2019	August 24, 2026	From August 25, 2026 to September 24, 2026
6	Interim Dividend 2019-20	February 27, 2020	March 29, 2027	From March 30, 2027 to April 29, 2027

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

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

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

Further as per Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been

paid or claimed for 7 consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund.

25. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent, M/s. KFin Technologies Private Limited. Non-Resident Indian members are requested to inform Registrar & Share Transfer Agent, M/s. KFin Technologies Private Limited, immediately of: (i) Change in their residential status on return to India for permanent settlement; (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

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

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

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

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

# UFO MOVIEZ INDIA LIMITED

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## Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2.

<b>Name of Director</b>	<b>Mr. Ameya Hete</b>
Date of Birth and Age	November 28, 1975 44 years
Date of Initial Appointment	October 17, 2008
Qualification	Bachelor's degree in industrial engineering from the University of Nagpur and a master's degree in industrial engineering from the Binghamton University, New York, United States of America.
Experience and Expertise	More than 21 years of experience in the field of engineering and general corporate management.
No. of meetings of the Board attended during the financial year 2019-20	5 out of 11
List of Directorship of Board as on March 31, 2020	<ul style="list-style-type: none"> <li>• Valuable Reserves (India) Private Limited</li> <li>• Valuable Infra-Tech Private Limited</li> <li>• Valuable Media Private Limited</li> <li>• Valuable Infrastructure Private Limited</li> <li>• Valuable Innovations Private Limited</li> <li>• Valuable Edutainment Private Limited</li> <li>• Impact Media Exchange Limited</li> <li>• M5 Media Investments Private Limited</li> <li>• UFO Moviez India Limited</li> <li>• Sky N Land Video Networks Private Limited</li> <li>• Valuable Technologies Limited</li> <li>• Titbit Interactive Systems Private Limited</li> <li>• Goldencrest Financial Services Private Limited</li> <li>• Qwik Entertainment India Limited</li> <li>• Asiastar City Holdings Private Limited</li> <li>• Valuable RNGS Infrastructure Private Limited</li> <li>• Kongo Educational Services Private Limited</li> <li>• Valuable RNGS Infrastructure Private Limited</li> </ul>
List of Membership / Chairmanship of as on March 31, 2020	<p>UFO Moviez India Limited</p> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee - Member</li> <li>• Audit and Risk Management Committee - Member</li> <li>• Stakeholder's Relation Committee - Member</li> <li>• Finance Committee - Member</li> <li>• Scheme Implementation Committee - Member</li> <li>• UFO – VDSPL Scheme Implementation Committee - Member</li> </ul>
Shareholding in the Company as on date	2,42,797
Relationship with other directors, manager and Key Managerial Personnel of the Company	No Relation
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>Mr. Ameya Hete is a Non-Executive, Non-Independent Director of the Company.</p> <p>Remuneration sought to be paid -Nil.</p> <p>Remuneration paid during financial year 2019-20 -Nil</p>
Justification for choosing the appointee for the appointment as Independent Directors	Not Applicable

## DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the sixteenth report on the business and operations of your Company for the year ended March 31, 2020.

### RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2020 is summarized below:

(₹ in Lacs)

Particulars	Standalone			Consolidated		
	FY20	FY19	Growth	FY20	FY19	Growth
Revenue from Operations	34,505.18	44,830.99	-23.03%	49,859.29	60,938.25	-18.18%
Other Operating Income	248.12	51.34	383.28%	352.87	247.89	42.35%
Other Income	132.30	69.36	90.74%	180.23	498.99	-63.88%
<b>Total Income</b>	<b>34,885.60</b>	<b>44,951.69</b>	<b>-22.39%</b>	<b>50,392.40</b>	<b>61,685.13</b>	<b>-18.31%</b>
<b>Total Expenses</b>	<b>26,822.55</b>	<b>33,118.31</b>	<b>-19.01%</b>	<b>38,449.43</b>	<b>44,857.73</b>	<b>-14.29%</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>8,063.05</b>	<b>11,833.38</b>	<b>-31.86%</b>	<b>11,942.97</b>	<b>16,827.39</b>	<b>-29.03%</b>
EBITDA Margin	23.11%	26.32%	-12.20%	23.70%	27.28%	-13.12%
Depreciation and Amortisation	6,128.21	6,067.92	0.99%	7,102.79	7,358.00	-3.47%
<b>Earnings before Interest and Tax (EBIT)</b>	<b>1,934.84</b>	<b>5,765.46</b>	<b>-66.44%</b>	<b>4,840.18</b>	<b>9,469.40</b>	<b>-48.89%</b>
Finance Cost	1,006.06	1,429.38	-29.62%	1,009.99	1,102.41	-8.38%
Finance Income	(9,427.48)	(948.65)	893.78%	(991.23)	(1,224.22)	-19.03%
<b>Profit before Tax and share of profit from associates</b>	<b>10,356.26</b>	<b>5,284.73</b>	<b>95.97%</b>	<b>4,821.42</b>	<b>9,591.21</b>	<b>-49.73%</b>
Share of profit from associates (net)	-	-	-	396.38	357.93	10.74%
<b>Profit before tax and after shares of profit from associates</b>	<b>10,356.26</b>	<b>5,284.73</b>	<b>95.97%</b>	<b>5,217.80</b>	<b>9,949.14</b>	<b>-47.56%</b>
Tax	224.45	2,348.06	-90.44%	1,340.74	3,447.30	-61.11%
<b>Profit after Tax (PAT)</b>	<b>10,131.81</b>	<b>2,936.67</b>	<b>245.01%</b>	<b>3,877.06</b>	<b>6,501.84</b>	<b>-40.37%</b>
Other Comprehensive Income	102.10	(34.15)	-398.98%	328.51	187.81	74.92%
<b>Total comprehensive income for the year, net of tax</b>	<b>10,233.91</b>	<b>2,902.52</b>	<b>252.59%</b>	<b>4,205.57</b>	<b>6,689.65</b>	<b>-37.13%</b>
Profit for the year attributable to equity shareholder	-	-	-	3,877.06	6,653.54	-41.73%
Profit for the year attributable to Non-controlling interests	-	-	-	-	(151.70)	-100.00%
Other comprehensive income attributable to equity Shareholder	-	-	-	328.51	187.81	74.92%
Other comprehensive income attributable to Non controlling interests	-	-	-	-	-	-

For a detailed analysis of the financial performance, please refer to the "Management Discussion and Analysis" Section, forming part of the Annual Report.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year in question and the date of this report.

### DIVIDEND

The Board on February 27, 2020 had declared an interim dividend of ₹ 15/- per equity share for the financial year 2019-20 which involved a cash outflow of ₹ 4,252.62 lacs including dividend tax resulting in a payout of 41.97% of the standalone profits of the Company. Further, in the wake of nationwide lockdown as directed by the Government of India due to sudden outbreak of COVID-19, cinemas across the country are shut since middle of March 2020, bringing the business of the Company to a grinding halt and there is still no clarity when the cinemas will be allowed to re-open. In view of the same, the Company has decided to conserve its resources and not to declare the final dividend for the financial year 2019-20.

### TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the reserves.

## SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2020, was ₹ 2,835.08 lacs comprising of 2,83,50,801 equity shares of ₹ 10/- each. During the year under review, the Company has not issued any new shares.

## EMPLOYEE STOCK OPTIONS

The Company operates the 'UFO Moviez India Limited - Employee Stock Option Scheme - 2014' (ESOP Scheme 2014), which is compliant with SEBI ESOP Regulations.

During the year under review, the Company has neither granted any employee stock options under the ESOP Scheme 2014 nor any employee has exercised any stock options.

The details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report and relevant disclosures as per the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

## PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest on public deposits was outstanding as of the Balance Sheet date.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, are appended as "Annexure-1" to this report.

## FINANCIAL STATEMENTS

Your Company prepares its financial statements in compliance with the requirements of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. Further, in the financial statement for the year ending March 31, 2020, the financial statements for the previous year ended March 31, 2019 and the Balance Sheet as at March 31, 2019, have been prepared and presented as per Ind AS. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The financial statements are

presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated. The estimates and judgments relating to the financial statements are made on a prudent basis so as to reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs as on March 31, 2020 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2020.

There is no qualification in the standalone or in the consolidated financial statements by the Statutory Auditors for the year under review.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with relevant Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 form part of the Annual Report.

## SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the Company's going concern status and its operations in the future.

## SCHEME OF ARRANGEMENT

### i) Composite Scheme Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited:

The members of the Company in their meeting held on May 21, 2018 had approved the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ('UFO') and Qube Cinema Technologies Private Limited ('QCTPL') and Qube Digital Cinema Private Limited ('QDCPL') and Moviebuff Private Limited ('MPL') and PJSA Technosoft Private Limited ('PJSA') and their respective shareholders and creditors ('Qube Merger Scheme').

On May 25, 2018 the Company and PJSA had jointly filed the petition with the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench to obtain its sanction for the aforesaid Qube Merger Scheme. NCLT in a hearing held on January 21, 2019, had dismissed the said petition. The Company and PJSA had filed an appeal on February 25, 2019 before the National Company Law Appellate Tribunal ('NCLAT') challenging the aforementioned order of the NCLT.

The NCLAT had, by way of its order dated October 24, 2019 ('NCLAT Order') which was made available on October 25, 2019, allowed the Appeal and had set aside the aforesaid order of the NCLT. Further, the NCLAT Order has recorded that the representative of the Union of India, Ministry of Corporate Affairs, through Regional Director,

Western Region had conceded before NCLAT that the grounds given for rejection of the Qube Merger Scheme in the NCLT Order were uncalled for and the NCLT was only required to notice all the requirements of Sections 230-232 of Companies Act, 2013.

However, upon dismissal of the said petition by the NCLT on January 21, 2019, the Implementation Agreement and Share Purchase Agreement executed on November 1, 2017 with various parties was terminated on February 20, 2019 by the potential new investors of the Company. Therefore, the Company did not proceed with the original scheme despite the NCLAT order.

**ii) Scheme of Arrangement between Valuable Digital Screens Private Limited (“VDSPL” or “the Demerged Company”) and UFO Moviez India Limited (“UFO” or “the Resulting Company”) and their respective shareholders:**

The Board of Directors of the Company at its meeting held on June 7, 2019 had approved the Scheme of Arrangement between Valuable Digital Screens Private Limited (“VDSPL” or “the Demerged Company”) and UFO Moviez India Limited (“UFO” or “the Resulting Company”) and their respective shareholders (“Scheme”) under Sections 230 to 232 of the Companies Act, 2013, subject to requisite approvals.

On July 18, 2019, the Company had filed a joint petition in relation to the Scheme with the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”) to obtain its sanction for the aforesaid Scheme.

Consequently, the NCLT sanctioned the Scheme pursuant to Section 230 -232 and other relevant provisions of the Companies Act, 2013 vide its order dated November 21, 2019. The certified copy of the said order was received on December 3, 2019 from NCLT, which had been filed with the Registrar of Companies, Mumbai, Maharashtra, by the Company on December 4, 2019.

As per the order, thus the Scheme of Arrangement became operational/effective from the Appointed Date that is April 1, 2019 and under this Scheme, the business of Caravan Talkies of VDSPL became deemed to be carried on by UFO and was vested in UFO with effective from April 1, 2019. VDSPL post the said effective date would continue to operate the Exhibition Businesses i.e. Nova Cinemas and Club Cinema.

**SHARE WARRANTS**

As on March 31, 2020; there were no outstanding share warrants of the Company.

On December 16, 2017 the Company had allotted a total of 15,25,000 share warrants of ₹ 10 each at an issue price of ₹ 400.13/- each, convertible into one equity share to certain promoters of the Company. The details of the same are given below:

<b>Name of Allottee</b>	<b>No. of share warrants</b>
Mr. Sanjay Gaikwad	2,50,000
Mr. Narendra Hete	2,50,000
Valuable Media Limited	10,25,000

The Company had received a subscription amount of ₹ 1,525.50 lacs, i.e. 25% of the issue price of the share warrants at the time of subscription and remaining 75% of the issue price of the share warrants were to be received by the Company when the share warrants are exercised.

The share warrants were exercisable within a period of 18 months from the date of their allotment (December 16, 2017) i.e. by June 15, 2019. As the warrant holders did not exercise the share warrants by June 15, 2019, the said share warrants have lapsed and have been cancelled and consequently the subscription amount of ₹ 1,525.50 lacs has been retained by the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), the Management Discussion and Analysis is set out in the Annual Report.

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

As at March 31, 2020, your Company had 6 direct subsidiaries, 6 step-down subsidiaries and 6 associates.

During the year under review, the Board of Directors of the Company in its meeting held on December 20, 2019 had approved an investment of ₹ 20 crores in Cinestaan Digital Private Limited (‘CDPL’), by way of subscription to Compulsory Convertible Preference Shares and Share warrants over a period of up to three years for acquiring up to 62.50% equity stake in CDPL on a fully diluted basis.

During the year under review, the Company had made an investment of ₹ 500 lacs in CDPL, by subscribing to 11,53,026 Compulsorily Convertible Preference Share and 38,78,975 warrants issued by CDPL.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries of the Company. The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013, and form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed format AOC- 1 is attached to the financial statements. The statement also provides the details of the performance and financial position of each of the subsidiaries and associates.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the Company’s website under the web link: <https://www.ufomoviez.com/investor> These documents are also available for inspection during business hours at the Company’s registered office in Mumbai, India.



## CORPORATE GOVERNANCE

The Corporate Governance Report for the financial year ended March 31, 2020, forms part of the Annual Report.

## BUSINESS RESPONSIBILITY REPORT

SEBI vide its notification dated December 26, 2019, has amended Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the said amendment, top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year), are required to prepare and include in its annual report, a business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the SEBI from time to time.

Accordingly, the Business Responsibility Report for the financial year ended March 31, 2020 has been prepared and the same forms the part of the Annual Report.

## BOARD DIVERSITY

Your Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives, appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, and background among directors. These differences are considered in determining the optimal composition of the Board. The Board has adopted a Board Diversity Policy which sets out its approach in this regard. The Board Diversity Policy is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## NUMBER OF MEETINGS OF THE BOARD

The Board met 11 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two consecutive board meetings was within the period prescribed by the Companies Act, 2013.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy of the Company is to have an optimum combination of executive and non-executive directors with an independent, non-executive chairman to maintain the independence of the Board, and to separate the functions of governance and management in the Company.

As on March 31, 2020, the Board consisted of 7 members, 2 of whom are executive directors and 5 are non-executive directors. Out of the 5 non-executive directors, 3 are independent directors and Mr. Sanjeev Aga, an independent director is the Chairman of the Board of Directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining the qualifications, the positive attributes, independence and other matters, provided under Section 178(3) of the Companies Act, 2013 is adopted by the Board. The salient features of the said policy is appended as "Annexure-2" to this report. The remuneration paid to the directors is as per the terms laid out

in the Nomination and Remuneration Policy of the Company. During the year under review, the Company has modified its Nomination and Remuneration Policy to the extent of change in definition of senior management as per amendments in the Listing Regulations.

The Nomination and Remuneration Policy of the Company is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and commission, if any, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

## INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and under the Listing Regulations.

As no independent directors have been appointed during the year under review, the relevant statement regarding the opinion of the Board with reference to such independent directors is inapplicable.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of general corporate management, marketing, finance, taxation, accounts and strategy and they hold highest standards of integrity.

## BOARD EVALUATION

Regulation 4(2)(f) of the Listing Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Further, regulation 17(10) of the Listing Regulations, 2015 and Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Regulation 17(10) of the Listing Regulations, 2015 also mandates that the Board shall evaluate the fulfilment of the independence criteria of the independent directors as per the Listing Regulations and their independence from the management.

The performance evaluation of all the individual directors, the Board as a whole and that of its committees was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as recommended by the Chairman of the Nomination and Remuneration Committee.

## TRAINING OF INDEPENDENT DIRECTORS

The training and familiarization programme for Independent Directors is disclosed on the Company's website under the web link: <https://www.ufomoviez.com/investor>

The Managing Director and the Joint Managing Director also have one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively.

The terms and conditions of their appointment are available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## INDUCTIONS

There were no fresh appointments of Directors during the year under review.

## RETIREMENT AND RE-APPOINTMENTS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Ameya Hete, a director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of independent directors. Section 149(10) of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, all the independent directors, were appointed by the shareholders at the general meeting as required under Section 149(10) for a period of 3 years with effect from November 20, 2014.

Further, all the independent directors, were re-appointed for a second term by the shareholders at the general meeting as required under Section 149(10) for a period of 5 years with effect from November 20, 2017.

Further, according to Section 149(11), no independent director shall be eligible for appointment for more than two consecutive terms of 5 years. Sub-section (13) states that the provisions of retirement by rotation as defined in Section 152(6) and 152(7) of the Companies Act, 2013 shall not apply to such independent directors.

The members of the Company at their Annual General Meeting held on August 8, 2018 re-appointed Mr. Sanjay Gaikwad as Managing Director of the Company for a period of 5 years from October 17, 2018, and Mr. Kapil Agarwal as Joint Managing Director of the Company for a period of 5 years from March 1, 2019 and approved their remuneration.

## RESIGNATIONS

During the year under review, none of the directors have resigned from the Board of the Company.

## INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on May 20, 2019 and June 22, 2020 inter alia, to:

- review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## INTERNAL FINANCIAL CONTROLS

Your Company has laid out an Internal Controls Framework which is commensurate with the size, scale and complexity of its operations. This framework ensures the orderly and efficient conduct of its business, including adherence to the 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. Controls have been identified along with risks and mitigation processes covering major areas across all business functions. These Internal controls were reviewed by the Internal auditors.

Strengthening of controls is a continuous and evolving process in the Company. Based upon observations, findings and recommendations of the internal auditors, process owners develop preventive and corrective actions which are then deployed across the organization.

Based on the Board's evaluation, it was determined that the Company's internal financial controls are adequate and were operating effectively during the financial year 2019-20.

## COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company as on March 31, 2020 comprised of 3 Independent Directors, Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza and 1 Non Executive, Non-Independent Director, Mr. Ameya Hete. Mr. Sanjeev Aga is the Chairman of the Committee.

All members of the Audit and Risk Management Committee possess requisite experience and knowledge of accounting and financial management. For further details on the Audit and Risk Management Committee, please refer to the Corporate Governance Report forming part of the Annual Report.

## COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company as on March 31, 2020 comprised of 1 Independent Director, Ms. Lynn de Souza; 1 Non-Executive Director, Mr. Ameya Hete and 2 Executive Directors, Mr. Sanjay Gaikwad and Mr. Kapil Agarwal. Ms. Lynn de Souza is the Chairperson of the Committee. For further details on the Stakeholders' Relationship Committee, please refer to the Corporate Governance Report forming part of the Annual Report.

## WHISTLE BLOWER POLICY

The Company has a whistle blower policy and has established the necessary vigilance mechanism in confirmation with Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations to report genuine concerns or grievances.

The details of the Whistle blower policy are available on the Company's website under web link: <https://www.ufomoviez.com/investor> For further details on the Whistle blower policy, please refer to the Corporate Governance Report forming part of the Annual Report.

## RISK MANAGEMENT

The Company has developed and implemented Risk Management plans in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. The Risk Management plans define the risk management approach of the Company and includes a periodic review of such risks and also the documentation, mitigating measures, and reporting mechanism of such risks.

## DIRECTORS' RESPONSIBILITY STATEMENTS REQUIRED UNDER SECTION 134(3)(C) OF THE COMPANIES ACT, 2013

Based upon the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors, and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) the financial statements for the financial year ended March 31, 2020 have been prepared on a going concern basis in accordance with relevant Indian Accounting Standards (Ind AS), and there are no material departures from the same;
- (b) the accounting policies selected were applied consistently and the judgments and estimates related to financial statements have been made on a reasonable and prudent basis so as to reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs as on March 31, 2020 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for that period ;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively; and
- (e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a CSR Committee headed by Mr. Sanjay Gaikwad as Chairman with Ms. Lynn de Souza and Mr. Kapil Agarwal as Members. The Committee is responsible for formulating and monitoring the CSR policy of the Company. The Company has adopted a CSR policy in compliance with the provisions of the Companies Act, 2013. The same is available

on the website of the Company under web link: <https://www.ufomoviez.com/investor>

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013, during the three immediately preceding financial years was ₹ 6,955.77 lacs. It was hence required to spend a minimum of ₹ 139.12 lacs on CSR activities during the financial year 2019-20, being 2% of the average net profits of the three immediately preceding financial years.

The Company has spent an amount of ₹ 139.12 lacs towards CSR activities.

The annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure-3" forming part of this Report.

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as "Annexure-4" to this report.

## GREEN INITIATIVES

Your Company is publishing only the statutory disclosures of the Annual Report in the print version. Additional information is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com). Electronic copies of the Annual Report 2019-20 and Notice of the 16th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2019-20 and the Notice of the 16th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

## AUDITORS

### Statutory Auditors

At the 14th Annual General Meeting held on August 9, 2018, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting of the Company until the conclusion of the 19th Annual General Meeting for a consecutive term of five years. As per the commencement of notification of Section 40 of the Companies Amendment Act, 2017 with effect from May 7, 2018, the first proviso of Section 139 of the Companies Act, 2013 which was referring to ratification of the appointment of Statutory Auditor at every Annual General Meeting of the Company, has been omitted. Hence, the Company is not required to ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2020-21.

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit and Risk Management Committee under Section 143(12) of the Companies Act, 2013, details of which are required to be mentioned in this Report.

## Secretarial Auditor

Mr. Dharmesh Zaveri of M/s. D.M. Zaveri & Co., Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for the financial year 2019-20 forms part of this report as "Annexure-5". There are no qualifications or adverse observations by the Secretarial Auditor of the Company for the year under review.

## SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure-6" to this report. Also, the same is also available on the Company's website under the web link at <https://www.ufomoviez.com/investor>

## HUMAN RESOURCES

Your Directors believe that the key to the success of any Company are its employees. Your Company has a team of able and experienced professionals, whose dedicated efforts and enthusiasm has been an integral part of your Company's growth. Your Directors would like to place on record their deep appreciation of their continuous effort and contribution to the Company.

## Particulars of employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 disclosing the ratio of the remuneration of each director to the median employee's remuneration and such other details is appended as "Annexure-7" to this report.

A statement containing the names of every employee employed throughout the financial year 2019-20 and in receipt of remuneration for the said financial year which, in the aggregate, was not less than ₹ 102 lacs and employed for a part of the financial year 2019-20, was in receipt of remuneration for any part of the said financial year, at a rate which, in the aggregate, was not less than ₹ 8.50 lacs per month and top 10 employees in terms of remuneration, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms an integral part of this report. The same is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013.

Members who are interested in obtaining these particulars may write to the Company Secretary at the registered office of the Company and the same will be furnished on request.

## Policy on prevention, prohibition and redressal of sexual harassment at workplace

The Company has zero tolerance for sexual harassment at workplace, and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee as per the provisions of the said act to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2019-20.

## CAUTIONARY STATEMENT

Statements in this Report and the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Important factors that could influence the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws, economic developments within the country and other incidental factors.

## ACKNOWLEDGMENT

Your directors thank all customers, vendors, investors, bankers, and all other business partners for their excellent support during the year. They wish to place on record, appreciation of the strong commitment and contribution made by employees of the Company at all levels.

Your directors also take this opportunity to place on record their appreciation for continued co-operation and unstinted support received from the film producers, distributors, exhibitors, and advertisers who have contributed to the success of the Company.

Your directors thank the Central Government, various State Governments and other Government agencies and bodies for their support, and look forward to their continued support in the future.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai  
Date: June 22, 2020

**FORM NO. AOC-2**

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis:**

All related party transactions that were entered into during the financial year ended March 31, 2020 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit and Risk Management Committee for approval as required under section 177 of the Companies Act, 2013 and regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), 2015. The policy on Related Party Transactions as approved by the Board is available on the Company's website [www.ufomoviez.com](http://www.ufomoviez.com).

**Details of material contracts or arrangement or transactions at arm's length basis:**

No material related party contracts or arrangements or transactions were entered during the financial year ended March 31, 2020 by the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 22, 2020

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

## SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

The Company's policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which Company's human resources management aligns its recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Nomination and Remuneration Policy

The Company considers human resources as one of its most valuable assets. Its objective is to pay such remuneration to its employees as is commensurate with the employees' role and responsibilities and the performance of each of its employees in the Company. The Company has adopted a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and Other Employees, which is aligned to this objective.

The key objectives of this policy are as under:

- To lay down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company.
- To lay down criteria to carry out evaluation of every Director's performance.
- To formulate criteria for determining qualification, positive attributes and independence of a Director.
- To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and Other Employees to work towards the long term growth and success of the Company.

The criteria for identifying persons who are qualified to be appointed as Directors / Committee Members / KMPs / Senior Management Personnel / Other Employees of the Company.

**Directors:** Section 164 of the Companies Act, 2013 specifies the disqualifications for appointment of director of any company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as a Director of the Company.

**Nomination and Remuneration Committee of the Board of Directors of the Company** shall identify the persons who are qualified to become directors and recommend to the board their appointment / re-appointment.

**Independent Directors:** For appointing any person as an Independent Director, he/she should possess qualifications as mentioned in Section 149 of the Companies Act, 2013, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Regulations.

**Nomination and Remuneration Committee of the Board of Directors of the Company** shall identify the persons who are qualified to become independent directors and recommend to the board their appointment / re-appointment.

**Committees of the Board:** The Nomination and Remuneration Committee shall determine the criteria for selection of the Board Committee members and recommend to the board the members to be appointed to various committees.

**KMPs, Senior Management Personnel and Other employees:** The Company has an Organogram displaying positions of Senior Management Personnel including KMP and other positions, in accordance with the minimum qualifications and experience requirements and any other criteria that have been laid down by the Committee for each such position. Any new employee in the Company has to match the requirements prescribed in the Organogram of the Company.

The selection of KMPs and Senior Management Personnel shall be done by the Human Resource Department of the Company after obtaining approval of the Managing Director / Joint Managing Director.

The details of appointment and cessation of KMPs and Senior Management Personnel shall be placed before the Committee periodically.

The selection of other employees shall be done by the Human Resource Department of the Company after obtaining approval of the functional head of the respective department.

The term/tenure of Directors / KMPs / Senior Management Personnel / Other Employees shall be as per the provisions of the Companies Act, 2013, the Listing Regulations, any prevailing policies of the Company, and the terms of any appointment letters issued to them by the Company.

### Structure of remuneration for the Executive Directors, KMPs and Senior Management Personnel:

- a. The Executive Directors, KMPs and Senior Management Personnel (other than non-executive Directors) receive Basic Salary and other Allowances/Perquisites/Benefits such as leave travel concession, medical reimbursement, club fees, company car and driver and fuel and maintenance for company car. They are also entitled to provident fund, gratuity, group term life insurance, group mediclaim insurance and group personal accident insurance. The total salary includes fixed and variable components.
- b. The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:
  - i. The scope of duties, the role and nature of responsibilities.
  - ii. The level of skill, knowledge and experience of individuals.

- iii. Core performance requirements and expectations of individuals.
- iv. The Company's performance and strategy.
- v. Legal and commercial obligations and considerations.
- vi. The table below depicts the standard components of remuneration package.

Fixed Component		
Basic Salary	Allowances / Perquisites / Benefits such as leave concession, medical reimbursement, club fees, company car and driver, fuel and maintenance for company car, group term life insurance, group mediclaim insurance and group personal accident insurance.	Superannuation / statutory contributions to provident fund and group gratuity scheme.

The Executive Directors, KMPs and Senior Management Personnel may also hold and be entitled to stock options of the Company.

- c. The Committee shall recommend the remuneration of Executive Directors to the Board for its approval.
- d. The Committee shall recommend the remuneration of KMPs and Senior Management to the Board for its approval.

#### Structure of remuneration for Non-Executive Directors

- a) Non-Executive Directors other than the Independent Directors are not currently paid any remuneration by the Company.
- b) Independent Directors are paid remuneration in recognition of the responsibilities, accountability and associated risks of Directors. The total remuneration of Independent Directors may include all, or any combination of the following elements:
  - i. Fees for attending meetings of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
  - ii. Fees for attending meetings of committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
  - iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and

decided by the Board/shareholders from time to time to be payable to any of the Independent Directors.

- iv. Independent Directors are also entitled to payment of travel and other expenses they incur for attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees.
- v. Independent Directors shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the Listing Regulations.

#### Criteria for evaluating performance of Board members, Key Managerial Personnel, Senior Management Personnel

- i. **Criteria for evaluating performance of Board members:** Section 149 of the Companies Act, 2013 read with Schedule IV of the Act states that (i) the independent directors shall, at their separate meeting, review the performance of non-independent directors and the Board as a whole and (ii) the performance evaluation of independent directors shall be done by the entire Board excluding the director(s) being evaluated. The performance evaluation of the Managing Director and the Joint Managing Director is carried out by the Board on the basis of performance management system and development plan of the Company. Framework for performance evaluation of the Board members, including independent directors, Board committee is specified in "Annexure A" to this Nomination and Remuneration Policy.
- ii. **Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:** The performance evaluation of KMP (excluding board members) and Senior Management Personnel is carried out by the Managing Director or the Joint Managing Director on the basis of performance management system and development plan of the Company.
- iii. **Criteria for evaluating performance of Other Employees:** The power to decide criteria for evaluating performance of other Employees has been delegated to the HR Department of the Company.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai  
Date: June 22, 2020

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

Your Company is committed to operate and grow its business in a socially responsible way with a vision to be an environment friendly corporate citizen. The Company has taken up various corporate social responsibility initiatives earlier and will continue to do so in future.

### Our CSR vision

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

### CSR committee

Your Company has a board committee (CSR Committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. The CSR committee comprises of: Mr. Sanjay Gaikwad as Chairman with Ms. Lynn de Souza and Mr. Kapil Agarwal as Members.

### Our focus areas

While your Company strives to undertake all or any suitable activity as specified in Schedule VII to the Companies Act, 2013 currently, it concentrates on activities relating to promoting of education and woman empowerment.

### Financial details

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of

₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

Sr. No.	Particulars	₹ In Lacs
1.	Average net profit of the Company for last three financial years	6,955.77
2.	Prescribed CSR expenditure (2% of the average net profit as computed above)	139.12
3.	Details of CSR expenditure during the financial year:	
a)	Total amount to be spent for the financial year	139.12
b)	Amount unspent, if any	Nil
c)	The manner in which the amount spent during the financial year is detailed below:	As detailed below

Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or program wise ₹ In Lacs	Amount spent on the projects or programs Sub-heads (1) direct expenditure on projects or programs. (2) overheads ₹ In Lacs	Cumulative expenditure up to the reporting period ₹ In Lacs	Amount spent direct or through implementing agency
1	Promoting education & Empowerment of women – Construction/extension of girls' hostel building at Shriram Shikshan Sanstha (SSS), Paniv – Ref. Note 1	Promoting education and Empowerment of women	Paniv, District:- Solapur, Maharashtra	116.15	111.87	111.87	Through Shriram Shikshan Sanstha
2	Promoting education – Donation to Pardada Pardadi Educational Society – Ref. Note 2	Promoting education and Empowerment of women	Anupshahr, Uttar Pradesh	16.25	16.25	16.25	Through Pardada Pardadi Educational Society
3	Promoting education - Donation to Jai Vakeel Foundation and Research Centre – Ref. Note 3	Promoting education	Mumbai, Talegaon & Devlali, Maharashtra	11.00	11.00	11.00	Thorough Jai Vakeel Foundation and Research Centre
	<b>Total</b>			<b>143.40</b>	<b>139.12</b>	<b>139.12</b>	



**Note 1** – Shriram Shikshan Sanstha (SSS), a charitable institution situated in a small village called Paniv located in Malshiras Taluka of Solapur District in Maharashtra. SSS has a number of institutes under its umbrella including two Schools (English medium - 1st to 10th and Marathi medium - 8th to 12th standard), two Diploma and two Degree Colleges (Pharmacy and Engineering), four Agriculture colleges, Two Science colleges (BSc. and BCA/BCS), One Industrial Training Institute (ITI) One Science Academy for students pursuing JEE, CET and NEET entrance exams.

SSS planning to start new divisions for its various courses and looking at augmenting the hostel facilities for girls. SSS was seeking funds for the expansion of its existing girls' hostel and approached the Company requesting funds for expansion of the girls' hostel. The expansion / construction of the hostel will encourage girls in nearby villages to gain access to quality education in rural India. The Company has contributed ₹111.87 lacs for construction/extension of girls' hostel building at Shriram Shikshan Sanstha (SSS), Paniv.

**Note 2** - Pardada Pardadi Educational Society (PPES) since year 2000 has been improving the lives of girls and women in over 65 villages of Anupshahar, in district Bulandshahar, one of the backward districts in the state of Uttar Pradesh. PPES aims to empower girls and women from the poorest sections of the society by focusing on improving their quality of life. PPES provide free education for girls and job opportunities for women, thereby creating a new generation of self-reliant and educated women who are capable of breaking the cycle of poverty in this rural region. PPES are expanding their educational program and have added infrastructure of five classrooms, two labs along with staff room in their school compound. Through these additional facilities, PPES would be able to provide education to another 200 rural girls thereby taking their total strength to 1600 students. PPES spends ₹ 32,500/- per girl per year and had requested

for ₹ 65 lacs for sponsoring 200 rural girls which would have covered full annual education of 200 girls for the academic year 2019-2020. The Company has supported sponsorship of 50 girls by contributing ₹16.25 lacs.

**Note 3** - Jai Vakeel Foundation and Research Centre works in healthcare, education, skill development and support services for economically weak and profoundly challenged children. Jai Vakeel Foundation and Research Centre through Jai Vakeel School provide a special education program to such children and addresses each individual's unique needs at their centers in Mumbai, Talegaon & Devlali. Jai Vakeel School aims to provide students from age 3 to 18 years with functional academics and pre-vocational training and cater to the entire spectrum of individuals with Intellectual Disability (ID) ranging from mild, moderate, severe to profound. The Company has, in the current financial year contributed ₹11 lacs to Jai Vakeel Foundation and Research Centre .

### Our CSR responsibilities

Your directors hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives. Visit Company's website [www.ufomoviez.com](http://www.ufomoviez.com) for more details related to our CSR Policy.

For and on behalf of the Board of Directors

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

Place: Mumbai  
Date: June 22, 2020

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Particulars pursuant to the Companies (Accounts) Rules, 2014]

### A. Conservation of Energy

The Company is in the business of providing digital cinema services and provides digital cinema equipment to the cinema theatres comprising of a sophisticated digital projector and industrial grade digital cinema server supported by a 3KVA UPS system. Typically, digital cinema equipment requires cooling sourced from a 0.75 or 1 ton air conditioner having a power consumption rating of 3KVA. The combined power consumption for a cinema theatre works out to approximately 6KVA which translates into 4.8 Kilo Watts of power consumption per hour. The Company's digital cinema equipment replace the conventional analogue projectors which typically operate at 8 to 10 KVA capacity, consuming approximately 6.4 to 8 Kilo Watts of power consumption per hour. Replacement of analogue projectors with digital projectors brings substantial savings in power consumption for the cinema theatres. Further, replacement of conventional analogue projectors with digital projectors also makes the environment clean by replacing the conventional polyester films used by analogue projectors for projection, with digital files used for projection by digital projectors.

### B. Research and Development, Technology Absorption, Adaptation and Innovation

The Company provides digital cinema equipment to the cinema theatres, sourced from the equipment manufacturers/ dealers and delivers the film content at the cinema theatres through a two-way VSAT setup across India. To reduce power consumption and time required for delivery of the film content, the Company has developed a low power Download Box which runs for longer periods on available battery back-up. This development has augmented the backup duration. As a process of continuous improvement in the digital cinema services, the Company evaluates and selects the right combination of hardware/software for effective digital cinema services. Adoption of right combination of hardware/software allows the Company to deliver film content with greater speed while maintaining quality and also reduces the file size, which consequently increases the no. of times the film content can be delivered.

The Company is also working on improvements in various other areas of digital cinema services like audio, network operating centre for cinema theatre management and theatre-end servers.

### C. Foreign Exchange Earnings and Outgo

During the year the foreign exchange outflow is ₹ 3,174.14 lacs and there is no foreign exchange earning during the said period.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 22, 2020

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

for the financial year ended March 31, 2020

[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,

**UFO Moviez India Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UFO Moviez India Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the UFO Moviez India Limited's 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on March 31, 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 ('The SEBI'):-
  - (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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable during the year under review)**
- (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; **(Not relevant / applicable during the year under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Following law is specifically applicable to the Company in addition to laws mentioned above

- (i) The Cinematography Act, 1952

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. including other specific laws to the extent applicable to the Company as represented by management mentioned above.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. 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 provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review;

1. The Board of Directors of the Company in their meeting held on May 21, 2019 had declared interim dividend at ₹27.50 per equity share of face value of ₹ 10 each which includes one time special dividend of ₹15 per equity share of face value of ₹ 10 each and recommended final dividend of ₹ 2.50 per equity share of face value of ₹ 10 each.
2. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench ("NCLT") has passed order on November 21, 2019 sanctioning Scheme of Arrangement between Valuable Digital Screens Private Limited ("VDSPL" OR "the Demerged Company") and UFO Moviez India Limited ("UFO" OR "the Resulting Company" OR "the Company") and their respective shareholders.
3. The Board of Directors of the Company in their meeting held on February 27, 2020 had declared interim dividend at ₹15 per equity share of face value of ₹ 10 each.

**For D. M. Zaveri & Co**  
Company Secretaries

**Dharmesh Zaveri**  
(Proprietor)

FCS. No.: 5418

CP No.: 4363

ICSI Unique Code: S2001MH046100

Peer Review Cer. No.: 294/2015

ICSI UDIN: F005418B000363303

Place: Mumbai

Date: June 22, 2020

**EXTRACT OF ANNUAL RETURN**

**FORM NO. MGT-9**

as on the financial year ended on March 31, 2020

[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**

i) CIN:	L22120MH2004PLC285453
ii) Registration Date:	June 14, 2004
iii) Name of the Company:	UFO Moviez India Limited
iv) Category / Sub-Category of the Company:	Public Company limited by shares
v) Address of the Registered Office and contact details:	Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093. Tel: +91 22 40305060 Fax: +91 22 40305110 E-mail: investors@ufomoviez.com Website: www.ufomoviez.com
vi) Whether listed Company Yes / No:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	KFin Technologies Private Limited Selenium, Tower B, Plot Nos. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: 040 7961 1000 Fax No.: 040 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@kfintech.com

**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:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Digital Cinema Services and related activity	59	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SR. NO.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Scrabble Entertainment Limited 3rd Floor, Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093	U92190MH2008PLC178456	Subsidiary	100%	2(87) (ii)
2	PJSA Technosoft Private Limited Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai – 400 093 (Shifted with effect from July 6, 2019)	U74999MH2017PTC300940	Subsidiary	100%	2(87) (ii)
3	UFO Software Technologies Private Limited Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai – 400 093 (Shifted with effect from July 6, 2019)	U74899MH2005PTC284653	Subsidiary	95.97%	2(87) (ii)

SR. NO.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
4	Valuable Digital Screens Private Limited Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai - 400093. (Shifted with effect from April 19, 2019)	U72900MH2006PTC163092	Subsidiary	100%	2(87) (ii)
5	United Film Organisers Nepal Private Limited Shova Complex, 344/41, Dhobidhara Marg, Kamalpokari, Kathmandu, Nepal	Registration No.: 48014	Subsidiary	100%	2(87) (ii)
6	UFO Lanka (Private) Limited No. 12, Rotunda Gardens, Colombo 03	Registration No.: PV 62107	Subsidiary	100%	2(87) (ii)
7	Scrabble Entertainment (Mauritius) Limited 6th Floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius	Registration No.: C105426	Subsidiary	100%	2(87) (ii)
8	Scrabble Entertainment DMCC Units No.2405 & 2406, 1-Lake Plaza, Plot No. PH2-T2, Jumeirah Lakes Towers, Dubai, U.A.E.	Registration No.: JLY2591	Subsidiary	100%	2(87) (ii)
9	Scrabble Entertainment (Lebanon) Sarl Achrafieh, Beirut	Registration No.: 10151121	Subsidiary	100%	2(87) (ii)
10	Scrabble Entertainment (Israel) Limited Rival 7 Tel Aviv, Israel 67778. [Under Liquidation]	Registration No.: 514 787 779	Subsidiary	100%	2(87) (ii)
11	Scrabble Digital INC 10550 Camden Drive, Cypress, California 90630	Registration No.: C3546619	Subsidiary	100%	2(87) (ii)
12	Scrabble Digital Limited Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093 (Shifted with effect from January 8, 2020)	U74999MH2011PLC213170	Subsidiary	100%	2(87) (ii)
13	Scrabble Digital DMCC Post Box 51899, 2301 and 2308	Not Applicable	Associate	33.33%	2(6)
14	Scrabble Ventures LLC 10550 Camden Drive, Cypress, California 90630	Not Applicable	Associate	30.00%	2(6)
15	Scrabble Ventures, S. de R.L. de C.V., Mexico Paseo de las Palmas 405, 1901 Lomas de Chapultec I Seccion, Miguel Hidalgo Distrito Federal 11000	Not Applicable	Associate	30.00%	2(6)
16	Mukta V N Films Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai- 400 065	U74120MH2013PLC244220	Associate	48.12%	2(6)
17	Scrabble Audio Visual Equipment Trading LLC 108, Alphamed Building, Hor Al Anz East, Near Abu Hali Centre, Dubai, United Arab Emirates – 51899	Not Applicable	Associate	49.00%	2(6)
18	Cinestaan Digital Private Limited 203, Siddhartha Chambers, Hauz Khaas, New Delhi – 110 016	U72300DL2013PTC258259	Associate	0%	2(6)

# UFO MOVIEZ INDIA LIMITED

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## 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Phy-sical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
(1) Indian									
a) Individual / HUF	4,95,795	-	4,95,795	1.75	5,70,433	-	5,70,433	2.01	0.26
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	80,33,657	-	80,33,657	28.34	80,85,607	-	80,85,607	28.52	0.18
d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>85,29,452</b>	<b>-</b>	<b>85,29,452</b>	<b>30.09</b>	<b>86,56,040</b>	<b>-</b>	<b>86,56,040</b>	<b>30.53</b>	<b>0.45</b>
(2) Foreign	-	-	-	-	-	-	-	-	-
a) Individuals / (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total A=A(1)+A(2)</b>	<b>85,29,452</b>	<b>-</b>	<b>85,29,452</b>	<b>30.09</b>	<b>86,56,040</b>	<b>-</b>	<b>86,56,040</b>	<b>30.53</b>	<b>0.45</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds / UTI	57,03,511	-	57,03,511	20.12	33,64,031	-	33,64,031	11.87	(8.25)
b) Financial Institutions / Banks	23,406	-	23,406	0.08	42,571	-	42,571	0.15	0.07
c) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investor	10,73,207	-	10,73,207	3.79	6,50,750	-	6,50,750	2.30	(1.49)
g) Foreign Venture Capital Investors	52,51,608	-	52,51,608	18.52	52,51,608	-	52,51,608	18.52	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others	87	-	87	0.00	87	-	87	0.00	-
Foreign Nationals	87	-	87	0.00	87	-	87	0.00	-
<b>Sub-Total B(1)</b>	<b>1,20,51,819</b>	<b>-</b>	<b>1,20,51,819</b>	<b>42.51</b>	<b>93,09,047</b>	<b>-</b>	<b>93,09,047</b>	<b>32.84</b>	<b>(9.67)</b>
(2) Non-Institutions									
a) Bodies Corporate	10,43,287	-	10,43,287	3.68	14,65,367	-	14,65,367	5.17	1.49
(i) Individuals holding nominal share capital upto ₹1 lakh	34,10,274	10,072	34,20,346	12.06	54,54,993	9,340	54,64,333	19.27	7.21
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	28,31,989	10,500	28,42,489	10.03	28,76,588	10,500	28,87,088	10.18	0.16
(c) Others									
Clearing Members	33,524	-	33,524	0.12	92,615	-	92,615	0.33	0.21
NBFC	9,290	-	9,290	0.03	-	-	-	-	-
Non-Resident Indians	2,91,688	-	2,91,688	1.03	3,54,777	-	3,54,777	1.25	0.22
NRI Non-Repatriation	1,27,673	-	1,27,673	0.45	1,20,301	-	1,20,301	0.42	(0.03)
Trusts	-	1,233	1,233	0.00	-	1,233	1,233	0.00	-
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total B(2)</b>	<b>77,47,725</b>	<b>21,805</b>	<b>77,69,530</b>	<b>27.40</b>	<b>1,03,64,641</b>	<b>21,073</b>	<b>1,03,85,714</b>	<b>36.63</b>	<b>9.23</b>
<b>Total B=B(1)+B(2)</b>	<b>1,97,99,544</b>	<b>21,805</b>	<b>1,98,21,349</b>	<b>69.91</b>	<b>1,96,73,688</b>	<b>21,073</b>	<b>1,96,94,761</b>	<b>69.74</b>	<b>(0.45)</b>
<b>Total (A+B)</b>	<b>2,83,28,996</b>	<b>21,805</b>	<b>2,83,50,801</b>	<b>100.00</b>	<b>2,83,29,728</b>	<b>21,073</b>	<b>2,83,50,801</b>	<b>100.00</b>	<b>-</b>
<b>(C) Shares held by custodians, against which Depository Receipts have been issued</b>									
(1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,83,28,996</b>	<b>21,805</b>	<b>2,83,50,801</b>	<b>100.00</b>	<b>2,83,29,728</b>	<b>21,073</b>	<b>2,83,50,801</b>	<b>100.00</b>	<b>-</b>

## (ii) Share Holding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Mr. Sanjay Gaikwad	2,63,797	0.93	2,63,797	3,23,143	1.14	-	0.21
2	Mr. Narendra Hete	-	-	-	-	-	-	-
3	Mr. Uday Gaikwad	201	0.00	-	493	0.00	-	0.00
4	Mr. Ameya Hete	2,27,797	0.80	2,17,797	2,42,797	0.86	-	0.06
5	Mrs. Aruna Narendra Hete	4,000	0.00	-	4,000	0.00	-	-
6	Advent Fiscal Private Limited	7,37,182	2.60	-	7,37,182	2.60	-	-
7	Nifty Portfolio Services Private Limited	5,42,136	1.91	-	5,94,086	2.10	-	0.18
8	Apollo International Limited	22,66,417	7.99	-	22,66,417	7.99	-	-
9	Valuable Technologies Limited	22,43,657	7.91	-	22,43,657	7.91	-	-
10	Valuable Media Private Limited *	22,44,265	7.92	-	22,44,265	7.92	-	-
	<b>Total</b>	<b>85,29,452</b>	<b>30.09</b>	<b>4,81,594</b>	<b>86,56,040</b>	<b>30.53</b>	<b>1,26,588</b>	<b>0.44</b>

\* The name of the company has been changed from Valuable Media Limited to Valuable Media Private Limited w.e.f. March 13, 2020

## (iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sanjay Gaikwad	2,63,797	0.93	19.03.2020	Purchase	53,346	0.19	3,17,143	1.12
				20.03.2020	Purchase	6,000	0.02	3,23,143	1.14
				31.0.32020	At the end of the year	-	-	3,23,143	1.14
2	Mr. Narendra Hete	Nil	Nil	-	No Purchase / Sale	-	-	Nil	Nil
					At the end of the year	-	-	Nil	Nil
3	Mr. Uday Gaikwad	201	0.00	09.08.2019	Sale	(8)	0.00	193	0.00
				20.03.2020	Purchase	300	0.00	493	0.00
					At the end of the year	-	-	493	0.00
4	Mr. Ameya Hete	2,27,797	0.80	20.03.2020	Purchase	5,000	0.02	2,32,797	0.82
				23.03.2020	Purchase	10,000	0.04	2,42,797	0.86
					At the end of the year	-	-	2,42,797	0.86
5	Mrs. Aruna Hete	4,000	0.01	-	No Purchase / Sale	-	-	4,000	0.01
					At the end of the year	-	-	4,000	0.01
6	Advent Fiscal Private Limited	7,37,182	2.60	-	No Purchase / Sale	-	-	7,37,182	2.60
					At the end of the year	-	-	7,37,182	2.60
7	Nifty Portfolio Services Private Limited	5,42,136	1.91	20.03.2020	Purchase	40,000	0.14	5,82,136	2.05
				23.03.2020	Purchase	3,950	0.01	5,86,086	2.07
				24.03.2020	Purchase	8,000	0.03	5,94,086	2.10
					At the end of the year			5,94,086	2.10
8	Apollo International Limited	22,66,417	7.99	-	No Purchase / Sale	-	-	22,66,417	7.99
					At the end of the year	-	-	22,66,417	7.99
9	Valuable Technologies Limited	22,43,657	7.91	-	No Purchase / Sale	-	-	22,43,657	7.91
					At the end of the year	-	-	22,43,657	7.91
10	Valuable Media Private Limited*	22,44,265	7.92	-	No Purchase / Sale	-	-	22,44,265	7.92
					At the end of the year	-	-	22,44,265	7.92

\* The name of the company has been changed from Valuable Media Limited to Valuable Media Private Limited w.e.f. March 13, 2020



# UFO MOVIEZ INDIA LIMITED

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## (iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	P5 Asia Holding Investments (Mauritius) Limited	52,51,608	18.52	-	No Purchase / Sale	-	-	52,51,608	18.52
				31.03.2020	At the end of the year			52,51,608	18.52
2	Reliance Capital Trustee Co Ltd. A/c Reliance Monthly Income Plan	18,06,204	6.37	05.04.2019	Sale	(46,380)	(0.16)	17,59,824	6.21
				12.04.2019	Sale	(275)	(0.00)	17,59,549	6.21
				03.05.2019	Sale	(12,957)	(0.05)	17,46,592	6.16
				10.05.2019	Sale	(69,175)	(0.24)	16,77,417	5.92
				24.05.2019	Sale	(1,22,178)	(0.43)	15,55,239	5.49
				31.03.2020	At the end of the year			15,55,239	5.49
3	DSP Small Cap Fund	13,69,314	4.83	13.03.2020	Sale	(38,991)	(0.14)	13,30,323	4.69
				31.03.2020	At the end of the year			13,30,323	4.69
4	SBI Magnum Multicap Fund (SBI Mutual Funds)	22,42,986	7.91	09.08.2019	Sale	(3,905)	(0.01)	22,39,081	7.90
				16.08.2019	Sale	(23,814)	(0.08)	22,15,267	7.81
				23.08.2019	Sale	(5,761)	(0.02)	22,09,506	7.79
				30.08.2019	Sale	(35,859)	(0.13)	21,73,647	7.67
				06.09.2019	Sale	(2,786)	(0.01)	21,70,861	7.66
				13.09.2019	Sale	(44,040)	(0.16)	21,26,821	7.50
				20.09.2019	Sale	(40,018)	(0.14)	20,86,803	7.36
				27.09.2019	Sale	(67,780)	(0.24)	20,19,023	7.12
				30.09.2019	Sale	(9,500)	(0.03)	20,09,523	7.09
				04.10.2019	Sale	(4,746)	(0.02)	20,04,777	7.07
				06.12.2019	Sale	(1,06,900)	(0.38)	18,97,877	6.69
				27.12.2019	Sale	(32,138)	(0.11)	18,65,739	6.58
				31.12.2019	Sale	(11,835)	(0.04)	18,53,904	6.54
				03.01.2020	Sale	(15,000)	(0.05)	18,38,904	6.49
				10.01.2020	Sale	(16,790)	(0.06)	18,22,114	6.43
				17.01.2020	Sale	(2,14,000)	(0.75)	16,08,114	5.67
				24.01.2020	Sale	(33,400)	(0.12)	15,74,714	5.55
07.02.2020	Sale	(27,700)	(0.10)	15,47,014	5.46				
21.02.2020	Sale	(75,947)	(0.27)	14,71,067	5.19				
28.02.2020	Sale	(62,200)	(0.23)	14,08,867	4.97				
06.03.2010	Sale	(7,08,572)	(2.50)	7,00,295	2.47				
13.03.2010	Sale	(2,21,826)	(0.78)	4,78,469	1.69				
31.03.2020	At the end of the year			4,78,469	1.69				
5	Vallabh Bhanshali	3,60,000	1.27	06.12.2019	Purchase	1,00,000	0.35	4,60,000	1.62
				31.03.2020	At the end of the year			4,60,000	1.62
6	Sammys Dreamland Co Private Limited	1,36,817	0.48	10.05.2019	Purchase	20,000	0.07	1,56,817	0.55
				17.05.2019	Purchase	8,072	0.03	1,64,889	0.58
				02.08.2019	Purchase	25,510	0.09	1,90,399	0.67
				09.08.2019	Purchase	11,509	0.04	2,01,908	0.71
				30.08.2019	Purchase	33,300	0.12	2,35,208	0.83
				13.09.2019	Purchase	42,736	0.15	2,77,944	0.98
				20.09.2019	Purchase	35,264	0.12	3,13,208	1.10
				27.09.2019	Purchase	193	0.00	3,13,401	1.11
				30.09.2019	Purchase	370	0.00	3,13,771	1.11
				08.11.2019	Purchase	29,548	0.10	3,43,319	1.21
31.03.2020	At the end of the year			3,43,319	1.21				
7	Excel Way International Limited	3,13,341	1.11	-	No Purchase / Sale	-	-	3,13,341	1.11
				31.03.2020	At the end of the year			3,13,341	1.11
8	Lata Bhanshali	2,82,406	1.00	-	No Purchase / Sale	-	-	2,82,406	1.00
				31.03.2020	At the end of the year			2,82,406	1.00
9	Kuroto Fund LP	5,10,181	1.80	31.05.2019	Sale	(56,000)	(0.20)	4,54,181	1.60
				07.06.2019	Sale	(1,70,893)	(0.60)	2,83,288	1.00
				23.08.2019	Sale	(11,989)	(0.04)	2,71,299	0.96
				31.03.2020	At the end of the year			2,71,299	0.96

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Nomura Singapore Limited	2,69,726	0.95	31.01.2020	Purchase	2,69,726	0.95	5,39,452	1.90
				31.01.2020	Sale	(2,69,726)	(0.95)	2,69,726	0.95
				31.03.2020	At the end of the year			2,69,726	0.95
11	SBI Active Select Fund	2,85,007	1.01	18.10.2019	Sale	(47,200)	(0.17)	2,37,807	0.84
				25.10.2019	Sale	(19,800)	(0.07)	2,18,007	0.77
				01.11.2019	Sale	(1,24,961)	(0.44)	93,046	0.33
				08.11.2019	Sale	(93,046)	(0.33)	-	-
				31.03.2020	At the end of the year			-	-

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of the Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Directors</b>									
1	Mr. Sanjeev Aga	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2020	At the end of the year			-	-
2	Mr. Ameya Hete	2,27,797	0.80	20.03.2020	Purchase	5,000	0.02	2,32,797	0.82
				23.03.2020	Purchase	10,000	0.04	2,42,797	0.86
				31.03.2020	At the end of the year			2,42,797	0.86
3	Mr. Kapil Agarwal	4,62,394	1.63	-	No Purchase / Sale	-	-	4,62,394	1.63
				31.03.2020	At the end of the year			4,62,394	1.63
4	Ms. Lynn de Souza	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2020	At the end of the year			-	-
5	Mr. Raaja Kanwar	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2020	At the end of the year			-	-
6	Mr. S. Madhavan	7,000	0.02	-	No Purchase / Sale	-	-	7,000	0.02
				31.03.2020	At the end of the year			7,000	0.02
6	S Madhavan HUF	3,000	0.01	-	No Purchase / Sale	-	-	3,000	0.01
				31.03.2020	At the end of the year			3,000	0.01
7	Mr. Sanjay Gaikwad	2,63,797	0.96	19.03.2020	Purchase	53,346	0.19	3,17,143	1.12
				20.03.2020	Purchase	6,000	0.02	3,23,143	1.14
				31.03.2020	At the end of the year			3,23,143	1.14
<b>Key Managerial Personnel</b>									
1	Mr. Rajesh Mishra, CEO	28,649	0.10	-	No Purchase / Sale	-	-	28,649	0.10
				31.03.2020	At the end of the year			28,649	0.10
2	Mr. Ashish Malushte, CFO	18,424	0.06	-	No Purchase / Sale	-	-	18,424	0.06
				31.03.2020	At the end of the year			18,424	0.06
3	Mr. Sameer Chavan, Company Secretary	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2020	At the end of the year			-	-

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## V. INDEBTEDNESS

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

(₹ in Lacs)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (as on April 1, 2019)</b>					
i)	Principal Amount	6,407.98	3,870.00	-	10,277.98
ii)	Interest but not paid	-	-	-	-
iii)	Interest accrued but not due	54.62	748.14	-	802.76
<b>Total (i+ii+iii)</b>		<b>6,462.60</b>	<b>4,618.14</b>	<b>-</b>	<b>11,080.74</b>
<b>Change in indebtedness during the financial year (FY 2019-20)</b>					
•	Addition	2,865.21	-	-	2,865.21
•	Reduction	3,007.81	3,870	-	6,877.81
<b>Net Change</b>		<b>(142.60)</b>	<b>(3,870)</b>	<b>-</b>	<b>(4,012.60)</b>
<b>Indebtedness at the end of the financial year (As on March 31, 2020)</b>					
i)	Principal Amount	6,265.38	-	-	6,265.38
ii)	Interest but not paid	-	-	-	-
iii)	Interest accrued but not due	49.94	-	-	49.94
<b>Total (i+ii+iii)</b>		<b>6,315.32</b>	<b>-</b>	<b>-</b>	<b>6,315.32</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Managing Director, Whole-Time Directors and / or Manager

(₹ In Lacs)

Particulars	Salary paid for the FY 2019-20
Mr. Sanjay Gaikwad, Managing Director	297.35
Mr. Kapil Agarwal, Joint Managing Director	297.37
<b>Total</b>	<b>594.72</b>
Overall limit @ 10% of profit u/s 198 of the Companies Act, 2013	1,056.29
Excess Remuneration	-

### B. Remuneration to other Directors

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Independent Directors			Other Non-Executive Directors		Total Amount	
		Mr. S. Madhavan	Ms. Lynn de Souza	Mr. Sanjeev Aga	Mr. Raaja Kanwar	Mr. Ameya Hete		
1	Fee for attending Board / Committee Meetings	12.50	16.50	14.50	-	-	43.50	
	Commission	12.50	8.50	25.50	-	-	46.50	
	Others, please specify	-	-	-	-	-	-	
2	Total Managerial Remuneration	25.00	25.00	40.00	-	-	90.00	
3	Overall Ceiling @ 1% of profit calculated under section 198 of the Companies Act, 2013	105.63						
		Note: The ceiling of 1% is exclusive of any fees paid / payable to directors under sub-section (5) of Section 197 for attending meetings of the Board or Committee thereof.						

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(₹ In Lacs)

Sr. No.	Particulars of RemunerationW	Key Managerial Personnel			Total
		Mr. Rajesh Mishra, CEO	Mr. Ashish Malushte, CFO	Mr. Sameer Chavan, Company Secretary	
1	Gross Salary	116.87	89.01	26.51	232.39
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.40	0.40	-	0.79
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify (Incentive)	28.37	27.92	-	56.30
	Company Provident Fund Contribution	7.47	5.69	1.64	14.81
	Medical Allowance	0.15	0.15	0.15	0.44
	<b>Total</b>	<b>153.26</b>	<b>123.17</b>	<b>28.30</b>	<b>304.73</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (Give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

 Place: Mumbai  
 Date: June 22, 2020

**Sanjay Gaikwad**  
 Managing Director  
 DIN: 01001173

**Kapil Agarwal**  
 Joint Managing Director  
 DIN: 00024378

**PARTICULARS OF REMUNERATION OF EMPLOYEES**

[Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. **Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the median remuneration of employees and comparison of remuneration of each KMP against Company’s standalone performance:**

Name of Director / Key Managerial Personnel	Remuneration (₹ In Lacs)		Previous year Remuneration (₹ in Lacs)*	% increase / (decrease) in remuneration	Ratio of Director’s remuneration to median remuneration
	Salary *	Perquisite arising due to exercise of employee stock options			
<b>Non-Executive Directors</b>					
Mr. Sanjeev Aga	40.00	-	40.00		6.73
Mr. S. Madhavan	25.00	-	25.00		4.21
Ms. Lynn de Souza	25.00	-	25.00		4.21
Mr. Raaja Kanwar	-	-	-	-	-
Mr. Ameya Hete	-	-	-	-	-
<b>Executive Directors</b>					
Mr. Sanjay Gaikwad	297.35	-	290.99	2.19	50.06
Mr. Kapil Agarwal	297.37	-	277.92	7.00	50.06
<b>Key Managerial Personnel</b>					
Mr. Rajesh Mishra	153.26	-	149.16	2.75	-
Mr. Ashish Malushte	123.17	-	99.45	23.85	-
Mr. Sameer Chavan	28.30	-	22.84	23.92	-

\* Remuneration includes sitting fees paid to independent directors for attending the meetings of the Board and committee.

# The median remuneration of employees of the Company was ₹ 5.94 lacs.

Requirement	Disclosure
The Percentage increase in median remuneration of employees in financial year	(1.44) %
Number of permanent employees on the rolls of the Company	As at March 31, 2020 – 525
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	The average annual increase in the salaries (without considering incentives) of the managerial personnel during the year was 4.41%.
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 22, 2020

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management is pleased to present below its analysis on the performance of the Company for the Fiscal Year ended March 31, 2020 and its outlook for the financial year 2020-21. UFO Moviez India Limited and its subsidiaries have been collectively referred to as “UFO”/ Company.

### I. Industry Overview

FY19-20 was a challenging year for the world economy as well as the Indian economy. While the world was already reeling from the lower output and slow GDP growth, a global health crisis further dampened world economic activity towards the end of the financial year.

Consequently, the Indian Advertising industry growth was muted at 5.3%, growing from ₹ 75,500 Crores in Calendar Year (CY)18 to ₹ 79,500 Crores in CY19. Advertisement spending across all media was weak. The in-cinema advertising segment also witnessed a similar slowdown, with revenues growing marginally by 2.5% from ₹ 750 Crores in CY18 to ₹ 770 Crores in CY19<sup>(1)</sup>.

However, notwithstanding the above situation, the Theatrical business showed resilience as film entertainment to an extent remained unaffected by the economic slowdown. The Indian Film Industry grew by 9.5% from ₹ 17,450 Crores in CY18 to ₹ 19,100 Crores in CY19<sup>(1)</sup>. However, Theatrical revenues were impacted towards the end of FY19-20 as COVID-19 was spreading very fast and Cinemas had started closing down.

In March 2020, the world entered a full-scale lockdown with people’s lives, businesses, and economic activity coming to a standstill on account of the COVID-19 pandemic. Cinemas around the world had to close their doors and the situation was alarming but comprehensible as social distancing was the only way to stop the spread of COVID-19. Cinemas across India have remained shut since March 2020 resulting in significant losses for the entire exhibition industry. The Government of India has started lifting the lockdown from the beginning of June 2020 in phases. However, the decision on re-starting of Cinemas will be taken in the third phase after assessing the situation in the initial phases. Production of new content for Cinemas had also stopped on account for the lockdown. Once Cinemas are allowed to re-open, there will be short-term challenges and the road to recovery will be slow but it is expected that the Exhibition industry will bounce back to full strength over time.

<sup>(1)</sup> *FICCI Frames 2020*

### II. Opportunities

#### Inventory Utilization and Realization

UFO’s in-cinema advertising business has substantial headroom for growth primarily driven by higher inventory

utilization on its screens. There is huge headroom/opportunity for growth since the inventory utilization and realization levels of UFO are presently significantly lower as compared to these parameters for major multiplex screens.

#### Screen Growth

India has over ~9,500 screens for a population of over 130 Crore. The screen density stands at ~7 per million versus ~125 per million in the USA and ~40 per million in China. Despite producing the largest number of films globally in more than ~20 languages, the screen density in India is extremely low and only ~37.4 Crore people of the total population have access to Cinemas. This significantly under-penetrated market offers a huge potential of adding new screens and will make cinemas more accessible to a larger population of the country. This screen addition will provide opportunities to enhance the in-cinema advertising and digital cinema services.

### III. Operating Performance

#### In-Cinema Advertising Business

In the pre digitization era, the advertisement content shown during a feature film show were slideshows or short commercials on promotions of a product or service which were delivered to Cinemas in analogue form in advance. Also, the cinema owners had access mainly to hyper-local advertisers and did not have easy access to national level advertisers. In India, digital cinema integrators have been instrumental in transforming the industry with investments in digital cinema equipment to enhance their core business of digitization. These digital cinema integrators also started aggregating and monetizing advertisement inventory of fragmented screens. Cinema advertising in India emerged as a dynamic medium offering advertisers the opportunity to reach their target audiences effectively.

Cinema advertising is an Impact Advertising platform because of its three key differentiators from traditional frequency media:

- Big Screen Experience
- Access to Captive Audiences
- Flexible Duration Advertising

Globally, in-cinema advertising companies under an asset-light model started aggregating and monetizing advertisement inventory of cinema screens. Companies like National Cine Media (~50% screen share) and Screen Vision (~35% screen share) are the two largest cinema advertising companies in the US and Digital Cine Media

(~83% screen share) is the largest cinema advertising Company in the UK. Also, in-cinema advertising is typically marketed by one or two large players in a geography. However, cinema advertising industry in India is very fragmented and marketed by multiple players like digital cinema integrators, multiplex chains, and advertising agencies. Thus advertisers have to buy inventory from multiple players which has led to substantial opportunity losses for the industry as a one stop solution for the sale of in-cinema advertising inventory is not available. Over a period of time, India is also expected to emerge from a multiplayer market to a 2 to 3 player market as is prevalent globally.

During the year, UFO introduced its new brand identity as "UFO - Cine Media Network" reinforcing the focus on in-cinema advertising. Along with the launch of the new vibrant logo, UFO has also realigned its advertisement network into two powerful channels - PRIME SCREENS (multiplexes and Hollywood release centres) and POPULAR SCREENS (standalone screens and mass appeal screens). With the availability of new channels, insightful business intelligence, and a new rate card, advertisers can carry out large screen high impact advertising that can be customized to deliver geo-targeted advertising with zero spillovers. As on March 31, 2020, UFO boasts of a strong network of 3,792 high impact advertisement screens comprising of 2,002 PRIME Screens and 1,790 POPULAR Screens with presence across 1,231 cities and towns. With this, UFO is India's leading in-cinema advertising network with the power to impact up to 2.1 billion viewers annually, and the only network to reach the urban heartland audience with high flexibility and control over the advertising process.

In addition to the benefits of being an impact advertising platform, the advantages of using UFO's in-cinema advertising platform are:

- Targeted advertising - reaching desired demographics
- High levels of transparency - data logs of the actual advertisements played enhances advertiser confidence
- Remote capability - allows for last-minute scheduling and content changes
- Advanced technology - enables multi-lingual support and subtitling
- Skip less advertising

Advertisers do not, any longer have to deal with a large and fragmented group of exhibitors across the country. The logistics of advertising is simplified by UFO as it controls, schedules, and manages all advertising on its network of screens.

UFO's in-cinema advertising platform has benefited fragmented exhibitors as they now effectively monetize their advertisement inventory through UFO, which they were earlier unable to do due to their limited scale and reach.

During the fiscal year ended March 31, 2020, UFO's advertisement revenue stood at ₹ 15,469.80 Lacs compared to ₹ 23,723.87 Lacs in the fiscal year ended March 31, 2019. This was on account of the slowdown in the economy and shutting down of operations in the month of March due to COVID-19. UFO's average annual advertisement revenue per screen stood at ₹ 3.95 Lacs in FY19-20 compared to ₹ 5.61 Lacs in FY18-19. The number of minutes sold per show per advertising screen stood at 4.16 minutes in FY19-20 compared to 5.54 minutes in FY18-19.

## Theatrical Business

The Indian film industry is one of the oldest and largest in the world, producing ~1,800 films annually in more than 20 languages. India also accounts for more cinema-goers than any other country in the world with 146 Crore movie tickets being sold annually<sup>(1)</sup>, which demonstrates that movie viewing in cinemas is extremely important out of home entertainment destination for the people of India.

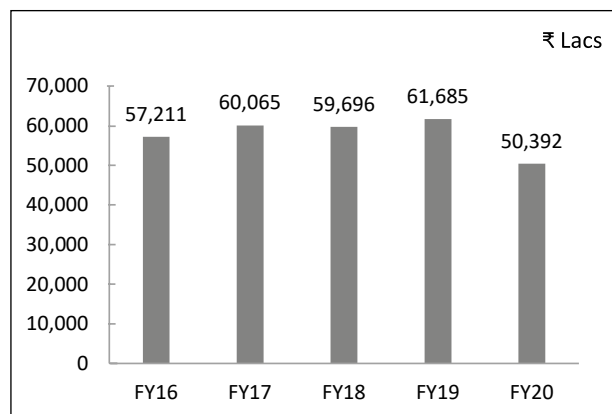
UFO operates India's largest satellite-based E-Cinema and D-Cinema network. During the fiscal year 2019-20, UFO has digitally delivered 1,762 movies (including dubbed versions) to 5,298 screens spread across 30 States and Union territories. Over 16,000 movies have been digitally delivered in India since the beginning of UFO's operations.

<sup>(1)</sup> FICCI Frames 2020

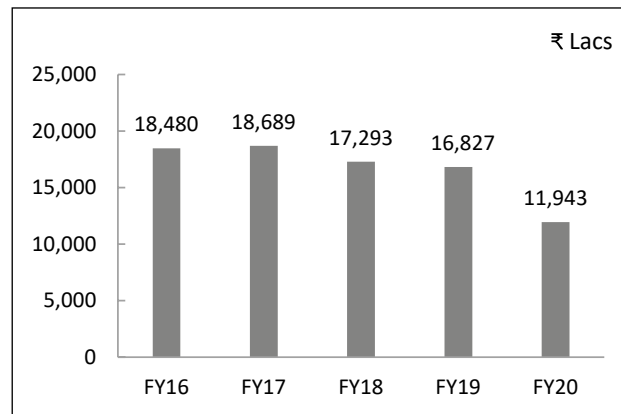
#### IV. Financial Performance

##### Performance Overview (FY15-16 – FY19-20)

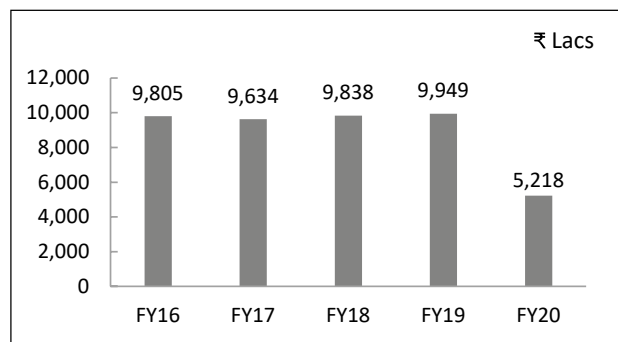
##### Revenue



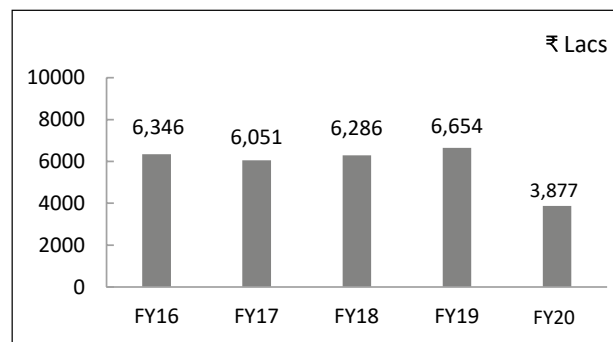
##### Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



##### Profit Before Tax (PBT)



##### Profit After Tax (PAT)



##### Revenue Analysis

UFO receives revenues primarily from three sets of stakeholders. i.e.

- advertisers, for in-cinema advertising,
- movie producers and distributors, for the secured delivery and screening of their movies and
- exhibitors, for equipment rentals and sales of digital cinema equipment and consumables.

Particulars	31-Mar-20	31-Mar-19	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
<b>A. Revenue from operations</b>				
<b>I. Advertisement revenue</b>	<b>15,469.80</b>	<b>23,723.87</b>	<b>(8,254.07)</b>	<b>(34.79)</b>
<b>II. Revenue from Content Owners</b>	<b>15,806.64</b>	<b>17,918.85</b>	<b>(2,112.21)</b>	<b>(11.79)</b>
Virtual Print Fees (VPF) - E- Cinema	10,103.92	10,573.89	(469.97)	(4.44)
Virtual Print Fees (VPF) - D- Cinema	3,450.13	6,146.53	(2,696.40)	(43.87)
Digitisation Income	2,252.59	1,198.43	1,054.16	87.96
<b>III. Revenue from Exhibitors</b>	<b>17,465.58</b>	<b>18,059.52</b>	<b>(593.94)</b>	<b>(3.29)</b>
Lease rental income - E-Cinema	5,323.47	5,653.30	(329.83)	(5.83)
Lease rental income - D-Cinema	717.52	1,076.16	(358.64)	(33.33)
Sale of Products	11,424.60	11,330.06	94.54	0.83
<b>IV. Other Operating Revenue</b>	<b>1,470.15</b>	<b>1,483.90</b>	<b>(13.75)</b>	<b>(0.93)</b>
<b>A. Revenue from operations (I to IV)</b>	<b>50,212.17</b>	<b>61,186.14</b>	<b>(10,973.97)</b>	<b>(17.94)</b>
<b>B. Other income</b>	<b>180.23</b>	<b>498.99</b>	<b>(318.76)</b>	<b>(63.88)</b>
<b>Total Income (A+B)</b>	<b>50,392.40</b>	<b>61,685.13</b>	<b>(11,292.73)</b>	<b>(18.31)</b>



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UFO shares a significant portion of its D-Cinema VPF earned in India and in International territories with the exhibitors under the VPF sharing agreements. Hence, it is important to analyse the VPF revenues on a net basis as given in the table below;

Particulars	31-Mar-20	31-Mar-19	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
<b>E-Cinema (India)</b>				
E-Cinema VPF	10,103.92	10,573.89	(469.97)	(4.44)
less : VPF Sharing with exhibitors	156.53	258.21	(101.68)	(39.38)
<b>E-Cinema VPF (Net)</b>	<b>9,947.39</b>	<b>10,315.68</b>	<b>(368.29)</b>	<b>(3.57)</b>
<b>D-Cinema (India)</b>				
D-Cinema VPF	3,244.10	4,424.01	(1,179.91)	(26.67)
less : VPF Sharing with exhibitors	644.12	1,027.19	(383.07)	(37.29)
<b>D-Cinema India VPF (Net) - (A)</b>	<b>2,599.98</b>	<b>3,396.82</b>	<b>(796.84)</b>	<b>(23.46)</b>
<b>D-Cinema (International)</b>				
D-Cinema VPF	206.03	1,722.51	(1,516.48)	(88.04)
less : VPF Sharing with exhibitors	102.13	1,048.45	(946.32)	(90.26)
<b>D-Cinema International VPF (Net) - (B)</b>	<b>103.90</b>	<b>674.06</b>	<b>(570.16)</b>	<b>(84.59)</b>
<b>Total D-Cinema VPF (Net) (A+B)</b>	<b>2,703.88</b>	<b>4,070.88</b>	<b>(1,367.00)</b>	<b>(33.58)</b>
<b>Total VPF Sharing</b>	<b>902.78</b>	<b>2,333.85</b>	<b>(1,431.07)</b>	<b>(61.32)</b>

The decrease of ₹ 1,367.00 Lacs in D-Cinema VPF (Net) is attributable to the planned sunset revenue reduction.

## Expense Details

The following table gives an overview of the consolidated expenses of UFO.

Particulars	31-Mar-20	31-Mar-19	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
Operating direct costs	20,625.41	25,354.10	(4,728.69)	(18.65)
Employee benefit expenses	8,557.49	9,173.60	(616.11)	(6.72)
Other expenses	9,266.53	10,330.03	(1,063.50)	(10.30)
<b>Total Expenses</b>	<b>38,449.43</b>	<b>44,857.73</b>	<b>(6,408.30)</b>	<b>(14.29)</b>

## Operating direct costs

Operating direct costs in fiscal year ended March 31, 2020 were lower by ₹ 4,728.69 Lacs to ₹ 20,625.41 Lacs from ₹ 25,354.10 Lacs in fiscal year ended March 31, 2019 primarily on account of (i) lower van operation expenses by ₹ 1,679.50 Lacs from ₹ 2,028.41 Lacs during the fiscal year ended March 31, 2019 to ₹ 348.91 Lacs during the fiscal year ended March 31, 2020, (ii) advertisement revenue share paid to exhibitors was lower by ₹ 1,518.91 Lacs from ₹ 6,911.21 Lacs during the fiscal year ended March 31, 2019 to ₹ 5,392.30 Lacs during the fiscal year ended March 31, 2020, (iii) virtual print fees sharing was lower by ₹ 1,431.07 Lacs from ₹ 2,333.85 Lacs during the fiscal year ended March 31, 2019 to ₹ 902.78 Lacs during the fiscal year ended March 31, 2020, (iv) lower content processing charges by ₹ 514.25 Lacs from ₹ 576.89 Lacs during the fiscal year ended March 31, 2019 to ₹ 62.64 Lacs during the fiscal year ended March 31, 2020, (v) higher purchases of digital cinema equipment and lamps by ₹ 401.79 Lacs from ₹ 8,772.75 Lacs during the fiscal year ended March 31, 2019 to ₹ 9,174.54 Lacs during the fiscal year ended March 31, 2020 and (vi) the other operating direct cost were higher by ₹ 13.25 Lacs from ₹ 4,730.99 Lacs during the fiscal year ended March 31, 2019 to ₹ 4,744.24 Lacs during the fiscal year ended March 31, 2020.

## Other expenses

Other expenses in fiscal year ended March 31, 2020 lower by ₹ 1,063.50 Lacs to ₹ 9,266.53 Lacs from ₹ 10,330.03 Lacs in fiscal year ended March 31, 2019 primarily on account of (i) lower commission on advertisement revenue by ₹ 772.45 Lacs from ₹ 2,074.56 Lacs during the fiscal year ended March 31, 2019 to ₹ 1,302.11 Lacs during the fiscal year ended March 31, 2020, (ii) lower rent expenses by ₹ 506.95 Lacs from ₹ 1,166.22 Lacs during the fiscal year ended March 31, 2019 to ₹ 659.27 Lacs during the fiscal year ended March 31, 2020 on account of Ind AS 116 impact, (iii) lower provision for

doubtful debts by ₹ 240.40 Lacs from ₹ 763.31 Lacs during the fiscal year ended March 31, 2019 to ₹ 522.91 Lacs during the fiscal year ended March 31, 2020, (iv) lower freight and forwarding charges by ₹ 176.48 Lacs from ₹ 457.84 Lacs during the fiscal year ended March 31, 2019 to ₹ 281.36 Lacs during the fiscal year ended March 31, 2020 and (v) lower travelling and conveyance expenses by ₹ 121.04 Lacs from ₹ 631.66 Lacs during the fiscal year ended March 31, 2019 to ₹ 510.62 Lacs during the fiscal year ended March 31, 2020.

#### Earnings before interest, tax, depreciation and amortization (EBITDA)

Consolidated EBITDA stood at ₹ 11,942.97 Lacs in the fiscal year ended March 31, 2020 compared to ₹ 16,827.40 Lacs in the fiscal year ended March 31, 2019. As a percentage of total revenue, the consolidated EBITDA margin stood at 23.70% in the fiscal year ended March 31, 2020 compared to 27.28% in the fiscal year ended March 31, 2019.

#### Profit before tax

Consolidated profit before tax stood at ₹ 5,217.80 Lacs in the fiscal year ended March 31, 2020 compared to ₹ 9,949.14 Lacs in the fiscal year ended March 31, 2019.

#### Profit for the year attributable to equity shareholders of UFO

Consolidated profit for the year attributable to equity shareholders of UFO stood at ₹ 3,877.06 Lacs in the fiscal year ended March 31, 2020 compared to ₹ 6,653.54 Lacs in the fiscal year ended March 31, 2019.

#### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosures Requirements 2018) (Amendment) Regulation 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The key financial ratios identified by the Company are given below:

Particulars	Unit	31-Mar-20	31-Mar-19
Net Debt Equity Ratio	Times (x)	(0.12)	(0.24)
Days Sales Outstanding (DSO)*	Days	95	119
EBITDA Margin	Percentage (%)	23.70	27.28
Net Profit Margin	Percentage (%)	7.69	10.79

\*DSO is calculated by dividing the Net Trade Receivables by the Total Income and multiplying the result by 365

#### Ratios where there has been a significant change from March 31, 2019 to March 31, 2020:

Net Debt Equity Ratio is calculated as Net Debt divided by Total Equity. Net Debt/Net Cash is computed by subtracting Gross Cash from Gross Debt. The Company has Net Cash as it has a higher Gross Cash than Gross Debt. The Consolidated Gross Cash of the Company has decreased by ₹ 8,161.83 Lacs from ₹ 19,693.70 Lacs as on March 31, 2019 to ₹ 11,531.87 as on March 31, 2020 primarily on account of dividend payouts of ₹ 30 per share and ₹ 15 per share during the current financial year. This has led to a decline in Net Cash by ₹ 7,350.31 Lacs from ₹ 11,889.54 Lacs as on March 31, 2019 to ₹ 4,539.23 Lacs as on March 31, 2020. As a result, a significant change in Net Debt Equity Ratio has been recorded during the year ended March 31, 2020.

Net Profit Margin is calculated as Net Profit divided by Total Revenue. The significant change in Net Profit Margin has been recorded on account of reduction in Net Profit by ₹ 2,776.48 Lacs from ₹ 6,653.54 Lacs as on March 31, 2019 to ₹ 3,877.06 Lacs as on March 31, 2020. The Net Profit has reduced primarily on account of weaker advertisement performance and shutting down of operations in the Month of March 2020 due to COVID-19.

The Company's consolidated Return on Net Worth stood at 10.17% in the fiscal year ended March 31, 2020 compared to 13.64% in the fiscal year ended March 31, 2019. Return on Net Worth is calculated as Net Profit divided by Total Equity. The significant change in Return on Net Worth has been recorded on account of higher reduction in Net Profit (as explained above) despite a reduction in Total Equity by ₹ 10,649.85 Lacs from ₹ 48,771.15 Lacs as on March 31, 2019 to ₹ 38,121.30 Lacs as on March 31, 2020.

#### V. Outlook

FY20-21 is going to be a very challenging year for the Company as Cinemas across the country have temporarily shut down due to the COVID-19 pandemic. The Government of India has ordered a phase-wise re-opening of economic activities outside COVID-19 containment zones from the beginning of June 2020. However, the decision to reopen Cinemas will be taken by the Central Government and respective State Governments depending on how the situation develops after reopening in the initial phases. The Company's revenues will continue to be nil until the Cinemas re-open. Even when Cinemas are re-opened, it will take time for the viewers to return to cinemas due to fear psychosis. Availability of new content will be another factor as the production of movies has also been suspended during this lockdown. We expect revenue revival in Theatrical business in H2FY20-21. However, Advertisement revenue may take even longer to recover as media spending will return only when Cinema occupancy normalizes and the economy starts showing signs of revival. In the meantime, the Company is using its

cash reserves judiciously in order to sustain during these testing times. We are optimistic that UFO will bounce back once cinemas operations normalize. UFO will also strive to leverage its new brand identity through its network of high impact advertising screens by continuing to focus on driving inventory utilization and spot rates.

## VI. Threats / Risks and Concerns

The temporary shutdown of Cinemas on account of the COVID-19 lockdown has given rise to several short-term risks, besides the risk of a potential longer-term secular decline in movie-going. Some of the short term risks such as increased consumption of over-the-top (OTT) media services may change the content consumption pattern of audiences as well. There is a risk to the duration it may take for audiences to return to watching movies in cinemas after the lockdown has been lifted. This may also lead to a permanent change in content consumption pattern of some audiences.

Uncertainties in the macro-economic environment, changes in the advertising market, natural disasters, epidemics, pandemics, forced measures, etc. could impact UFO's performance. The duration of advertisements played and spending by advertisers is seasonal and episodic and reflects overall economic conditions, as well as the advertisers' budgets and spending patterns. It is difficult to predict when these changes occur and whether they will have a transient impact or are long-term trends. These changes could be on account of increased competition from television, print, radio, major multiplex chains, cinema advertisement aggregators or new advertising platforms like digital, online, over-the-top (OTT) media services, etc. The advertisement performance could also be impacted by factors that could reduce viewership on the advertisement network, which could result from the release of movies on other media platforms/OTT along with or before its theatrical release, reduction in exclusive theatrical release windows, increase in the average cinema ticket prices as compared to other avenues of entertainment, lower disposable income on discretionary spending and decline in the gross box office collections. Box office collections could also be impacted by lower audience interest due to the quality of available movie content and the marketing efforts of movie producers. Any such reduction in viewership may affect the attractiveness of UFO's advertisement platform to advertisers. Advertisement spending is greatly influenced by the availability of a measurement metric and the outcomes of measurement of audiences on a media platform.

## VII. Risk Management

Like any other business, UFO is also prone to risks, which can affect the operating performance, cash flows, financial performance and sustainability. UFO has developed an appropriate risk management framework for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations while adhering to

stringent guidelines. As such, risk management is integral to the creation, protection and enhancement of shareholder value in the Company.

Overall, UFO has emerged as an organization that has a strong focus on improving processes, reducing operational risks, enhances service quality and improving overall performance.

## VIII. Internal Controls and Adequacy

UFO has controls and procedures in place that are designed to provide reasonable assurance that material information relating to business is disclosed on a timely basis. Management has reviewed UFO's control matrix and has concluded that they were effective during the reporting period. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company controls and procedures related to the preparation of the consolidated financial statements. Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Indian Accounting Standards. The controls ensure that transactions are recorded in a timely manner, and are complete in all aspects, resources of the Company are effectively utilized and its assets are adequately safeguarded.

UFO has engaged an independent firm of Chartered Accountants as its Internal Auditor. The scope of Internal Audit includes a review of the efficacy of business processes and a review of the procedures and policies in place as designed by the management across all functional areas, and assessing the internal controls in all areas. Also, the Internal Audit findings are discussed with the process owners and corrective action is taken as necessary.

## IX. Human Resources and Industry Relations

The Human Resources (HR) function in UFO remains focused on developing the potential and the wellbeing of all its employees through improved organizational effectiveness and providing a conducive and ethical workplace amidst a rapidly changing business environment such that employees can offer their best. It is UFO's endeavour to promote a healthy and safe work environment for all its employees. UFO continuously reviews its Human Resources policies including remuneration, employee welfare plans, health and safety, professional training, etc.

The total employee strength including group Companies and top management stood at 658 as on March 31, 2020.

### Material developments in human resources:

#### Recruitment and Selection:

UFO has a talented pool of employees and prides itself in providing effective and efficient services to its clients. The focused recruitment and selection process followed by the Company ensures that it hires the best talent for the job aligning with the overall goals of the organization.

UFO takes pride in having a stable manpower strength coupled with a low rate of attrition that gives it a strategic advantage in realizing its long-term business objectives.

**Training and Development:**

The Company from time to time plans and arranges for the training of its employees for their overall development to achieve its long-term business objectives.

**Industrial Relations:**

UFO believes in maintaining cordial and friendly relations with its employees and resolves conflict, controversies and disputes, if any, between the employees and management in an amicable manner.

**Cautionary Statement**

*Certain Statements made in the Management Discussion and Analysis Report relating to the Company's objectives,*

*projections, outlook, expectations or predictions, estimates and others may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Important factors that could make a significant difference to the Company's operations are demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates.*

## CORPORATE GOVERNANCE REPORT

The Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“The Listing Regulations”).

### COMPANY’S GOVERNANCE PHILOSOPHY

The Company firmly believes that effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Company’s philosophy on Corporate Governance is to conduct its business in a manner which is ethical and transparent with all stakeholders of the Company. Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholders’ value and discharge its social responsibility. The Company recognizes that strong corporate governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. The Company, therefore, continues to lay great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for the efficient and ethical conduct of its business.

With regards to the Corporate Governance, the Company is in compliance with the requirements of the Listing Regulations and provisions of the Companies Act, 2013 (“the Act”). As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and the Listing Regulations and has established procedures and systems to remain compliant with it. This report provides the Company’s compliance with these provisions as on March 31, 2020.

### BOARD OF DIRECTORS

The Company believes that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance. It believes that the Board is at the core of corporate governance. The Board consists of 7 members with 2 Executive Directors and 5 Non-Executive Directors, of which 3 are Independent Directors including a Woman Director, comprising of experts from various fields/professions. The Chairman of the Board of Directors is an Independent Director. As required by Regulation 46 of the Listing Regulations the terms and conditions of appointment of Independent Directors are available on the Company’s website. The composition of the Board of Directors of the Company is in accordance with the Listing Regulations and the Act read with applicable rules made thereunder.

In accordance with the provisions of the Act and in terms of the Articles of Association of the Company, Mr. Ameya Hete (DIN: 01645102) retires by rotation in the ensuing Annual General Meeting (AGM) and is eligible for re-appointment. The details of Mr. Ameya Hete, Director seeking re-appointment, are disclosed in the notice of the AGM.

### CATEGORY AND ATTENDANCE OF DIRECTORS

The necessary disclosures regarding Directorships, Memberships and Chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and acts as a Chairman of more than 5 Committees across all Companies in which they are Directors.

Further, none of the Directors served as an Independent Director in more than 7 equity listed companies and hold Directorship in more than 8 equity listed companies. Further, neither the Managing Director nor Joint Managing Director of the Company is serving as Independent Director on the Board of any other listed entity. None of the Independent Directors is serving as Managing Director / Whole-time director in any equity listed Company.

Details of membership and attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/ Membership of Board Committees as on March 31, 2020 are as follows:

Sr. No	Name of Director	Director Identification No.	Category\$	Designation	No. of Board Meetings Attended during 2019 20 / (No. of meetings held during the tenure)	Attendance at AGM held on July 25 2019	Directorship in other listed companies and category \$ Name of listed company and category\$	No. of Directorship in other companies* (As on March 31, 2020)			No. of committee positions in Mandatory Committees of other companies** (As on March 31, 2020)		
								Chairman	Board Member	Total	Chairman	Committee Member	Total
1.	Mr. Sanjeev Aga	00022065	I & NED	Chairman	11(11)	Yes	Pidlite Industries Limited - I & NED	Nil	4	4	1	4	5
							Mahindra Holidays & Resorts India Limited - I & NED						
							Larsen and Toubro Limited - I & NED						
							Larsen & Toubro Infotech Limited - I & NED						
2.	Mr. Ameya Hete <sup>A</sup>	01645102	NED	Director	5(11)	No	Nil	Nil	5	5	Nil	Nil	Nil

Sr. No	Name of Director	Director Identification No.	Category\$	Designation	No. of Board Meetings Attended during 2019 20 / (No. of meetings held during the tenure)	Attendance at AGM held on July 25 2019	Directorship in other listed companies and category \$ Name of listed company and category\$	No. of Directorship in other companies* (As on March 31, 2020)			No. of committee positions in Mandatory Committees of other companies** (As on March 31, 2020)		
								Chairman	Board Member	Total	Chairman	Committee Member	Total
3.	Mr. Kapil Agarwal	00024378	ED	Director	10 (11)	Yes	Nil	Nil	1	1	Nil	1	1
4.	Ms. Lynn de Souza	01419138	I & NED	Director	10 (11)	Yes	Nil	Nil	2	2	Nil	2	2
5.	Mr. Raaja Kanwar <sup>^</sup>	00024402	NED	Director	4 (11)	No	Nil	1	2	3	Nil	1	1
6.	Mr. S. Madhavan	06451889	I & NED	Director	10(11)	Yes	HCL Technologies Limited - I & NED	Nil	5	5	4	6	10
							Transport Corporation of India Limited - I & NED						
							GlaxoSmithKline Consumer Healthcare Limited - I & NED						
							ICICI Bank Limited - I & NED						
7.	Mr. Sanjay Gaikwad <sup>^</sup>	01001173	ED	Director	10(11)	Yes	Nil	Nil	4	4	Nil	Nil	Nil

*\$ED – Executive Director, NED – Non-Executive Director, I & NED– Independent and Non-Executive Director*

*\* Excludes directorships in associations, private limited companies, foreign companies, government bodies and companies registered under Section 8 of the Companies Act, 2013.*

*\*\* Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.*

*<sup>^</sup> Mr. Sanjay Gaikwad is one of the promoters of the Company and Mr. Ameya Hete and Mr. Raaja Kanwar form part of the promoter group.*

*# In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Ameya Hete, retires by rotation in the forthcoming AGM and is eligible for re-appointment.*

## BOARD PROCEDURE

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company are invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once in a quarter to review the quarterly performance and approve the financial results.

With a view to leverage technology and reducing paper consumption, the Company adopted the facility of disseminating Notices, Agendas and Minutes to the Directors through electronic means. This electronic mode of delivery of Agenda papers, minutes and other documents not only ensures high standards of security and confidentiality, required for storage and circulation of board papers but also increases the active involvement of the Board Members.

During the year under review, the Board met 11 times on the following dates: May 21, 2019; June 7, 2019; June 25, 2019; August 13, 2019; September 23, 2019; November 6, 2019; November 20, 2019, December 20, 2019, February 14, 2020, February 27, 2020 and March 19, 2020. The gap between any two consecutive meetings did not exceed 120 days.

## CODE OF CONDUCT

The Company has adopted a Code of Conduct for all employees of the Company, including the Managing Director and the Joint Managing Director. The Board has also approved a Code of Conduct for Directors and Senior Management of the Company, which also incorporates the duties of Independent Directors as laid down in the Act. The Code of Conduct for Directors and Senior Management is posted on the Company's website under the web link: <https://www.ufomoviez.com/investor>

All the Board members and Senior Management personnel have affirmed their compliance with the Code of Conduct for Directors and Senior Management. A declaration to this effect, signed by the Chief Executive Officer, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Independent Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Independent Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its subsidiaries and

associates. None of the Directors are inter- se related to each other.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/or commercial transaction between them and the Company that could have a potential conflict of interest with the Company at large.

## REMUNERATION TO EXECUTIVE DIRECTORS

Mr. Sanjay Gaikwad, Managing Director of the Company had been appointed for a period of 5 years from October 17, 2013 to October 16, 2018. Mr. Kapil Agarwal, Joint Managing Director of the Company had been appointed for a period of 5 years from March 1, 2014 to February 28, 2019.

The members of the Company at their Annual General Meeting held on August 8, 2018 re-appointed Mr. Sanjay Gaikwad as Managing Director of the Company for a further period of 5 years from October 17, 2018, and Mr. Kapil Agarwal as Joint Managing Director of the Company for a further period of 5 years from March 1, 2019 and also approved their remuneration.

During the year under review, the Company had paid remuneration of ₹ 297.35 lacs to Mr. Sanjay Gaikwad, Managing Director and of ₹ 297.37 lacs to Mr. Kapil Agarwal, Joint Managing Director of the Company.

The remuneration drawn was within the limits of managerial remuneration prescribed under Section 197 of the Act considering the profits of the Company for the financial year 2019-20.

All elements of existing remuneration package of Executive Directors are given herein below:

Particulars	Sanjay Gaikwad	Kapil Agarwal
1. Salary	₹ 11 lacs per month.	₹ 11 lacs per month.
2. Perquisites	<ul style="list-style-type: none"> <li>a. Company's contribution to provident fund and superannuation fund as per Company rules.</li> <li>b. Gratuity as per Company rules.</li> <li>c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.</li> <li>d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.</li> <li>e. Provision of Company maintained car, reimbursement of driver's salary &amp; petrol and vehicle maintenance expenses for the official use.</li> <li>f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.</li> <li>g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category.</li> <li>h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.</li> </ul>	<ul style="list-style-type: none"> <li>a. Company's contribution to provident fund and superannuation fund as per Company rules.</li> <li>b. Gratuity as per Company rules.</li> <li>c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.</li> <li>d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.</li> <li>e. Provision of Company maintained car, reimbursement of driver's salary &amp; petrol and vehicle maintenance expenses for the official use.</li> <li>f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.</li> <li>g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category.</li> <li>h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.</li> </ul>
3.	The total remuneration as per para 1 and 2 shall be restricted to an amount of ₹ 275 lacs p.a.	3. The total remuneration as per para 1 and 2 shall be restricted to an amount of ₹ 275 lacs p.a.

Particulars	Sanjay Gaikwad	Kapil Agarwal
3. Special Allowance	Mr. Sanjay Gaikwad will also be entitled to a Special Allowance of ₹ 35 lacs p.a. payable equally on monthly basis.	Mr. Kapil Agarwal will also be entitled to a Special Allowance of ₹ 35 lacs p.a. payable equally on monthly basis.
4. Yearly performance incentive	In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Sanjay Gaikwad will also be entitled for an annual performance incentive not exceeding ₹190 lacs	In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Kapil Agarwal will also be entitled for an annual performance incentive of an amount not exceeding ₹ 190 lacs.
5. Employee Stock Options	Nil	2,12,500 vested ESOPs convertible into 2,12,500 equity shares of the Company.

In light of the COVID-19 pandemic and its impact on the Company's business activities, the Company has implemented a salary reduction for its Managing Director ('MD') & Joint Managing Director ('JMD') in March 2020 as part of a proactive measure towards managing its costs. The agreed upon total remuneration payable to the MD & JMD was earlier ₹ 310 lacs p.a. for 2019-2020. The salaries for the month of March is being reduced by 50%, accordingly, the annual remuneration for 2019-2020 is being reduced, and the revised total remuneration for the year shall now be ₹ 297.35 lacs & ₹ 297.37 lacs respectively. The reduction in remuneration is not in the nature of a deferral and the MD & JMD shall not be entitled to recover/receive the balance amount from the Company at any future point of time.

#### REMUNERATION TO NON-EXECUTIVE DIRECTORS

During the year under review, the non-executive independent directors were paid sitting fees at the rate of ₹ 1.00 lac for attending each of the board meetings and ₹ 0.50 lac for attending each of the committee meetings.

The non-executive independent directors were appointed at a fixed remuneration consisting of sitting fees and commission on net profits of the Company. The total remuneration agreed with Mr. Sanjeev Aga, Chairman and Independent Director is ₹ 40.00 lacs p.a. and the total remuneration agreed with each of Ms. Lynn de Souza and Mr. S. Madhavan, both independent directors is ₹ 25.00 lacs p.a., as approved by the shareholders at the Annual General Meeting held on September 26, 2017. The total remuneration payable to Independent Directors for the financial year ended March 31, 2020 is as below:

Name of Director	Sitting Fees (₹ in lacs)	Commission (₹ in lacs)	Total (₹ in lacs)
Mr. Sanjeev Aga	14.50	25.50	40.00
Ms. Lynn de Souza	16.50	8.50	25.00
Mr. S. Madhavan	12.50	12.50	25.00
<b>Total</b>	<b>43.50</b>	<b>46.50</b>	<b>90.00</b>

The terms and conditions of the appointment of aforesaid independent directors and criteria for making payments to non-executive directors are disclosed on the Company's website under the weblink: <https://www.ufomoviez.com/investor>

No sitting fees is payable to non-executive non-independent directors as they have waived their entitlement for the same.

As on March 31, 2020 and as on date, except Mr. Ameya Hete and Mr. S. Madhavan who hold 242,797 and 7,000 equity shares of the Company respectively in their own name, none of the non-executive directors was holding any equity shares of the Company.

#### SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of the Listing Regulations, separate meetings of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, were held on May 20, 2019 and June 22, 2020. At the said meetings, the Independent Directors:

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and



- c) assessed 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 their duties.

All the Independent Directors attended the meeting of Independent Directors held on May 20, 2019 and June 22, 2020. Mr. Sanjeev Aga chaired both the meetings.

## BOARD AND DIRECTORS' EVALUATION AND CRITERIA FOR EVALUATION

For the year under review, the Board has carried out an evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance evaluation process of the Board members including Independent Directors. The criteria for evaluation include inter alia, knowledge to perform the role, time and level of participation, performance of duties and level of oversight, professional conduct and independence.

## BOARD TRAINING, INDUCTION AND FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Directors including independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website under the web link: <https://www.ufomoviez.com/investor>

The Managing Director and the Joint Managing Director also have a one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory framework in which the Company operates and equip themselves to effectively fulfil their role as Directors of the Company.

## CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS(ES) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY

The Board has identified below mentioned expertise which the directors of the Company required in the context of the business:

1. Expertise in the field of technology;
2. Expertise in general corporate management;
3. Expertise in the field of marketing; and
4. Expertise in the field of finance, taxation, accounts and strategy.

In the table below, the key skills, expertise and competence of the Board of Directors in context of the Company's business for effective functioning and as available with the with the Board are highlighted below:

Expertise	Sanjeev Aga	Ameya Hete	Kapil Agarwal	Lynn de Souza	Raaja Kanwar	S. Madhavan	Sanjay Gaikwad
Technology		√					√
Corporate Management	√	√	√	√	√	√	√
Marketing	√			√			
Finance	√	√	√	√	√	√	√
Taxation			√			√	
Accounts			√			√	
Strategy	√	√	√	√	√	√	√

## CONFIRMATION

In the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

## COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted various committees viz, Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Finance Committee and Scheme Implementation Committee.

Each of these Committees has been mandated to operate within a given framework. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are headed by the respective Chairmen, who also inform the Board about the summary of discussions held in those Meetings. The minutes of the Committee Meetings are sent to all the respective Committee Members individually and tabled at the Board Meetings.

There have been no instances during the year when recommendations of any committee of the Board were not accepted by the Board.

### A. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee acts as a link between the statutory/internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The scope and function of the Audit and Risk Management Committee are in accordance with the Act and Regulation 18 of the Listing Regulations.

The powers of the Audit and Risk Management Committee include the power to (i) investigate any activity within its terms of reference; (ii) seek information from any employee; (iii) obtain outside legal or other professional advice; and (iv) secure attendance of outsiders with relevant expertise, if it considers the attendance of such outsiders necessary.

The Audit and Risk Management Committee is mandatorily review amongst others, (i) the management discussion and analysis of financial condition and results of operations; (ii) the statement of significant related party transactions submitted by the management; (iii) the management letters / letters of internal control weaknesses issued by the statutory auditors; (iv) the internal audit reports relating to internal control weaknesses; and (v) the appointment, removal and terms of remuneration of the chief internal auditor/ internal auditor.

The role of the Audit and Risk Management Committee includes the scope as specified in Part C of Schedule II of the Listing Regulations in addition to the requirements of Section 177 of the Act. Also, the Audit and Risk Management Committee is responsible for monitoring and reviewing the risk management plan of the Company.

The composition of the Audit and Risk Management Committee as at March 31, 2020 and the details of members' participation at the meetings of the Committee are as under:

Name of the member	Position in the committee	Designation	No. of meetings attended during the year 2019-20 / (no. of meetings held during the tenure)
Mr. Sanjeev Aga	Chairman	Non-Executive, Independent Director	5 (5)
Mr. S. Madhavan	Member	Non-Executive, Independent Director	5 (5)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	5 (5)
Mr. Ameya Hete	Member	Non-Executive Director	3 (5)

Necessary quorum was present at the above Committee Meetings. The Members on the Audit and Risk Management Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are invited to attend the Meeting of the Audit and Risk Management Committee. They have attended all the meetings where their Audit Reports were tabled for discussion. The Managing Director, Joint Managing Director, Chief Executive Officer and Chief Financial Officer usually attend all the Audit and Risk Management Committee Meetings. The Company Secretary is the Secretary to the Committee.

During the year under review, 5 meetings of the Audit and Risk Management Committee were held on May 21, 2019; June 7, 2019; August 13, 2019; November 6, 2019 and February 14, 2020.

## B. NOMINATION AND REMUNERATION COMMITTEE

The scope and terms of reference of the Nomination and Remuneration Committee includes recommending to the Board from time to time the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as more specifically detailed in Part D of Schedule II of the Listing Regulations in addition to the requirements of Section 178 of the Act. The Nomination and Remuneration Policy is part of the Directors Report.

The composition of the Nomination and Remuneration Committee as at March 31, 2020 and the details of members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2019-20/ (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	2 (2)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	2 (2)
Mr. Ameya Hete	Member	Non-Executive Director	1 (2)

During the year under review, 2 meetings of the Nomination and Remuneration Committee were held on May 20, 2019 and February 27, 2020.

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee of the Company are in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations which inter alia include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The composition of the Stakeholders' Relationship Committee as at March 31, 2020 and the details of members' participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2019-20 / (no. of meetings held during the tenure)
Ms. Lynn de Souza	Chairperson	Non-Executive, Independent Director	4 (4)
Mr. Sanjay Gaikwad	Member	Executive Director	3 (4)
Mr. Kapil Agarwal	Member	Executive Director	4 (4)
Mr. Ameya Hete	Member	Non-Executive, Non-Independent Director	3 (4)

During the year under review, 4 meetings of the Stakeholders' Relationship Committee were held on May 20, 2019; August 12, 2019; November 6, 2019 and February 14, 2020.

Mr. Sameer Chavan, Company Secretary of the Company is the Compliance Officer of the Company.

The number of complaints received, resolved to the satisfaction of shareholders and numbers of complaints pending during the financial year ended March 31, 2020 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	72	72	Nil

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms of reference of the Corporate Social Responsibility Committee broadly comprises:

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Corporate Social Responsibility Committee as at March 31, 2020 and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2019-20 / (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	3 (4)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	4 (4)
Mr. Kapil Agarwal	Member	Executive Director	4 (4)

During the year under review, 4 meetings of the Corporate Social Responsibility Committee were held on May 20, 2019; September 26, 2019; February 14, 2020 and March 19, 2020.

The policy on Corporate Social Responsibility is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

#### E. COMPENSATION COMMITTEE

The scope and terms of reference of Compensation Committee is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which inter alia includes:

- Administration and superintendence of the employee stock options schemes.
- Formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard.
- Frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the Company and its employees, as applicable.

The members of the Compensation Committee are as below:

Name of the member	Position in the Committee	Designation
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director
Ms. Lynn de Souza	Member	Non-Executive, Independent Director
Mr. Sanjay Gaikwad	Member	Executive Director

During the year under review, there was no meeting of the Compensation Committee.

#### F. FINANCE COMMITTEE:

The Finance Committee comprises of 3 members namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director and Mr. Ameya Hete, Director.

The terms of reference of Finance Committee includes matters related to Share Allotment, Share Transfer and Banking & Finance.

During the year under review, one meeting of the Finance Committee was held on October 25, 2019 which was attended by all the Committee members.

## **G. SCHEME IMPLEMENTATION COMMITTEE:**

The Scheme Implementation Committee comprises of 3 members namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director and Mr. Ameya Hete, Director.

The Committee is responsible to make and agree to such modifications or alterations or amendments to the draft Composite Scheme Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited ("Scheme") which do not amount to a material change to the substance of the Scheme and which (a) may otherwise be considered necessary, desirable, expedient or appropriate; or (b) may be necessary to comply with any conditions or limitations that any regulatory authorities (including but not limited to the relevant stock exchanges, the Securities and Exchange Board of India ("SEBI"), and the National Company Law Tribunal ("Tribunal") may deem fit to direct or impose; or (c) may finalise, approve and issue the Notice of the Tribunal convened meeting of shareholders and creditors (if required) along with the Explanatory Statement thereto as may be directed by the Tribunal (including the applicable information pertaining to the unlisted entity/ies involved in the Scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009); or (d) may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or (e) do all acts deeds and things necessary for putting the Scheme into effect.

During the year under review, no meeting of the Scheme Implementation Committee was held.

## **H. UFO – VDSPL SCHEME IMPLEMENTATION COMMITTEE:**

The UFO – VDSPL Scheme Implementation Committee comprises of 3 members namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director and Mr. Ameya Hete, Director.

The Committee is responsible to make and agree to such modifications or alterations or amendments to the draft Scheme of Arrangement between Valuable Digital Screens Private Limited and UFO Moviez India Limited ("Scheme") which do not amount to a material change to the substance of the Scheme and which (a) may otherwise be considered necessary, desirable, expedient or appropriate; or (b) may be necessary to comply with any conditions or limitations that any regulatory authorities (including but not limited to the relevant stock exchanges, the Securities and Exchange Board of India ("SEBI"), and the National Company Law Tribunal ("Tribunal") may deem fit to direct or impose; or (c) may finalise, approve and issue the Notice of the Tribunal convened meeting of shareholders and creditors (if required) along with the Explanatory Statement thereto as may be directed by the Tribunal (including the applicable information pertaining to the unlisted entity/ies involved in the Scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009); or (d) may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or (e) do all acts deeds and things necessary for putting the Scheme into effect.

During the year under review, no meeting of the UFO – VDSPL Scheme Implementation Committee was held.

## **SUBSIDIARY COMPANIES:**

The Company has material subsidiaries namely Scrabble Entertainment Limited and Scrabble Entertainment DMCC who have generated more than 10% of the consolidated income of the Company during the year under review. The Board of Directors of the Company has approved a policy for determining material subsidiaries of the Company and the same is disclosed on the website of the Company under the web link: <https://www.ufomoviez.com/investor>

The audited annual financial statements of the subsidiary companies are tabled at the Audit and Risk Management Committee and Board Meetings. Copies of the Minutes of the Board Meetings of subsidiary companies are periodically tabled/placed at the Board Meetings of the Company.

## GENERAL BODY MEETINGS

### A. Annual General Meetings:

Details of the Annual General Meetings of the Company held during the preceding 3 years are as follows:

Financial Year	Venue	Date	Time	Special resolutions passed at last three Annual General Meetings (AGM)
2018-19	Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093	July 25, 2019	03:00 p.m.	None
2017-18	Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093	August 9, 2018	03:00 p.m.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director.</li> <li>2. Re-appointment of Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director.</li> </ol>
2016-17	Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri (East), Mumbai- 400 059	September 26, 2017	11:00 a.m.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director.</li> <li>2. Re-appointment of Ms. Lynn de Souza (DIN: 01419138) as an Independent Director.</li> <li>3. Re-appointment of Mr. S. Madhavan (DIN: 06451889) as an Independent Director.</li> <li>4. Approval of the fees for delivery of documents through specific mode of delivery on request of the member(s).</li> </ol>

### B. Special resolutions passed through Postal Ballot

During the year under review, there was no special resolutions passed through Postal Ballot.

## MEANS OF COMMUNICATION

### Communication with the Members / Shareholders

As per the requirements of the Listing Regulations, the unaudited quarterly / half yearly results are announced within 45 days of the close of the quarter and the audited annual results are announced within 60 days from the close of the financial year or any such time prescribed as per Listing Regulations.

The aforesaid financial results are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after they are approved by the Board. The results thereafter are given by way of a press release to various news agencies/analysts. Further, the results were published within 48 hours in leading English daily newspaper i.e. 'The Financial Express' and Marathi daily newspaper i.e. 'Loksatta'.

The audited financial statements form part of the Annual Report which are sent to the Members well in advance of the AGM.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members/ investors.

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are placed on the Company's website under the web link: <https://www.ufomoviez.com/investor> and can be downloaded. Also, all the official news releases, intimation of analyst meets, presentations made to the investors, etc. are displayed on the website of the Company under the section 'Events & Updates.'

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In compliance with Regulation 10 of the Listing Regulations the quarterly results, shareholding pattern, quarterly compliances and all other corporate communications are filed electronically with BSE on its Listing Centre portal and with NSE on its NEAPS portal.

## GENERAL SHAREHOLDER INFORMATION

Day, Date, Time & Venue of the 16th Annual General Meeting	Thursday, August 20, 2020 at 03:00 PM through Video Conferencing
Financial Year	April 1, 2019 to March 31, 2020
Board Meeting for consideration of Accounts for the financial year ended March 31, 2020	June 22, 2020
Book Closure Dates	From August 14, 2020 to August 20, 2020 (both days inclusive)
Last date for receipt of Proxy Forms	Not Applicable
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2020; September, 2020 and December, 2020 of the financial year 2020-21.	Within 45 days from the end of the quarter or within such other time as stipulated under the Listing Regulations.
Annual audited results for the financial year ending March 31, 2021	Within 60 days from the end of the last quarter or within such other time as stipulated under the Listing Regulations.

The Company is registered with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L22120MH2004PLC285453.

## Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges:

Name & Address of the Stock Exchanges	Stock Code / Scrip Code	ISIN
BSE Limited 1st floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Tel: 022-2272 1233/34; Fax: 022-2272 1919/3027	Scrip Code: 539141 Scrip Name: UFO Moviez India Limited Scrip Id: UFO	INE527H01019
The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: 022-2659 8100 - 14; Fax: 022-2659 8237/38	Series – EQ Scrip Name: UFO	

The listing fees for the financial year under review have been paid to the Stock Exchanges where the shares of the Company are listed.

## Market Price Data: High, low during each month in last financial year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

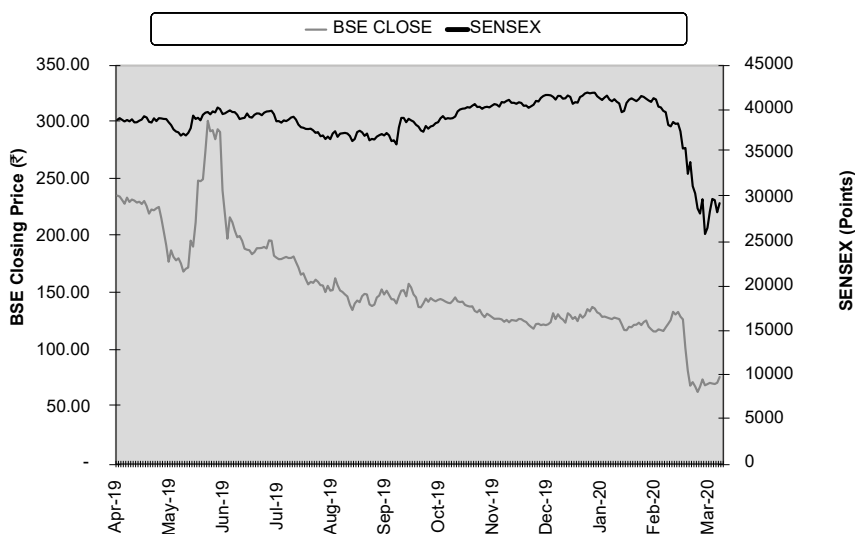
The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the financial year 2019-20 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's Equity Shares for the financial year ended March 31, 2020, on the said exchanges is given below:

Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹ In lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ In lacs)
Apr-19	238.00	215.50	26.76	242.05	216.95	406.35
May-19	323.90	162.30	694.66	322.20	164.10	8,323.98
Jun-19	298.90	176.20	321.84	296.65	181.05	3,286.28
Jul-19	201.95	153.00	59.42	202.00	147.50	752.3
Aug-19	169.75	127.85	74.80	170.00	128.05	917.24
Sep-19	163.30	135.50	75.33	163.40	135.25	1,492.52

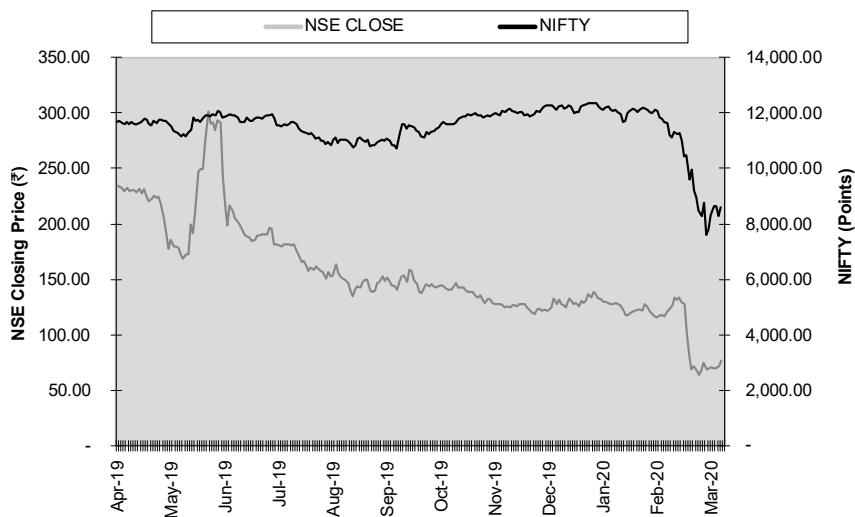
Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹ In lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ In lacs)
Oct-19	154.75	135.25	61.59	156.80	136.60	889.05
Nov-19	143.95	123.15	78.92	143.50	117.95	877.87
Dec-19	136.80	118.00	74.03	136.80	118.25	843.62
Jan-20	140.70	122.15	71.10	141.00	121.95	1,530.10
Feb-20	143.15	115.45	124.72	143.00	115.20	1,870.29
Mar-20	135.00	60.00	533.57	135.00	58.10	5,732.49

**Performance of UFO Share price in Comparison to BSE Sensex and NSE Nifty:**

**BSE Sensex:**



**NSE Nifty:**





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## Share Transfer System and other related matters

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

## Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making a nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form, from the Registrar & Share Transfer Agent of the Company i.e. KFin Technologies Private Limited or download the same from their website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

## Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

## Distribution of shareholding as on March 31, 2020

Range (In ₹) *	No. of equity Shares	Amount (₹ in lacs)	% to capital	No. of shareholders	% to total shareholder
up to 5000	21,76,075	217.61	7.68	29,570	92.00
5001-10000	10,06,145	100.61	3.55	1,284	3.99
10001-20000	10,20,086	102.01	3.60	704	2.19
20001-30000	5,29,835	52.98	1.87	208	0.65
30001-40000	3,10,971	31.09	1.10	88	0.27
40001-50000	3,47,285	34.73	1.22	75	0.23
50001-100000	8,31,217	83.12	2.93	111	0.35
100001 & Above	2,21,29,187	2,212.92	78.05	102	0.32
<b>Total</b>	<b>2,83,50,801</b>	<b>2,835.08</b>	<b>100.00</b>	<b>32,142</b>	<b>100.00</b>

\* The amount is calculated considering nominal value of per equity share i.e. ₹ 10/- per share.

## Shareholding Pattern as on March 31, 2020

Category	No. of shares held	Percentage
Promoter and Promoter Group	86,56,040	30.53
Foreign Portfolio Investors	6,50,750	2.30
Foreign Venture Capital	52,51,608	18.52
Foreign Nationals	87	0.00
Non Resident Indians	3,54,777	1.25
Non Resident Indian Non Repatriable	1,20,301	0.42
Resident Individuals	71,54,275	25.23
Others	61,62,963	21.75
<b>Total</b>	<b>2,83,50,801</b>	<b>100.00</b>

## Dematerialization of shares

The Company's shares are tradable compulsorily in the electronic form. Through KFin Technologies Private Limited, Registrar & Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE527H01019.

Percentage of shares held in physical and dematerialization form as on March 31, 2020 are as mentioned below:

Particulars	No. of shares	% to Capital
National Securities Depository Limited	2,43,91,512	86.04
Central Depository Services (India) Limited	39,38,216	13.89
Total Demat (A)	2,83,29,728	99.93
Physical (B)	21,073	0.07
<b>Total (A + B)</b>	<b>2,83,50,801</b>	<b>100.00</b>

#### Investor Correspondence

For any assistance regarding share transfers, transmissions, change of address, duplicate share certificates and other relevant matters, please write to the Registrar & Share Transfer Agent of the Company at the address given below:

#### KFin Technologies Private Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial District ,  
Nanakramguda, Serilingampally Mandal, Hyderabad - 500032  
Tel: +91- 040 – 67162222 / +91- 040 – 7961 1000  
Email: einward.ris@kfintech.com

#### For investor correspondence and queries relating to financial statements

Mr. Ashwin Chhugani,  
Deputy General Manager - Investor Relations  
Tel: +91 22 40305060  
Email: ashwin.chhugani@ufomoviez.com

#### For queries relating to shares / compliance

Mr. Sameer Chavan,  
Company Secretary and Compliance Officer  
Tel : +91 22 40305060  
Email: investors@ufomoviez.com

#### Credit Ratings

During the year under review ICRA has downgraded Company's credit rating for (i) Long-term Loans & Long-term, Fund-based Facilities from ICRA]AA- (pronounced ICRA double A minus) Outlook Negative to [ICRA]A+ (pronounced ICRA A plus) Outlook Stable And (ii) Short-term, Non-fund Based Facilities from [ICRA]A1+ (pronounced ICRA A one plus) to [ICRA]A1 (pronounced ICRA A one).

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

There are no outstanding GDRs/ADRs or any Convertible instruments issued by the Company except employees stock options, the details of which are disclosed in the Annual Report.

#### Plant Locations

As the Company is not a manufacturing Company, it has no plant. The regional / sales offices of the Company are situated at Ahmedabad, Amravati, Bengaluru, Bhusawal, Chennai, Cochin, Cuttack, Delhi, Ghaziabad, Gorakhpur, Guwahati, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Nagpur, Patna, Ranchi, Raipur, Silliguri and Vijaywada with corporate and registered office at Mumbai.

#### DISCLOSURES

##### Related party transactions

All transactions entered in to with the related parties as defined under the Act and under Regulation 23 of the Listing Regulations during the year under review were in the ordinary course of business and on an arm's length basis. All the transactions with the related parties are in the normal course of business and do not conflict with the interest of the Company.

There were no materially significant transactions with related parties during the year under review. Related party transactions have been disclosed in the notes to the financial statements in accordance with Ind AS.

As required under Regulation 23 of the Listing Regulations the Company has formulated a policy on related party transactions. The Policy is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## Strictures and penalties

During the year under review, no strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets.

## Whistle Blower policy

Pursuant to Section 177(9) and (10) of the Act, Regulation 4(2)(d) of Chapter II of the Listing Regulations and Regulation 9A (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has formulated a Whistle Blower Policy for establishing a vigil mechanism for all the stakeholders, Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Company's code of conduct or ethics policy, instances of leak of unpublished price sensitive information. The mechanism provides for adequate safeguards against victimization of stakeholders, Employees and Directors who may use such a mechanism and makes provision for direct access to the Chairman of the Audit and Risk Management Committee. None of the personnel of the Company has been denied access to the Chairman of the Audit and Risk Management Committee. The details of the Whistle Blower policy are available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not received any complaint of sexual harassment during the financial year 2019-20.

## Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has, to the extent applicable, complied with all the mandatory requirements of the Listing Regulations. As to non-mandatory requirements, the company has appointed separate persons to the posts of Chairman, Managing Director(s), and Chief Executive Officer.

## Commodity price risk and Hedging Activities

As the Company is not dealing in commodities, there are no commodity price risk and hedging activities undertaken by the Company during the year under review.

## Disclosure of the compliance with Corporate Governance

The Company has complied with all the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of the Listing Regulations.

## Disclosure with respect to demat suspense account / unclaimed suspense account

As on March 31, 2020, there were no outstanding shares which were lying in the suspense account.

## Prevention of Insider trading

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The policy also includes practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosure. The Board reviews the policy on a need basis. The policy on Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## Policy for determination for materiality of event or information

In accordance of Regulation 30 of the Listing Regulations, the Company has framed the Policy for determination for materiality of event or information for the purpose of making disclosures of event or information to the Stock Exchanges under Listing Regulations. The Policy includes criteria for determination of the materiality of event and information and the manner for making disclosure of such events and information to the Stock Exchanges. The policy is available on the Company's website under the web link: <https://www.ufomoviez.com/investor>

## Fees paid to Statutory Auditors

During the year under review, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which they are part of is ₹ 69.50 lacs.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 22, 2020

**Sanjay Gaikwad**  
Managing Director  
DIN: 01001173

**Kapil Agarwal**  
Joint Managing Director  
DIN: 00024378

## DECLARATION BY CHIEF EXECUTIVE OFFICER

This is to declare that as provided under Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Directors and Senior Management for the year ended March 31, 2020.

Date: June 22, 2020  
Place: Mumbai

**Rajesh Mishra**  
Chief Executive Officer

## CEO & CFO CERTIFICATION

To,  
The Board of Directors of  
UFO Moviez India Limited

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of UFO Moviez India Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit and Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit and Risk Management Committee:
- i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Date: June 22, 2020  
Place: Mumbai

**Rajesh Mishra**  
Chief Executive Officer

**Ashish Malushte**  
Chief Financial Officer

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Board of Directors of  
UFO Moviez India Limited

I have examined the compliance of conditions of Corporate Governance by UFO Moviez India Limited ("the Company"), for the financial year ended March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2020.

I 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 D.M. Zaveri & Co.**  
Company Secretaries

**Dharmesh Zaveri**  
(Proprietor)

FCS No. 5418

CP No. 4363

ICSI UDIN: F005418B000363534

Date : June 22, 2020

Place: Mumbai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements Regulations, 2015)

To,  
The Members of  
UFO Moviez India Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UFO Moviez India Limited having CIN L22120MH2004PLC285453 and having registered office at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Sanjeev Aga	00022065	November 20, 2014
2.	Ameya Hete	01645102	October 17, 2008
3.	Kapil Agarwal	00024378	October 17, 2008
4.	Lynn de Souza	01419138	November 20, 2014
5.	Raaja Kanwar	00024402	May 13, 2005
6.	S. Madhavan	06451889	November 20, 2014
7.	Sanjay Gaikwad	01001173	November 21, 2008

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For D. M. Zaveri & Co.**  
Company Secretaries

**Dharmesh Zaveri**  
(Proprietor)

FCS No. 5418

CP No. 4363

ICSI UDIN: F005418B000363732

Date: June 22, 2020

Place: Mumbai

Form No. MR-3

## SECRETARIAL AUDIT REPORT of Scrabble Entertainment Limited

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[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,

### SCRABBLE ENTERTAINMENT LIMITED

3rd Floor, Valuable Techno Park,

Plot No. 53/1, Road No. 7,

MIDC, Andheri (East),

Mumbai 400093

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SCRABBLE ENTERTAINMENT LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not Applicable**;
- (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 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 - **Not Applicable**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable**;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014. - **Not Applicable**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**;
  - (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 - **Not Applicable**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable**.
- (vi) For the Other Specific Applicable Law:  
The Cinematograph Act, 1952

I further report that, in relation to compliances for all the above laws, I rely on the Certificates given by respective Department Heads and placed before the Board on quarterly basis and accepted by the Board of Directors in their respective Meetings.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 – **Not Applicable**.

During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

I further report that as per the information provided, the Company has given adequate notice to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the information provided and as per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Management is responsible for compliances of all business laws and other applicable laws. This responsibility includes maintenance of Statutory Registers/files as required by the concerned authorities and internal control of the concerned department.

I further report that during the Audit Period, the Company has no specific events like Public Issue/Right Issue/Sweat Issue, etc. / Redemption / Buy-back of Securities / Foreign Technical Collaborations.

**For V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**  
Proprietor

Place: Mumbai

Date: June 22, 2020

FCS-7716/C. P. No. 10989

UDIN: F007716B000363181

ICSI Unique Code: S2012MH183100

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

Note: Due to lockdown on account of COVID – 19 Pandemic, I have not been able to carry out physical visit to registered office of Company for verification of data. The Certificate is based on inputs received via email and oral confirmation from Secretarial/ Management Team from time to time.



## Annexure A

To,  
The Members,  
**SCRABBLE ENTERTAINMENT LIMITED**  
3rd Floor, Valuable Techno Park,  
Plot No. 53/1, Road No. 7,  
MIDC, Andheri (East),  
Mumbai 400093

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, 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 the Management. My examination was limited to the verification of procedures on 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.

**For V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**  
Proprietor

Place: Mumbai  
Date: June 22, 2020

FCS-7716/C. P. No. 10989  
UDIN: F007716B000363181  
ICSI Unique Code: S2012MH183100

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information About the Company

1.	<b>Corporate Identity Number (CIN) of the Company</b>	CIN: L22120MH2004PLC285453
2.	<b>Name of the Company</b>	UFO Moviez India Limited
3.	<b>Registered address</b>	Valuable Techno Park, Plot 53/1, Road no. 7, MIDC Marol, Andheri (E), Mumbai 400093
4.	<b>Website</b>	www.ufomoviez.com
5.	<b>E-mail id</b>	investors@ufomoviez.com
6.	<b>Financial Year reported</b>	April 1, 2019 to March 31, 2020
7.	<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	Digital Cinema Services and related activity – NIC Code 59
8.	<b>List three key products/services that the Company manufactures/provides</b>	<ul style="list-style-type: none"> <li>• In-cinema advertising services</li> <li>• Digital cinema services</li> <li>• Sale of digital cinema equipment</li> </ul>
9.	<b>Total number of locations where business activity is undertaken by the Company</b>	<p><b>(a) Number of International Locations</b></p> <ul style="list-style-type: none"> <li>• Nepal</li> <li>• Middle East through Subsidiary Company</li> </ul> <p><b>(b) Number of National Locations</b></p> <ul style="list-style-type: none"> <li>• Providing services to the Cinema Industry across 1,231 Cities and Towns</li> <li>• 34 Offices and Warehouses across 29 Cities and Towns</li> </ul>
10.	<b>Markets served by the Company – Local/State/ National/International</b>	India & Nepal through UFO Moviez India Limited and Middle East Market through a Subsidiary Company

### Section B: Financial Details of the Company

1.	<b>Paid up Capital</b>	₹ 2,835.08 Lacs
2.	<b>Total Turnover</b>	₹ 34,885.60 Lacs
3.	<b>Total Profit After Taxes</b>	₹ 10,131.81 Lacs
4.	<b>Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax</b>	1.61%
5.	<b>List of activities in which expenditure in 4 above has been incurred</b>	<p>(a) Promoting education &amp; Empowerment of women - Construction/ extension of girls' hostel building at Shriram Shikshan Sanstha (SSS), Paniv</p> <p>(b) Promoting education - Donation to Pardada Pardadi Educational Society which focuses on empowering girls and women from the poorest sections of the society by focusing on improving their quality of life.</p> <p>(c) Promoting education - Donation to Jai Vakeel Foundation and Research Centre which focuses on healthcare, education, skill development and support services for economically weak and profoundly challenged children.</p>

# UFO MOVIEZ INDIA LIMITED

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## Section C: Other Details

1.	<b>Does the Company have any Subsidiary Company/ Companies?</b>	Yes, details are given below: <ul style="list-style-type: none"> <li>• Scrabble Entertainment Limited</li> <li>• PJSA Technosoft Private Limited</li> <li>• UFO Software Technologies Private Limited</li> <li>• Valuable Digital Screens Private Limited</li> <li>• United Film Organisers Nepal Private Limited</li> <li>• UFO Lanka (Private) Limited</li> <li>• Scrabble Entertainment (Mauritius) Limited</li> <li>• Scrabble Entertainment DMCC</li> <li>• Scrabble Entertainment (Lebanon) Sarl Achrafieh, Beirut</li> <li>• Scrabble Entertainment (Israel) Limited</li> <li>• Scrabble Digital INC</li> <li>• Scrabble Digital Limited</li> </ul>
2.	<b>Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company?</b>	Yes, 2 Subsidiaries participate in the BR Initiatives of UFO Moviez India Limited <ul style="list-style-type: none"> <li>• Scrabble Entertainment Limited</li> <li>• Scrabble Digital Limited</li> </ul>
3.	<b>Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?</b>	Less than 30%

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for the implementation of the BR policy/policies

No.	DIN	Name	Designation
1	00024378	Kapil Agarwal	Joint Managing Director

#### (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Ashish Malushte
3	Designation	Chief Financial Officer
4	Telephone number	+91 22 40305060
5	e-mail id	ashish.malushte@ufomoviez.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Businesses should promote the wellbeing of all employees
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights
Principle 6 (P6)	Business should respect, protect, and make efforts to restore the environment
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8 (P8)	Businesses should support inclusive growth and equitable development
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders? (Refer Note 1)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	NA
		All the policies are in compliance with applicable regulatory requirements								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All statutory policies that are under the Companies Act 2013 and SEBI Listing Regulations have been approved by the Board of Directors of the Company. All other policies are approved and signed by the Jt. MD and/or CEO of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the Human Resources Department. The Corporate Social Responsibility Policy is administered by the CSR Committee in-line with requirements of the Companies Act, 2013 and Rules framed thereunder. Relevant Committee / Senior Management officials oversee the implementation of each of these policies.								
6	Indicate the link for the policy to be viewed online?	All statutory policies are available on: <a href="https://www.ufomoviez.com/investor">https://www.ufomoviez.com/investor</a> . All other policies are available on our HR intranet portal								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	NA
8	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
10	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	No. However the policies are evaluated regularly internally.								

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

NA = Not Applicable

(b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within the next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									1

1 - The Company does not take part in any policy advocacy, thus the Company does not have a relevant policy.

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Managing Director and Joint Managing Director assess the BR performance of the Company Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published its Business Responsibility Report as part of its Directors' Report which is forming the part of the Annual Report. The disclosures for FY2019-20 are included in this annual report and can be accessed online on our website <https://www.ufomoviez.com/investor>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policies relating to Principle 1 covers the employees of the Company, its Subsidiaries - Scrabble Entertainment Limited, Valuable Digital Screens Private Limited and Scrabble Digital Limited including full-time consultants, retainers and trainees. The Company also has a Whistle Blower Policy to encourage all stakeholders to report unethical behaviours, bribery, corruption etc. by any employee of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

As mentioned in the Corporate Governance Report, the number of complaints received, resolved to the satisfaction of shareholders and numbers of complaints pending during the financial year ended March 31, 2020 are as under.

No. of Complaints Received - 72

No. of Complaints Resolved - 72

No. of Complaints Received Pending – Nil

Also, mentioned below are the customer calls logged with the Company's Helpdesk / Customer Care during the financial year ended March 31, 2020

Total customer calls logged – 28,447

No. of customer calls Resolved – 28,433

No. of customer calls Received Pending – 14

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The Company is in the business of providing Digital Cinema services. The Company Replaces analogue projectors with digital projectors which bring substantial savings in power consumption for the cinema theatres. Replacement of conventional analogue projectors with digital projectors makes the environment clean by replacing the conventional polyester films used by analogue projectors for projection, with digital files used for projection by digital projectors. The Company's business model itself is to provide services that are safe and contribute to sustainability throughout its life cycle.

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is in the business of in-cinema advertising, providing digital cinema services and provides digital cinema equipment to the cinema theatres comprising of a sophisticated digital projector and industrial-grade digital cinema server supported by a UPS system along with Isolation Transformer and voltage stabilizers as may be required.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Typically, digital cinema equipment requires cooling sourced from a 0.75 or 1-ton air conditioner having a power consumption rating of 3KVA. The combined power consumption for a cinema theatre works out to approximately 6KVA which translates into 4.8 KiloWatts of power consumption per hour. The Company's digital cinema equipment replaces the conventional analogue projectors which typically operate at 8 to 10 KVA capacity, consuming approximately 6.4 to 8 KiloWatts of power consumption per hour. Replacement of analogue projectors with digital projectors brings substantial savings in power consumption for the cinema theatres. Further, replacement of conventional analogue projectors with digital projectors also makes the environment clean by replacing the conventional polyester films used by analogue projectors for projection, with digital files used for projection by digital projectors.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company continuously strives to reduce the impact on the environment by employing sustainable sourcing. The process of vendor registration emphasizes conformity of safe working conditions and business ethics by the vendor.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, The Company regularly procures goods and service required for the day-to-day operations from local producers/vendors. The Company believes in benefitting the local areas where we are situated in, and our offices provide opportunities for local talent.

**5. Does the Company have a mechanism to recycle products and waste?**

The Company has formulated an e-Waste policy with the following objectives:

- To minimize e-Waste generation
- To utilize e-Waste for beneficial purposes through environmentally sound recycling
- To ensure environmentally sound disposal of residual waste

The Company has a process for the disposal of E-Waste. All electrical and electronic products like digital cinema equipment, projectors, etc., that are damaged, non-functional due to any reason whatsoever or have reached the end of their life-cycle shall be disposed off only by handing over the same to the authorized collection centres, registered recyclers and dismantlers. <5% of the E-waste is recycled. The disposal records and certificates issued by the collection centres are maintained and filed to be made available for the perusal of the State Pollution Control Board upon request.

## Principle 3 - Businesses should promote the wellbeing of all employees

**1. Please indicate the total number of employees.**

525 onroll employees

**2. Please indicate the total number of employees hired on a temporary/contractual/casual basis.**

487 include offroll/Consultant/Trainee/Third party engineer

**3. Please indicate the Number of permanent women employees.**

56 onroll female employees

**4. Please indicate the number of permanent employees with disabilities**

1 employee

**5. Do you have an employee association that is recognized by management?**

No

**6. What percentage of your permanent employees are members of this recognized employee association?**

NA

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on the end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	NIL
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Skill up-gradation training

(a) Permanent Employees - 69.90%

(b) Permanent Women Employees - 71.43%

(c) Casual/Temporary/Contractual Employees - Nil

(d) Employees with Disabilities -100%

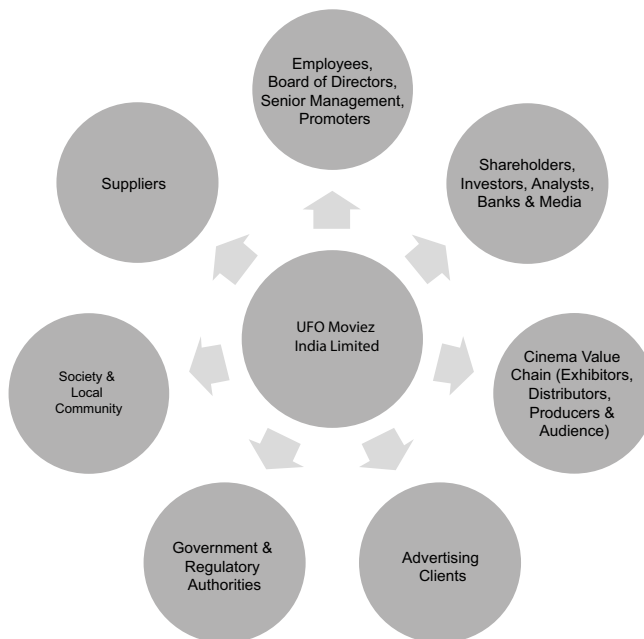
### Safety training

As part of our Security and Safety initiative and also as part of our compliance to ISO 27001:2013 framework we impart various security training from time to time covering the majority of our employees. We conduct annual emergency evacuation drills to get all employees accustomed about the do's and don'ts in the scenario of an emergency situation in the office premise. Practical training on Fire & Safety is imparted to approximately 8% of the employees on a yearly basis. Trained employees are designated as floor-wise fire marshals/ wardens in the premise. All the security staff in the premise are given hands-on training on fire & safety at regular intervals. All employees are handed an Information Security do's and don'ts document as part of their joining kit and almost all employees are covered under information security awareness training that is imparted at regular intervals. Newly appointed field engineers have to deal with digital cinema equipment and related hardware. These field engineers are given training on how to safely handle this equipment while fault finding and trained on necessary safety gear to be used while dealing with such equipment periodically.

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. Our Key Stakeholders are:



**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company has identified the following disadvantaged, vulnerable and marginalized stakeholders from Society & Local Community in the Key Stakeholders identified by the Company

1. Economically weak and profoundly challenged children
2. Girls and women from the poorest sections of the society

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

The Company undertakes special initiatives through its CSR projects, details of the initiatives are available in the CSR Report forming part of the Annual Report.

**Principle 5 - Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policies (\*) of the Company relating to human rights cover the Company, its Subsidiaries - Scrabble Entertainment Limited, Valuable Digital Screens Private Limited and Scrabble Digital Limited including employees that are regular, temporary, ad-hoc, or daily wages, either directly or by or through an agent, including a contractor, a contract worker, probationer, trainee, apprentice, retainer, consultant or called by any other name.

\* Whistle-blower Policy, Code of Conduct for all Employees, Policy Against Sexual Harassment at Workplace and Working Hours Policy,

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The Company has in place mechanisms to receive and resolve complaints from all stakeholders through its Whistle-blower Policy. The Company has not received any Whistleblower complaints during the financial year relating to Human Rights. Additionally, the Company has the policy to provide protection to employees at the workplace and prevent and redress



complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2019-20.

## **Principle 6 - Business should respect, protect, and make efforts to restore the environment**

### **1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The policy related to Principle 6 covers all the Employees of the Company and its Subsidiaries - Scrabble Entertainment Limited, Valuable Digital Screens Private Limited and Scrabble Digital Limited

### **2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Yes, as a strategy the Company provides digital projector and industrial-grade digital cinema server at theatres where it provides its services. These projectors and servers have replaced the analogue projectors bringing substantial savings in power consumption for the cinema theatres. Further, replacement of conventional analogue projectors with digital projectors makes the environment clean by replacing the conventional polyester films used by analogue projectors for projection, with digital files used for projection by digital projectors. Details are available in the Annexure-4 (CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO) of the Directors' Report forming part of the Annual Report which is available on the Company's Investor Relations Website <https://www.ufomoviez.com/investor>. Also, the Company has adopted environmentally friendly practices in its everyday operations and activities. These activities include following green initiatives like avoiding usage of single-use plastic like water bottles, plastic glasses, etc. The Company appropriately disposes e-waste and also has a policy for the same. Addition, the Company has a green building strategy that focuses on reducing power consumption with the use of low power consumption light sources like LEDs and by adjusting temperatures of air-conditioners at 24-25-degree celsius.

### **3. Does the Company identify and assess potential environmental risks?**

Yes, the Company has identified that the electrical and electronic products owned by the Company that are damaged, non-functional or have reached the end of their lifecycle can be a potential risk to the environment if not disposed off by handing over to an authorized collection centre, registered recycler and dismantler. UFO ensures that all such products are done disposed off appropriately. The IT/Admin department of the Company maintains a list of such waste which has been disposed off in the form prescribed by the rules. Disposal records and the certificate issued by the collector is maintained.

### **4. Does the Company have any project related to the Clean Development Mechanism?**

No

### **5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?**

Yes, details are available in Annexure-4 (CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO) of the Director which forms part of the Annual Report which is available on the Company's Investor Relations website <https://www.ufomoviez.com/investor>

### **6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

### **7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.**

None

## **Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

### **1. Is your Company a member of any trade and chamber or association?**

The Company is a responsible member of the following trade and chamber or association

- SAWA, a Global Cinema Advertising Association
- Producers Guild of India (GUILD)

**2. Have you advocated/lobbied through the above associations for the advancement or improvement of public good?**

Food Security ✓

The Company along with SAWA - the Global Cinema Advertising Association supported the United Nations World Food Programme for two consecutive years to raise awareness on hunger and malnutrition, a reality facing millions of people around the world by launching its cinema ad campaign 'Feed Our Future' in India.

**Principle 8 – Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

Details of CSR initiatives are included in the CSR Report forming part of this Annual Report.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The Company contributes to some initiatives through NGOs and registered charitable trusts. Detail of the contributions and initiative/projects are available in the CSR Report forming part of this Annual Report.

**3. Have you done any impact assessment of your initiative?**

The CSR implementation Committee comprising of the members of the senior management assesses and monitors the various CSR initiatives/projects undertaken by the Company and reports about the same to the CSR Committee.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Details of the CSR contributions are available in the CSR Report forming part of this Annual Report. Also, the Company from time to time supported the Central Government and State Governments by disseminating their Public Service Announcements through UFO's in-cinemas advertisement platform. A total of 44.86 Lakh minutes of Public Service Announcements were played by the Company in Cinemas through 32 campaigns across 31 States during the financial year.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes, the Company regularly engages with the communities in areas where its CSR program are implemented through its CSR implementation Committee and partner NGOs and ensures that the development initiative is successfully adopted by the community.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as at the end of the financial year?**

0.049% of the customer complaints filed with the Company's Helpdesk during the year are pending as at the end of the financial year. And, no consumer cases are pending as at the end of the financial year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

NA since the Company is a Service Provider

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year?**

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, the Company is in the business of in-cinema advertising, providing digital cinema services and provides digital cinema equipment to the cinema theatres. On an ongoing basis, the advertisement sales team members take feedback from advertisers to improve the advertising services and offering. Also, the digital cinema equipments are serviced regularly and the technical service team takes feedback from theatre owners/operator.

## INDEPENDENT AUDITORS' REPORT

To the Members of UFO Moviez India Limited

### Report on the audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as 'UFO' or the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, listed in Annexure I, which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, and based on the consideration of the unaudited financial information of four subsidiaries and three associates furnished to us by the management, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 and its associates as at March 31, 2020, and of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p><b>Impact of COVID-19 on Going concern assessment</b></p> <p>(Refer Note 44 to the Consolidated financial statements)</p> <p>The Group is primarily in the business of digital cinema distribution network and related activities. With outbreak of COVID-19 pandemic in India, a nationwide lockdown was announced since mid of March 2020. The operations of the Group are severely impacted due to economic uncertainty and disruption created by closure of cinema halls and this necessitates the evaluation of the Group's ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.</p>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>▪ Obtained management's assessment of use of going concern assumption in preparation of the consolidated financial statements.</li> <li>▪ Discussed with the management and Those Charged with Governance regarding the plan for resumption of operations and the Group's ability to meet its obligations in the interim period. Assessed sufficiency of the Group's resources/funds to meet its costs in the foreseeable future.</li> <li>▪ Evaluated the external inputs and assumptions within the going concern model by comparing them to the assumptions used elsewhere in the preparation of the consolidated financial statements.</li> </ul>

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>▪ Assessed the appropriateness and reasonableness of the cash flow forecasts for the foreseeable future, approved by the Board of Directors, taking into account the adverse effects that could arise from the outbreak of COVID-19 pandemic. We challenged the appropriateness by performing sensitivity analysis on key assumptions used by management in the cash flow forecasts.</li> <li>▪ Evaluated the mitigation measures taken by the Group's management and Those Charged with Governance. In particular, we evaluated measures of cost rationalization, managing the Group's liquidity position and maintaining the facilities for resumption after the lockdown is lifted.</li> <li>▪ We also considered the adequacy of the required disclosures in the consolidated financial statements including on the going concern assumption.</li> </ul>
<p><b>Revenue Recognition – Advertisement Revenue</b></p>	
<p>(Refer Notes 21 and 2(h) to the consolidated financial statements).</p> <p>We identified advertisement revenue as a KAM considering –</p> <ul style="list-style-type: none"> <li>• Advertisement revenue has an inherent risk due to fraud and error for arrangements entered into with various types of customers and advertisement agencies.</li> <li>• The Group uses its automated front-end system for scheduling, tracking and invoicing advertisement revenues. The advertisement revenue is recognized based on automated playback logs retrieval and playout rates in the system. Further, processing of advertisement content and scheduling of advertisements are linked to the financial module. Thus, recognition of advertisement revenue is largely dependent on the front-end system and may be susceptible to management override of controls.</li> </ul>	<p>In relation to recognition of revenue from advertisements, we have:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of management's revenue recognition policy in accordance with the requirements of Ind AS 115;</li> <li>• Assessed the reasonableness of the timing and amount of revenue recognized during the year;</li> <li>• Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition;</li> <li>• Involving our internal IT specialists, assessed the design, implementation and operating effectiveness of management's key internal IT controls over the scheduling, billing and accounting system;</li> <li>• tested the financial information contained within the advertisement module and billing systems, which included system generated reports, recording of revenue, and accrual of revenue at period end;</li> <li>• Detailed testing of sample selected statistically for sales transactions from origination through to the general ledger to ensure that revenue recognized was complete and was recorded in the appropriate period and at the correct value;</li> <li>• On samples selected statistically, we <ul style="list-style-type: none"> <li>o confirmed our understanding of the process by which revenue is determined by the relevant billing system</li> <li>o verified underlying records such as sales contracts, release orders, invoices, logs for advertisements displayed</li> <li>o analyzed release orders over / under unutilized and obtained rationale from management for the same</li> <li>o verified the underlying documents to confirm the existence of the customers</li> </ul> </li> <li>• Evaluated the margin analysis on overall advertisement revenue.</li> </ul>

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment of goodwill</b> (Refer Note 3.4 to the consolidated financial statements)</p> <p>The carrying value of goodwill as at March 31, 2020 in the consolidated financial statements of the Group is Rs. 2,311 lakhs. The goodwill has been allocated to the respective cash generating units. Management has performed an impairment assessment based on the future business plans with underlying assumptions using the discounted free cash flow model.</p> <p>We identified this as a KAM considering:</p> <ul style="list-style-type: none"> <li>▪ the significant risk that the goodwill arising out of investments in subsidiaries may not be recoverable.</li> <li>▪ The annual impairment testing involves significant judgment in evaluating appropriateness of model used and underlying assumptions such as growth rate, terminal value, discount rate and others.</li> </ul>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group’s process for testing impairment by assessing management’s review of financial performance of the underlying subsidiaries;</li> <li>• assessed the recoverable amount based on the valuation carried out by the Group using discounted cash flow model. This included assessment of historical accuracy of management’s assumptions and forecasts and review of documentation supporting key judgements;</li> <li>• reconciled input data to approved budgets and tested mathematical accuracy;</li> <li>• performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis.</li> <li>• Discussed management’s strategic and operational plans for the foreseeable future.</li> <li>• Assessed the appropriateness of the Group’s disclosures in respect of impairment assessment of goodwill in accordance with the accounting standards.</li> </ul>

## Other Information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management’s and Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (a) We did not audit the financial statements six subsidiaries, whose financial statements reflect total assets of Rs. 9,237 lakhs as at March 31, 2020, total revenues of Rs. 11,515 lakhs and net cash outflows amounting to Rs. 233 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 502 lakhs for the year ended March 31, 2020, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

Of the above, two subsidiaries and two associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The financial information of four subsidiaries, whose financial information reflect total assets of Rs. 239 lakhs as at March 31, 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 37 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 105 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of three associates, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information of four subsidiaries and three associates certified by the Management.

## Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies which are incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2020 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 with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group and its associates - refer Note 35 to the consolidated financial statements.
- ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies or associate companies incorporated in India during the year ended March 31, 2020.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended March 31, 2020.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associates incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**  
Partner

Place : Mumbai  
Date : June 22, 2020

Membership No: 103145  
ICAI UDIN: 20103145AAAAABK3218



# UFO MOVIEZ INDIA LIMITED

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## Annexure I: List of Entities consolidated as at March 31, 2020

Name of the Company	% Holding
<b>Subsidiaries – Direct and Indirect</b>	
Scrabble Entertainment Limited	100%
Scrabble Entertainment DMCC	100%
Scrabble Entertainment (Mauritius) Limited	100%
Valuable Digital Screens Private Limited	100%
Scrabble Digital Limited	100%
Scrabble Entertainment Lebanon Sarl	100%
UFO Software Technologies Private Limited	95.97%
UFO Lanka Private Limited	100%
United Film Organizers Nepal Private Limited	100%
PJSA Technosoft Private Limited	100%
Scrabble Digital INC	100%
<b>Associates</b>	
Mukta V N Films Limited	48.12%
Scrabble Digital DMCC	33.33%
Scrabble Ventures LLC	30%
Scrabble Ventures S.de.R.L.de.C.V. Mexico	30%
Scrabble Audio Visual Equipment Trading LLC	49%
Cinestaan Digital Private Limited	14.41%

## **Annexure – A to the Independent Auditors’ Report**

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

(Referred to in paragraph 2A(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

#### **Management’s Responsibility for Internal Financial Controls**

The respective company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company’s internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to its five subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**  
Partner  
Membership No: 103145  
ICAI UDIN: 20103145AAAABK3218

Place : Mumbai  
Date : June 22, 2020

## Consolidated Balance Sheet as at March 31, 2020

₹ in Lacs

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	17,987.96	20,461.85
Capital work-in-progress	3.2	1,975.97	870.76
Right-of-use assets	3.3	1,861.58	-
Goodwill	3.4	2,310.88	2,310.88
Other intangible assets	3.5	162.12	220.00
Financial assets			
(i) Investments accounted using equity method	4	1,778.61	1,201.72
(ii) Loans receivables	5	678.59	538.56
(iii) Other financial assets	6	8.33	71.53
Income tax assets (net)		4,875.25	3,274.59
Deferred tax assets (net)	7	4,366.96	4,630.56
Other non-current assets	8	839.91	655.83
<b>Total Non-current assets (A)</b>		<b>36,846.16</b>	<b>34,236.28</b>
<b>Current assets</b>			
Inventories	9	1,449.06	1,141.67
Financial assets			
(i) Investments	10	8,699.98	13,977.01
(ii) Trade receivables	11	13,116.84	20,072.88
(iii) Unbilled receivables		280.17	1,046.86
(iv) Cash and cash equivalents	12	1,368.08	2,224.85
(v) Bank balances other than cash and cash equivalents	12	1,455.47	3,420.67
(vi) Loans receivables	5	137.49	162.61
(vii) Other financial assets	6	29.40	44.63
Other current assets	8	3,687.97	2,873.75
<b>Total Current assets (B)</b>		<b>30,224.46</b>	<b>44,964.93</b>
<b>Total Assets (A+B)</b>		<b>67,070.62</b>	<b>79,201.21</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(i) Share capital	13	2,835.08	2,835.08
(ii) Other equity	14	35,286.22	45,936.07
<b>Equity attributable to owners of the Company</b>		<b>38,121.30</b>	<b>48,771.15</b>
Non-controlling interest		1.33	1.33
<b>Total equity (C)</b>		<b>38,122.63</b>	<b>48,772.48</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	3,354.65	3,710.10
(ii) Lease liabilities	31	1,185.52	-
(iii) Other financial liabilities	16	4,668.77	3,160.76
Provisions	17	648.47	661.95
Deferred tax liabilities (Net)	7	359.04	810.51
Other non-current liabilities	18	605.71	666.93
<b>Total non-current liabilities (D)</b>		<b>10,822.16</b>	<b>9,010.25</b>

# UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2019 - 20

₹ in Lacs

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19	727.26	1,396.17
(ii) Lease liabilities	31	786.13	-
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditor other than micro enterprises and small enterprises	20	8,328.35	9,946.06
(iv) Others financial liabilities	16	5,014.11	5,969.06
Provisions	17	439.03	475.65
Other current liabilities	18	2,830.95	3,631.54
<b>Total current liabilities (E)</b>		<b>18,125.83</b>	<b>21,418.48</b>
<b>Total liabilities (D+E) = (F)</b>		<b>28,947.99</b>	<b>30,428.73</b>
<b>Total equity and liabilities (C+F)</b>		<b>67,070.62</b>	<b>79,201.21</b>
<b>Significant accounting policies</b>	2		

The accompanying notes 1 to 45 are an integral part of the consolidated financials statements.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**

**of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in Lacs

	Notes	March 31, 2020	March 31, 2019
<b>Income</b>			
Revenue from operations	21	50,212.17	61,186.14
Other income	22	180.23	498.99
<b>Total income (I)</b>		<b>50,392.40</b>	<b>61,685.13</b>
<b>Expenses</b>			
Operating direct costs	23	20,625.41	25,354.10
- Cost of consumables and spares consumed		547.28	330.54
- Purchases of digital cinema equipment and lamps		9,174.54	8,772.75
- Changes in inventories		(255.11)	(23.32)
- Advertisement revenue share		5,392.30	6,911.21
- Virtual print fees sharing		902.78	2,333.85
- Other operating direct cost		4,863.62	7,029.07
Employee benefit expenses	24	8,557.49	9,173.60
Other expenses	25	9,266.53	10,330.04
<b>Total expenses (II)</b>		<b>38,449.43</b>	<b>44,857.73</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>11,942.97</b>	<b>16,827.40</b>
Depreciation and amortisation expenses	3	7,102.79	7,358.00
Finance cost	26	1,009.99	1,102.41
Finance income	27	(991.23)	(1,224.22)
<b>Profit before tax and share of profit from associates</b>		<b>4,821.42</b>	<b>9,591.21</b>
Share of profit from associates (net)		396.38	357.93
<b>Profit before tax and after share of profit from associates</b>		<b>5,217.80</b>	<b>9,949.14</b>
<b>Tax expenses</b>			
Current tax	7	1,519.27	3,695.29
Deferred tax (credit)	7	(178.53)	(247.99)
<b>Total tax expenses</b>		<b>1,340.74</b>	<b>3,447.30</b>
<b>Profit / (Loss) for the year</b>		<b>3,877.06</b>	<b>6,501.84</b>
<b>Other comprehensive Income / (Loss)</b>			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		155.70	(49.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(36.29)	17.11
B (i) Items that will be reclassified to profit or loss			
a) Exchange differences in translating the financials statements of foreign operations		209.10	219.79
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>4,205.57</b>	<b>6,689.65</b>
<b>Profit for the year attributable to</b>			
a) Owners of the Company		<b>3,877.06</b>	<b>6,653.54</b>
b) Non-controlling interests		-	(151.70)
<b>Other comprehensive income attributable to</b>			
a) Owners of the Company		<b>328.51</b>	<b>187.81</b>
b) Non-controlling interests		-	-
<b>Total comprehensive income for the year attributable to</b>			
a) Owners of the Company		<b>4,205.57</b>	<b>6,841.35</b>
b) Non-controlling interests		-	(151.70)
<b>Earnings per equity share (Face value of share of ₹ 10 each)</b>	28		
Basic		13.68	23.47
Diluted		13.68	23.47
<b>Significant accounting policies</b>	2		

The accompanying notes 1 to 45 are an integral part of the consolidated financials statements.

As per our report of even date attached.

### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**

Partner

Membership No: 103145

Place: Mumbai

Date: June 22, 2020

### For and on behalf of the Board of Directors

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Rajesh Mishra**

CEO - Indian Operations

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

**Consolidated Statement of Cash flows for the year ended March 31, 2020**

	₹ in Lacs	
	March 31, 2020	March 31, 2019
<b>Cash flow from / (used in) operating activities</b>		
<b>Profit before share of profit from associates and tax</b>	<b>4,821.41</b>	<b>9,591.21</b>
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	7,102.79	7,358.00
Bad debts written off	160.15	14.06
Provision for doubtful debts	522.91	763.31
Provision for loans and advances	72.04	58.02
Unrealised foreign exchange (gain) / loss (net)	69.57	(28.93)
(Gain) / Loss on sale of property, plant and equipment	(8.55)	53.38
Sundry balances written back	(352.87)	(156.80)
Fair valuation (gain) / loss on financial instruments	416.09	(349.43)
ESOP expenses	-	371.72
Interest Income on financial assets carried at amortised cost	-	(33.03)
Interest expenses on financial liabilities carried at amortised cost	144.23	178.94
Interest expense on lease liabilities	153.53	-
Profit on sale of current investments (net)	(1,055.79)	(589.67)
Remeasurement of equity interest	-	(371.87)
Revenue recognised for Ind AS 115	-	(63.45)
Finance cost	678.71	902.14
Interest income	(346.57)	(210.41)
Dividend income	-	(41.68)
<b>Operating profit before working capital changes</b>	<b>12,377.65</b>	<b>17,445.51</b>
<b>Movements in working capital</b>		
Decrease in trade payables	(1,884.82)	(311.69)
Decrease in other financial liabilities (current and non-current)	(1,134.49)	(588.23)
Increase in other liabilities (current and non-current)	27.56	391.48
Increase in provisions (current and non-current)	129.14	143.29
(Increase) / decrease in trade receivables	6,075.31	(1,570.99)
(Increase) / decrease in financial assets (current and non-current)	499.92	(416.83)
Increase in other assets (current and non-current)	(755.73)	(680.64)
(Increase) / decrease in inventories	(206.99)	10.95
<b>Cash generated from operations</b>	<b>15,127.55</b>	<b>14,422.85</b>
Direct taxes paid (net of refunds)	(3,101.00)	(4,663.82)
<b>Net cash flow from operating activities (A)</b>	<b>12,026.55</b>	<b>9,759.03</b>
<b>Cash flows from / (used in) investing activities</b>		
Purchase of property, plant and equipments, including capital work in progress and capital advances	(4,390.30)	(4,072.14)
Proceeds from sale of property, plant and equipments including capital work in progress	280.71	314.95
Payment for purchase of acquisition of associate and additional investment in associate	(500.00)	(2,249.03)
Payment of purchase consideration for purchase of subsidiary shares from non-controlling interest	-	(60.00)
Purchase of current investments (including dividend reinvestment)	(41,548.80)	(38,191.22)
Proceeds from sale / redemption of current investments	47,465.54	37,550.96
Proceeds from Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net)	2,165.67	965.46
Interest received	322.34	257.97
Dividends received	355.06	327.39
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>4,150.22</b>	<b>(5,155.66)</b>

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Cash flows from / (used in) financing activities</b>		
(Repayment) / Proceeds from short term borrowing (net)	(668.91)	325.93
Proceeds from long-term borrowings	2,865.21	3,210.75
Repayment of long-term borrowings	(3,007.81)	(4,329.52)
Interest paid	(564.37)	(904.20)
Repayment of Lease liabilities	(608.77)	-
Dividend paid on equity shares	(12,757.86)	(3,535.21)
Tax on dividend paid on equity shares	(2,065.26)	(728.45)
Interest expense on lease liabilities	(153.53)	-
<b>Net cash flow (used in) financing activities (C)</b>	<b>(16,961.30)</b>	<b>(5,960.70)</b>
<b>Net (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(784.53)</b>	<b>(1,357.33)</b>
Unrealised gain on foreign currency cash and cash equivalents	(72.24)	110.82
Add: on acquisition of subsidiary	-	45.90
Cash and cash equivalents at the beginning of the period	2,224.85	3,425.46
<b>Cash and cash equivalents at the end of the period</b>	<b>1,368.08</b>	<b>2,224.85</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.47	5.82
Balance with banks:		
- on current accounts	1,364.61	2,219.03
<b>Cash and cash equivalents (Refer note 12 )</b>	<b>1,368.08</b>	<b>2,224.85</b>

Reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activities is as follows:

Particulars	Non-current borrowing*	Current borrowing
Opening balance as on 1 April 2019	6,407.98	1,396.17
Cash flow during the year		
Proceeds	2,865.21	14,352.44
Repayment	3,007.81	15,021.35
Non cash changes if any	-	-
<b>Closing balance as on March 31, 2020</b>	<b>6,265.40</b>	<b>727.26</b>

\* Includes current maturities of non-current borrowing

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in Accounting Standard Ind AS - 7 "Cash Flow Statements"

## Significant accounting policies

2

The accompanying notes 1 to 45 are an integral part of the consolidated financial statements.

As per our report of even date attached.

### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

### For and on behalf of the Board of Directors

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

### Rajesh Mehra

Partner

Membership No: 103145

### Sanjay Gaikwad

Managing Director

DIN No.: 01001173

### Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

### Rajesh Mishra

CEO - Indian Operations

### Ashish Malushte

Chief Financial Officer

### Sameer Chavan

Company Secretary

Membership No.: F7211



# Consolidated statement of changes in equity for the year ended March 31, 2020

## A. Equity share capital (refer note 13)

	March 31, 2020	March 31, 2019
Balance at the beginning of year	2,835.08	2,835.08
Changes in equity share capital during the reporting year	-	-
Balance at the end of the reporting year	2,835.08	2,835.08

₹ in Lacs

## B. Other equity

	March 31, 2020	March 31, 2019
Balance at the beginning of year	2,835.08	2,835.08
Changes in equity share capital during the reporting year	-	-
Balance at the end of the reporting year	2,835.08	2,835.08

₹ in Lacs

Particulars	Attributable to Owners of the Company							Total	Non Controlling Interest	Total other equity
	Reserves and Surplus			Comprehensive Income		Capital Reserve	Money Received against share warrant			
	Other Reserve (on purchase of Non-controlling Interest stake)	Securities Premium	Employee Share Options Outstanding	Legal Reserve	Retained Earnings					
<b>As at March 31, 2020</b>										
Opening Balance as at 1 April 2019	(2,183.39)	29,836.90	371.72	182.93	16,110.16	92.25	1,525.50	45,936.07	1.33	45,937.40
Profit for the Year	-	-	-	-	3,877.06	-	-	3,877.06	-	3,877.06
Exchange difference arising on translation of foreign operations	-	-	-	-	-	209.10	-	209.10	-	209.10
Forfeited	-	-	-	-	-	-	1,525.50	(1,525.50)	-	-
Remeasurement of defined benefit plans	-	-	-	-	119.41	-	-	119.41	-	119.41
<b>Total Comprehensive Income</b>	-	-	<b>371.72</b>	-	<b>3,996.47</b>	<b>209.10</b>	<b>1,525.50</b>	<b>4,205.57</b>	-	<b>4,205.57</b>
Adjustment in pursuant to Ind AS 116	-	-	-	-	(33.00)	-	-	(33.00)	-	(33.00)
Dividend paid	-	-	-	-	(12,757.86)	-	-	(12,757.86)	-	(12,757.86)
Dividend Distribution tax paid	-	-	-	-	(2,065.26)	-	-	(2,065.26)	-	(2,065.26)
Transfer to FCTR	-	-	-	-	0.70	-	-	0.70	-	0.70
<b>Closing Balance as at March 31, 2020</b>	<b>(2,183.39)</b>	<b>29,836.90</b>	<b>371.72</b>	<b>182.93</b>	<b>5,251.21</b>	<b>301.35</b>	<b>1,525.50</b>	<b>35,286.22</b>	<b>1.33</b>	<b>35,287.55</b>
<b>As at March 31, 2019</b>										
Opening Balance as at 1 April 2018	(1,153.89)	29,836.90	-	182.93	13,838.00	(127.54)	-	44,101.90	(816.47)	43,285.43
Profit for the Year	-	-	-	-	6,653.54	-	-	6,653.54	(151.70)	6,501.84
Exchange difference arising on translation of foreign operations	-	-	-	-	-	219.79	-	219.79	-	219.79
Remeasurement of defined benefit plans	-	-	-	-	(31.98)	-	-	(31.98)	-	(31.98)
<b>Total Comprehensive Income</b>	-	-	-	-	<b>6,621.56</b>	<b>219.79</b>	-	<b>6,841.35</b>	<b>(151.70)</b>	<b>6,689.65</b>
Acquisition of non-controlling Interest	(1,029.50)	-	-	-	(63.45)	-	-	(1,029.50)	969.50	(60.00)
Adjustment in pursuant to Ind AS 115	-	-	-	-	(3,543.85)	-	-	(3,543.85)	-	(63.45)
Dividend paid	-	-	-	-	(728.45)	-	-	(728.45)	-	(3,543.85)
Dividend Distribution tax paid	-	-	-	-	-	-	-	-	-	(728.45)
ESOP Cost	-	-	371.72	-	(13.65)	-	-	371.72	-	371.72
Transfer to FCTR	-	-	-	-	-	-	-	(13.65)	-	(13.65)
<b>Closing Balance as at March 31, 2019</b>	<b>(2,183.39)</b>	<b>29,836.90</b>	<b>371.72</b>	<b>182.93</b>	<b>16,110.16</b>	<b>92.25</b>	-	<b>45,936.07</b>	<b>1.33</b>	<b>45,937.40</b>

The accompanying notes 1 to 45 are an integral part of the consolidated financials statements.

As per our report of even date attached.

**For BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248/WV-100022

**For and on behalf of the Board of Directors**

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

# Notes to Consolidated financial statements for the year ended March 31, 2020

## 1. Corporate Information

UFO Moviez India Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 14 June 2004. The registered office is located at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai - 400093. The equity shares of the Company are listed on the Bombay Stock exchange (BSE), India and the National stock Exchange (NSE), India. The Company is into the business of providing digital cinema services. UFO and its subsidiaries and associates as detailed in note 2.4 below are jointly referred to as "the Group".

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on June 22, 2020.

## 2. Significant accounting policies

### 2.1 Statement of Compliance:

These CFS are prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

### 2.2 Basis of Preparation:

These CFS are prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

### 2.3 Functional and Presentational Currency:

The CFS are presented in Indian Rupees (INR) and all values are rounded off to nearest lacs, except otherwise indicated.

### 2.4 Basis of Consolidation:

The CFS comprises the Financial Statements of the Company and its Subsidiaries and Associates (hereinafter referred together as "the Group").

#### (i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of Subsidiaries are included in the CFS from the date on which control commences until the date on which control ceases.

CFS are prepared using uniform accounting policies for like transactions and other events in similar transactions. The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and resulting unrealised profits or losses on intragroup transactions.

The difference between the costs of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the Subsidiaries is recognised in the CFS as Goodwill or Capital Reserve, as the case may be.

#### (ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

- a) The amount of equity attributable to non-controlling shareholders at the date on which the investment in the subsidiary companies were made.
- b) The non-controlling share of movements in equity since the date the parent - subsidiary relationship comes into existence.

**Notes to Consolidated financial statements for the year ended March 31, 2020**

The Total comprehensive income of Subsidiaries is attributed to the owners of the Company and to the non- controlling interests, even if this results in the non-controlling interest having deficit balance.

**(iii) Loss of Control:**

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group loses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

**(iv) Investment in Associates:**

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in Associates is accounted for using equity method. It is initially recognized at cost, which include transaction costs. Subsequent to initial recognition, CFS include the Group's share of profit or loss and OCI of associates until the date on which significant influence ceases.

(v) The CFS includes six Subsidiaries, incorporated outside India, whose Financial Statements have been restated in Indian Rupees. In translating the Financial Statements of such Companies for incorporation in the Financial Statements, the assets and liabilities, both monetary and non-monetary, are translated at closing exchange rate, all Income and Expenses are translated at exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction, and resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

(vi) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the CFS. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Other Reserve (on purchase of Non- controlling interest stake)' and shown under the head 'Other Equity' in the CFS.

The CFS are comprised of the Financial Statements of the following Subsidiaries which are as under:

Subsidiary Name	Country of Incorporation	UFO's ownership interest as on March 31,2020	UFO's ownership interest as on March 31,2019
Scrabble Entertainment Limited	India	100%	100%
Valuable Digital Screen Private Limited	India	100%	80%
PJSA Technosoft Private Limited	India	100%	100%
United Film organizers (UFO) Nepal Private Limited	Nepal	100%	100%
UFO Lanka Private Limited	Sri Lanka	100%	100%
UFO Software Technologies Private Limited	India	95.97%	95.97%
Scrabble Entertainment DMCC	United Arab Emirates	100%	100%
Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
Scrabble Digital Inc	United States of America	100%	100%
Scrabble Digital Limited	India	100%	-

## Notes to Consolidated financial statements for the year ended March 31, 2020

(vii) The list of associates included in consolidation are mentioned below:

Associate Name	Country of Incorporation	UFO's ownership interest as on March 31, 2020	UFO's ownership interest as on March 31, 2019
Scrabble Digital Limited (up to 14 December 2018)	India	-	33.33%
Scrabble Digital DMCC	United Arab Emirates	33.33%	33.33%
Scrabble Venture LLC	United States of America	30%	30%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30%	30%
Mukta V N Films Private Limited	India	48.12%	45%
Scrabble Audio Visual Equipment Trading LLC (w.e.f) 25 November 2018	United Arab Emirates	49%	49%
Cinestaan Digital Private Limited	India	14.41% of the Voting Rights	-

(viii) The list of Companies not included in consolidation as these are in the process of being liquidated are mentioned below:

Subsidiary Name	Country of Incorporation	UFO's ownership interest as on March 31, 2020	UFO's ownership interest as on March 31, 2019
Scrabble Entertainment Israel Limited	Israel	100%	100%

(ix) The financial statements of the subsidiary/associates are drawn upto the same reporting date as the Parent Company other than the following:

Entity Name	Relationship	As at and for the Year ended March 31, 2020	As at and For the Year ended March 31, 2019
Scrabble Digital DMCC	Associate	Year ended 31 December 2019	Year ended 31 December 2018
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended 31 December 2019	Year ended 31 December 2018

### 2.5 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of CFS, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the CFS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the CFS. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### (i) Judgements:

In the process of applying the Group's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the CFS.

#### (ii) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the CFS were prepared. Existing circumstances and assumptions about future developments, however, may change due to

**Notes to Consolidated financial statements for the year ended March 31, 2020**

market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- **Useful Lives of Property, Plant and Equipment:**

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and compensated absences and the present value of their obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

Availability of future taxable future profit against which the tax losses carried forward can be used as disclosed in note 2.6 (m) below.

- **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note 2.6 (o) below.

- **Fair Value Measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2.6 Summary of significant accounting policies:****(a) Property, Plant and Equipment (PPE):**

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. When significant parts of PPE are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Items of stores and spares that meet the definition of PPE are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred

Property, plant and equipment which are not ready for intend use as on the Balance Sheet are disclosed as "Capital work in progress" and are stated at cost.

Gains or losses arising from derecognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### (b) Depreciation on PPE:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of PPE are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

The useful life of PPE is the period over which PPE is expected to be available for use by the Group.

The Group has used the following useful lives to provide depreciation on its property, plant and equipment:

	Useful lives (years)
Exhibition Equipment	7 – 10
Plant and Machinery	4 – 7
Computer	3
Furniture and Fixtures	6
Office Equipment	5-6
Vehicles	3-5

Except computer, useful life of above property, plant and equipments are different from those prescribed under schedule II. These rates are based on evaluation of useful life by internal technical expert.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold improvements are amortised on a straight-line basis over the period of lease or over a period of 3 to 4 years, whichever is lower.

### (c) Goodwill, Intangible assets and amortisation:

#### (i) Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

#### (ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are amortised over their estimated useful life as follows.

#### Useful lives (years)

	Useful lives (years)
Computer Software	2 – 6

**Notes to Consolidated financial statements for the year ended March 31, 2020**

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

**(d) Business Combinations:**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value, and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

## Notes to Consolidated financial statements for the year ended March 31, 2020

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are

called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations under common control include transactions, such as transfer of subsidiaries or businesses, between entities within a Group, where the ultimate control remains with the same entity before and after the transaction.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Goodwill on Consolidation represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

### (e) Impairment of Non-financial assets:

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognized if the recoverable amount of the of the CGU is higher than its value in use or fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

### (f) Leases:

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the G assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.



**Notes to Consolidated financial statements for the year ended March 31, 2020**

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(g) Inventories:**

Inventories comprise of traded goods, stores and spares which are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Cost includes all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**(h) Revenue recognition:**

The Group is primarily engaged in the business of providing digital cinema service.

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated.

The impact of adoption of Ind AS 115 on the standalone Ind AS financial statements of the Company for the year ended March 31, 2019 is not material.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Income from services and sale of goods

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognized in the period in which the services are rendered.
- Advertisement income is recognised in the period during which advertisements are displayed.
- Digitisation income is recognized in the period in which services are rendered.
- Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period
- Revenue from commission and technical service income is recognised in period in which services are rendered.
- Revenue from sale of goods is recognized upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.

## Notes to Consolidated financial statements for the year ended March 31, 2020

- Lease rental income on equipment is recognised as mentioned in note 2.6(f) above.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any. Revenue also excludes taxes collected from customers.

The Company disaggregates revenue from contracts with customers based on nature of services. The company does not revenue from individual customer exceeding 10% of total revenue.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues. Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

### Contract Cost

The Company does not incur any cost to obtain or fulfill the contracts with customers.

### Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above, interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

### Dividends

Dividend income is recognized when the Company’s right to receive dividend is established.

### (i) Foreign exchange transactions and translation:

Foreign currency transactions and balances

- Initial recognition:**

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

- Measurement of Foreign currency items at reporting date**

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

- Translation of financial statements of foreign entities**

On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their Statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

**Notes to Consolidated financial statements for the year ended March 31, 2020**

The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

**(j) Fair Value Measurement:**

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the CFS are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the CFS on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

**(k) Financial Instruments:**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

### **Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net of direct issue cost.

### **Impairment of Financial Assets:**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivables. The Group calculates the expected credit losses on trade receivables, using a provision matrix on the basis of its historical credit loss experience.

### **Financial guarantee contracts:**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### **De-recognition of Financial Assets:**

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

**Notes to Consolidated financial statements for the year ended March 31, 2020****Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**De-recognition of Financial Liabilities:**

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

**Derivative Financial Instruments:**

The Group enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

**(l) Employee benefits: Defined contribution plans**

The Indian entities make contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. In case of provident fund, both the employee and the company make monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contribution payable is charged to the Statement of profit and loss as incurred.

**Defined benefit plans**

The Group provides for gratuity using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance sheet date, based on legislations as enacted as at the Balance sheet date. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance sheet date.

The Group recognizes the net obligation of a defined benefit plan in its Balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effects of any plan amendments are recognized in Statement of profit and loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The gratuity obligation recognized in the Balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The gratuity plan is managed by an Life Insurance Corporation of india to which contributions are made by the Group.

**Other long-term employee benefits**

Short term compensated absences are provided for based on actuarial valuation at year end. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**Short-term employee benefits**

Short-term employee benefits are recognized as an expense on accrual basis.

**(m) Current income taxes and deferred tax:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current period timing

## Notes to Consolidated financial statements for the year ended March 31, 2020

differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. A Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in associates and foreign subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liability relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

### **Minimum alternate tax (MAT):**

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **(n) Earnings per share:**

Basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **(o) Provisions and Contingent liabilities:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are

**Notes to Consolidated financial statements for the year ended March 31, 2020**

also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

**(p) Employee share based payment:**

Employees of the Group Companies receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

**(q) Borrowing cost:**

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with the arrangement of borrowing of funds and exchange differences, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

All other borrowing costs other than for acquisition of assets which takes substantial period of time for the intended use are recognized as expense in period in which they are incurred..

**(r) Segment reporting:****Identification of Segments:**

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Group.

**(s) Measurement of earnings before interest, tax, depreciation and amortization (EBITDA):**

As permitted by the Guidance Note on Ind AS Schedule III to the Companies Act, 2013, the Group has elected to present EBITDA as a separate line item on the face of the Statement of profit and loss. The Group measures EBITDA on the basis of profit from continuing operations. In EBITDA measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 3.1 Property, plant and equipment

₹ in Lacs

	Leasehold Improvements	Plant and Machinery	Computer Systems	Office Equipment	Furniture and Fixtures	Electrical Equipments and Installations	Vehicles	Total
<b>Cost as At 1 April 2018</b>	<b>598.93</b>	<b>24,444.38</b>	<b>170.30</b>	<b>219.00</b>	<b>52.05</b>	<b>38.45</b>	<b>2,282.38</b>	<b>27,805.49</b>
Addition on Acquisition Refer note 39 (C)	102.92	762.12	91.62	16.83	7.09	-	-	980.58
Additions	102.03	3,694.19	94.77	41.47	7.95	-	62.93	4,003.34
Disposals	-	2,156.50	0.49	1.17	-	-	30.84	2,189.00
Exchange difference on translation of foreign operations	0.40	70.84	0.09	(0.39)	0.57	-	1.19	72.70
<b>Cost as At March 31, 2019</b>	<b>804.28</b>	<b>26,815.03</b>	<b>356.29</b>	<b>275.74</b>	<b>67.66</b>	<b>38.45</b>	<b>2,315.66</b>	<b>30,673.11</b>
Additions	32.70	3,844.84	203.82	46.38	10.02	0.15	135.04	4,272.95
Disposals	6.75	2,853.56	73.56	3.61	6.43	-	66.02	3,009.93
Exchange difference on translation of foreign operations	0.67	(9.30)	2.02	0.21	0.84	-	2.56	(3.02)
<b>Cost as At March 31, 2020</b>	<b>830.90</b>	<b>27,797.01</b>	<b>488.57</b>	<b>318.72</b>	<b>72.09</b>	<b>38.60</b>	<b>2,387.24</b>	<b>31,933.13</b>
<b>Accumulated Depreciation/Amortisation</b>								
<b>At 1 April 2018</b>	<b>282.29</b>	<b>3,092.48</b>	<b>72.88</b>	<b>80.01</b>	<b>26.62</b>	<b>14.26</b>	<b>645.30</b>	<b>4,213.84</b>
Addition on Acquisition Refer note 39 (C)	56.71	364.18	27.45	12.52	5.08	-	-	465.94
Charge for the year	166.27	6,404.03	84.04	52.94	13.77	6.56	563.46	7,291.07
On Disposals	-	1,798.84	0.47	0.63	-	-	20.73	1,820.67
Exchange difference on translation of foreign operations	0.40	59.10	0.10	0.15	0.43	-	0.93	61.11
<b>At March 31, 2019</b>	<b>505.67</b>	<b>8,120.95</b>	<b>184.00</b>	<b>144.99</b>	<b>45.90</b>	<b>20.82</b>	<b>1,188.96</b>	<b>10,211.29</b>
Charge for the year	188.41	5,531.01	140.67	52.34	10.02	6.42	530.24	6,459.11
On Disposals	6.37	2,580.79	72.66	2.69	6.43	-	62.74	2,731.68
Exchange difference on translation of foreign operations	0.26	3.74	0.24	0.10	0.52	-	1.59	6.45
<b>At March 31, 2020</b>	<b>687.97</b>	<b>11,074.91</b>	<b>252.25</b>	<b>194.74</b>	<b>50.01</b>	<b>27.24</b>	<b>1,658.05</b>	<b>13,945.17</b>
Net Carrying amount								
<b>At March 31, 2019</b>	<b>298.61</b>	<b>18,694.08</b>	<b>172.29</b>	<b>130.75</b>	<b>21.76</b>	<b>17.63</b>	<b>1,126.70</b>	<b>20,461.82</b>
<b>At March 31, 2020</b>	<b>142.93</b>	<b>16,722.10</b>	<b>236.32</b>	<b>123.98</b>	<b>22.08</b>	<b>11.36</b>	<b>729.19</b>	<b>17,987.96</b>

3.2 CWIP is of ₹ 1,975.94 lacs as at March 31, 2020 (March 31, 2019: ₹ 870.76 lacs)



**Notes to Consolidated financial statements for the year ended March 31, 2020**
**3.3 Right of use assets**

₹ in Lacs

<b>Cost as At 31 March 2018</b>	-
Additions	-
Disposals	-
<b>Cost as At March 31, 2019</b>	-
Additions	2,440.25
Disposals	-
<b>Cost as At March 31, 2020</b>	<b>2,440.25</b>
<b>Accumulated Depreciation/Amortisation</b>	
<b>At 1 April 2018</b>	-
Charge for the year	-
On Disposals	-
<b>At March 31, 2019</b>	-
Charge for the year	578.67
On Disposals	-
<b>At March 31, 2020</b>	<b>578.67</b>
<b>Net Carrying amount</b>	
<b>At March 31, 2019</b>	-
<b>At March 31, 2020</b>	<b>1,861.58</b>

The Group has adopted Ind AS 116 effective April 1, 2019 using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of the initial application (April 1, 2019). Accordingly, the previous period information has not been restated. This has resulted in recognising a right-of-use asset of ₹ 637 lacs and a corresponding liability of ₹ 686 lacs. The difference of ₹33 lacs (net of deferred tax asset created of ₹ 16 lacs) has been adjusted to retained earnings as of April 1, 2019.

In the statement of profit and loss, nature of expenses in respect of operating leases (amounting to ₹ 657 lacs for the year ended March 31, 2020) has changed from rent to depreciation expense for the right-of-use assets (amounting to ₹ 562 lacs for the year ended March 31, 2020) and finance cost for interest accrued on lease liability (amounting to ₹ 154 lacs for the year ended March 31, 2020). The adoption of this standard does not have any material impact on the profit for the period and earning per share.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 3.4 Goodwill

₹ in Lacs

<b>At 1 April 2018</b>	<b>731.42</b>
Addition on Acquisition Refer note 39 (C)	1,579.46
Additions	-
Disposals	-
<b>At March 31, 2019</b>	<b>2,310.88</b>
Additions	-
Disposals	-
<b>At March 31, 2020</b>	<b>2,310.88</b>
<b>Accumulated Amortisation</b>	
<b>At 1 April 2018</b>	-
Charge for the year	-
Disposals	-
<b>At March 31, 2019</b>	-
<b>Charge for the year</b>	-
<b>Disposals</b>	-
<b>At March 31, 2020</b>	-
<b>Net Carrying amount as at</b>	-
<b>At March 31, 2019</b>	<b>2,310.88</b>
<b>At March 31, 2020</b>	<b>2,310.88</b>

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Goodwill of ₹ 340.17 lacs as at March 31, 2020 and 2019, has been allocated to the Valuable Digital Services Private Limited. The Company performed its annual impairment test for the year ended March 31, 2020, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 4 years, as the company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The estimated value-in-use is based on the future cash flows using a 1% annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 9%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Goodwill would decrease below its carrying amount.

Goodwill of ₹ 1,579.46 lacs pertains to acquisition of Scrabble Digital Limited which has been evaluated for impairment based on future cash flow projections and profit for the year. Based on such evaluation, we did not identify any probable scenario in which the recoverable amount of the goodwill would decrease below its carrying amount.

The remaining amount of goodwill of ₹ 391.25 lacs as at March 31, 2020 and 2019 has been evaluated for impairment when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**3.5 Intangible Assets**

₹ in Lacs

	Computer software and other Intangible Assets	Network (relationship with studio & exhibitors)	Total
	A	B	C=A+B
<b>Cost as At 1 April 2018</b>	<b>408.47</b>	<b>790.00</b>	<b>1,198.47</b>
Addition on Acquisition Refer note 39 (C)	15.00	-	15.00
Additions	6.13	-	6.13
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
<b>Cost as At March 31, 2019</b>	<b>429.60</b>	<b>790.00</b>	<b>1,219.60</b>
Additions	6.90	-	6.90
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
<b>Cost as At March 31, 2020</b>	<b>436.50</b>	<b>790.00</b>	<b>1,226.50</b>

**Amortisation**

<b>Accumulated as At 1 April 2018</b>	<b>128.46</b>	<b>790.00</b>	<b>918.46</b>
Addition on Acquisition Refer note 39 (C)	14.21	-	14.21
Charge for the year	66.93	-	66.93
On Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
<b>At March 31, 2019</b>	<b>209.60</b>	<b>790.00</b>	<b>999.60</b>
Charge for the year	65.01	-	65.01
On Disposals	-	-	-
Exchange difference on translation of foreign operations	(0.23)	-	(0.23)
<b>At March 31, 2020</b>	<b>274.38</b>	<b>790.00</b>	<b>1,064.38</b>
<b>Net Carrying amount</b>			
<b>At March 31, 2019</b>	<b>220.00</b>	<b>-</b>	<b>220.00</b>
<b>At March 31, 2020</b>	<b>162.12</b>	<b>-</b>	<b>162.12</b>

The estimated amortisation for the years subsequent to March 31, 2020 is as follows

₹ in Lacs

Year ended 31 March,	Amortisation expenses
2021	56.90
2022	29.04
2023	10.22
2024	6.66
Thereafter	59.29
	<b>162.11</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 4. Investment accounted for using equity method

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Unquoted equity instruments (at cost)</b>		
<b>Investment in subsidiaries (under liquidation)</b>		
1 (March 31, 2019: 1) Equity Share of USD 1 each fully paid up of ₹ 75 (March 31, 2019: ₹ 69) in Scrabble Entertainment Israel Limited	0.00	0.00
<b>Investment in Associates</b>		
100 (March 31, 2019: 100) Ordinary shares of AED 1,000 each at par fully paid up in Scrabble Digital DMCC (including post-acquisition share of profit or loss)	257.79	252.54
3,000 (March 31, 2019: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss) (Refer note a)	253.08	487.21
2,700,000 (March 31, 2019: 2,700,000) Equity Shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	313.26	313.26
Add: Conversion of 360,000 Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up into Equity Shares	36.00	
Add: Post-acquisition share of profit or (loss)	(16.77)	
	<b>332.49</b>	<b>313.26</b>
240,000 (March 31, 2019: 240,000) Share warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
3,878,975 (March 31, 2019: Nil) Share Warrant of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	38.79	-
Add: Post-acquisition share of profit or (loss)	(43.65)	-
<b>Total investments in Cinestaan Digital Private Limited (including post-acquisition share of profit or loss)</b>	<b>(4.86)</b>	<b>-</b>
147 (March 31, 2019: 147) Shares of AED 1,000 each at par fully paid up of Scrabble Audio Visual Equipment Trading LLC (including post-acquisition share of profit or loss)	454.90	88.71
<b>Unquoted Preference shares (at cost)</b>		
<b>Investment in Associates</b>		
360,000 (March 31, 2019: 360,000) Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up in Mukta VN Films Limited	36.00	36.00
Less: Conversion of Compulsorily Convertible Preference Shares into Equity Shares	(36.00)	-
	<b>-</b>	<b>36.00</b>
1,153,026 (March 31, 2019: Nil) Compulsorily Convertible Preference Shares of ₹ 40 each fully paid up in Cinestaan Digital Private Limited	461.21	-
	<b>1,778.61</b>	<b>1,201.72</b>

Notes:

- a) In addition to the investments listed above, the Group is holding 2,000 shares of Scrabble Ventures LLC and 1,000 shares of Scrabble Ventures, S.de R. L. De C.V, Mexico on behalf of others, where Group is not a beneficial owner. The Group's total investment in these entities is presented net of shares held on behalf of others, where the Group is not a beneficial owner.

₹ in Lacs

<b>Other disclosures:</b>	March 31, 2020	March 31, 2019
(i) Aggregate amount of quoted investments (Gross)	-	-
(ii) Market value of quoted investments	-	-
(iii) Aggregate amount of unquoted investments (Gross)	1,778.61	1,201.72
(iv) Aggregate amount of impairment in value of investment	-	-

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**5. Financial assets - Loans receivables**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Unsecured (Considered Good)</b>				
Security deposit to related parties (Refer note 33)	355.97	357.72	2.43	1.94
Security deposit to other than related parties	322.62	180.84	135.06	117.25
Loan to others	-	-	-	43.42
<b>Unsecured considered doubtful</b>				
Loan to others	-	-	83.43	40.00
	-	-	<b>83.43</b>	<b>83.42</b>
Less: Allowance for doubtful balance	-	-	(83.43)	(40.00)
	-	-	-	<b>43.42</b>
Balance with statutory / government authorities	14.66	14.66	-	-
Less: Allowance for doubtful balance	(14.66)	(14.66)	-	-
	-	-	-	-
	<b>678.59</b>	<b>538.56</b>	<b>137.49</b>	<b>162.61</b>

**6. Other financial assets**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	8.33	71.16	-	-
Interest accrued but not due on fixed deposit	-	0.37	23.68	42.14
Interest accrued on loan given:				
Unsecured considered doubtful	-	-	44.70	30.01
Less: Allowance for doubtful balance	-	-	(44.70)	(30.01)
	-	-	-	-
Other receivables	-	-	5.72	2.49
	<b>8.33</b>	<b>71.53</b>	<b>29.40</b>	<b>44.63</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 7. Deferred tax assets / (liability)

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>A Deferred tax assets</b>		
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,153.23	3,848.05
Provision for doubtful debts and advances	412.79	499.35
Impact of expenditure / (Income ) charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	358.09	283.16
Deferred tax assets on carry forward of losses of Caravan Division	442.85	-
<b>Gross deferred tax assets</b>	<b>4,366.96</b>	<b>4,630.56</b>
<b>B Deferred tax liabilities</b>		
Undistributed profit of foreign subsidiaries and associates	359.04	810.51
<b>Gross deferred tax liabilities</b>	<b>359.04</b>	<b>810.51</b>
<b>Net deferred tax assets</b>	<b>4,007.92</b>	<b>3,820.05</b>
<b>Movement in Deferred tax Assets and Liabilities</b>		

#### Movement in Deferred tax Assets and Liabilities

₹ in Lacs

Movement during the year ended March 31, 2019	As at March 31, 2018	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	On Business Combination and others	As at March 31, 2019
Deferred tax assets / (liabilities)					
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,147.12	441.40	-	259.53	3,848.05
Provision for Doubtful Debt and advances	390.64	108.71	-	-	499.35
Impact of Income /expenditure charged / (credited) to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	340.48	(97.47)	17.11	23.04	283.16
Others	88.25	(88.25)	-	-	-
Undistributed profit of foreign subsidiaries and associates	(694.11)	(116.40)	-	-	(810.51)
<b>Total</b>	<b>3,272.38</b>	<b>247.99</b>	<b>17.11</b>	<b>282.57</b>	<b>3,820.05</b>

**Notes to Consolidated financial statements for the year ended March 31, 2020**

₹ in Lacs

Movement during the year ended March 31, 2020	As at March 31, 2019	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	On Business Combination and others	As at March 31, 2020
Deferred tax assets /(liabilities)					
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,848.05	(740.46)	-	45.63	3,153.22
Provision for Doubtful Debt and advances	499.35	(86.56)	-	-	412.79
Impact of Income /expenditure charged / (credited) to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	283.16	111.23	(36.29)		358.10
Deferred tax assets on carry forward of losses of Caravan Division	-	442.85	-	-	442.85
Undistributed profit of foreign subsidiaries and associates	(810.51)	451.47	-	-	(359.04)
<b>Total</b>	<b>3,820.05</b>	<b>178.53</b>	<b>(36.29)</b>	<b>45.63</b>	<b>4,007.92</b>

**The major components of income tax expense for the year are as under:**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>i) Income tax recognised in the Consolidated Statement of Profit and Loss</b>		
Current tax:		
In respect of current year	1,519.27	3,556.01
Adjustment of previous year		139.28
<b>Deferred tax:</b>		
In respect of current year	(178.53)	(247.99)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>1,340.74</b>	<b>3,447.30</b>
<b>ii) Income tax expense recognised in OCI</b>		
<b>Deferred tax :</b>		
Deferred tax expense on remeasurements of defined benefit plans	(36.29)	17.11
<b>Income tax expense recognised in OCI</b>	<b>(36.29)</b>	<b>17.11</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

Reconciliation of tax expense and the accounting profit for the year is as under:

₹ in Lacs

	March 31, 2020	March 31, 2019
Profit before tax	5,217.80	9,949.14
Income tax expense calculated at Corporate tax rate @ 25.17 % (March 31, 2019: 34.944%)	1,313.22	3,481.60
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	205.57	151.00
Change in tax rates	(1,262.00)	(196.00)
Deferred tax assets on carry forward of losses of Caravan Division	442.85	-
Utilisation of deferred tax assets on carry forward of losses of Caravan Division	840.15	-
Income of subsidiaries not chargeable to tax	(114.53)	(234.80)
Income exempt from tax	0.00	(204.81)
Losses of subsidiaries	45.10	379.07
Profits of associates	(99.67)	(125.28)
Expenses not deductible for tax purpose	67.00	62.89
Others	(60.66)	116.52
<b>Total</b>	<b>1,377.03</b>	<b>3,430.18</b>
<b>Tax expense as per Statement of Profit and Loss</b>	<b>1,377.03</b>	<b>3,430.18</b>

The rate used for the reconciliation is the corporate tax rate of 25.17% (March 31, 2019: 34.944%) payable by corporate entities in India on taxable profits under Indian tax law.

VDSPL, a subsidiary, has the following unused tax losses on incurrance of business losses under the Income tax Act, 1961 for which no deferred tax asset has been recognised in the Balance Sheet. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group.

₹ in Lacs

Assessment year	Category	Amount of Loss	Amount of Deferred tax Asset	Expiry Date
From AY 14-15 till AY 19-20	Unabsorbed Depreciation	118.10	41.27	Not applicable
<b>Total</b>		<b>118.10</b>	<b>41.27</b>	

However as at March 31, 2020, deferred tax liability of ₹ 359.04 lacs (March 31, 2019: ₹ 810.51 lacs) in respect of temporary difference related to investment in all associates and foreign subsidiaries has been recognised where the Group does not control the dividend policy of the associates and foreign subsidiaries. Deferred tax liability on temporary differences, associated with remaining investments in subsidiaries and associates, has not been recognised, as it is the intention of the Group to reinvest the earnings of these subsidiaries and associates for the foreseeable future.

### 8. Other assets (Unsecured, Considered good unless otherwise stated)

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances	281.17	9.82	-	-
Other Advances				
Balances with statutory / government authorities:				
Considered good	20.23	23.12	65.55	73.78
Considered doubtful	10.00	10.00	-	-
Less: Allowance for doubtful receivables	(10.00)	(10.00)	-	-
	<b>20.23</b>	<b>23.12</b>	<b>65.55</b>	<b>73.78</b>
Deposit with Government bodies and others	92.94	49.56	-	-
	<b>113.17</b>	<b>72.68</b>	<b>65.55</b>	<b>73.78</b>



**Notes to Consolidated financial statements for the year ended March 31, 2020**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance to suppliers	-	-	504.28	537.53
Loans and advances to employees	-	-	82.04	78.86
Prepaid expenses	445.57	573.33	1,163.09	714.37
GST credit receivable	-	-	1,835.01	1,413.53
Others	-	-	38.00	55.68
	<b>839.91</b>	<b>655.83</b>	<b>3,687.97</b>	<b>2,873.75</b>

**9. Inventories (valued at lower of cost and net realisable value, unless otherwise stated)** ₹ in Lacs

	March 31, 2020	March 31, 2019
Lamps	802.47	643.47
Digital Cinema Equipment	354.36	193.82
Consumables and spares	292.23	304.38
	<b>1,449.06</b>	<b>1,141.67</b>

**10. Investments - Current** ₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Unquoted mutual funds - carried at fair value through profit and loss</b>		
Investment in mutual funds	8,699.98	13,977.01
	<b>8,699.98</b>	<b>13,977.01</b>

Aggregate market value of investment in unquoted mutual funds units held by Company based on NAV declared on the balance sheet date by mutual fund is ₹ 8,699.98 lacs (March 31, 2019: ₹13,977.01 lacs)

**11. Trade receivables (unsecured)** ₹ in Lacs

	March 31, 2020	March 31, 2019
Considered good	13,116.84	20,072.88
Credit impaired	2,368.98	2,091.63
	<b>15,485.82</b>	<b>22,164.51</b>
Less: Allowance for doubtful trade receivable	(2,368.98)	(2,091.63)
<b>Total</b>	<b>13,116.84</b>	<b>20,072.88</b>

(For details pertaining to related party receivables refer note 33)

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 12. Cash and bank balances

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Cash and cash equivalents</b>				
Balances with banks :				
– On current accounts	-	-	1,364.61	2,219.03
Cash on hand	-	-	3.47	5.82
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>1,368.08</b>	<b>2,224.85</b>
Other bank balances				
– On unpaid dividend account*	-	-	83.14	14.78
– Deposits with original maturity for less than 12 months	-	-	990.61	2,050.70
– Deposits with remaining maturity for more than 12 months	8.33	58.06	-	521.88
<b>Total (B)</b>	<b>8.33</b>	<b>58.06</b>	<b>1,073.75</b>	<b>2,587.36</b>
– Margin money deposit with original maturity for less than 12 months	-	-	381.72	833.31
– Margin money deposit with remaining maturity for more than 12 months	-	13.10	-	-
<b>Total (C)</b>	<b>-</b>	<b>13.10</b>	<b>381.72</b>	<b>833.31</b>
Amount disclosed under non - current financial assets (Refer note 6)	(8.33)	(71.16)	-	-
<b>Total (B+C)</b>	<b>-</b>	<b>-</b>	<b>1,455.47</b>	<b>3,420.67</b>

#### Margin money deposits:

Margin money deposits are kept under lien with bank for opening letter of credit, margin towards term loan and for issuing bank guarantees to various State Governments to comply with the Sales Tax / VAT Registration formalities. The amount pertains to the parent company.

\* The Parent company can utilize these balances only toward settlement of the respective unpaid dividend.

### 13. Share capital

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Authorised share capital</b>		
53,050,000 (March 31, 2019: 53,050,000) equity shares of ₹10/- each	5,305.00	5,305.00
1,565,000 (March 31, 2019: 1,565,000) preference shares of ₹1,000/- each	15,650.00	15,650.00
	<b>20,955.00</b>	<b>20,955.00</b>
<b>Share capital</b>		
<b>Issued, subscribed and fully paid up shares</b>		
28,350,801 (March 31, 2019: 28,350,801) equity shares of ₹10 each fully paid - up	2,835.08	2,835.08
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,835.08</b>	<b>2,835.08</b>

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	March 31, 2020		March 31, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	28,350,801	2,835.08	28,350,801	2,835.08
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>28,350,801</b>	<b>2,835.08</b>	<b>28,350,801</b>	<b>2,835.08</b>

**(b) Terms/ rights attached to equity shares**
**Voting Rights**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares having a par value of ₹10 per equity share is entitled to one vote per equity share.

**Right to Dividend**

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The Company declares and pays dividend in Indian Rupees.

**Rights pertaining to repayment of capital**

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares**

Name of the shareholder	March 31, 2020		March 31, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10 each fully paid				
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	18.52
Apollo International Limited	2,266,417	7.99	2,266,417	7.99
Valuable Media Private Limited	2,244,265	7.92	2,244,265	7.92
Valuable Technologies Limited	2,243,657	7.91	2,243,657	7.91
Reliance Capital Trustee Co Limited	1,555,239	5.49	1,806,204	6.37
SBI Magnum Multicap Fund (SBI Mutual Funds)	478,469	1.69	2,242,986	7.91

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

The Company has issued total 1,703,132 shares (March 31, 2019: 1,703,132) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

**(e) Shares reserved for issue under options:**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 30

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 14. Other equity

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Reserve and Surplus</b>		
<b>Other Reserve (on purchase of Non-controlling interest stake)</b>		
Balance as at the beginning of year	(2,183.39)	(1,153.89)
Add: Addition during the year	-	(1,029.50)
<b>Balance as at the end of year</b>	<b>(2,183.39)</b>	<b>(2,183.39)</b>
<b>Securities Premium</b>		
Balance as at the beginning of year	29,836.90	29,836.90
Add: Addition during the year	-	-
<b>Balance as at the end of year</b>	<b>29,836.90</b>	<b>29,836.90</b>
<b>Employee Share Options Outstanding</b>		
Balance as at the beginning of year	371.72	-
Add : Employee stock compensation for options	-	371.72
<b>Balance as at the end of year</b>	<b>371.72</b>	<b>371.72</b>
<b>Legal Reserve</b>		
Opening and Closing balance	<b>182.93</b>	<b>182.93</b>
<b>Retained earnings</b>		
Balance as at the beginning of year	16,110.16	13,838.00
Add : Profit of the year	3,877.06	6,653.54
Add / (Less) Remeasurement of defined benefit plans	119.41	(31.98)
Dividend paid (including dividend distribution tax)	(14,823.12)	(4,272.30)
Transfer to FCTR	0.70	(13.65)
Ind AS 115 transition adjustment	-	(63.45)
Adjustment in pursuant to Ind AS 116	(33.00)	-
<b>Balance as at the end of year</b>	<b>5,251.21</b>	<b>16,110.16</b>
<b>Capital Reserve</b>		
Balance as at the beginning of year	-	-
Add: On forfeiture of 1,525,000 share warrants ( refer note f)	1,525.50	-
<b>Balance as at the end of year</b>	<b>1,525.50</b>	<b>0.00</b>
<b>Money received against share warrant</b>		
Balance as at the beginning of year	1,525.50	1,525.50
Add : Transferred to capital reserve on forfeiture	(1,525.50)	-
<b>Balance as at the end of year</b>	<b>0.00</b>	<b>1,525.50</b>
<b>Total</b>	<b>34,984.87</b>	<b>45,843.82</b>
<b>Other Comprehensive Income</b>		
Balance as at the beginning of year	92.25	(127.54)
Add / (less):Exchange differences on translating the financial statements of foreign operations	209.10	219.79
<b>Balance as at the end of year</b>	<b>301.35</b>	<b>92.25</b>

The description of the nature and purpose of each reserve within equity is as follows:

**Notes to Consolidated financial statements for the year ended March 31, 2020**

- a. **Other Reserve (on purchase of Non-controlling interest stake):** Represents excess of consideration over carrying value on purchase of Non controlling interest stake.
- b. **Securities Premium:** Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- c. **Employee Share Option Outstanding:** The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.
- d. **Legal Reserve:** The legal reserve is created under UAE Commercial laws and regulations, 10% of the company's annual net profits to be set aside as a statutory reserve, restricted to AED 150,000.
- e. **Foreign Currency Translation Reserve:** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. ₹ are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.
- f. **Money received against share warrants:** On December 16, 2017, the Company issued 1,525,000 share warrants of ₹10 each at a price of ₹ 400.13 each (including share warrant subscription price and share warrant exercise price) , convertible into, or exchangeable for, one equity share of face value of ₹ 10 each to two individuals and one company forming part of promoter group on preferential basis. During the year the said warrant were not exercised within 18 months from the date of allotment of the said warrants, the same were lapsed during the period ended June 30, 2019 and the subscription amount is forfeited to the Company and transferred to Capital Reserve.

**15. Borrowings (at amortised cost-secured)**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Term loans</b>				
<b>Rupee loan from banks (secured by first charge on Plant and Machinery and all current assets of the Parent Company)</b>				
Term loan 1 from HDFC Bank	-	-	-	270.84
Term loan 2 from HDFC Bank	969.71	-	223.78	-
Term loan 3 from HDFC Bank	2,082.91	2,105.25	1,385.50	846.94
Term loan 4 from Axis Bank	-	94.72	93.35	372.00
Term loan 5 from Yes Bank	302.03	1,510.13	1,208.10	1,208.10
<b>Sub Total (a)</b>	<b>3,354.65</b>	<b>3,710.10</b>	<b>2,910.74</b>	<b>2,697.88</b>
Less :Amount disclosed under the head "Other Current financial Liabilities" (Refer note 16 ) (b)	-	-	(2910.74)	(2,697.88)
<b>Net amount (a) + (b)</b>	<b>3,354.65</b>	<b>3,710.10</b>	<b>-</b>	<b>-</b>

Term loan 1 having interest of bank 1 year MCLR (March 31, 2019: 9.25%) p.a. is repayable in 42 monthly installments starting from 31 December 2015.

## Notes to Consolidated financial statements for the year ended March 31, 2020

Term loan 2 having interest of bank 1 year MCLR plus 70 basis points i.e. 9.30% (March 31, 2019 : Nil %) p.a. is repayable in 48 monthly installments starting from 31 July 2020.

Term loan 3 having interest of bank 1 year MCLR plus 85 basis points i.e. 8.90% (March 31, 2019 : 9.45%) p.a. is repayable in 52 monthly installments starting from 31 July 2018.

Term loan 4 having interest of bank base rate plus 200 basis points i.e. 9.85% (March 31, 2019 : 9.85%) p.a. is repayable in 12 quarterly installments starting from 30 June 2017.

Term loan 5 having interest of bank 1 year MCLR i.e. 9.85% (March 31, 2019 : 9.85%) p.a. is repayable in 48 monthly installments starting from 15 July 2017.

### 16. Financial liabilities - others

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Other financial liabilities carried at amortised cost				
Current maturities of long-term debts (Refer note 15)	-	-	2,910.74	2,697.88
Commission on financial guarantee payable	-	-	2.76	5.35
Interest accrued but not due on borrowings	-	-	49.94	54.62
Deposit from customers	3,118.49	3,158.43	1,235.38	1,658.35
Deposit from related parties (Refer note 33)	2.74	2.33	-	-
Unpaid dividend	-	-	83.14	14.78
Payables for purchase of property, plant and equipments	1,547.54	-	10.17	307.15
Salary and reimbursement payable	-	-	721.98	1,230.93
	<b>4,668.77</b>	<b>3,160.76</b>	<b>5,014.11</b>	<b>5,969.06</b>

### 17. Provisions

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Provision for Employee Benefits</b>				
Provision for gratuity (Refer note 29)	646.06	661.95	2.12	2.21
Provision for compensated absences (Refer note 29)	2.41	-	434.24	471.80
<b>Others</b>				
Provision for warranties (Refer note a)	-	-	2.67	1.64
	<b>648.47</b>	<b>661.95</b>	<b>439.03</b>	<b>475.65</b>

#### a. Provision for warranties

A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions. The product are generally covered under the warranty period ranging from 1 year to 6 years.

₹ in Lacs

	March 31, 2020	March 31, 2019
At the beginning of the year	1.64	6.67
Arising during the year	1.96	1.35
Utilized during the year	(0.93)	(6.38)
<b>At the end of the year</b>	<b>2.67</b>	<b>1.64</b>
Current portion	2.67	1.64
Non-current portion	-	-

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**18. Other Liabilities**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Temporary Book Overdraft	-	-	14.86	-
Deferred revenue	605.71	666.93	264.97	360.19
Advance received from customers	-	-	2,205.57	2,795.18
<b>Statutory dues payable</b>				
Employee related liabilities	-	-	68.98	82.21
VAT payable	-	-	88.67	11.79
TDS payable	-	-	187.04	330.13
Other liabilities	-	-	0.77	7.87
Other taxes payable	-	-	0.09	44.17
	<b>605.71</b>	<b>666.93</b>	<b>2,830.95</b>	<b>3,631.54</b>

**19. Current borrowings**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Secured</b>		
Cash credit from HDFC bank Limited	727.26	115.63
Cash credit from ICICI bank Limited	-	1,280.54
	<b>727.26</b>	<b>1,396.17</b>

Cash credit 1 from HDFC bank Limited was secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.30% p.a. (March 31, 2019: 9.30%).

Cash credit from ICICI bank Limited was secured by first charge on current investment of the Company and carried interest @ 9.10%.

**20. Financial liabilities - Trade payables**

₹ in Lacs

	Current	
	March 31, 2020	March 31, 2019
<b>Trade payables:</b>		
a) Total Outstanding dues of Micro and small enterprises (Refer note 40)	-	-
b) Total Outstanding dues of creditor other than micro and small enterprises	8,328.35	9,946.06
	<b>8,328.35</b>	<b>9,946.06</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 21. Revenue from operations

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Sale of Services</b>		
Advertisement revenue	15,469.80	23,723.87
Virtual Print Fees - E-Cinema	10,103.92	10,573.89
Virtual Print Fees - D-Cinema	3,450.13	6,146.53
Lease rental income - E-Cinema	5,323.47	5,653.30
Lease rental income - D-Cinema	717.52	1,076.16
Digitisation income	2,252.59	1,198.43
Maintenance service fee	762.98	1,086.39
Registration fees income	43.57	47.12
Commission income	50.86	78.36
Others	259.86	24.14
<b>(A)</b>	<b>38,434.70</b>	<b>49,608.19</b>
<b>Sales of Products</b>		
Lamps	4,862.61	6,596.41
Digital cinema equipments	6,561.99	4,733.65
<b>(B)</b>	<b>11,424.60</b>	<b>11,330.06</b>
<b>Other Operating Income</b>		
Sundry balances written back	352.87	156.80
Freight income	-	91.09
<b>(C)</b>	<b>352.87</b>	<b>247.89</b>
<b>Total</b>	<b>(A)+(B)+(C)</b>	
	<b>50,212.17</b>	<b>61,186.14</b>

### 22. Other Income\*

₹ in Lacs

	March 31, 2020	March 31, 2019
Miscellaneous income	169.53	496.08
Commission fees on financial guarantee given	2.15	2.91
Profit on Sale of Fixed Assets	8.55	-
	<b>180.23</b>	<b>498.99</b>

\* Other income excludes income earned by way of interest, dividend, gain on sale of current investments, which has been disclosed under the head Finance income (refer note 27)

### 23. Operating direct costs

₹ in Lacs

	March 31, 2020	March 31, 2019
Advertisement revenue share	5,392.30	6,911.21
Exhibition equipments repairs	2,199.91	2,463.20
Van operation expenses	348.91	2,028.41
Technical service fees	928.63	932.80
Bandwidth charges	579.33	746.24
Purchase of digital cinema equipment	5,437.60	3,612.63
Purchase of lamps and spares	3,736.94	5,160.12
Content processing charges	62.64	576.89



**Notes to Consolidated financial statements for the year ended March 31, 2020**

₹ in Lacs

	March 31, 2020	March 31, 2019
Virtual print fees sharing	902.78	2,333.85
Other expenses	744.20	281.53
<b>(Increase) in inventories of digital cinema equipments</b>		
Inventories at the beginning of the year	186.31	119.08
Inventories at the end of the year	354.36	186.31
	<b>(168.05)</b>	<b>(67.23)</b>
<b>(Increase) / Decrease in inventories of lamps and spares</b>		
Inventories at the beginning of the year	715.41	759.32
Inventories at the end of the year	802.47	715.41
	<b>(87.06)</b>	<b>43.91</b>
<b>Consumables and spares</b>		
Inventories at the beginning of the year	304.38	291.50
Add : Purchases	534.49	343.42
Less : Inventories at the end of the year	(291.59)	(304.38)
	<b>547.28</b>	<b>330.54</b>
	<b>20,625.41</b>	<b>25,354.10</b>

**24. Employee benefit expense**

₹ in Lacs

	March 31, 2020	March 31, 2019
Salaries and wages (including bonus)	7,444.01	7,650.04
Contribution to provident and other funds	402.73	382.81
Gratuity expenses (Refer note 29)	179.61	159.84
Compensated absences (Refer note 29)	0.55	91.97
ESOP compensation cost (Refer note 30)	-	371.72
Staff welfare expenses	530.59	517.22
	<b>8,557.49</b>	<b>9,173.60</b>

**25. Other expenses**

₹ in Lacs

	March 31, 2020	March 31, 2019
Rent	659.27	1,166.22
Lease rental expenses	-	30.07
Freight and forwarding charges	281.36	457.84
Legal, professional and consultancy charges	2,214.61	2,003.31
Directors sitting fees including commission	98.00	103.25
Commission on advertisement revenue	1,302.11	2,074.56
Commission on other revenue	453.99	298.97
Corporate social responsibility expenses	239.93	163.00
Sales promotion expenses	961.49	679.21
Electricity charges	285.75	258.64
Rates and taxes	90.26	143.32

## Notes to Consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

	March 31, 2020	March 31, 2019
Payment to Auditors	73.52	70.65
Repairs and maintenance		
-Plant and machinery	35.50	69.14
-Building	-	2.22
-Furniture and fixtures	0.38	-
-Others	290.52	271.26
Insurance	108.55	99.61
Travelling and conveyance expenses	510.62	631.66
Communication and courier expenses	180.94	190.69
Printing and stationery	67.34	59.97
Bad debts written-off	457.10	-
Less: Provision utilised	(296.96)	(235.29)
Provision for doubtful debts	522.91	763.31
Provision for doubtful advances	72.04	58.02
Loss on sale and write off of fixed assets (net)	-	53.38
Miscellaneous expenses	589.08	549.18
Foreign exchange loss (net)	68.21	118.49
	<b>9,266.53</b>	<b>10,330.04</b>

### 26. Finance Cost

₹ in Lacs

	March 31, 2020	March 31, 2019
Interest on		
- Term loan	576.71	777.29
- Cash credit	102.14	124.84
Interest expenses on lease liabilities	154.23	
Bank charges	32.68	21.34
Interest expenses on financial liabilities carried at amortised cost	144.23	178.94
	<b>1,009.99</b>	<b>1,102.41</b>

### 27. Finance Income

₹ in Lacs

	March 31, 2020	March 31, 2019
Interest Income on		
- Fixed deposits	105.25	185.16
- Others	241.32	25.25
Interest Income financial assets carried at amortised cost	4.96	33.03
Fair value gain on financial instruments at fair value through profit or loss	(416.09)	349.43
Dividend income on current investments	-	41.68
Gain on sale of current investments (net)	1,055.79	589.67
	<b>991.23</b>	<b>1,224.22</b>

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**28. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Basic</b>		
Profit attributable to equity holders of parent	3,877.06	6,653.54
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
<b>Earning per share (₹) (Face value of ₹ 10 each)</b>	<b>13.68</b>	<b>23.47</b>
<b>Diluted</b>		
Profit attributable to equity holders of parent	3,877.06	6,653.54
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Effect of dilutions for Share warrants / on stock options granted under ESOP	-	-
Weighted average number of shares outstanding (including dilution)	28,350,801	28,350,801
<b>Earning per share (₹) (Face value of ₹ 10 each)</b>	<b>13.68</b>	<b>23.47</b>

**29. Gratuity and other post-employment benefit plans**
**a) Defined Contribution plan**

The Group has recognised and included in Note no 24 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Contribution to Provident fund (Government) and other funds	402.73	382.81

**b) Defined benefit plan-Gratuity**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

**Change in the defined benefit obligation ("DBO") and fair value of plan assets as at March 31, 2020**

₹ in Lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
<b>Gratuity cost charged to Statement of Profit and Loss</b>			
As at 1 April 2019	1,188.16	524.00	664.16
Service Cost	138.35	-	138.35
Net Interest cost	79.44	-	79.44
Investment Income	-	38.19	(38.19)
<b>Recognised in Statement of profit and loss</b>	<b>217.79</b>	<b>38.19</b>	<b>179.60</b>
Benefit paid	(11.70)	(5.09)	(6.61)
<b>Remeasurement gains / losses in other Comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	-	-
Actuarial changes arising from changes in demographic assumptions	(0.09)	-	(0.09)
Actuarial changes arising from Changes in financial assumptions	(123.94)	-	(123.94)
Experience Adjustments	(39.93)	-	(39.93)
Net actuarial (gain) / loss recognized in the year	-	-	-
<b>Recognised in Other comprehensive Income</b>	<b>(163.96)</b>	<b>-</b>	<b>(163.96)</b>
Contribution by employer	-	25.00	(25.00)
<b>As at March 31, 2020</b>	<b>1,230.29</b>	<b>582.10</b>	<b>648.19</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

Change in the defined benefit obligation (“DBO”) and fair value of plan assets as at March 31, 2019

₹ in Lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
<b>Gratuity cost charged to Statement to Profit and Loss</b>			
As at 1 April 2018	926.44	430.41	496.03
Service Cost	33.69	-	33.69
Net Interest cost	126.25	-	126.25
Past Service Cost	66.06	-	66.06
Investment Income	-	32.47	(32.47)
<b>Recognised in statement of profit and loss</b>	<b>192.31</b>	<b>32.47</b>	<b>159.84</b>
Benefit paid	(34.25)	(21.67)	(12.58)
<b>Remeasurement gains/losses in other Comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	20.88	(20.88)
Actuarial changes arising from changes in demographic assumptions	0.57	-	0.57
Actuarial changes arising from Changes in financial assumptions		-	-
Past Service Cost	54.52	-	54.52
Experience Adjustments	14.88	-	14.88
Net actuarial (gain) / loss recognized in the year	-	-	-
<b>Recognised in Other comprehensive Income</b>	<b>69.97</b>	<b>20.88</b>	<b>49.09</b>
Contribution by employer	-	61.91	(61.91)
<b>As at March 31, 2019</b>	<b>1,188.16</b>	<b>524.00</b>	<b>664.16</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity	March 31, 2020	March 31, 2019
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

The principal assumptions used in determining gratuity as shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.40%	7.3% to 7.47%
Salary Growth	NIL for the first year and 6% thereafter	8% to 10%
Employee turnover	13.10%	7% to 13.1%
Retirement age (years)	58.00	58.00
Expected returns on assets	8%	8%
Mortality Rate	100% of IALM 2012-14	100% of IALM 06-08

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**A quantitative sensitivity analysis for significant assumptions is shown below:**

₹ in Lacs

	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	1,172.78	(1,049.61)	1,124.16	(1,001.74)
Salary Growth (-/+1%)	(1,055.94)	1,163.87	(1,010.18)	1,111.87
Attrition(-0.50/+0.50%)	1,085.00	(1,116.40)	1,056.98	(1,056.36)

**Methods and assumptions used in preparing sensitivity and their limitations:** The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. These sensitivities are based on change in one single assumption, other assumptions, being constant. In practice, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

**The following payments are expected contributions to the defined benefit plan in future years:**

₹ in Lacs

	March 31, 2020	March 31, 2019
Within the next 12 months(next annual reporting period)	630.31	631.37

**The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2019: 6 years)**

₹ in Lacs

Expected future cash flows (valued on undiscounted basis):	March 31, 2020	March 31, 2019
1 Year	239.23	201.34
2 to 5 years	525.53	529.83
6 to 10 years	414.06	438.58
More to 10 years	508.94	665.64

Provision in respect of Compensated absences has been made based on the actuarial valuation carried out by an independent actuary at the Balance sheet date using the Projected Unit Credit method. During the year ₹ 0.55 Lacs (March 31, 2019: ₹ 91.97 lacs) is recognised as an expense in the Statement of profit and loss.

**30. Employee stock option plans**

During the year ended March 31, 2020, the Parent company's equity settled ESOP Schemes 2014 was in existence.

**(a) Employee Stock Option Scheme 2014 (ESOP 2014):**

The Compensation Committee recommended the ESOP Scheme 2014 and the Board approved the ESOP Scheme 2014 at its meeting held on November 11, 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on November 20, 2014.

As per the ESOP Scheme 2014, 25% of the options shall vest equally at the end of each year from the date of grant.

**The exercise period of these options is as follows:**

- i) For the employees while in the employment of the Group Companies: Within a period of two years from the date of Vesting of the respective Employee Stock Options.
- ii) For the retired employees, termination due to permanent disability, death: Within six months from the date of retirement, termination due to physical disability and death respectively.

\* During the year ended March 31, 2019, the Board of Directors and the Shareholders of the Company approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600/- per option to ₹ 400/- per option and its exercise period got extended upto 11 December 2019. During the year ended March 31, 2019, the Board of Directors approved the grant of 208,578 options under employee stock option Scheme 2014 at an exercise price of ₹ 400/- per option to the employee of the Company and its Subsidiaries.

## Notes to Consolidated financial statements for the year ended March 31, 2020

The details of activity under the Scheme 2014 are summarised below:

	March 31, 2020		March 31, 2019	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	820,569	400	628,503	400
Granted during the year due to scheme modification	-	-	208,578	400
Exercised during the year	-	-	-	-
Forfeited during the year	(5,750)	-	(16,512)	-
Outstanding at the end of the year	814,819	400	820,569	400
Exercisable at the end of the year	814,819	400	611,991	400
Weighted average remaining contractual life (in months)	9	-	21	-

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are:

	March 31, 2019
Expected Volatility	32.79%
Risk -Free interest rate	6.65%
Weighted average share price	384.70
Exercise Price (Rupees)	400.00
Dividend Yield	3.25%
Expected life of options granted in years	1.85

The Carrying amount of Employee stock option reserve as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ 37,171,784/-).  
The expenses recognised for employee service received during the year is ₹ Nil (March 31, 2019: ₹ 37,171,784/- ).

### 31. Leases

#### Operating lease: Company as lessee

The Group's significant leasing arrangements are in respect of operating leases taken for Office Premises, Stores and Digital equipment. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Lease payments recognised in the statement of profit and loss	659.27	1,196.29
	<b>659.27</b>	<b>1,196.29</b>

Future lease rental expense will be recognised in the Statement of profit and loss of subsequent years as follows:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Due not later than one year	237.68	186.02
Due later than one year but not later than five years	386.30	551.00
Later than five years	-	-
	<b>623.98</b>	<b>737.02</b>

**Notes to Consolidated financial statements for the year ended March 31, 2020**

The movement in lease liabilities during the year ended is as follows :

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Addition on account of transition to IND AS 116	2,426.19	-
Finance Cost accrued during the period	154.23	-
Deletions	-	-
Payment for lease liabilities	(608.77)	-
<b>Balance at the end</b>	<b>1,971.65</b>	<b>-</b>

The break-up of current and non-current lease liabilities is as follows :

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Current lease liabilities	786.13	-
Non-current lease liabilities	1,185.52	-
	<b>1,971.65</b>	<b>-</b>

The details regarding the contractual maturities of lease liabilities on an undiscounted basis is as follows:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Due not later than one year	1026.59	-
Due later than one year but not later than five years	1290.92	-
Later than five years	112.04	-
	<b>2,429.55</b>	<b>-</b>

**Operating lease commitments – Group as lessor**

The Company has leased out Digital Cinema Equipment to theatres, franchisees and subsidiary companies on an operating lease arrangement. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The lease term is generally for 5 to 10 years. The Company as well as the theatres and franchisees have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement.

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Lease income recognised in Statement of profit and loss	6,040.99	6,729.46
	<b>6,040.99</b>	<b>6,729.46</b>

**32. Segmental Reporting**

The Group is engaged primarily in the business of Digital Cinema Services and sale of digital cinema ancillary to the sale of services. Group's performance for operations as defined in IND AS 108 are evaluated as a whole by chief operating decision maker of the Group based on which these are considered as single operating segment. The chief operating decision-maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment.

## Notes to Consolidated financial statements for the year ended March 31, 2020

Information about geographical areas:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
<b>Revenue by Geographical Market</b>		
- Within India	41,294.58	52,174.01
- Middle east	515.78	7,962.90
- Rest of the world	8,401.82	1,049.23
<b>Non-Current Assets (Property Plant and Equipment, Capital work in progress, Goodwill and Intangible Assets)</b>		
- Within India	24,266.02	23,830.66
- Middle east	32.48	32.83
- Rest of the world	-	-

During the year ended March 31, 2019 and March 31, 2020, no single external customer has generated revenue of 10% or more of the Group's total revenue.

### 33. Related party disclosures

#### 1. Names of related parties where transactions have taken place during the year

##### Associate Enterprises

Scrabble Digital DMCC  
 Scrabble Digital Limited  
 Scrabble Venture LLC  
 Scrabble Ventures, S. de R.L. de C.V.  
 Mukta V N Films Limited  
 Scrabble Audio Visual Equipment Trading LLC  
 Cinestaan Digital Private Limited (Effective from 19 December 2019)

##### Enterprises owned or significantly influenced by key management personnel or their relatives

Media Infotek Park  
 Shree Enterprises  
 Valuable Media Private Limited  
 Valuable Technologies Limited  
 Valuable Edutainment Private Limited  
 Valuable Infotainment Private Limited  
 Apollo International Limited  
 Qwik Entertainment India Limited  
 Impact Media Exchange Limited  
 Nifty Portfolio Services Private Limited  
 Advent Fiscal Private Limited  
 S.Madhavan (HUF)



**Notes to Consolidated financial statements for the year ended March 31, 2020**

<b>Key management personnel</b>	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director Mr. Ashish Malushte - Chief Financial Officer Mr. Rajesh Mishra - Chief Executive Officer - Indian Operations Mr. Sameer Chavan - Company Secretary Mr. Sanjeev Aga - Independent and Non executive director Mr. S. Madhavan - Independent and Non executive director Ms. Lynn de Souza-Independent and Non executive director Mr. Ameya Hete-Non executive director
<b>Relatives of Key management personnel</b>	Mrs. Aruna Narendra Hete Mr. Uday Shankar Gaikwad Mrs. Mohana Subramanian Mrs. Kamayani Singh Kanwar

**2. Details of transactions with related parties during the year**

		₹ in Lacs	
Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>Nature of transaction/Name of the Parties</b>			
<b>1</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Expenses reimbursed</b>		
	i) Media Infotek Park	112.37	119.70
<b>B</b>	<b>Technical services (expense)</b>		
	i) Valuable Technologies Limited	928.63	922.48
<b>C</b>	<b>Direct Expenses (repair &amp; maintenance)</b>		
	i) Valuable Technologies Limited	0.00	0.91
<b>D</b>	<b>Direct Expenses (Licensee fees – Impact)</b>		
	i) Impact Media Exchange Limited	72.00	72.00
<b>E</b>	<b>Licensee fee- Club X (income)</b>		
	i) Valuable Media Limited	9.77	9.45
<b>F</b>	<b>Rent paid (expense)</b>		
	i) Media Infotek Park	608.76	545.06
<b>G</b>	<b>Rent income (Miscellaneous receipts)</b>		
	i) Valuable Media Limited	6.45	5.14
	ii) Valuable Edutainment Private Limited	2.45	1.19
<b>H</b>	<b>Sales of Spare income</b>		
	i) Valuable Media Private Limited	0.17	-
<b>I</b>	<b>Security Deposit received</b>		
	i) Valuable Media Limited	0.20	0.11
	ii) Valuable Edutainment Private Limited	0.21	0.11
<b>J</b>	<b>Dividend Paid</b>		
	i) Valuable Media Limited	1,009.92	280.53
	ii) Valuable Technologies Limited	1,009.65	280.46
	iii) Nifty Portfolio Services Private Limited	243.96	67.77
	iv) Advent Fiscal Private Limited	331.73	92.15
	v) S. Madhavan (HUF)	1.35	0.13
	vi) Apollo International Limited	1,019.89	0.00

## Notes to Consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>K</b>	<b>Shares Purchased by group</b>		
	i) Valuable Technologies Limited	-	60.00
<b>2</b>	<b>Associate Enterprises</b>		
<b>A</b>	<b>Sale of goods</b>		
	i) Scrabble Digital Limited	-	4.63
	ii) Scrabble Audio Visual Equipment Trading LLC	1,671.04	264.05
<b>B</b>	<b>Content Processing Charges</b>		
	i) Scrabble Digital Limited	-	432.43
<b>C</b>	<b>Recovery of expenses</b>		
	i) Scrabble Audio Visual Equipment Trading LLC	-	22.56
<b>D</b>	<b>Miscellaneous income</b>		
	i) Scrabble Digital Limited	-	2.08
<b>E</b>	<b>Dividend received</b>		
	i) Scrabble Digital Limited	-	110.72
	ii) Scrabble Digital DMCC	176.10	174.98
	iii) Scrabble Venture LLC	178.96	-
<b>F</b>	<b>AMC Income and Digitisation Income</b>		
	i) Scrabble Digital Limited	-	5.13
<b>G</b>	<b>Shares Subscribed by Group</b>		
	i) Scrabble Audio Visual Equipment Trading LLC	-	27.74
<b>H</b>	<b>Security Deposit Received</b>		
	i) Scrabble Digital Limited	-	0.55
<b>3</b>	<b>Key Managerial Personnel and their relatives</b>		
<b>A</b>	<b>Remuneration *</b>		
	i) Mr. Sanjay Gaikwad	297.35	290.99
	ii) Mr. Kapil Agarwal	297.37	277.92
	iii) Mr. Ashish Malushte	123.17	99.45
	iv) Mr. Rajesh Mishra	153.26	149.16
	v) Mr. Sameer Chavan	28.30	22.84
<b>B</b>	<b>Dividend Paid</b>		
	i) Mr. Sanjay Gaikwad	118.71	32.97
	ii) Mr. Kapil Agarwal	208.08	57.79
	iii) Mr. Ashish Malushte	8.29	2.30
	iv) Mr. Rajesh Mishra	12.89	3.58
	v) Mr. Ameya Hete	102.51	27.22
	vi) Mr S. Madhavan	3.15	0.50
	vii) Mrs. Aruna Narendra Hete	1.80	0.00
	viii) Mr. Uday Shankar Gaikwad	0.09	0.00
	ix) Mrs. Mohana Subramanian	0.03	0.00
	x) Mrs. Kamayani Singh Kanwar	90.17	0.00
<b>C</b>	<b>Directors Sitting Fees and Commission expenses</b>		
	i) Mr Sanjeev Aga	40.00	40.00
	ii) Ms. Lynn de Souza	29.25	32.25
	iii) Mr S. Madhavan	28.75	31.00

**Notes to Consolidated financial statements for the year ended March 31, 2020**

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>1</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel and their relatives</b>		
<b>A</b>	<b>Trade Receivables</b>		
	i) Valuable Media Limited	3.32	1.58
	ii) Valuable Infotainment Private Limited	0.27	0.27
	iii) Valuable Edutainment Private Limited	1.18	1.38
<b>B</b>	<b>Deposit receivable</b>		
	i) Media Infotek Park	359.66	359.66
<b>C</b>	<b>Deposit payable</b>		
	i) Valuable Media Limited	2.04	1.84
	ii) Valuable Infotainment Private Limited	0.65	0.06
	iii) Valuable Edutainment Private Limited	0.05	0.43
<b>2</b>	<b>Associate enterprise</b>		
<b>A</b>	<b>Amount receivable</b>		
	i) Scrabble Audio Visual Equipment Trading LLC	613.13	205.79
<b>B</b>	<b>Performance Guarantee Given</b>		
	i) Scrabble Ventures LLC	0.00	3,458.57
<b>C</b>	<b>Corporate Guarantee given on borrowing (Refer note b)</b>		
	i) Mukta V N Films Limited	200.00	200.00
<b>3</b>	<b>Key managerial personnel</b>		
<b>A</b>	<b>Provision for commission payable</b>		
	i) Mr. Sanjeev Aga	25.00	26.00
	ii) Ms. Lynn de Souza	8.50	12.50
	iii) Mr S. Madhavan	12.50	11.00

**Notes:**

- a) As at March 31, 2020, the Parent company has provided Corporate guarantee to the bank for an Overdraft facility of ₹ 200 lacs (March 31, 2019: ₹ 200 lacs) taken by an associate.
- b) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and ordinary course of business. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**Compensation of key management personnel of the Company:**

₹ in Lacs

Particular	March 31, 2020	March 31, 2019
Remuneration	899.45	840.36

\*Key Managerial Personnel and Relatives of promoters who are under the employment of the group are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS -19 Employee Benefits in the financial statements. As these employee benefits are lump-sum amounts provided on the basis of the actuarial valuation, the same is not included above, as they are determined on an actuarial basis for the Group as a whole.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 34. Capital and other commitments

₹ in Lacs

Capital commitments	March 31, 2020	March 31, 2019
Capital commitments	1,410.21	453.94
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 187.28 lacs)		
Other commitments (operating expenses net of advances of Rs. 18.21 lacs)	722.89	269.48
	<b>2,133.10</b>	<b>723.42</b>

### 35. Contingent liabilities

₹ in Lacs

	March 31, 2020	March 31, 2019
Performance guarantees issued by the Company on behalf of Subsidiaries and associates to two studios for the performance of obligation relating to the distribution of their digital content by its subsidiaries, step down subsidiaries and associates of the subsidiary in a certain overseas market. USD NIL (March 31, 2019: USD 350 lacs) (Refer note (a))	-	24,209.96
Labour Guarantee	-	6.23
<b>Pending litigations/matters</b>		
(i) In respect of income tax matters		
Income Tax matters (Refer note (b))	-	-
(ii) In respect of Indirect tax matters		
VAT and Service tax matters (Refer note (c))	76.00	76.00
	<b>76.00</b>	<b>24,292.19</b>

- a) The following performance Guarantee outstanding as at March 31, 2019 has been expired or obligation has been satisfied during the year.
- USD 20 Mn each to a studio on behalf of Scrabble Entertainment Mauritius Ltd and Scrabble Entertainment DMCC. The aggregate liability under the aforesaid two guarantees has been capped at an overall ceiling of USD 20 Mn
  - USD 5 Mn to a studio on behalf of Scrabble Entertainment DMCC
  - USD 5 Mn to a studio on behalf of Scrabble Entertainment Mauritius Limited
  - USD 5 Mn to a studio on behalf of Scrabble Ventures LLC
- b) The Group is contesting the demand/matter relating to pending litigations listed above and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.
- c) i) **West Bengal Case:** The Company has received an Order dated 4 July 2011 from the Senior Jt. Commissioner, Sales Tax Behala Circle (West Bengal) for the year 2007-2008 demanding sales tax payment of ₹ 41.90 lacs. The Company has filed an appeal on 26 August 2011 at Honorable Appellate Tribunal of Sales tax Kolkata. The Company has received favourable order from Assessing officer in same issues for subsequent years.
- ii) **Cochin Case:** The Company has received an Order dated 30th January 2017 from Asst. Commissioner, Commercial Tax Special Circle Ernakulum for the period 2012 to 2013 demanding tax on the difference in closing stock & difference in material movement value as per VAT return & VAT Audit report. The dispute is that the Sales Tax Department has passed an order without considering the fact that the company has already applied for the application for revision of return and it is pending for approval from the commercial tax department. The Sales Tax Department has issued the notification allowing the revision of return of an earlier period. The company is in the process of revising the VAT Returns. Post revision of return the outstanding liability will be nullified.

## Notes to Consolidated financial statements for the year ended March 31, 2020

On August 24, 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ("CESTAT") dated August 18, 2017 ("the Order"), where-in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 Lacs, excluding interest and penalty on account of disallowance of CENVAT Credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped.

Further, CESTAT remanded the matter relating to demand of ₹1,526 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October 2011 to March 2014 for reconsideration to the Adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honourable High court against the Order on March 22, 2018"

The Company received a show-cause cum demand notice dated 16 April 2019 for April 2014 to June 2017 in respect of

- i. disallowance of Cenvat credit claimed on capital goods – ₹391.46 lacs
  - ii. double taxation issue i.e. service tax on rental from the leasing of Digital Cinema Equipment – ₹ 3,245.86 lacs
- Since the demand is in relation to the similar matter as stated above for the period, the same has been set aside by the department and the case will be heard post finalisation of earlier matter at High Court.

The Company believes its position will likely to be upheld in the appellate process and liability will not arise to the Company on this matter."

The above does not include all other obligations resulting from customer claims, legal pronouncements having a financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

### 36. Financial Instruments - Accounting Classifications and Fair Value Measurement

The fair value of the Financial Assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value management hierarchy of the Group's Financial assets and liabilities.

The Carrying value and fair value of financial assets by categories as at March 31, 2020 is as follows:

₹ in Lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total Carrying amount	Total Fair value
<b>Financial Assets</b>					
Trade Receivables	13,116.84	-	-	13,116.84	13,116.84
Loans and Security deposit	816.08	-	-	816.08	816.08
Cash and Cash equivalents	1,368.08	-	-	1,368.08	1,368.08
Bank Balance other than above	1,463.80	-	-	1,463.80	1,463.80
Others	309.57	-	-	309.57	309.57
Investments accounted using equity method	1,778.61			1,778.61	1,778.61
Investment in mutual funds	-	8,699.98		8,699.98	8,699.98
<b>Total</b>				<b>27,552.96</b>	<b>27,552.96</b>
<b>Financial Liabilities</b>					
Borrowing	6,992.64	-	-	6,992.64	6,992.64
Lease liabilities	1,971.65	-	-	1,971.65	1,971.65
Other financial liabilities	6,772.15	-	-	6,772.15	6,772.15
Trade Payable	8,328.35	-	-	8,328.35	8,328.35
<b>Total</b>				<b>24,064.79</b>	<b>24,064.79</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

The Carrying value and fair value of financial assets by categories as at March 31, 2019 is as follows: ₹ in Lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total Carrying amount	Total Fair value
<b>Financial Assets</b>					
Trade Receivables	20,072.88	-	-	20,072.88	20,072.88
Loans and Security Deposit	701.17	-	-	701.17	701.17
Cash and Cash equivalents	2,224.85	-	-	2,224.85	2,224.85
Bank Balance other than above	3,491.84	-	-	3,491.84	3,491.84
Others	45.00	-	-	45.00	45.00
Investments accounted using equity method	1,201.72	-	-	1,201.72	1,201.72
Investment in mutual funds	-	13,977.01	-	13,977.01	13,977.01
<b>Total</b>				<b>41,714.47</b>	<b>41,714.47</b>
<b>Financial Liabilities</b>					
Borrowing	7,804.15	-	-	7,804.15	7,804.15
Other financial liabilities	6,431.93	-	-	6,431.93	6,431.93
Trade Payable	9,946.06	-	-	9,946.06	9,946.06
<b>Total</b>				<b>24,182.14</b>	<b>24,182.14</b>

The Carrying value and fair value of financial assets by categories as at March 31, 2020 is as follows: ₹ in Lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value through Profit or Loss</b>					
Investment in mutual funds	8,699.98	8,699.98	-	8,699.98	-
<b>Total</b>		<b>8,699.98</b>	-	<b>8,699.98</b>	-

The Carrying value and fair value of financial assets by categories as at March 31, 2019 is as follows: ₹ in Lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value through Profit or Loss</b>					
Investment in mutual funds	13,977.01	13,977.01	-	13,977.01	-
<b>Total</b>	<b>13,977.01</b>	<b>13,977.01</b>	-	<b>13,977.01</b>	-

The management assessed that cash and bank balances, trade receivables, loans (current) trade payables, borrowings (cash credits and working capital loans) and other financial assets and liabilities (current) approximate their carrying amounts largely due to the short term maturities of these financial instruments.

The management assessed that fair value of non-current loan, long-term borrowing and non-current liabilities approximate their carrying amount since they are carried at amortised cost in these financial statements.

During the reporting period ending March 31, 2019 and March 31, 2020 there was no transfer between level 1 and level 2 fair value instruments.

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 37. Financial Risk Management - Objectives and policies

The Group's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees contract. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Senior Management oversees the management of these risks. The Group's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Group. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

##### a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows: ₹ in Lacs

	Increase effect		Decrease effect	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(69.9)	78.0	(78.0)	78.0

##### b) Currency Risk:

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The Majority of the Group's revenue and expense are in Indian Rupees, with the remainder denominated in US Dollars. Management Considers currency risk to be low and does not hedge its own currency risks except foreign currency borrowing for which it uses forward contract to hedge exposure to foreign currency risk.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions. ₹ in Lacs

	March 31, 2020	March 31, 2019
Trade Receivable	67.80	112.60
In USD (in lacs)	0.90	1.63
Trade Payable	1,351.68	20.64
In USD (in lacs)	17.93	0.30
Advance to supplier	15.49	131.70
In USD (in lacs)	0.21	1.90
Cash and Bank Balance	0.70	0.64
In USD (in lacs)	0.06	0.01
Advance from Customer	37.51	34.42
In USD (in lacs)	0.50	0.50

## Notes to Consolidated financial statements for the year ended March 31, 2020

### Exposure on Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities: ₹ in Lacs

	March 31, 2020	March 31, 2019
1% increase in foreign exchange rate:	(13.05)	1.90
1% (decrease) in foreign exchange rate:	13.05	(1.90)

### 2. Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness as well as concentration of risks of customers on a continuous basis to whom the credit has been granted after obtaining necessary approval for credit. The company majorly operates locally and hence Company's exposure on credit risk from receivable's in different geographies is not significant.

Financial instruments that are subject to concentration of credit risk principally consist of trade reciveables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets .

#### Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk is ₹ 41,559.61 lacs and ₹ 25,774.34 lacs as at March 31, 2019 and March 31, 2020 respectively as per the table below:

₹ in Lacs

	March 31, 2020	March 31, 2019
Balance with Banks including bank deposits	2,831.88	5,716.69
Investments	8,699.98	13,977.01
Trade Receivable	13,116.84	20,072.88
Contract assets	280.17	1,046.86
Other residual financial assets	845.48	746.16
<b>Total</b>	<b>25,774.35</b>	<b>41,559.60</b>

Trade receivables and contract assets are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international credit rating agencies.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue, which are typically unsecured and are derived from revenue from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and in liquid mutual fund units with financial institutions with high ratings assigned by international and credit rating agencies. None of the other financial assets of the Company result in material concentration of credit risk.

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty



**Notes to Consolidated financial statements for the year ended March 31, 2020**

credit risk and own credit risk while assessing risk pertaining to financial assets. The Group continues to believe that there is no impact on such assets.

**3. Liquidity risk:**

Liquidity risk is the risk that the the group will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium-term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in Lacs

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
<b>At March 31, 2020</b>					
Non current borrowings	2,910.74	3,354.65	-	6,265.39	6,265.39
Current borrowing	727.26	-	-	727.26	727.26
Lease liabilities	786.13	1,185.52	-	1,971.66	1,971.66
Trade Payables	8,328.35	-	-	8,328.35	8,328.35
Other financial liabilities (current)	2,103.37	-	-	2,103.37	2,103.37
Other financial liabilities (non-current)	-	4,668.77	-	4,668.77	4,668.77
<b>At March 31, 2019</b>					
Non current borrowings	2,697.88	3,710.10	-	6,407.98	6,407.98
Current borrowing	1,396.17	-	-	1,396.17	1,396.17
Trade Payables	9,946.06	-	-	9,946.06	9,946.06
Other financial liabilities (current)	3,271.17	-	-	3,271.17	3,271.17
Other financial liabilities (non-current)	-	3,160.76	-	3,160.76	3,160.76

**38. Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital, Security premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Group .

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Long term debt including current maturities	6,265.38	6,407.98
Equity attributable to owners of Group	38,121.30	48,771.15
Gearing Ratio	16.44%	13.14%

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 39. Business Combinations and acquisition of non-controlling interest

- (A) On November 1, 2017, the Board of Directors of the Company had approved the composite scheme of arrangement and amalgamation amongst the Company and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors ("the Qube Scheme") under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act").

The Company had filed the Qube Scheme with the NCLT, on March 13, 2019. Further, the shareholders of the Company had approved the Qube Scheme at the NCLT convened meeting held on May 21, 2019. NCLT vide its order dated January 21, 2020 ("NCLT Order") had dismissed the petition filed jointly by the Company and PJSA before NCLT for approval of the Qube Scheme. The Company and PJSA have filed an appeal on February 25, 2020 ("Appeal") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") challenging the NCLT Order. NCLAT by way of its order dated October 24, 2020 which was made available on October 25, 2020 allowed the Appeal and has set aside the NCLT Order. Further, the NCLAT Order records that the representative of the Union of India, Ministry of Corporate affairs, through the Regional Director, Western Region has conceded before the NCLAT that the grounds given for the rejection of the Qube Scheme in the NCLT Order were uncalled for and the NCLT was only required to notice all the requirements of Section 230-232 of the Act.

#### (B) Acquisition of stake in Cinestaan Digital Private Limited

The Board of Directors of the Company at its meeting held on December 20, 2019 has approved an investment of up to ₹ 2,000 lacs by way of convertible instruments over a period of three years in Cinestaan Digital Private Limited (CDPL). During the year, the company has made an initial investment of ₹ 500 lacs of the total approved investment. For the purpose of accounting, CDPL is treated as an associate in accordance with Ind AS 28 on Investments in Associates and Joint Ventures.

#### (C) Acquisition of 66.67% stake in Scrabble Digital Limited (SDL) during the year ended March 31, 2019:

On October 25, 2018, the Board of Directors of Scrabble Entertainment Limited (SEL) had approved the acquisition of 395,428 equity shares of Scrabble Digital Limited (SDL), an associate of SEL, from other equity shareholders for a total consideration of ₹ 2,400 Lacs. Out of the approved acquisition of the above mentioned number of shares 395,427 were acquired on December 15, 2018, subsequent to which SDL has become subsidiary of SEL, the remaining 1 share was acquired on January 14, 2019 after which the transaction was consummated.

Under Ind AS 103 – Business Combinations ('Ind AS 103' or the 'relevant standard') such transactions are considered as step acquisition which requires re-measurement of previously held equity interest at its acquisition date fair value and to recognise the resulting gain in the statement of profit and loss. Further, excess of consideration transferred, non-controlling interest and the re-measured equity interest in the acquiree over fair value of identifiable assets acquired and liabilities assumed is recorded as goodwill.

The gain on re-measurement of previously held equity interest amounting to ₹ 371.87 lacs has been credited to Statement of profit or loss in accordance with Ind AS 103 .

Following table explain the accounting date of acquisition:

Particulars	₹ in Lacs
Amount paid for 66.67% additional equity interest	2,400.00
Acquisition date fair value of existing equity interest (A)	968.07
<b>Less:</b>	
Identifiable Asset Acquired	
Tangible and Intangible Assets (including CWIP)	515.67
Trade Receivables	661.68
Others	1,047.05
<b>Total (B)</b>	<b>2,224.40</b>

**Notes to Consolidated financial statements for the year ended March 31, 2020**

Particulars	₹ in Lacs
Particulars	Amount
<b>Liability Assumed</b>	
Trade Payables	25.57
Others	410.22
<b>Total (C)</b>	<b>435.79</b>
<b>Net Assets Acquired (D = B-C)</b>	<b>1,788.61</b>
<b>Goodwill As per Ind AS 103 recorded on acquisition date (E = D-A)</b>	<b>1,579.46</b>

The Purchase Price has been allocated based on management's estimate as follows: ₹ in Lacs

Particulars	Acquiree's Carrying amount	Fair value Adjustments	Purchase Price Allocated
Property Plant and Equipments	515.67	-	515.67
Net Assets (excluding above)	1,272.94	-	1,272.94
<b>Total</b>	<b>1,788.61</b>	<b>-</b>	<b>1,788.61</b>
Purchase Consideration paid			2,400.00
Valuation of 33.33% existing shares of SEL			968.07
<b>Goodwill</b>			<b>1,579.46</b>

- (D) On August 8, 2018, the Board of Directors had approved the acquisition of 2,895 equity shares of Valuable Digital Screens Private Limited (VDSPL), a subsidiary of the Company, from other equity shareholder for a total consideration of ₹ 60 Lacs. This transaction was consummated on September 27, 2018, consequent to which VDSPL has become a wholly owned subsidiary of the Company.

Following table summarises the details of the acquisition of remaining interest acquired in VDSPL:

Particulars	₹ in Lacs
Cash Consideration paid to Non Controlling interest	60.00
Carrying Value of the remaining stake in VDSPL	969.50
Difference recognised in Other Reserve within Other Equity	1,029.50

**40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on the information available with the Group, the balance due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ Nil (Previous year ₹ Nil) under the terms of the MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information provided by the parties.

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group is as under:

Particular	March 31, 2020	March 31, 2019
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

## Notes to Consolidated financial statements for the year ended March 31, 2020

### 41. Event subsequent to balance sheet date

#### A) Dividend on equity shares

₹ in Lacs

Particulars	March 31, 2019
Proposed dividend on equity shares for the year ended March 31, 2019: ₹ 2.50	708.77
Dividend distribution tax on the proposed dividend	145.69
Interim dividend declared for the year ended March 31, 2019: ₹ 27.50 per share which include special dividend of ₹15 per share	7,796.47
Dividend distribution tax on the interim dividend	1,602.59
	<b>10,253.52</b>

- B) The Company converted investment in compulsorily convertible preference shares (CCPS) of Cinestaan Digital Private Limited (CDPL) into equity shares as per the terms of the agreement and were allotted 1,162,618 equity shares against CCPS. In addition, the Company also exercised 350,000 warrants by making payment of Rs 135.35 lacs @ Rs 38.67 per share for 350,000 equity shares issued against these warrants. Post conversion UFO holds 18.75% equity share capital of CDPL.

### 42. Investment in an Associate

#### Material Associate

The Group had 33.33% interest in Scrabble Digital Limited (SDL), which is engaged in providing digital services having principal place of business in India. The Group's interest in SDL is accounted for using the equity method.

The following table illustrates the summarised financial information of the Group's investment in SDL.

₹ in Lacs

Particular	March 31, 2020*	March 31, 2019
<b>Non-current Assets</b>	-	763.66
Current Assets	-	1,216.57
Current Liabilities	-	285.16
Non-current Liabilities	-	27.36
<b>Equity</b>	-	1,667.71
Proportion of group's Ownership interest	100.0%	33.3%
Carrying amount of Group's interest	-	555.85

₹ in Lacs

Particular	March 31, 2020	December 14, 2018 (upto the date of being an associate)
Revenue	-	1,928.41
Operating Expenses	-	369.80
Depreciation & amortization	-	234.24
Employee benefit	-	306.31
Other expenses	-	265.57
<b>Profit before tax</b>	-	752.48
Income tax expense	-	(231.13)
Profit for the year	-	521.35
Group's Share of profit for the year	-	173.77
Group's Share of other comprehensive income for the year	-	-
Dividend received from the associate during the year	-	110.72

\*Refer Note 39 (C)

## Notes to Consolidated financial statements for the year ended March 31, 2020

### Non Material Associate:

There are no investments in Associates that are individually material except as disclosed above. Summarised financial information of associates that are not individually material as per Ind AS 112.

₹ in Lacs

Particular	March 31, 2020	March 31, 2019
Group's share of Profit / (loss)	396.38	184.16
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	396.38	184.16

### 43. Contract balances

The movement in contract assets and contract liabilities from contracts with customers:

₹ in Lacs

Contract assets (Unbilled Receivables)	March 31, 2020	March 31, 2019
Opening balance 1 April 2019	1,046.87	1,204.55
Less: Invoices raised for revenue recognised during the previous year	(1046.87)	(394.51)
Add: increase due to invoices not raised for revenue recognised during the year	280.17	236.83
<b>Closing balance March 31, 2020</b>	<b>280.17</b>	<b>1,046.87</b>

₹ in Lacs

Contract Liabilities (Advance or deferred income)	March 31, 2020	March 31, 2019
Opening balance	1,027.13	1,334.26
Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,027.13)	(417.06)
Add: invoices raised for which no revenue is recognised during the year	870.68	109.92
<b>Closing balance</b>	<b>870.68</b>	<b>1,027.13</b>

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets include amounts related to Group's contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue.

Contract liabilities include payments received in advance of performance under the contract and are realized with the associated revenue recognized under the contract.

### Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Revenue from contracts with customers (as per Statement of Profit and Loss)	50,212.17	61,186.14
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-766.70	-157.68
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	-156.44	-307.14
<b>Contracted price with the customers</b>	<b>49,289.03</b>	<b>60,721.32</b>

The Company does not have revenue from individual customer exceeding 10% of total revenue

## Notes to Consolidated financial statements for the year ended March 31, 2020

### Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

### 44. Impact of Covid-19

The World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic on March 11, 2020. Economic activity in India started getting impacted from March 11, 2020, when COVID-19 started to spread. Cinemas were the first to be impacted by COVID-19 and they started shutting down in accordance with the orders passed by various regulatory authorities and in a few days, all Cinemas across India were temporary shutdown. Consequent to this, as social distancing was the only way to stop the spread of COVID-19, the Government of India declared a nationwide lockdown that came into effect from March 25, 2020, impacting all non-essential activity.

The management of the Company has carried out a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Company is in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Company have remained shut since the mid of March 2020, severely impacting its revenues and profitability. The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Management has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects, and as on the date of approval of these financial results, it believes that there is no significant impact. However, the Company will continue to monitor the impact on account of changes in future economic conditions. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial results.

On account of COVID-19, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in fixed overheads for the period of the lockdown
- Reduction in salaries at various levels across the organization”

Re-opening of the Company’s operations fully depends on the reopening of cinemas. The Government vide its Order [Guidelines for Phased Re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated 30th May 2020] has stated that Cinemas will be allowed to open in the third phase of re-opening but the date of cinemas re-opening is uncertain at this point in time and will be decided based on the assessment of the situation. Given this uncertainty, these cost optimization measures will help the Company to conserve cash to sustain this phase until cinemas re-open.

**Notes to Consolidated financial statements for the year ended March 31, 2020**
**45. Disclosure of Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprise Consolidated as Subsidiary and Associate**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income *	
	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	As % of consolidated net assets	₹ in lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
1	2	3	4	5	6	7	8	9
<b>A. UFO Moviez India Limited</b>	107.06%	40,813.32	261.33%	10,131.82	31.08%	102.10	243.34%	10,233.93
<b>B. Subsidiaries and step down subsidiaries</b>								
<b>I. Indian</b>								
(i) Scrabble Entertainment Limited	15.82%	6,032.13	130.22%	5,048.82	1.77%	5.81	120.19%	5,054.63
(ii) Valuable Digital Screen Private Limited	-0.36%	(137.94)	-4.60%	(178.17)	0.27%	0.87	-4.22%	(177.29)
(iii) PJSA Technosoft Private Limited	0.00%	(1.33)	-0.02%	(0.65)	0.00%	-	-0.02%	(0.65)
(iv) UFO Software Technologies Private Limited	0.09%	35.81	0.04%	1.36	0.00%	-	0.03%	1.36
<b>II. Foreign</b>								
(v) United Film Organisers Nepal Private Limited	0.14%	52.48	0.00%	-	-0.28%	(0.94)	-0.02%	(0.94)
(vi) UFO Lanka Private Limited	0.06%	23.19	0.00%	-	-0.02%	(0.06)	0.00%	(0.06)
(vii) Scrabble Entertainment DMCC	3.96%	1,509.65	11.74%	455.08	37.16%	122.07	13.72%	577.15
(viii) Scrabble Entertainment Mauritius Limited	2.26%	859.83	1.14%	44.12	23.13%	75.99	2.86%	120.11
(ix) Scrabble Entertainment Lebanon Sarl	-0.19%	(72.36)	-0.28%	(10.74)	-0.67%	(2.20)	-0.31%	(12.95)
(x) Scrabble Digital Inc	0.19%	72.72	-1.02%	(39.72)	2.12%	6.95	-0.78%	(32.77)
(xi) Scrabble Digital Limited	3.76%	1,434.77	17.76%	688.68	0.00%	-	16.38%	688.68
<b>C. Non Controlling Interest in all subsidiaries</b>	0.00%	1.35	0.00%	-	0.00%	-	0.00%	-
<b>D. Associates (Investment as per equity method)</b>								
<b>I. Indian</b>								
(i) Mukta V N Films Limited	0.98%	373	-0.43%	(16.77)	0.00%	-	-0.40%	(16.77)
(ii) Cinestaan Digital Private Limited	-0.01%	(5)	-1.13%	(43.65)			-1.04%	(43.65)
(iii) Scrabble Digital DMCC	0.68%	257.79	4.68%	181.36	0.00%	-	4.31%	181.36
(iv) Scrabble Ventures LLC	0.66%	253.08	-2.28%	(88.58)	0.00%	-	-2.11%	(88.58)
(v) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	-
(vi) Scrabble Audio visual equipment trading LLC- Dubai, U.A.E.	1.19%	454.90	9.39%	364.02	0.00%	-	8.66%	364.02
Adjustment arising on consolidation	-36.29%	(13,835.13)	-326.53%	(12,659.92)	5.45%	17.90	-300.60%	(12,642.01)
<b>Total</b>	<b>100.00%</b>	<b>38,122.63</b>	<b>100.00%</b>	<b>3,877.06</b>	<b>100.00%</b>	<b>328.51</b>	<b>100.00%</b>	<b>4205.57</b>

## Notes to Consolidated financial statements for the year ended March 31, 2020

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in Profit or Loss*		Shares in Other Comprehensive Income *		Share in Total Comprehensive Income *	
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	As % of consolidated net assets	₹ In lacs	As % of consolidated Profit or Loss	₹ in lacs	As % of Other Comprehensive Income	₹ in lacs	As % of Total Comprehensive Income	₹ in lacs
1	2	3	4	5	6	7	8	9
<b>A. UFO Moviez India Limited</b>	101.27%	49,392.35	64.65%	4,203.23	-18.18%	(34.15)	62.32%	4,169.08
<b>B. Subsidiaries and step down subsidiaries</b>								
<b>I. Indian</b>								
(i) Scrabble Entertainment Limited	22.38%	10,915.04	35.78%	2,326.64	1.58%	2.97	34.82%	2,329.61
(ii) Valuable Digital Screen Private Limited	-10.82%	(5,279.50)	-18.30%	(1,189.85)	-0.36%	(0.67)	-17.80%	(1,190.52)
(iii) PJSa Technosoft Private Limited	0.00%	(0.69)	-0.02%	(1.06)	0.00%	-	-0.02%	(1.06)
(iv) UFO Software Technologies Private Limited	0.07%	34.45	0.01%	0.93	0.00%	0.00	0.01%	0.93
(v) UFO Lanka Private Limited		-	0.00%	-	0.00%	-	0.00%	-
<b>II. Foreign</b>								
(v) United Film Organisers Nepal Private Limited	0.11%	53.41	0.03%	2.11	0.44%	0.82	0.04%	2.93
(vi) UFO Lanka Private Limited	0.05%	23.55	0.00%	-	-1.12%	(2.10)	-0.03%	(2.10)
(vii) Scrabble Entertainment DMCC	8.04%	3,920.65	10.34%	672.19	99.54%	186.95	12.84%	859.14
(viii) Scrabble Entertainment Mauritius Limited	1.50%	733.82	0.33%	21.60	9.41%	17.68	0.59%	39.28
(ix) Scrabble Entertainment Lebanon Sarl	-0.12%	(59.42)	-0.04%	(2.82)	-2.16%	(4.06)	-0.10%	(6.88)
(x) Scrabble Digital Inc	0.22%	105.49	-0.44%	(28.78)	4.41%	8.29	-0.31%	(20.49)
(xi) Scrabble Digital Limited	4.08%	1,989.46	3.09%	200.96	-0.06%	(0.11)	3.00%	200.85
<b>C. Non Controlling Interest in all subsidiaries</b>	0.00%	1.33	-2.33%	(151.70)	0.00%	-	-2.27%	(151.70)
<b>D. Associates (Investment as per equity method)</b>								
<b>I. Indian</b>								
(i) Scrabble Digital Limited	0.00%	-	2.67%	173.77	0.00%	-	2.60%	173.77
(ii) Mukta V N Films Limited	0.77%	373	0.36%	23.17	0.00%	-	0.35%	23.17
<b>II. Foreign</b>								
(iii) Scrabble Digital DMCC	0.52%	252.54	3.18%	206.98	0.00%	-	3.09%	206.98
(iv) Scrabble Ventures LLC	1.00%	487.21	-1.65%	(106.96)	0.00%	-	-1.60%	(106.96)
(v) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
(vi) Scrabble Audio visual equipment trading LLC- Dubai, U.A.E.	0.18%	88.71	0.94%	60.97	0.00%	-	0.91%	60.97
<b>Adjustment arising on consolidation</b>	-29.24%	(14,259.18)	1.39%	90.46	6.49%	12.19	1.53%	102.65
<b>Total</b>	<b>100.00%</b>	<b>48,772.48</b>	<b>100.00%</b>	<b>6,501.84</b>	<b>100.00%</b>	<b>187.81</b>	<b>100.00%</b>	<b>6689.65</b>

\*The details of Net Assets and Share in Profit and Loss and Shares in Other Comprehensive Income have been presented before eliminations.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**

**of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

Place: Mumbai

Date: June 22, 2020



Notes to Consolidated financial statements for the year ended March 31, 2020

ANNEXURE TO DIRECTOR'S REPORT  
FORM AOC -1

Statement contenting salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures  
[Pursuant to first proviso to sub-section (3) of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014

Part A : Subsidiaries

Sr. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting period for subsidiary concerned, if different from holding company's reporting period	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Country
1	Scrabble Entertainment Limited	15-Feb-11	-	1.00	INR	76.84	5,955.29	9,515.96	3,483.83	3,590.21	5,968.63	6,212.83	1,164.00	5,048.82	-	100	India
2	Scrabble Entertainment DMCC	16-Feb-11	-	20.34	AED	610.26	891.45	5,373.25	3,871.54	32.54	8,871.05	430.17	-	430.17	-	100	U.A.E.
3	Scrabble Entertainment Mauritius Limited	11-Jul-11	-	75.39	USD	565.40	294.44	1,062.97	203.14	554.46	207.74	2,999.53	130.91	2,868.63	-	100	Mauritius
4	Scrabble Digital Inc	22-Mar-13	-	75.39	USD	414.62	274.79	798.77	109.35	609.15	-	(255.98)	(66.71)	(199.27)	-	100	U.S.A.
5	Scrabble Entertainment Lebanon Sarl	13-Mar-12	31-Dec-19	0.05	LBP	2.48	(74.09)	-	71.61	-	-	(10.74)	-	(10.74)	-	100	Lebanon
6	Scrabble Entertainment Israel Ltd	17-Jun-12	-	21.29	ILS	21.29	-	21.29	-	-	-	-	-	-	-	100	Israel
7	UFO Software Technologies Private Limited	20-Feb-07	-	1.00	INR	24.82	10.95	39.57	3.80	-	-	1.76	0.44	1.32	-	95.97	India
8	Valuable Digital Screens Private Limited	6-Jan-15	-	1.00	INR	1.45	(139.39)	1,103.05	1,241.00	-	181.11	(178.17)	-	(178.17)	-	100	India
9	UFO Lanka Private Limited	31-Jan-08	-	0.39	LKR	107.92	(84.73)	23.19	-	-	-	-	-	-	-	100	Sri Lanka
10	United Film Organizers Nepal Private Limited	23-Mar-08	-	0.61	NPR	97.25	(44.77)	52.48	-	-	-	-	-	-	-	100	Nepal
11	PUSA Technosoft Private Limited	11-Nov-17	-	1.00	INR	1.00	(2.33)	1.02	2.35	-	-	(0.65)	-	(0.65)	-	100	India
12	Scrabble Digital Limited	15-Dec-18	-	1.00	INR	59.31	1,375.46	1,738.43	303.65	-	2,315.43	988.93	280.25	688.68	-	100	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2019 and is not audited and is management accounts
2. The exchange rates considered are as at March 31, 2020
3. The accounts of Scrabble Digital Inc, United Films Organizers Nepal Private Limited, UFO Lanka Private Limited as at March 31, 2020 are not audited and are Management accounts.
4. Scrabble Entertainment Israel Ltd is under the process of being Liquidated, hence not consolidated.

## Notes to Consolidated financial statements for the year ended March 31, 2020

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

### PART B - Associates and Joint Ventures

₹ in Lacs

Name of Associates or Joint Ventures	Mukta VN Films Limited	Cinestaan Digital Private Limited	Scrabble Digital DMCC	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico	Scrabble Audio visual equipment trading LLC- Dubai,U.A.E.
<b>1 Latest Audited Balance Sheet</b>	31-Mar-20	31-Mar-20	31-Dec-19	31-Mar-20	31-Mar-20	31-Mar-20
<b>2 Date on which the Associate or Joint Venture was associated or acquired</b>	10-Jun-13	20-Dec-19	16-Feb-11	1-Apr-13	16-Aug-13	25-Nov-18
<b>3 Shares of Associate or Joint Venture held by the Company on the year end</b>						
Number of shares held	2,699,950	-	100	3,000	1,500	147
Amount of Investment in Associate or Joint Venture	270.00	500.00	12.73	199.00	0.08	28.27
Extent of Holding (in percentage)	48.12%	14.41%	33.33%	30%	30%	49%
<b>4 Description of how there is significant influence</b>						
<b>5 Reason why the associate / joint venture is not consolidated</b>	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials
<b>6 Networth attributable to shareholding as per last audited Balance Sheet</b>	304.07	(29.23)	291.28	350.88	(134.66)	237.49
<b>7 Profit or Loss for the year</b>	(23.98)	(1,076.09)	574.51	(427.45)	67.62	388.24
i. Considered in Consolidation	(16.77)	(43.65)	181.36	(88.58)	-	364.02
ii. Not Considered in Consolidation	(7.21)	(1,032.44)	393.16	(338.87)	67.62	24.21

#### Notes:

- The exchange rates considered are at March 31, 2020
- The reporting period for Scrabble Digital DMCC is 31 December 2019
- The management accounts of Mukta VN films Limited, Scrabble Ventures LLC, Scrabble Ventures S. de R.L. de C.V, Mexico have been considered as at March 31, 2020
- The number of shares held include shares held directly or indirectly through subsidiaries.

As per our report of even date attached.

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**

Partner

Membership No: 103145

Place: Mumbai

Date: June 22, 2020

#### For and on behalf of the Board of Directors

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Rajesh Mishra**

CEO - Indian Operations

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

## Independent Auditors’ Report

To the Members of UFO Moviez India Limited

### Report on the audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of UFO Moviez India Limited (“the Company”), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“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 state of affairs of the Company as at March 31, 2020, and of its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors’ Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p><b>Impact of COVID-19 on Going concern assessment</b></p> <p>Refer Note 45 to the financial statements</p> <p>The Company is in the business of digital cinema distribution network across India. With outbreak of COVID-19 pandemic in India, a nationwide lockdown was announced since mid of March 2020. The operations of the Company are severely impacted due to economic uncertainty and disruption created by closure of cinema halls and this necessitates the evaluation of the Company’s ability to continue as a going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• Obtained management’s assessment of use of going concern assumption in preparation of the financial statements</li> <li>• Discussed with the management and those charged with Governance regarding the plan for resumption of operations and the Company’s ability to meet its obligations in the interim period. Assessed sufficiency of the Company’s resources/funds to meet its costs in the foreseeable future.</li> <li>• Evaluated the external inputs and assumptions within the going concern model by comparing them to the assumptions used elsewhere in the preparation of the financial statements.</li> <li>• Assessed the appropriateness and reasonableness of the cash flow forecasts for the foreseeable future, approved by the Board of Directors, taking into account the adverse effects that could arise from the outbreak of COVID-19 pandemic. We challenged the appropriateness by performing sensitivity analysis on key assumptions used by management in the cash flow forecasts</li> </ul>

The key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition – Advertisement Revenue (Refer Notes 21 and 2(g) to the standalone financial statements)</p> <p>We identified advertisement revenue as a KAM considering –</p> <ul style="list-style-type: none"> <li>Advertisement revenue has an inherent risk due to fraud and error for arrangements entered into with various types of customers and advertisement agencies.</li> <li>The Company uses its automated front-end system for scheduling, tracking and invoicing advertisement revenues. The advertisement revenue is recognised based on automated playback logs retrieval and playout rates in the system. Further, processing of advertisement content and scheduling of advertisements are linked to the financial module. Thus, recognition of Company's advertisement revenue is largely dependent on the front end system and may be susceptible to management override of controls.</li> </ul>	<p><b>How the matter was addressed in our audit</b></p> <ul style="list-style-type: none"> <li>Evaluated the mitigation measures taken by the Company's management and those in charge with Governance. In particular, we evaluated measures of cost rationalization, managing the Company's liquidity position and maintaining the facilities for resumption after the lockdown is lifted</li> <li>We also considered the adequacy of the required disclosure in the financial statements on the going concern assumption</li> </ul> <p>In relation to recognition of revenue from advertisements, we have:</p> <ul style="list-style-type: none"> <li>Considered the appropriateness of management's revenue recognition policy in accordance with the requirements of Ind AS 115;</li> <li>Assessed the reasonableness of the timing and amount of revenue recognized during the year;</li> <li>Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition;</li> <li>Involving our internal IT specialists, assessed the design, implementation and operating effectiveness of management's key internal IT controls over the the scheduling, billing and accounting system;</li> <li>tested the financial information contained within the advertisement module and billing systems, which included system generated reports, recording of revenue, and accrual of revenue at period end;</li> <li>Detailed testing of sample selected statistically for sales transactions from origination through to the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value;</li> <li>On selected samples statistically, we             <ul style="list-style-type: none"> <li>confirmed our understanding of the process by which revenue is determined by the relevant billing system</li> <li>verified underlying records such as sales contracts, release orders, invoices, logs for advertisements displayed</li> <li>analyzed release orders over / under/ unutilized and obtained rationale from management for the same</li> <li>verified the underlying documents to confirm the existence of the customers</li> </ul> </li> </ul> <p>evaluated the margin analysis on overall advertisement revenue.</p>

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment of investment in and loans to subsidiaries</b> (Refer Notes 4 and 5 to the standalone financial statements)</p> <p>The Company has investments in subsidiaries and has also given loans to them - the carrying amount of investment in subsidiaries is Rs.11,610 lakhs and has advanced loans amounting to Rs. 569 lakhs. Management has performed an impairment assessment based on the future business plans of the entity with underlying assumptions using the discounted free cash flow model.</p> <p>We identified this as a KAM considering:</p> <ul style="list-style-type: none"> <li>the significant risk that these investments and loans may not be recoverable.</li> <li>the annual impairment testing involves significant judgment in evaluating appropriateness of model used and underlying assumptions such as growth rate, terminal value, discount rate and others.</li> </ul>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>Evaluating the Company's process for identifying indicators of impairment of its investment in subsidiaries and /or recoverability of loans by assessing management's review of the financial performance of each subsidiary;</li> <li>assessed the recoverable amount based on the valuation carried out by the Company using discounted cash flow model. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements;</li> <li>reconciled input data to approved budgets and tested mathematical accuracy;</li> <li>performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis;</li> <li>Discussed management's strategic and operational plans for the foreseeable future.</li> </ul>

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The Company's standalone financial statements for the year ended 31 March 2019, prepared in accordance with Ind AS, were audited by us where we have expressed an unmodified opinion as per our report dated 21 May 2019. As more fully explained in Note 36 to the standalone financial statements, the figures for the year ended 31 March 2019 have been adjusted to give effect to the Scheme of Demerger ('the Scheme') of a business division of the Company's wholly owned subsidiary namely, Valuable Digital Screen Private Limited into the Company (refer Note 36 to the standalone financial statements) and these adjustments have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 34 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 has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W- 100122

Place : Mumbai  
Date : June 22, 2020

**Rajesh Mehra**  
Partner  
Membership No. 103145  
ICAI UDIN: 20103145AAAABJ9609

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no discrepancies noticed on verification between the physical stock and the book records.
- (iii) The Company has granted unsecured loan to its wholly-owned subsidiary which is also a party covered in the register maintained under Section 189 of the Act. The loan and interest thereon are repayable on demand. Management informs us that Company has not demanded repayment of the loan or interest during the year and thus there is no default on the part of the party to whom the money has been lent. In our opinion and according to the information and explanations given to us, the terms and conditions of the said loan are not prima facie prejudicial to the interests of the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- (vii) (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, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Value added tax, Sales tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of duty of Excise and Cess.



# UFO MOVIEZ INDIA LIMITED

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- (b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service tax, duty of Customs which have not been deposited on account of any dispute. The following dues of Service tax, Value added tax and Sales tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues*	Amount (₹ in lakhs)*	Period (Financial year)	Forum where the dispute is pending
Finance Act, 1994 and Service Tax Rules, 1994	Service Tax	1,527	2007-08 to 2013-14	Honorable High Court of Mumbai
Finance Act, 1994 and Service Tax Rules, 1994	Service Tax	3,637	2014-15 to 2017-18	Commissioner of Service tax
Bihar Value Added Tax Act ,	Value added tax	6	2007-08 to 2008-09	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value added tax	Value added tax	42	2007-08	Sales Tax Appellate tribunal
Bihar Value Added Tax Act	Value added tax	5	2010-11	Joint Commissioner of Sales Tax (Appeals)
Tamil Nadu Sales tax	Sales Tax	2	2014-15 to 2015-16	Joint Commissioner of Sales Tax (Appeals)
Gujarat Sales tax	Sales tax	1	2013-14	Joint Commissioner of Sales Tax (Appeal)
Andhra Pradesh Sales tax	Sales tax	5	2015-16	Joint Commissioner of Sales Tax (Appeal)
Kerala Sales tax	Sales tax	28	2012-13	Joint Commissioner of Sales Tax (Appeal)
Telangana sales tax	Sales tax	6	2014-15	Dy. Commissioner Sales tax
Kerala Sales tax	Sales tax	2	2011-12	Dy. Commissioner (Appeals)
West Bengal – Central sales tax	Sales tax	51	2013-14 to 2017-18	Sr. Joint Commissioner of sales tax
Goa – VAT act 2005 and CST act 1956	Sales tax	7	2015-16	Appellate Authority
Gujarat VAT Act 2003	Sales tax	2	2014-15	Deputy Commissioner (Appeals)
Kerala – Central sales tax	Sales tax	15	2012-13	Deputy Commissioner (Appeals)
Kerala VAT act 2003	Sales tax	16	2011-12	Deputy Commissioner (Appeals)

\*Excludes interest / penalty payable under relevant provisions of the respective Acts and amounts are net of amounts paid/deposited under protest of ₹ 30 lakhs.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the details of such transactions have been disclosed in the standalone financial statements as required under Ind AS.
- (xiv) According to the information and explanations 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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) 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 to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**  
Partner  
Membership No: 103145  
ICAI UDIN: 20103145AAAABJ9609

Place : Mumbai  
Date : June 22, 2020

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

### Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of UFO Moviez India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

#### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Rajesh Mehra**  
Partner  
Membership No: 103145  
ICAI UDIN: 20103145AAAABJ9609

Mumbai  
June 22, 2020

**Standalone Balance sheet as at March 31, 2020**

₹ in Lacs

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3.1	16,872.34	18,700.68
Capital work-in-progress	3.1	1,941.00	838.06
Right of use assets	3.2	1,249.61	-
Goodwill	3.3	340.17	340.17
Other Intangible assets	3.4	157.34	211.53
Financial assets			
(i) Investment in subsidiaries and associates	4	11,610.03	11,110.03
(ii) Loans receivables	5	593.60	471.98
(iii) Other financial assets	6	1.19	10.05
Income tax assets (net)		4,606.06	2,381.72
Deferred tax assets (net)	7	3,692.85	3,886.59
Other non-current assets	8	721.96	613.07
<b>Total Non-current Assets (A)</b>		<b>41,786.15</b>	<b>38,563.88</b>
<b>Current Assets</b>			
Inventories	9	557.15	627.06
Financial assets			
(i) Investments	10	6,593.45	11,545.39
(ii) Trade receivables	11	8,256.73	14,596.24
(iii) Unbilled receivables		143.05	743.80
(iv) Cash and cash equivalents	12	309.21	844.39
(v) Bank balances other than cash and cash equivalents	12	930.06	1,335.99
(vi) Loans receivables	5	784.66	399.02
(vii) Other financial assets	6	128.48	84.15
Other current assets	8	2,699.77	1,861.23
<b>Total Current Assets (B)</b>		<b>20,402.56</b>	<b>32,037.27</b>
<b>Total Assets (A+B)</b>		<b>62,188.71</b>	<b>70,601.15</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(i) Share capital	13	2,835.08	2,835.08
(ii) Other equity	14	37,833.22	41,174.27
<b>Total Equity (C)</b>		<b>40,668.30</b>	<b>44,009.35</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial liabilities			
(i) Borrowings	15	3,354.64	3,710.10
(ii) Lease liabilities	31	690.51	-
(iii) Other financial liabilities	16	4,531.94	3,201.11
Provisions	17	495.22	523.76
Other non-current liabilities	18	509.39	534.70
<b>Total Non-current Liabilities (D)</b>		<b>9,581.70</b>	<b>7,969.67</b>

₹ in Lacs

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19	727.26	5,266.17
(ii) Lease liabilities	31	620.33	-
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditor other than micro enterprises and small enterprises	20	4,243.37	5,375.41
(iv) Others financial liabilities	16	4,549.68	5,525.69
Provisions	17	407.58	427.01
Other current liabilities	18	1,390.49	2,027.85
<b>Total current liabilities (E)</b>		<b>11,938.71</b>	<b>18,622.13</b>
<b>Total liabilities (D+E)</b>		<b>21,520.41</b>	<b>26,591.80</b>
<b>Total equity and liabilities (C+F)</b>		<b>62,188.71</b>	<b>70,601.15</b>
<b>Significant accounting policies</b>	2		

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248WW-100022

**For and on behalf of the Board of Directors  
of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

# UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2019 - 20

## Standalone Statement of Profit and Loss for the year ended March 31, 2020

₹ in Lacs

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Income</b>			
Revenue from operations	21	34,753.30	44,882.33
Other income	22	132.30	69.36
<b>Total Income (I)</b>		<b>34,885.60</b>	<b>44,951.69</b>
<b>Expenses</b>			
Operating direct cost	23	12,030.65	16,060.08
Cost of consumables and spares consumed		359.25	409.44
Purchases of digital cinema equipment and lamps		1,331.30	1,951.08
Changes in inventories		23.13	83.04
Advertisement revenue share		5,392.30	6,911.21
Virtual print fees sharing		794.07	868.79
Other operating direct cost		4,130.60	5,836.52
Employee benefits expenses	24	7,357.60	8,068.70
Other expenses	25	7,434.30	8,989.53
<b>Total Expenses (II)</b>		<b>26,822.55</b>	<b>33,118.31</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>8,063.05</b>	<b>11,833.38</b>
Depreciation and amortisation expenses	3.1, 3.2, 3.3 & 3.4	6,128.21	6,067.92
Finance cost	26	1,006.06	1,429.38
Finance income	27	(9,427.48)	(948.65)
<b>Profit before tax</b>		<b>10,356.26</b>	<b>5,284.73</b>
<b>Tax Expense:</b>			
- Current tax	7	57.25	2,629.92
- Deferred tax	7	167.20	(281.86)
<b>Total Tax Expense</b>		<b>224.45</b>	<b>2,348.06</b>
<b>Profit / (Loss) for the year</b>		<b>10,131.81</b>	<b>2,936.67</b>
<b>Other comprehensive Income / (Loss)</b>			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		136.44	(52.49)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(34.34)	18.34
<b>Total Comprehensive Income for the year</b>		<b>10,233.91</b>	<b>2,902.52</b>
<b>Earnings per equity share (Face value of share of ₹ 10 each)</b>			
(1) Basic	28	35.74	10.36
(2) Diluted	28	35.74	10.36
<b>Significant accounting policies</b>	2		

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**

**of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

## Standalone Statement of Cash flows for the year ended March 31, 2020

	₹ in lacs	
	March 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	<b>10,356.26</b>	<b>5,284.73</b>
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	6,128.21	6,067.92
Provision for doubtful debts	170.93	348.86
Sundry balances written back	(248.12)	(51.34)
Unrealised foreign exchange loss (net)	68.18	0.69
Loss on sale and write off of fixed assets	0.11	34.48
Bad debts written-off	70.41	14.06
Fair valuation gain on financial instruments - FVTPL	430.06	(250.67)
Gain on sale of current investments (net)	(867.73)	(530.54)
Interest Income on financial assets carried at amortised cost	-	(24.20)
Interest expenses on financial liabilities carried at amortised cost	139.61	137.21
ESOP compensation	-	371.72
Opening Ind AS adjustment 115	-	(63.45)
Diminution in value of investment	-	145.02
Dividend income from subsidiaries	(8,867.19)	-
Interest on fixed deposits	(66.30)	(100.07)
Interest on loan to related party	(56.32)	(43.17)
Interest on term loan	576.71	777.29
Interest on cash credit	102.00	124.84
Interest expense on loan from related party	61.84	373.18
Interest expense on lease liabilities	102.05	-
<b>Operating profit before working capital changes</b>	<b>8,100.71</b>	<b>12,616.56</b>
<b>Movement in working capital :</b>		
Increase / (Decrease) in trade payables	(1,132.04)	1,678.55
Increase in long-term provisions	249.11	184.82
(Decrease) in short-term provisions	(160.64)	(61.23)
Increase / (Decrease) in other non-current liabilities	(25.31)	373.79
Increase / (Decrease) in non current financial liabilities	71.98	(455.81)
(Decrease) in other current liabilities	(389.25)	(238.89)
(Decrease) in current financial liabilities	(643.82)	(203.72)
(Increase) in other current assets	(838.54)	(1,080.30)
(Increase) / Decrease in trade receivables	6,098.16	(66.57)
Decrease in inventories	69.91	6.21
(Increase) in current loan receivables	(35.74)	(6.53)
Decrease in other non current assets	62.33	532.71
Decrease / (Increase) in current financial assets	597.52	(335.22)
Decrease / (Increase) in non current loan receivables	(121.62)	184.55
<b>Cash generated from operations</b>	<b>11,902.76</b>	<b>13,128.92</b>
Direct taxes paid (net of refunds)	(2,281.59)	(3,362.08)
<b>Net cash flow from operating activities (A)</b>	<b>9,621.17</b>	<b>9,766.84</b>
<b>Cash flow from / (used in) investing activities</b>		
Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances	(3,888.22)	(3,810.17)
Proceeds from sale of property, plant and equipment including capital work in progress	78.87	166.48
Payment of purchase consideration for purchase of shares / warrant	(500.00)	-
Purchase of current investments	(30,986.51)	(27,917.43)
Proceeds from sale/redemption of current investments	36,376.13	25,274.37
Interest on fixed deposits	15.62	63.36
Interest on loan to related party	65.90	49.16
Dividend received from Subsidiary	8,867.19	-



# UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2019 - 20

	₹ in lacs	
	March 31, 2020	March 31, 2019
Loan to related party (given) / received (net)	(349.90)	(336.53)
Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net)	414.77	870.09
<b>Net cash flow (used in) investing activities (B)</b>	<b>10,093.85</b>	<b>(5,640.67)</b>
<b>Cash flow from / (used in) financing activities</b>		
Proceeds from long term borrowings	2,865.21	3,210.75
(Repayment) of long term borrowings	(3,007.81)	(4,329.51)
Availment / (Repayment) of short term borrowings (net)	(4,538.93)	2,190.94
Repayment of Lease liabilities	(516.83)	-
Dividend on equity shares	(12,757.86)	(3,543.85)
Tax on dividend paid on equity shares	(800.61)	(728.45)
Interest on term loan	(1,227.48)	(443.23)
Interest on cash credit	(102.00)	(124.84)
Interest expense on loan from related party	(61.84)	(373.18)
Interest expense on lease liabilities	(102.05)	-
<b>Net cash flow (used in) in financing activities (C)</b>	<b>(20,250.20)</b>	<b>(4,141.37)</b>
<b>Net (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(535.18)</b>	<b>(15.20)</b>
Cash and cash equivalents at the beginning of the period	<b>844.39</b>	<b>859.59</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>309.21</b>	<b>844.39</b>
Components of cash and cash equivalents		
Cash on hand	2.31	2.86
Balance with banks:		
- on current accounts	306.90	841.53
<b>Cash and cash equivalents (refer note 12)</b>	<b>309.21</b>	<b>844.39</b>

Reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activities is as follows:

Particulars	* Non-current borrowings	Current borrowings
Opening balance as at April 1, 2019	6,407.98	1,396.17
Cash flow during the year:		
-Proceeds	2,865.21	14,352.44
-Repayments	3,007.81	15,021.35
<b>Closing balance as at March 31, 2020</b>	<b>6,265.38</b>	<b>727.26</b>

\* Includes current maturities of non-current borrowing.

Notes:

- The above Statement of Cash flows has been prepared under the "Indirect Method" set out in IND AS - 7 "Cash Flow Statements"

Significant accounting policies

2

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**

**of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

**Rajesh Mishra**

CEO - Indian Operations

**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211

## Standalone statement of Change in Equity for the year ended March 31, 2020

### A. Share Capital (refer note 13)

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of year	2,835.08	2,835.08
Changes in equity share capital during the reporting year	-	-
<b>Balance at the end of reporting year</b>	<b>2,835.08</b>	<b>2,835.08</b>

### B. Other equity

₹ in Lacs

Particulars	Attributable to Owners of the Company					Total Equity
	Reserve and surplus			Money received against Share warrant	Employee Stock Options (ESOP) Outstanding	
	Securities Premium	Capital reserve	Retained Earning *			
<b>As at March 31, 2018</b>	29,540.60	-	10,829.52	1,525.50	-	41,895.62
Profit for the year	-	-	2,936.66	-	-	2,936.66
Other comprehensive income for the year	-	-	(34.15)	-	-	(34.15)
<b>Total Comprehensive Income</b>	<b>29,540.60</b>	<b>-</b>	<b>13,732.03</b>	<b>1,525.50</b>	<b>-</b>	<b>44,798.13</b>
ESOP cost	-	-	-	-	371.72	371.72
Opening Ind AS adjustment 115	-	-	(63.45)	-	-	(63.45)
On account of scheme of demerger (refer note 36)	-	340.17	-	-	-	340.17
Dividend	-	-	(3,543.85)	-	-	(3,543.85)
Distribution tax on dividend	-	-	(728.45)	-	-	(728.45)
<b>As at March 31, 2019</b>	<b>29,540.60</b>	<b>340.17</b>	<b>9,396.28</b>	<b>1,525.50</b>	<b>371.72</b>	<b>41,174.27</b>
Profit for the year	-	-	10,131.81	-	-	10,131.81
Other comprehensive income for the year	-	-	102.10	-	-	102.10
<b>Total Comprehensive Income</b>	<b>29,540.60</b>	<b>340.17</b>	<b>19,630.19</b>	<b>1,525.50</b>	<b>371.72</b>	<b>51,408.18</b>
Opening Ind AS adjustment 116	-	-	(16.55)	-	-	(16.55)
On forfeiture of share warrants	-	1,525.50	-	(1,525.50)	-	-
Interim dividend on equity shares	-	-	(7,796.47)	-	-	(7,796.47)
Dividend distribution tax on interim dividend	-	-	(654.92)	-	-	(654.92)
Distribution tax on dividend	-	-	(708.77)	-	-	(708.77)
Distribution tax	-	-	(145.69)	-	-	(145.69)
Interim Dividend	-	-	(4,252.62)	-	-	(4,252.62)
<b>As at March 31, 2020</b>	<b>29,540.60</b>	<b>1,865.67</b>	<b>6,055.23</b>	<b>-</b>	<b>371.72</b>	<b>37,833.22</b>

\* refer note 36

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date attached.

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

#### Rajesh Mehra

Partner

Membership No: 103145

Place: Mumbai

Date: June 22, 2020

#### For and on behalf of the Board of Directors

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

#### Sanjay Gaikwad

Managing Director

DIN No.: 01001173

#### Rajesh Mishra

CEO - Indian Operations

#### Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

#### Ashish Malushte

Chief Financial Officer

#### Sameer Chavan

Company Secretary

Membership No.: F7211

**Notes to Standalone financial statements for the year ended March 31, 2020****1. Corporate information**

UFO Moviez India Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India on June 14, 2004. The registered office is located at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai - 400093. The equity shares of the Company are listed on the Bombay Stock exchange (BSE), India and the National stock Exchange (NSE), India. The Company is into the business of providing digital cinema services.

**2. Significant accounting policies****2.1 Statement of Compliance**

The standalone financial statements (SFS) of the Company are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 ('the Act'), the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable, and were authorised for issue in accordance with a resolution of the directors on June 22, 2020.

**2.2 Basis of Preparation**

These SFS have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

**2.3 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of SFS, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the SFS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the SFS. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

**(i) Judgements**

In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the SFS.

**(ii) Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the SFS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**• Useful Lives of Property, Plant and Equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**• Defined Benefit Obligation**

The cost of the defined benefit obligation and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due

## Notes to Standalone financial statements for the year ended March 31, 2020

to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets**

Availability of future taxable profit against which the tax losses carried forward can be used as disclosed in Note 2.4(m) below.

- **Recognition and Measurement of Provisions and Contingencies**

Key assumptions about the likelihood and magnitude of outflow of resources as disclosed in Note 2.4(o) below.

- **Fair Value Measurement of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 2.4 Summary of significant accounting policies

#### (a) Property, Plant and Equipment (PPE)

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

PPE which are not ready for intend use as on the Balance Sheet are disclosed as "Capital work in progress" and are stated at cost.

Gains or losses arising from derecognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is de-recognised.

#### (b) Depreciation on PPE

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Act, or as per the internal technical evaluation carried out by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of PPE are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The useful life of PPE is the period over which PPE is expected to be available for use by the Company.

The Company has used the following useful lives to provide depreciation on its property, plant and equipment:

	Useful lives (years)
Exhibition Equipment	7-10
Plant and Machinery	4-6
Computer	3
Furniture and Fixtures	6
Office Equipment	5
Vehicles	5

## Notes to Standalone financial statements for the year ended March 31, 2020

Except computer and office equipment, useful lives of above fixed assets are different from those prescribed under Schedule II. These rates are based on evaluation of useful life by internal technical expert.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold improvements are amortised on a straight-line basis over the period of lease or over a period of 4 years, whichever is lower.

### (c) Goodwill, Intangible assets and amortisation

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are amortised over their estimated useful life as follows.

	Useful life (years)
Computer Software	6

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is de-recognised.

### (d) Business Combination

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost under pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Impairment exists when the carrying value of an asset or cash generating unit exceeds its

## Notes to Standalone financial statements for the year ended March 31, 2020

recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a DCF model. The impairment loss is recognised if the recoverable amount of the CGU is higher than its value in use or fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

### (e) Leases

#### Where the Company is the lessee

The Company has adopted Ind AS 116-Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### Where the Company is the lessor

Assets subject to operating leases are included in property plant and equipment. Lease income is recognised in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of profit and loss.

### (f) Inventories

Inventories comprise of traded goods, stores and spares and are valued at cost or at net realisable value, whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Cost include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**Notes to Standalone financial statements for the year ended March 31, 2020****(g) Revenue recognition**

The Company is primarily engaged in the business of providing digital cinema service.

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

**Income from services and sale of goods**

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognised in the period in which the services are rendered.
- Advertisement income is recognised in the period during which advertisements are displayed.
- Digitisation income is recognised in the period in which services are rendered.
- Registration fee is recognised in the period in which the services are rendered.
- Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.
- Revenue from commission and technical service income is recognised in period in which services are rendered.
- Lease rental income on equipment is recognised as mentioned in note 2.4 (f) above
- Revenue from sale of goods is recognised upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any. Revenue also excludes taxes collected from customers.

The Company disaggregates revenue from contracts with customers based on nature of services. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**Contract Cost**

The Company does not incur any cost to obtain or fulfill the contracts with customers.

**Interest Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above, interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

**Dividends**

Dividend income is recognised when the Company's right to receive dividend is established.

## Notes to Standalone financial statements for the year ended March 31, 2020

### (h) Foreign currency transaction

Foreign currency transactions and balances

#### (i) Initial recognition

Functional currency of the Company is INR.

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

#### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### (iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on translation of such monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### (i) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks, which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

#### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.



**Notes to Standalone financial statements for the year ended March 31, 2020****Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

**Impairment of Financial Assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivables. The Company calculates the expected credit losses on trade receivables, using a provision matrix on the basis of its historical credit loss experience.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition of Financial Assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**De-recognition of Financial Liabilities**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

**Derivative Financial Instruments**

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

**Equity Investments**

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends and on an equity instrument measured at FVOCI, are

## Notes to Standalone financial statements for the year ended March 31, 2020

recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### (j) Fair Value Measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each Balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

### (k) Employee benefits

#### Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. In case of provident fund, both the employee and the Company make monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contribution payable by the Company is charged to the Statement of profit and loss as incurred.

#### Defined benefit plans

The Company provides for gratuity using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance sheet date, based on legislations as enacted as at the Balance sheet date. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes the net obligation of a defined benefit plan in its Balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive

**Notes to Standalone financial statements for the year ended March 31, 2020**

income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognised in other comprehensive income. The effects of any plan amendments are recognised in statement of profit and loss. Past service cost is recognised immediately to the extent that the benefits are already vested.

The gratuity obligation recognised in the Balance sheet represents the present value of the defined benefit obligation as adjusted for un-recognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The gratuity plan is managed by a Life Insurance Corporation of India to which contributions are made by the Company.

**Other long-term employee benefits**

Long term compensated absences are provided for based on actuarial valuation at year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**Short-term employee benefits**

Short-term employee benefits are recognised as an expense on accrual basis.

**(l) Current Income taxes and deferred tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

**Minimum alternate tax (MAT)**

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**(m) Earnings per share (EPS)**

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus

## Notes to Standalone financial statements for the year ended March 31, 2020

issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (n) Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### (o) Employee share based payment

The employees of the Company and its subsidiary receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes Model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

### (p) Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### (q) Segment reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

### (r) Measurement of EBITDA

As per Guidance Note on Division II- Ind AS Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (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 from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**Notes to Standalone financial statements for the year ended March 31, 2020**
**3.1 Property, plant and equipment**

₹ in Lacs

	Leasehold Improvements	Plant & Machinery (Refer Note 31 for Assets given on lease)	Computer Systems	Office Equipment	Furniture & Fixtures	Electrical Equipments & Installations	Vehicles	Total
<b>Cost</b>								
<b>As at April 1, 2018</b>	404.81	20,313.14	135.91	190.62	35.15	38.45	1,933.92	23,052.00
Additions	102.03	3,472.57	68.06	38.57	7.77	-	62.93	3,751.93
Disposals	-	1,391.45	-	-	-	-	24.53	1,415.98
<b>At March 31, 2019</b>	<b>506.84</b>	<b>22,394.26</b>	<b>203.97</b>	<b>229.19</b>	<b>42.92</b>	<b>38.45</b>	<b>1,972.32</b>	<b>25,387.95</b>
Additions	0.49	3,605.58	153.92	35.61	1.37	0.15	73.39	3,870.51
Disposals	-	632.82	-	0.22	-	-	29.83	662.87
<b>At March 31, 2020</b>	<b>507.33</b>	<b>25,367.02</b>	<b>357.89</b>	<b>264.58</b>	<b>44.29</b>	<b>38.60</b>	<b>2,015.88</b>	<b>28,595.59</b>
<b>Depreciation/Amortisation</b>								
<b>As at April 1, 2018</b>	<b>193.21</b>	<b>1,230.66</b>	<b>56.73</b>	<b>66.46</b>	<b>18.83</b>	<b>14.26</b>	<b>310.77</b>	<b>1,890.92</b>
Charge for the year	110.04	5,225.38	59.75	46.80	9.76	6.56	553.08	6,011.37
Disposals	-	1,199.57	-	-	-	-	15.45	1,215.02
<b>At March 31, 2019</b>	<b>303.25</b>	<b>5,256.47</b>	<b>116.48</b>	<b>113.26</b>	<b>28.59</b>	<b>20.82</b>	<b>848.40</b>	<b>6,687.27</b>
Charge for the year	107.73	4,841.37	88.35	45.54	6.21	6.42	524.24	5,619.86
Disposals	-	557.23	-	0.10	-	-	26.55	583.88
<b>At March 31, 2020</b>	<b>410.98</b>	<b>9,540.61</b>	<b>204.83</b>	<b>158.70</b>	<b>34.80</b>	<b>27.24</b>	<b>1,346.09</b>	<b>11,723.25</b>
<b>Net Block</b>								
<b>At March 31, 2019</b>	<b>203.59</b>	<b>17,137.79</b>	<b>87.49</b>	<b>115.93</b>	<b>14.33</b>	<b>17.63</b>	<b>1,123.92</b>	<b>18,700.68</b>
<b>At March 31, 2020</b>	<b>96.35</b>	<b>15,826.41</b>	<b>153.06</b>	<b>105.88</b>	<b>9.49</b>	<b>11.36</b>	<b>669.79</b>	<b>16,872.34</b>

\* refer note 36

Capital work in progress as at March 31, 2020 : ₹ 19,410.05 lacs (March 31, 2019 : ₹ 8,380.63 lacs)

**3.2 Right of use assets**

₹ in Lacs

	Right of use assets
<b>Cost</b>	
<b>As at April 1, 2018</b>	-
Additions	-
Disposals	-
<b>At March 31, 2019</b>	-
Additions	1,701.37
Disposals	-
<b>At March 31, 2020</b>	<b>1,701.37</b>
<b>Depreciation/Amortisation</b>	
<b>As at April 1, 2018</b>	-
Charge for the year	-
Disposals	-
<b>At March 31, 2019</b>	-
Charge for the year	451.76
Disposals	-
<b>At March 31, 2020</b>	<b>451.76</b>
<b>Net Block</b>	
<b>At March 31, 2019</b>	-
<b>At March 31, 2020</b>	<b>1,249.61</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

- (a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of ₹ 1,701.37 lacs and a corresponding lease liability of ₹ 1,725.66 lacs. The difference of ₹ 16.48 lacs (net of deferred tax asset created of ₹ 7.81 lacs) has been adjusted to retained earnings as at April 1, 2019

- (b) In the statement of profit and loss, nature of expenses in respect of operating leases (amounting to ₹ 525.24 lacs for the year ended March 31, 2020) has changed from rent to depreciation expense for the right-of-use assets (amounting to ₹ 451.76 lacs for the period ended March 31, 2020) and finance cost for interest accrued on lease liability (amounting to ₹ 102.05 lacs for the period ended March 31, 2020). The adoption of this standard does not have any material impact on the profit for the period and earning per share.

The Company's leases mainly comprise of land and buildings. The Company leases land and buildings for office and warehouse facilities.

### 3.3 Goodwill

₹ in Lacs

	Goodwill
<b>Cost</b>	
<b>As at April 1, 2018</b>	-
Additions	340.17
Disposals	-
<b>At March 31, 2019</b>	<b>340.17</b>
Additions	-
Disposals	-
<b>At March 31, 2020</b>	<b>340.17</b>
<b>Accumulated Depreciation/Amortisation</b>	
<b>As at April 1, 2018</b>	-
Charge for the year	-
Disposals	-
<b>At March 31, 2019</b>	-
Charge for the year	-
Disposals	-
<b>At March 31, 2020</b>	-
<b>Net Block</b>	
<b>At March 31, 2019</b>	<b>340.17</b>
<b>At March 31, 2020</b>	<b>340.17</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**
**3.4 Other Intangible assets**

₹ in Lacs

	<b>Computer software *</b>
<b>Cost</b>	
<b>As at April 1, 2018</b>	370.09
Additions	6.13
Disposals	-
<b>At March 31, 2019</b>	<b>376.22</b>
Additions	2.40
Disposals	-
<b>At March 31, 2020</b>	<b>378.62</b>
<b>Accumulated Depreciation/Amortisation</b>	
<b>As at 1 April 2018</b>	108.13
Charge for the year	56.56
Disposals	-
<b>At March 31, 2019</b>	<b>164.69</b>
Charge for the year	56.59
Disposals	-
<b>At March 31, 2020</b>	<b>221.28</b>
<b>Net Block</b>	
<b>At March 31, 2019</b>	<b>211.53</b>
<b>At March 31, 2020</b>	<b>157.34</b>

\* The estimated amorisation for the years subsequent to March 31, 2020 is as follows :

₹ in Lacs

<b>Year ended 31,</b>	<b>Amortisation expenses</b>
2021	55.71
2022	27.85
2023	9.03
2024	5.47
Thereafter	59.28
	<b>157.34</b>

- a) The Company is principally engaged in the business of exhibition of digital cinema. The carrying amount of Goodwill as at March 31, 2020 is ₹ 340.17 lacs (March 31, 2019 : ₹ 340.17 lacs)
- b) Goodwill represents value of assets acquired pursuant to be scheme of demerger as per Note no. 36. The Company performed its annual impairment test for the year ended March 31, 2020, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 4 years, as the company believes this is to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The estimated value-in-use is based on the future cash flows using a 1% annual growth rate for periods subsequent to the forecast period of 4 years and discount rate of 9%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Goodwill would decrease below its carrying amount.

## Notes to Standalone financial statements for the year ended March 31, 2020

### 4. Investment in Subsidiaries and Associates

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Unquoted equity instruments (at cost)</b>		
<b>Investment in subsidiaries</b>		
10,000 Shares (March 31, 2019: 10,000) ordinary shares of ₹ 10 each at par, fully paid, PJSA Technosoft Private Ltd.	1.00	1.00
14,475 (March 31, 2019: 14,475) ordinary shares of ₹ 10 each fully paid in Valuable Digital Screens Private Limited, India.	300.00	300.00
768,317 (March 31, 2019: 768,317) ordinary shares of ₹ 10 each fully paid in Scrabble Entertainment Limited, India.	10,371.93	10,371.93
99,600 (March 31, 2019: 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited	62.25	62.25
Less : provision for diminution	(50.00)	(50.00)
238,239 (March 31, 2019 : 238,239) equity shares of 10 each at par fully paid in UFO Software Technologies Private Limited	36.15	36.15
2,775,950 (March 31, 2019 : 2,775,950) ordinary shares of SLR 10 each fully paid in UFO Lanka Private Limited	166.26	166.26
Less : provision for diminution	(145.00)	(145.00)
<b>Investment in Associates</b>		
3,060,000 (March 31, 2019: 2,700,000) equity shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	306.00	270.00
240,000 (March 31, 2019: 240,000) share warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
3,878,975 (March 31, 2019: Nil) share warrant of ₹ 1 each fully paid up in Cinestaan Digital Private Limited (refer note 44)	38.79	-
<b>Unquoted Preference shares (at cost)</b>		
<b>Investment in subsidiaries</b>		
59,900 (March 31, 2019: 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	37.44	37.44
<b>Investment in Associates</b>		
360,000 (March 31, 2019: 360,000) compulsorily convertible preference shares of ₹ 10 each fully paid up in Mukta VN Films Limited	36.00	36.00
Less : Conversion of Compulsorily Convertible Preference Shares into Equity Shares	(36.00)	-
1,153,026 (March 31, 2019: Nil) compulsorily convertible preference shares of ₹ 40 each fully paid up in Cinestaan Digital Private Limited (refer note 44)	461.21	-
<b>Total</b>	<b>11,610.03</b>	<b>11,110.03</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	11,610.03	11,110.03
Aggregate amount of impairment in value of investments	195.00	195.00



**Notes to Standalone financial statements for the year ended March 31, 2020**
**5. Financial assets - Loans receivables**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Unsecured - Considered good</b>				
Security deposit - other than to related party	234.23	110.62	94.54	62.49
Security deposit to related parties (refer note 32)	359.37	361.36	3.69	
Loans to related party (refer note 43)	-	-	686.43	336.53
<b>Unsecured - Doubtful</b>				
Balance with statutory / government authorities	14.66	14.66	-	-
Less : Allowance for doubtful balances	(14.66)	(14.66)	-	-
	<b>593.60</b>	<b>471.98</b>	<b>784.66</b>	<b>399.02</b>

**6. Other financial assets**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest accrued but not due on fixed deposit	-	-	17.12	26.70
Interest accrued on loan to related parties (refer note 32)	-	-	105.64	54.96
Other receivables	-	-	5.72	2.49
Fixed deposit with remaining maturity more than 12 month (refer note 12)	1.19	10.05	-	-
	<b>1.19</b>	<b>10.05</b>	<b>128.48</b>	<b>84.15</b>

**7. Deferred tax assets (net)**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>A) Deferred tax asset</b>		
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	2,666.88	3,295.29
Provision for doubtful debts and advances	277.30	348.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	227.22	326.55
Deferred tax assets on Ind AS 116 accounting	15.41	-
Deferred tax assets on carry forward losses of Caravan Division (refer note 36)	442.86	-
Others	88.91	8.68
<b>Total deferred tax assets</b>	<b>3,718.58</b>	<b>3,978.68</b>
<b>B) Deferred tax liabilities</b>		
Fair value of investment	(25.73)	(92.09)
<b>Total deferred tax liabilities</b>	<b>(25.73)</b>	<b>(92.09)</b>
<b>Deferred taxes assets (net)</b>	<b>3,692.85</b>	<b>3,886.59</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

### Movement in Deferred tax Assets and Liabilities

₹ in Lacs

Movement during the year ended March 31, 2019	As at March 31, 2018	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2019
<b>Deferred tax assets /(liabilities)</b>				
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	2,928.79	366.50	-	3,295.29
Provision for doubtful debts and advances	253.13	95.03	-	348.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	266.99	41.21	18.34	326.54
Others	88.26	(171.66)	-	(83.40)
<b>Total</b>	<b>3,537.17</b>	<b>331.08</b>	<b>18.34</b>	<b>3,886.59</b>

Movement during the year ended March 31, 2020	As at March 31, 2019	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2020
<b>Deferred tax assets /(liabilities)</b>				
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,295.29	(628.42)	-	2,666.87
Provision for doubtful debts and advances	348.16	(70.86)	-	277.30
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	326.54	(64.99)	(34.34)	227.21
Deferred tax assets on Ind AS 116 accounting	-	15.41	-	15.41
Deferred tax assets on carry forward losses of Caravan Division (refer note 36)	-	442.85	-	442.85
Others	(83.40)	146.61	-	63.21
<b>Total</b>	<b>3,886.59</b>	<b>(159.40)</b>	<b>(34.34)</b>	<b>3,692.85</b>

### The major components of income tax expense for the year are as under:

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>i) Income tax recognised in the Standalone Statement of Profit and Loss</b>		
Current tax:		
In respect of current year	57.25	2,490.64
Adjustment of previous year	-	139.28
<b>Deferred tax</b>		
In respect of current year	167.20	(281.86)
Ajdstment of previous years	(7.80)	-
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>216.65</b>	<b>2,348.06</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>ii) Income tax expense recognised in OCI</b>		
Deferred tax :		
Deferred tax expense on remeasurements of defined benefit plans	(34.34)	18.34
<b>Income tax expense recognised in OCI</b>	<b>(34.34)</b>	<b>18.34</b>

**Reconciliation of tax expense and the accounting profit for the year is as under:**

₹ in Lacs

	March 31, 2020	March 31, 2019
Profit before tax	10,356.26	5,284.73
Income tax expense calculated at Corporate tax rate	25.17%	34.94%
Computed tax expenses	2,606.47	1,846.70
<b>Impact on account of:</b>		
Tax on exempted income	(2,231.69)	(9.37)
Expenses not deductible for tax purpose	434.43	85.67
Impact on account of change in tax rate	(49.29)	-
Tax impact on account of carry forward loss adjusted with taxable profit	(702.67)	-
Others	-	51.48
<b>Tax expense as per Statement of profit and loss</b>	<b>57.25</b>	<b>1,974.48</b>

**8. Other assets (Unsecured, Considered good unless otherwise stated)**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances to vendors	-	-	130.15	154.63
Balance with statutory / government authorities	18.64	23.12	25.51	25.51
Deposit with Government bodies	92.94	49.56	-	-
Capital advances	172.47	1.26	-	-
Loans and advances to employees	-	-	51.53	39.30
Prepaid expenses	437.91	539.13	1,011.57	512.86
GST credit receivable	-	-	1,481.01	1,128.93
	<b>721.96</b>	<b>613.07</b>	<b>2,699.77</b>	<b>1,861.23</b>

**9. Inventories (valued at lower of cost and net realisable value)**

₹ in Lacs

	March 31, 2020	March 31, 2019
Traded goods (Lamps)	310.86	301.77
Consumables and spares	221.53	257.73
Content cost	24.76	67.56
	<b>557.15</b>	<b>627.06</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

### 10. Financial Assets - Current investments

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Carried at FVTPL</b>		
<b>Unquoted mutual funds</b>		
Investment in mutual fund	6,593.45	11,545.39
	<b>6,593.45</b>	<b>11,545.39</b>
Aggregate amount of unquoted investments	6,593.45	11,545.39
NAV of unquoted investments	6,593.45	11,545.39
Aggregate amount of impairment in value of investments	-	-

Aggregate market value of investment in unquoted mutual funds units held by Company based on NAV declared on the balance sheet date by mutual fund is ₹ 6,593.45 lacs (March 31, 2019: ₹ 11,545.39 lacs)

### 11. Trade receivables (unsecured)

₹ in Lacs

	March 31, 2020	March 31, 2019
Considered good	8,256.73	14,596.24
Credit impaired	1,101.80	1,030.04
	<b>9,358.53</b>	<b>15,626.28</b>
Less : Allowance for doubtful trade receivable	(1,101.80)	(1,030.04)
	<b>8,256.73</b>	<b>14,596.24</b>

For details pertaining to related party receivable (refer note 32)

### 12. Financial Assets - Cash and bank balances

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Cash and cash equivalents</b>				
Balances with banks :				
– On current accounts	-	-	306.90	841.53
Cash on hand	-	-	2.31	2.86
	-	-	<b>309.21</b>	<b>844.39</b>
<b>Other bank balances</b>				
– On unpaid dividend account*	-	-	83.14	14.78
– Deposits with original maturity more than 3 month and less than 12 months	-	-	500.19	521.88
– Deposits with remaining maturity for more than 12 months	-	-	-	-
	-	-	<b>583.33</b>	<b>536.66</b>
– Margin money deposit with original maturity for less than 12 months	-	-	346.73	799.33
– Margin money deposit with remaining maturity for more than 12 months	1.19	10.05	-	-
	<b>1.19</b>	<b>10.05</b>	<b>930.06</b>	<b>1,335.99</b>
Amount disclosed under non-current financial assets (refer note 6)	(1.19)	(10.05)	-	-
	-	-	<b>1,239.27</b>	<b>2,180.38</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**
**Margin money deposits:**

Margin money deposits are against guarantees given to statutory authorities and are kept under lien with bank for opening of letter of credit.

\* The Company can utilise these balances only towards settlement of the respective unpaid dividend.

**13. Equity Share Capital**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Authorised share capital*</b>		
53,050,000 (March 31, 2019 : 53,050,000) equity shares of ₹ 10 each	5,305.00	5,305.00
1,565,000 (March 31, 2019 : 1,565,000) preference shares of ₹ 1,000 each	15,650.00	15,650.00
	<b>20,955.00</b>	<b>20,955.00</b>
<b>* refer note 36</b>		
<b>Share capital</b>		
<b>Issued, subscribed and fully paid up shares</b>		
28,350,801 (March 31, 2019: 28,350,801) equity shares of ₹ 10 each fully paid-up	2,835.08	2,835.08
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,835.08</b>	<b>2,835.08</b>

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

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	28,350,801	2,835.08	28,350,801	2,835.08
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>28,350,801</b>	<b>2,835.08</b>	<b>28,350,801</b>	<b>2,835.08</b>

**(b) Terms/ rights attached to equity shares**
**Voting Rights**

The Company has only one class of equity shares having per value of ₹ 10 per share. Each holder of equity shares having a par value of ₹ 10 per equity share is entitled to one vote per equity share.

**Rights as to Dividend**

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The Company declares and pays dividend in Indian Rupees.

**Rights pertaining to repayment of capital**

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to Standalone financial statements for the year ended March 31, 2020

### (c) Details of shareholders holding more than 5% shares

Name of the shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	18.52
Apollo International Limited	2,266,417	7.99	2,266,417	7.99
Valuable Media Private Limited	2,244,265	7.92	2,244,265	7.92
Valuable Technologies Limited	2,243,657	7.91	2,243,657	7.91
Reliance Capital Trustee Co Limited	1,555,239	5.49	1,806,204	6.37
SBI Magnum Multicap Fund (SBI Mutual Funds)	478,469	1.69	2,242,986	7.91

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

### (d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 1,703,132 shares (March 31, 2019: 1,703,132) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

### (e) Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 30.

## 14. Other equity

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Securities premium</b>		
Balance as at beginning of the year	29,540.60	29,540.60
<b>Balance as at end of the year</b>	<b>29,540.60</b>	<b>29,540.60</b>
<b>Capital reserve *</b>		
Balance as at beginning of the year	340.17	-
Add : On forfeiture of 1,525,000 share warrants ( refer note c)	1,525.50	-
Add : Capital Reserve generated on account of demerger	-	340.17
<b>Closing balance</b>	<b>1,865.67</b>	<b>340.17</b>
<b>Employee stock options outstanding</b>		
Balance as at beginning of the year	371.72	-
Add : Employee stock compensation for options	-	371.72
<b>Closing balance</b>	<b>371.72</b>	<b>371.72</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**

	March 31, 2020	March 31, 2019
<b>Surplus in the statement of profit and loss</b>		
Balance as at beginning of the year	9,396.28	10,829.52
Profit for the year	10,233.91	2,902.51
Opening Ind AS adjustment 115	-	(63.45)
Opening Ind AS adjustment 116	(16.55)	-
Interim dividend on equity shares	(7,796.47)	-
Dividend distribution tax on interim dividend	(654.92)	-
Dividend	(708.77)	-
Dividend distribution tax on dividend	(145.69)	-
Interim Dividend	(4,252.62)	(3,543.85)
Dividend distribution tax on dividend	-	(728.45)
<b>Net surplus in the statement of profit and loss</b>	<b>6,055.23</b>	<b>9,396.28</b>
<b>Money received against share warrant</b>		
Balance as at beginning of the year	1,525.50	-
Add : Transferred to capital reserve on forfeiture	(1,525.50)	1,525.50
<b>Closing balance</b>	<b>-</b>	<b>1,525.50</b>
<b>Total other equity</b>	<b>37,833.22</b>	<b>41,174.27</b>

- a) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- b) **Employee Share Option Outstanding:** The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.
- c) **Money received against share warrants:** On December 16, 2017, the Company issued 1,525,000 share warrants of ₹ 10 each at a price of ₹ 400.13 each (including share warrant subscription price and share warrant exercise price), convertible into, or exchangeable for, one equity share of face value of ₹ 10 each to two individuals and one company forming part of promoter group on preferential basis. During the year, the said warrant were not exercised within 18 months from the date of allotment of the said warrants, the same were lapsed during the period ended June 30, 2019 and the subscription amount is forfeited to the Company and transferred to Capital Reserve.
- d) **Retained Earnings :** Retained earning are the profit that the Company has earned till date, less any dividends or other distribution paid to the shareholders.
- e) **Capital reserve :** Capital Reserve has arisen on purchase of Caravan business acquired from VDSPL during the year (refer note 36)

## Notes to Standalone financial statements for the year ended March 31, 2020

### 15. Financial liabilities - borrowings (Secured)

₹ in Lacs

Borrowings (at amortised cost-secured)	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Term loans (valued at amortised cost)</b>				
<b>Rupee loan from banks (secured by first charge on Plant and Machinery and all current assets of the Company)</b>				
Term loan 1 from HDFC Bank	-	-	-	270.84
Term loan 2 from HDFC Bank	969.71	-	223.78	-
Term loan 3 from HDFC Bank	2,082.91	2,105.25	1,385.50	846.94
Term loan 4 from Yes Bank	302.02	1,510.13	1,208.11	1,208.10
Term loan 5 from Axis Bank	-	94.72	93.35	372.00
<b>Total</b>	<b>3,354.64</b>	<b>3,710.10</b>	<b>2,910.74</b>	<b>2,697.88</b>
Amount disclosed under the head "Other financial liabilities" (refer note 16)	-	-	(2,910.74)	(2,697.88)
<b>Net amount</b>	<b>3,354.64</b>	<b>3,710.10</b>	<b>-</b>	<b>-</b>

Term loan 1 having interest of bank 1 year MCLR (March 31, 2019: 9.25%) p.a. is repayable in 42 monthly installments starting from December 31, 2015.

Term loan 2 having interest of bank 1 year MCLR plus 70 basis points i.e. 9.30% (March 31, 2019: Nil %) p.a. is repayable in 48 monthly installments starting from July 31, 2020.

Term loan 3 having interest of bank 1 year MCLR plus 85 basis points i.e. 9.36% (March 31, 2019: 9.45%) p.a. is repayable in 52 monthly installments starting from July 31, 2018.

Term loan 4 having interest of bank 1 year MCLR i.e. 9.70% (March 31, 2019: 9.85%) p.a. is repayable in 48 monthly installments starting from July 15, 2017.

Term loan 5 having interest of bank base rate plus 200 basis points i.e. 9.85% (March 31, 2019: 9.85%) p.a. is repayable in 12 quarterly installments starting from June 30, 2017.

### 16. Financial liabilities - others

₹ in Lacs

Financial Liabilities at amortised cost	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current maturities of Long Term Debts (refer note 15)	-	-	2,910.74	2,697.88
Interest accrued but not due on borrowings	-	-	49.94	802.76
Unclaimed Dividend	-	-	83.14	14.78
Deposit from theatres and regional dealers	2,629.25	2,559.55	657.31	639.89
Deposit from related parties (refer note 32)	355.16	352.88	-	-
Other security deposit	-	-	126.65	123.75
Commission on financial guarantee payable	-	-	-	15.70
<b>Other Payables</b>				
Payables for purchase of property, plant and equipment	1,547.53	288.68	-	-
Salary and reimbursement payable	-	-	721.90	1,230.93
	<b>4,531.94</b>	<b>3,201.11</b>	<b>4,549.68</b>	<b>5,525.69</b>

(i) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020 (March 31, 2019: ₹ Nil)



**Notes to Standalone financial statements for the year ended March 31, 2020**
**17. Provisions**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for gratuity (refer note 29)	495.22	523.76	-	-
Provision for compensated absences (refer note 29)	-	-	407.58	427.01
	<b>495.22</b>	<b>523.76</b>	<b>407.58</b>	<b>427.01</b>

**18. Other Liabilities**

₹ in Lacs

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Temporary Book Overdraft	-	-	14.86	-
Deferred advertisement income	-	-	139.06	116.08
Deferred VPF income	-	-	-	14.98
Deferred lease rental income	509.39	534.70	32.70	42.77
Advance from customers	-	-	1,000.37	1,455.29
Statutory dues *	-	-	203.50	398.73
	<b>509.39</b>	<b>534.70</b>	<b>1,390.49</b>	<b>2,027.85</b>
* Statutory dues payable includes				
ESIC			0.10	0.12
Professional tax payable			1.02	0.75
Provident fund			55.38	62.29
Tax deducted at source			147.00	291.41
Good and service tax			-	44.17
			<b>203.50</b>	<b>398.74</b>

**19. Financial liabilities - borrowings**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Financial liabilities at amortised cost</b>		
<b>Un-secured</b>		
Loan from related party (refer no. 32)	-	3,870.00
<b>Secured</b>		
Cash credit from HDFC bank Limited	727.26	115.63
Cash credit from ICICI bank Limited	-	1,280.54
	<b>727.26</b>	<b>5,266.17</b>

Cash credit from HDFC bank Limited was secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.40% p.a. (March 31, 2019: 9.30%).

Cash credit from ICICI bank Limited was secured by first charge on current investment of the Company and carried interest @ 8.55%.

## Notes to Standalone financial statements for the year ended March 31, 2020

### 20. Financial liabilities - Trade payables

₹ in Lacs

	Current	
	March 31, 2020	March 31, 2019
<b>Trade payables:</b>		
a) Total outstanding dues of micro enterprises and small enterprises (refer note 35)	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,243.37	5,375.41
	<b>4,243.37</b>	<b>5,375.41</b>

For details pertaining to related party payable (refer note 32)

### 21. Revenue from operations

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Sale of services</b>		
Advertisement revenue	15,469.80	23,723.87
Virtual print fees - E - Cinema	10,103.92	10,528.19
Virtual print fees - D - Cinema	666.66	934.95
Lease rental income - E - Cinema	5,276.31	5,571.18
Lease rental income - D - Cinema	462.38	550.51
Digitisation income	527.77	600.14
Registration fees income	43.57	42.95
Other revenue	219.80	85.76
	<b>32,770.21</b>	<b>42,037.55</b>
<b>Sale of products</b>		
Lamp and spares sale	1,056.60	1,428.59
Sale of digital cinema equipments	678.37	1,364.85
	<b>1,734.97</b>	<b>2,793.44</b>
<b>Other operating income</b>		
Sundry balances written back	248.12	51.34
	<b>248.12</b>	<b>51.34</b>
	<b>34,753.30</b>	<b>44,882.33</b>

### 22. Other Income\*

₹ in Lacs

	March 31, 2020	March 31, 2019
Miscellaneous income	116.60	59.51
Commission on financial guarantee given	15.70	9.85
	<b>132.30</b>	<b>69.36</b>

\* Other income excludes income earned by way of interest, dividend, gain on sale of current investments, which has been disclosed under the head finance income (refer note 27)

**Notes to Standalone financial statements for the year ended March 31, 2020**
**23. Operating direct costs**

₹ in Lacs

	March 31, 2020	March 31, 2019
Advertisement revenue share	5,392.30	6,911.21
Exhibition equipments repairs	1,676.55	1,885.51
Technical service fees	928.63	932.80
Bandwidth charges	579.33	746.24
Purchase of digital cinema equipment	352.27	847.70
Purchase of lamps	979.03	1,103.38
Content processing charges	420.83	432.44
Virtual print fees sharing	794.07	868.79
Van operating cost	348.91	1,669.73
Other expenses	176.35	169.80
	<b>11,648.27</b>	<b>15,567.60</b>
<b>(Increase) / decrease in inventories of traded goods (lamps)</b>		
Inventories at the beginning of the year	333.99	417.03
Inventories at the end of the year	(310.86)	(333.99)
	<b>23.13</b>	<b>83.04</b>
<b>Content Expenses</b>		
Opening stock	67.56	115.82
Add : purchases	5.05	74.75
Less : closing stock	(24.76)	(67.56)
	<b>47.85</b>	<b>123.01</b>
<b>Consumables and spares</b>		
Opening stock	257.73	216.26
Add : purchases	275.20	327.90
Less : closing stock	(221.53)	(257.73)
	<b>311.40</b>	<b>286.43</b>
	<b>12,030.65</b>	<b>16,060.08</b>

**24. Employee benefit expenses**

₹ in Lacs

	March 31, 2020	March 31, 2019
Salaries and wages (including bonus)	6,447.52	6,734.37
Contribution to provident and other funds	361.17	353.79
Gratuity expenses (refer note 29)	141.21	123.36
Compensated absences (refer note 29)	3.15	78.42
Employee stock compensation expenses	-	371.72
Staff welfare expenses	404.55	407.04
	<b>7,357.60</b>	<b>8,068.70</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

### 25. Other expenses

₹ in Lacs

	March 31, 2020	March 31, 2019
Rent	525.24	960.49
Lease rental expenses	-	24.10
Freight and forwarding charges	334.56	374.10
Legal, professional and consultancy charges	1,832.96	1,640.94
Directors' sitting fees including commission	90.00	90.00
Commission on advertisement revenue	1,302.11	2,229.37
Commission on other revenue	108.38	116.34
Corporate social responsibility expenses (refer note 42)	139.12	163.00
Sales promotion expenses	940.48	653.73
Electricity charges	224.36	222.06
Rates and taxes	81.45	133.29
Payment to auditor (please refer (i) below)	65.04	62.59
Repairs and maintenance		
- Plant and machinery	34.90	66.12
- Building	-	2.22
- Furniture and fixtures	0.38	-
- Others	218.21	256.02
Insurance	81.13	73.06
Travelling and conveyance expenses	439.02	553.23
Communication and courier expenses	132.93	158.36
Printing and stationery	59.52	50.66
Bad debts written-off	169.58	48.97
Less: Provision utilised	99.17	(34.91)
Loss on sale and write off of fixed assets (net)	0.11	34.48
Provision for doubtful debts	170.93	348.86
Impairment of investment	-	145.00
Foreign exchange loss (net)	89.66	143.99
Miscellaneous expenses	493.40	473.46
	<b>7,434.30</b>	<b>8,989.53</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**
**(i) Payment to auditor**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Statutory auditor</b>		
Statutory audit	34.50	41.50
Tax audit	3.50	3.50
Limited review	21.00	14.00
Reimbursement of expenses	3.54	1.09
<b>In other capacity</b>		
Other services (certification fees)	2.50	2.50
	<b>65.04</b>	<b>62.59</b>

**26. Finance Cost**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Interest on</b>		
- Term loan	576.71	777.29
- Cash credit	102.00	124.84
- Loan from related party (refer note 32)	61.84	373.18
Interest expenses on lease liabilities	102.05	-
Interest expenses on financial liabilities carried at amortised cost	139.61	137.21
Bank charges	23.85	16.86
	<b>1,006.06</b>	<b>1,429.38</b>

**27. Finance Income**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Interest on:</b>		
- Fixed deposits	66.30	100.07
- Loan to related party (refer note 32)	56.32	43.17
Interest Income financial assets carried at amortised cost	-	24.20
Fair valuation gain on financial instruments (FVTPL)	(430.06)	250.67
Gain on sale of current investments (net)	867.73	530.54
Dividend income from subsidiaries (refer note 32)	8,867.19	-
	<b>9,427.48</b>	<b>948.65</b>

**28. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Basic</b>		
Net profit after tax as per the statement of profit and loss	10,131.81	2,936.67
<b>Net profit for calculation of basic EPS</b>	<b>10,131.81</b>	<b>2,936.67</b>
Weighted average number of equity shares in calculating basic EPS	<b>28,350,801</b>	<b>28,350,801</b>
<b>Earning per share (₹) (Face value of ₹ 10 each)</b>	<b>35.74</b>	<b>10.37</b>
<b>Diluted</b>		
Net profit for calculation of basic EPS	10,131.81	2,936.67
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Weighted average number of shares outstanding (including dilution)	28,350,801	28,350,801
<b>Earning per share (₹) (Face value of ₹ 10 each)</b>	<b>35.74</b>	<b>10.37</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

### 29. Gratuity and other post-employment benefit plans

#### a) Defined Contribution plan

The Company has recognised and included in Note 24 “contribution to provident fund and other funds” expenses towards the defined contribution plan as under: ₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Contribution to Provident fund	340.97	334.11
Administration Charge - Provident Fund	19.42	18.71
Contribution to ESIC - Employer Share	0.78	0.97
	<b>361.17</b>	<b>353.79</b>

#### b) Defined benefit plan-Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

#### Change in the defined benefit obligation (“DBO”) and fair value of plan assets as at March 31, 2020 ₹ in Lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
<b>Gratuity cost charged to Statement of Profit and Loss</b>			
As at April 1, 2019	1,005.50	490.03	515.46
Service cost	103.50	-	103.50
Net Interest expense	73.56	-	73.56
Past service cost	-	-	-
Investment Income	-	35.85	(35.85)
<b>Recognised in the statement of profit and loss</b>	<b>177.06</b>	<b>35.85</b>	<b>141.21</b>
<b>Benefit paid</b>	(5.09)	(5.09)	-
<b>Remeasurement gains/losses in other comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	-	-
Actuarial changes arising from changes in demographic assumptions	(0.09)	-	(0.09)
Actuarial changes arising from Changes in financial assumptions	(97.28)	-	(97.28)
Experience Adjustments	(39.07)	-	(39.07)
Net actuarial (gain) / loss recognised in the year	-	-	-
<b>Recognised in Other comprehensive Income</b>	<b>(136.44)</b>	-	<b>(136.44)</b>
Contribution by employer	-	25.00	(25.00)
<b>As at March 31, 2020</b>	<b>1,041.03</b>	<b>545.79</b>	<b>495.24</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**

Change in the defined benefit obligation (“DBO”) and fair value of plan assets as at March 31, 2019 ₹ in Lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
<b>Gratuity cost Charged to Statement of Profit and Loss</b>			
As at April 1, 2018	804.21	400.80	403.40
Service Cost	88.91	-	88.91
Net Interest Expense	60.67	-	60.67
Past Service Cost	-	-	-
Investment Income	-	30.24	(30.24)
<b>Recognised in the statement of profit and loss</b>	<b>149.58</b>	<b>30.24</b>	<b>119.34</b>
<b>Benefit paid</b>	(21.67)	(21.67)	-
<b>Remeasurement gains/losses in other comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	20.88	(20.88)
Actuarial changes arising from changes in demographic assumptions	0.22	-	0.22
Actuarial changes arising from Changes in financial assumptions	53.51	-	53.51
Experience Adjustments	19.65	-	19.65
Net actuarial (gain) / loss recognised in the year	-	-	-
<b>Recognised in Other comprehensive Income</b>	<b>73.38</b>	<b>20.88</b>	<b>52.49</b>
Contribution by employer	-	59.78	(59.78)
<b>As at March 31, 2019</b>	<b>1,005.50</b>	<b>490.03</b>	<b>515.46</b>

**The principal assumptions used in determining gratuity as shown below:**

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.40%	7.55%
Future Salary increase	Nil for the first year and 6% thereafter	7.00%
Employee turnover	13.10%	15%
Retirement age (years)	58	58
Expected returns on assets	8%	8%
Mortality rate	100% of IALM 2012-14	% of IALM 06-08

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## Notes to Standalone financial statements for the year ended March 31, 2020

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in Lacs

Particulars	DBO	DBO
	March 31, 2020	March 31, 2019
Discount rate (-1%)	1100.59	1066.03
Discount rate (+1%)	(987.33)	(951.16)
Salary Growth rate (-1%)	(993.76)	(959.50)
Salary Growth rate (+1%)	1091.85	1054.29
Attrition rate (-0.5%)	1020.86	1006.48
Attrition rate (+0.5%)	(1051.61)	(1004.67)

**Methods and assumptions used in preparing sensitivity and their limitations:** The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. These sensitivities are based on change in one single assumption, other assumptions, being constant.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Lacs

	March 31, 2020	March 31, 2019
Within the next 12 months(next annual reporting period)	580.22	604.96
Total expected payments	<b>580.22</b>	<b>604.96</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2019: 6 years)

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	March 31, 2020	March 31, 2019
1 Year	230.98	194.06
2 to 5 years	497.40	503.99
6 to 10 years	386.90	403.45
More to 10 years	452.44	569.60

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity	March 31, 2020	March 31, 2019
Investments with insurer (Life Insurance Corporation Limited)	<b>100%</b>	<b>100%</b>

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year ₹ 3.15 lacs (March 31, 2020: ₹ 75.98 lacs) is recognised as an expense in the Statement of profit and loss.



**Notes to Standalone financial statements for the year ended March 31, 2020**

**30. Employee stock option plans**

During the year ended March 31, 2020, the Company's equity-settled ESOP Schemes viz., ESOP Scheme 2014 was in existence.

**(a) Employee Stock Option Scheme 2014 (ESOP 2014):**

The Compensation Committee recommended the new ESOP Scheme 2014 and the Board approved the new ESOP Scheme 2014 at its meeting held on November 11, 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on November 20, 2014.

As per the ESOP Scheme 2014, 25% of the options shall vest equally at the end of each year from the date of grant.

**The exercise period of these options is as follows:**

- i) For the employees while in the employment of the Parent Company: Within a period of two years from the date of Vesting of the respective Employee Stock Options.
- ii) For the retired employees, termination due to permanent disability, death: Within six months from the date of retirement, termination due to physical disability or death, respectively.

During the year ended March 31, 2019, the Board of Directors and the Shareholders of the Company approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600 per option to ₹ 400 per option and its exercise period got extended upto December 11, 2020.

During the year ended March 31, 2019, the Board of Directors approved the grant of 208,578 options under employee stock option Scheme 2014 at an exercise price of ₹ 400 per option to the employee of the Company and its Subsidiaries.

**The details of activity under the Scheme 2014 are summarised below:**

₹ in Lacs

	March 31, 2020		March 31, 2019	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	820,569	400.00	628,503	400.00
Granted during the year due to scheme modification	-	-	208,578	400.00
Exercised during the year	-	-	-	-
Forfeited during the year	(5,750)	400.00	(16,512)	-
Outstanding at the end of the year	<b>814,819</b>	<b>400.00</b>	<b>820,569</b>	<b>400.00</b>
Exercisable at the end of the year	814,819	400.00	611,991	400.00
Weighted average remaining contractual life (in months)	9	-	21	-

**The key assumption in Black Scholes Model for calculating fair value as on the date of grant are:**

	March 31, 2019
Expected volatility	32.79%
Risk - Free interest rate	6.65%
Weighted average share price	384.70
Exercise price (Rupees)	400.00
Dividend yield	3.25%
Expected life of options granted in years	1.85

The Carrying amount of Employee stock option reserve as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ 371.72 lacs). The expenses recognised for employee service received during the year is ₹ Nil (March 31, 2019 ₹ 371.72 lacs).

## Notes to Standalone financial statements for the year ended March 31, 2020

### 31. Leases

#### Operating lease: Company as lessee

The Company's significant leasing arrangements are in respect of operating leases taken for Office Premises, Stores and Digital equipment. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Lease payment recognised in Statement of profit and loss	525.24	984.59
	<b>525.24</b>	<b>984.59</b>

Future lease rental expense will be recognised in the Statement of profit and loss of subsequent years as follows:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Due not later than one year	205.07	69.79
Due later than one year but not later than five years	355.47	132.21
Later than five years	-	-
	<b>560.54</b>	<b>202.00</b>

The movement in lease liabilities during the year ended is as follows :

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Addition on account of transition to IND AS 116	1,725.66	-
Finance Cost accrued during the period	102.05	-
Deletions	-	-
Payment for lease liabilities	(516.87)	-
<b>Balance at the end</b>	<b>1,310.84</b>	<b>-</b>

The break-up of current and non-current lease liabilities is as follows :

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Current lease liabilities	620.33	-
Non-current lease liabilities	690.51	-
	<b>1,310.84</b>	<b>-</b>

The details regarding the contractual maturities of lease liabilities on an undiscounted basis is as follows:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Due not later than one year	826.54	-
Due later than one year but not later than five years	687.07	-
Later than five years	60.00	-
	<b>1,573.61</b>	<b>-</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**
**Operating lease commitments – Company as lessor**

The Company has leased out Digital Cinema Equipment to theatres, franchisees and subsidiary companies on an operating lease arrangement. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The lease term is generally for 5 to 10 years. The Company as well as the theatres and franchisees have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement.

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
Lease income recognised in Statement of profit and loss	5,738.69	6,121.69
	<b>5,738.69</b>	<b>6,121.69</b>

**32. Related party disclosures**
**1. Names of related parties where control exists irrespective of whether transactions have occurred or not**

<b>Subsidiaries</b>	Scrabble Entertainment Limited Valuable Digital Screens Private Limited United Film Organisers Nepal Private Limited, Nepal* PJSa Technosoft Private Limited UFO Lanka Private Limited, Sri Lanka* UFO Software Technologies Private Limited
<b>Step-down Subsidiaries</b>	Scrabble Entertainment DMCC, Dubai Scrabble Entertainment (Lebanon) Sarl, Lebanon Scrabble Digital Inc., USA. Scrabble Entertainment Mauritius Limited, Mauritius Scrabble Entertainment Israel Ltd, Israel* Scrabble Digital Limited (w.e.f. December 15, 2018)
<b>Associate of Company</b>	Mukta VN Films Limited Cinestaan Digital Private Limited (w.e.f. December 19, 2019)
<b>Associate of Subsidiary</b>	Scrabble Digital Limited (up to December 14, 2018) Scrabble Digital DMCC, Dubai Scrabble Ventures LLC Scrabble Ventures, S.de R.L. de C.V., Mexico

\* Under voluntary liquidation

## Notes to Standalone financial statements for the year ended March 31, 2020

### Names of other related parties with whom transactions have taken place during the year

#### Key management personnel

Mr. Sanjay Gaikwad - Managing Director  
 Mr. Kapil Agarwal - Joint Managing Director  
 Mr. Ashish Malushte - Chief Financial Officer  
 Mr. Rajesh Mishra - Chief Executive Officer - Indian Operations  
 Mr. Sameer Chavan - Company Secretary  
 Mr. Sanjeev Aga - Independent and Non-executive director  
 Mr. S. Madhavan - Independent and Non-executive director  
 Ms. Lynn de Souza - Independent and Non-executive director  
 Mr. Ameya Hete - Non-executive director

#### Relatives of Key management personnel

Mr. Narendra Hete  
 Mrs. Aruna Narendra Hete  
 Mr. Uday Shankar Gaikwad  
 Mrs. Mohana Subramanian  
 Mrs. Kamayani Singh Kanwar

#### Enterprises owned or significantly influenced by key management personnel or their relatives

Media Infotek Park  
 Shree Enterprises  
 Valuable Media Private Limited  
 Valuable Technologies Limited  
 Valuable Edutainment Private Limited  
 Valuable Infotainment Private Limited  
 Apollo International Limited  
 Qwik Entertainment India Limited  
 Impact Media Exchange Limited  
 Nifty Portfolio Services Private Limited  
 Advent Fiscal Private Limited  
 S.Madhavan (HUF)

## 2. Details of transactions with related parties during the year

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>Nature of transaction/Name of the Parties</b>			
<b>1</b>	<b>Subsidiaries companies</b>		
<b>A</b>	<b>Virtual print fees (Income)</b>		
	i) Scrabble Entertainment Limited	562.97	727.40
<b>B</b>	<b>Lease rental income</b>		
	i) Scrabble Entertainment Limited	238.64	287.96
<b>C</b>	<b>Unsecured Loan given</b>		
	i) Valuable Digital Screens Private Limited	5,325.00	742.00
	ii) PJSA Technosoft Pvt Ltd.	1.00	1.00
<b>D</b>	<b>Interest income on loans</b>		
	i) Valuable Digital Screens Private Limited	56.18	108.74
	ii) PJSA Technosoft Pvt Ltd.	0.14	0.02

**Notes to Standalone financial statements for the year ended March 31, 2020**

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>E</b>	<b>Rent income (Miscellaneous receipts)</b>		
	i) Scrabble Entertainment Limited	11.96	9.80
	ii) Valuable Digital Screens Private Limited	4.43	2.66
<b>F</b>	<b>Advertisement revenue share (expense)</b>		
	i) Valuable Digital Screens Private Limited	Nil	938.04
<b>G</b>	<b>Reimbursement of expenses</b>		
	i) Scrabble Entertainment Limited	1.69	1.77
	ii) Valuable Digital Screens Private Limited	0.52	1.22
<b>H</b>	<b>Rent paid</b>		
	i) Scrabble Entertainment Limited	11.31	16.82
<b>I</b>	<b>Virtual print fee sharing (expenses)</b>		
	i) Scrabble Entertainment Limited	474.37	420.04
<b>J</b>	<b>Lease rental expenses</b>		
	i) Scrabble Entertainment Limited	79.71	88.26
<b>K</b>	<b>Content Provisioning Charges</b>		
	i) Valuable Digital Screens Private Limited	24.63	9.54
<b>L</b>	<b>Franchisee Fees Charges</b>		
	i) Valuable Digital Screens Private Limited	2.04	0.83
<b>M</b>	<b>Security Deposit received back</b>		
	i) Scrabble Entertainment Limited	Nil	291.00
<b>N</b>	<b>Security Deposit paid</b>		
	i) Scrabble Entertainment Limited	1.65	Nil
<b>O</b>	<b>Security Deposit received</b>		
	i) Scrabble Entertainment Limited	1.89	3.48
	ii) Valuable Digital Screens Private Limited	0.25	1.16
<b>P</b>	<b>Repayment received against loan</b>		
	i) Valuable Digital Screens Private Limited	Nil	845.03
<b>Q</b>	<b>Interest received on loans</b>		
	i) Valuable Digital Screens Private Limited	Nil	154.97
<b>R</b>	<b>Loan transferred/adjusted on account of demerger*</b>		
	i) Valuable Digital Screens Private Limited	5,924.54	Nil
<b>S</b>	<b>Interest transferred/adjusted on account of demerger*</b>		
	i) Valuable Digital Screens Private Limited	17.11	Nil
<b>T</b>	<b>Sale of equipments and Lamps</b>		
	i) Scrabble Entertainment Limited	Nil	26.85
	ii) Valuable Digital Screens Private Limited	Nil	4.28
<b>U</b>	<b>Dividend Income</b>		
	i) Scrabble Entertainment Limited	8,867.19	Nil
<b>V</b>	<b>Content delivery Charges</b>		
	i) Valuable Digital Screens Private Limited	0.63	Nil
<b>W</b>	<b>Corporate Guarantee given on borrowing (please refer (c) below)</b>		
	i) Valuable Digital Screens Private Limited	Nil	257.63

## Notes to Standalone financial statements for the year ended March 31, 2020

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>2</b>	<b>Step-down Subsidiaries</b>		
<b>A</b>	<b>Sale of assets</b>		
	i) Scrabble Entertainment DMCC, Dubai	Nil	31.79
<b>B</b>	<b>Digitalisation income</b>		
	i) Scrabble Digital Limited	Nil	1.69
<b>C</b>	<b>Rent income (miscellaneous receipts)</b>		
	i) Scrabble Digital Limited	2.33	0.36
<b>D</b>	<b>Security deposit received</b>		
	i) Scrabble Digital Limited	1.33	0.28
<b>E</b>	<b>Content processing charges</b>		
	i) Scrabble Digital Limited	336.86	100.43
<b>F</b>	<b>Reimbursement of expenses</b>		
	i) Scrabble Digital Limited	0.79	Nil
<b>3</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Expenses reimbursed</b>		
	i) Media Infotek Park	121.78	119.70
<b>B</b>	<b>Technical services fees (expense)</b>		
	i) Valuable Technologies Limited	928.63	911.91
<b>C</b>	<b>Operating direct expenses (Repair &amp; Maintenance)</b>		
	i) Valuable Technologies Limited	Nil	0.91
<b>D</b>	<b>Operating direct expenses (Licensee fees)</b>		
	i) Impact Media Exchange Limited	72.00	72.00
<b>E</b>	<b>Licensee fee- (Other income Club X)</b>		
	i) Valuable Media Private Limited	9.77	9.45
<b>F</b>	<b>Rent paid (expense)</b>		
	i) Media Infotek Park	606.54	542.54
<b>G</b>	<b>Rent income (Miscellaneous receipts)</b>		
	i) Valuable Media Private Limited	6.45	5.14
	ii) Valuable Edutainment Private Limited	2.45	1.19
<b>H</b>	<b>Sales of Spare income</b>		
	i) Valuable Media Private Limited	0.17	Nil
<b>I</b>	<b>Security Deposit received</b>		
	i) Valuable Media Private Limited	0.20	0.11
	ii) Valuable Edutainment Private Limited	0.21	0.11
<b>J</b>	<b>Dividend Paid</b>		
	i) Valuable Media Private Limited	1,009.92	280.53
	ii) Valuable Technologies Limited	1,009.65	280.46
	iii) Nifty Portfolio Services Private Limited	243.96	67.77
	iv) Advent Fiscal Private Limited	331.73	92.15
	v) S. Madhavan (HUF)	1.35	0.13
	vi) Apollo International Limited	1,019.89	283.30
	vii) Aruna Narendra Hete	1.80	Nil
	viii) Uday Shankar Gaikwad	0.09	-
	ix) Mohana Subramanian	0.03	0.01
	x) Kamayani Singh Kanwar	90.17	25.05

**Notes to Standalone financial statements for the year ended March 31, 2020**

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>K</b>	<b>Purchase of equity shares</b>		
	i) Valuable Digital Screens Private Limited	Nil	60.00
<b>4</b>	<b>Associates of Company</b>		
<b>A</b>	<b>Purchase of Share Warrant</b>		
	i) Cinestaan Digital Private Limited	38.79	Nil
<b>B</b>	<b>Purchase of Convertible Preference Shares</b>		
	i) Cinestaan Digital Private Limited	461.21	Nil
<b>5</b>	<b>Associates of Subsidiary</b>		
<b>A</b>	<b>Content processing charges</b>		
	i) Scrabble Digital Limited	Nil	240.58
<b>B</b>	<b>Sale of equipments and Lamps</b>		
	i) Scrabble Digital Limited	Nil	0.49
<b>C</b>	<b>Digitalisation income</b>		
	i) Scrabble Digital Limited	Nil	1.13
<b>D</b>	<b>Rent income (miscellaneous receipts)</b>		
	i) Scrabble Digital Limited	Nil	0.45
<b>5</b>	<b>Key managerial personnel and their relatives</b>		
<b>A</b>	<b>Remuneration to key managerial personnel*</b>		
	i) Mr. Sanjay Gaikwad	297.35	290.99
	ii) Mr. Kapil Agarwal	297.37	277.92
	iii) Mr. Ashish Malushte	123.17	99.45
	iv) Mr. Rajesh Mishra	153.26	149.16
	v) Mr. Sameer Chavan	28.30	22.84
<b>B</b>	<b>Directors sitting fee and commission expenses</b>		
	i) Mr. S. Madhavan	25.00	25.00
	ii) Ms. Lynn de Souza	25.00	25.00
	iii) Mr. Sanjeev Aga - Independent and Non-executive director	40.00	40.00
<b>C</b>	<b>Dividend paid to key managerial personnel</b>		
	i) Mr. Sanjay Gaikwad	118.71	32.97
	ii) Mr. Kapil Agarwal	208.08	57.79
	iii) Mr. Ashish Malushte	8.29	2.30
	iv) Mr. Ameya Hete	102.51	27.22
	v) Mr. S. Madhavan	3.15	0.50
	vi) Mr. Rajesh Mishra	12.89	3.58
<b>3.</b>	<b>Balance outstanding at the year end.</b>		
			₹ in Lacs
Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>1</b>	<b>Subsidiaries Companies</b>		
<b>A</b>	<b>Unsecured Loan</b>		
	i) Valuable Digital Screens Private Limited	684.43	1,286.97
	ii) PJSA Technosoft Pvt Ltd.	2.00	1.00
<b>B</b>	<b>Interest accrued on loans</b>		
	i) Valuable Digital Screens Private Limited	105.50	72.06
	ii) PJSA Technosoft Pvt Ltd.	0.14	0.02
<b>C</b>	<b>Trade receivables</b>		
	i) Valuable Digital Screens Private Limited	1.36	Nil
	ii) Scrabble Entertainment Limited	324.75	461.90

## Notes to Standalone financial statements for the year ended March 31, 2020

₹ in Lacs

Sr. No.	Particulars	March 31, 2020	March 31, 2019
<b>D</b>	<b>Trade Payable</b>		
	i) Valuable Digital Screens Private Limited	0.93	600.18
<b>E</b>	<b>Deposit receivable</b>		
	i) Scrabble Entertainment Limited	3.40	3.64
<b>F</b>	<b>Deposit payable</b>		
	i) Valuable Digital Screens Private Limited	1.41	1.16
	ii) Scrabble Entertainment Limited	349.38	349.38
<b>G</b>	<b>Unbilled revenue</b>		
	i) Scrabble Entertainment Limited	Nil	25.24
<b>H</b>	<b>Corporate guarantee given to bank for borrowing</b>		
	i) Valuable Digital Screens Private Limited	Nil	466.72
<b>2</b>	<b>Step-down Subsidiaries</b>		
<b>A</b>	<b>Trade receivables</b>		
	i) Scrabble Digital Limited	7.59	3.04
<b>B</b>	<b>Amount payable</b>		
	i) Scrabble Digital Limited	95.28	284.40
<b>C</b>	<b>Deposit payable</b>		
	i) Scrabble Digital Limited	1.61	0.28
<b>D</b>	<b>Unbilled expenses</b>		
	i) Scrabble Digital Limited	164.46	Nil
<b>3</b>	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
<b>A</b>	<b>Amount receivable</b>		
	i) Valuable Media Private Limited	3.32	1.58
	ii) Valuable Infotainment Private Limited	0.27	0.27
	iii) Valuable Edutainment Private Limited	1.18	1.38
<b>B</b>	<b>Deposit receivable</b>		
	i) Media Infotek Park	357.72	357.72
<b>C</b>	<b>Deposit payable</b>		
	i) Valuable Media Private Limited	2.04	1.84
	ii) Valuable Infotainment Private Limited	0.06	0.06
	iii) Valuable Edutainment Private Limited	0.65	0.44
<b>D</b>	<b>Unbilled expenses</b>		
	i) Impact Media Exchange Limited	6.00	Nil
	ii) Valuable Technologies Ltd	1.74	Nil
	iii) Media Infotek Park	9.41	Nil
<b>E</b>	<b>Trade payable</b>		
	i) Impact Media Exchange Limited	6.48	Nil
	ii) Media Infotek Park	24.67	Nil
	iii) Valuable Technologies Ltd	82.43	Nil
<b>4</b>	<b>Key management personnel</b>		
<b>A</b>	<b>Provision for commission expenses payable</b>		
	i) Mr. S. Madhavan	12.50	11.00
	ii) Ms. Lynn de Souza	8.50	12.50
	iii) Mr. Sanjeev Aga	25.50	26.00
<b>5</b>	<b>Associates of Subsidiary</b>		
<b>A</b>	<b>Corporate guarantee given to bank for borrowing (please refer (b) below)</b>		
	i) Mukta V N Films Limited	200.00	200.00

\* Adjustment made pursuant to the NCLT approved Scheme of Demerger of Caravan Division of VDSPL into the Company (refer note. 36)



**Notes to Standalone financial statements for the year ended March 31, 2020**
**Compensation of key management personnel of the Company:**

₹ in Lacs

Particular	March 31, 2020	March 31, 2019
Remuneration	899.45	840.36

\*Key Managerial Personnel and Relatives of promoters who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS -19 Employee Benefits in the financial statements. As these employee benefits are lump-sum amounts provided on the basis of the actuarial valuation, the same is not included above as they are determined on an actuarial basis for the Company as a whole.

**Notes:**

- As at March 31, 2020, the Company has provided Corporate guarantee to bank for Overdraft facility of Rs 200 lacs taken by Mukta VN Films Limited, associate of the Company, assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and ordinary course of business. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**33. Capital and other commitments**

₹ in lacs

	March 31, 2020	March 31, 2019
Capital commitments (estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 187.28 lacs))	1,410.21	453.94
Other commitments (Operating expenses net of advances of ₹ 18.21 lacs)	722.89	264.73
	<b>2,133.10</b>	<b>718.67</b>

**34. Contingent liabilities**

₹ in Lacs

	March 31, 2020	March 31, 2019
<b>Pending litigations / matters</b>		
(i) In respect of Income Tax matters (refer note a) Income Tax matters	-	-
(ii) In respect of Indirect Tax matters (refer note b) VAT matters	76.00	76.00
	<b>76.00</b>	<b>76.00</b>

- The Company is contesting the demand/matter relating to pending litigations listed above and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- West Bengal Case:** The Company has received an Order dated July 4, 2011 from the Senior Jt. Commissioner, Sales Tax Behala Circle (West Bengal) for the year 2007-2008 demanding sales tax payment of ₹ 41.90 lacs. The Company has filed an appeal on August 26, 2011 at Honorable Appellate Tribunal of Sales tax Kolkata. The Company has received favorable order from Assessing officer in same issues for subsequent years.
  - Cochin Case:** The Company has received an Order dated January 30, 2017 from Asst. Commissioner, Commercial Tax Special Circle Ernakulum for the period 2012 to 2013 demanding tax on the difference in closing stock & difference in material movement value as per VAT return & VAT Audit report. The dispute is that Sales Tax Department has passed an order without considering the fact that company has already applied for the application for revision of return and it is pending for approval from commercial tax department. The Sales Tax Department has issued the notification allowing the revision of return of earlier period. The company is in process of revising the VAT Returns. Post revision of return the outstanding liability will be nullified.

## Notes to Standalone financial statements for the year ended March 31, 2020

On August 24, 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ('CESTAT') dated August 18, 2017 ('the Order'), where in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 lacs, excluding interest and penalty on account of disallowance of CENVAT Credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped.

Further, CESTAT remanded the matter relating to demand of ₹ 1,526 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October, 2011 to March 2014 for reconsideration to the Adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honorable High court against the Order on March 22, 2018.

The Company received show cause cum demand notice dated April 16, 2018 for April 2014 to June 2017 in respect of

- i. disallowance of Cenvat credit claimed on capital goods – ₹ 391.46 lacs
- ii. double taxation issue i.e. service tax on rental from leasing of Digital Cinema Equipment – ₹ 3,245.86 lacs.

Since the demand is in relation to similar matter as stated above for the period, the same has been set aside by the department and the case will be heard post finalisation of earlier matter at High Court.

The Company believes its position will likely to be upheld in the appellate process and liability will not arise to the Company on this matter.

The above does not include all other obligations resulting from customer claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

### 35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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

₹ in Lacs

Particular	March 31, 2020	March 31, 2019
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### 36. Business Combinations and acquisition of non controlling interest

- a) On November 1, 2017, the Board of Directors of the Company had approved the composite scheme of arrangement and amalgamation amongst the Company and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors ("the Qube Scheme") under Sections 230 to 232 and other relevant provisions of the Act.

The Company had filed the Qube Scheme with the National Company Law Tribunal (NCLT), Mumbai Bench on March 13, 2018. Further, the shareholders of the Company had approved the Qube Scheme at the NCLT Mumbai convened meeting held on May 21, 2018. NCLT at a hearing held on January 21, 2019, has dismissed the petition filed jointly by the Company and PJSA before the NCLT for the approval of the Qube Scheme. The Company and PJSA have filed an appeal on February 25, 2019 before the National Company Law Appellate Tribunal challenging the aforementioned order of the NCLT.

**Notes to Standalone financial statements for the year ended March 31, 2020**

NCLAT by way of its order dated October 24, 2019 which was made available on October 25, 2019 allowed the Appeal and has set aside the NCLT Order. Further, the NCLAT Order records that the representative of the Union of India, Ministry of Corporate Affairs, through the Regional Director, Western Region has conceded before the NCLAT that the grounds given for the rejection of the Qube Scheme in the NCLT Order were uncalled for and the NCLT was only required to notice all the requirements of Section 230-232 of the Act.”

- b) During the year ended March 31, 2019, the Company acquired additional 20% stake (2,895 equity shares) in Valuable Digital Screens Private Limited (VDSPL) from the minority shareholders for ₹ 60 lacs. Post this investment, the Company holds 100 % of equity share capital of VDSPL.
- c) **Common control transactions**
- a) On June 22, 2018, the National Company Law Tribunal (NCLT) approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, V N Films Private Limited (“VNFPL”), Edridge Limited (“EL”), UFO International Limited (“UIL”) and Southern Digital Screenz India Private Limited (“SDS”) (together referred to as the “merging companies”) with the Company (“the Scheme”)
- b) UFO is principally engaged in the delivery of content via satellite directly to theatres. The Company is largest digital cinema distribution network and in-cinema advertising platform. VNFPL, EL, UIL and SDS are in the business of providing digital cinema services.
- c) Consequent to fulfilment of all the conditions relating to the Scheme including filing of certified copy of the Order with the Registrar of Companies, the Scheme became effective on June 29, 2018 with effect from the appointed date of April 01, 2016 for the amalgamation of VNFPL, EL and UIL with the Company and the appointed date of July 01, 2016 for SDS.
- d) The amalgamation has been accounted using pooling of interest method as prescribed under Indian Accounting Standard (“Ind AS”) 103- “Business Combination” notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and/ or such other applicable accounting standard prescribed under the Act. The previous year figures have been restated to give the effect of amalgamation in accordance with the scheme.
- e) In accordance with the Scheme:
- (i) All assets and liabilities, including reserves of the merging Companies have been recorded at their respective book values as appearing in their respective books on the date immediately preceding the Appointed Date.
- (ii) The difference in books of accounts of the Transferee Company on account of:
- (a) Net assets taken over;
- (b) Reserves acquired and cancellation of investments in Transferor Companies is recorded in Amalgamation Reserve account of the Transferee Company.
- (iii) The debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve account has been adjusted against Securities Premium of the Transferee Company.

Summary of the assets, liabilities and reserves taken over as mentioned below:-

₹ in lacs

Particulars	Total	VNFPL	SDS	EL	UIL
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	131.50	-	131.50	-	-
Other intangible assets	305.80	-	203.45	-	102.35
<b>Financial assets</b>					
- Investments	8,381.21	306.00	-	7,872.78	202.43
- Loans	684.49	-	684.49	-	-
Deferred tax assets (net)	140.92	-	140.92	-	-
Other non- current assets	24.25	24.25	-	-	-
<b>Total non-current assets (A)</b>	<b>9,668.17</b>	<b>330.25</b>	<b>1,160.36</b>	<b>7,872.78</b>	<b>304.78</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

₹ in lacs

Particulars	Total	VNFPL	SDS	EL	UIL
<b>Current assets</b>					
<b>Financial assets</b>					
- Investments	1,200.00	-	1,200.00	-	-
- Trade receivables	123.81	1.05	114.40	0.02	8.34
- Cash and cash equivalents	825.26	6.19	778.35	-	40.72
- Loans	198.45	0.11	198.34	-	-
Other current assets	35.62	22.45	13.17	-	-
<b>Total current assets (B)</b>	<b>2,383.14</b>	<b>29.80</b>	<b>2,304.26</b>	<b>0.02</b>	<b>49.06</b>
<b>Total assets (C=A+B)</b>	<b>12,051.31</b>	<b>360.05</b>	<b>3,464.62</b>	<b>7,872.80</b>	<b>353.84</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Provisions	5.49	0.53	4.96	-	-
<b>Total non-current liabilities (D)</b>	<b>5.49</b>	<b>0.53</b>	<b>4.96</b>	-	-
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
- Borrowings	432.27	431.78	-	0.49	-
- Trade payables	457.80	27.06	418.79	9.58	2.37
- Other financial liabilities	363.23	1.30	361.93	-	-
Provisions	26.27	1.30	24.97	-	-
<b>Total current liabilities (E)</b>	<b>1,279.57</b>	<b>461.44</b>	<b>805.69</b>	<b>10.07</b>	<b>2.37</b>
<b>Total liabilities (G=D+E)</b>	<b>1,285.06</b>	<b>461.97</b>	<b>810.65</b>	<b>10.07</b>	<b>2.37</b>
<b>Net assets taken over</b>	<b>10,766.26</b>	<b>(101.92)</b>	<b>2,653.97</b>	<b>7,862.74</b>	<b>351.47</b>
<b>Reserves</b>					
Securities premium (I)	13,824.01	-	1,422.74	7,579.55	4,821.72
<b>Debit balance in profit and loss account (J)</b>	<b>(6,653.45)</b>	<b>(102.92)</b>	<b>(923.66)</b>	<b>(487.58)</b>	<b>(5,139.29)</b>
<b>Share capital of respective entities (K=H-I-J)</b>	<b>3,595.71</b>	<b>1.00</b>	<b>2,154.89</b>	<b>770.77</b>	<b>669.05</b>
<b>Cancellation of investments (L)</b>	<b>21,039.18</b>	<b>1.00</b>	<b>7,426.61</b>	<b>5,738.79</b>	<b>7,872.78</b>
<b>Amalgamation reserves (M=K-L)</b>	<b>(17,443.47)</b>	-	<b>(5,271.72)</b>	<b>(4,968.02)</b>	<b>(7,203.73)</b>
<b>Amalgamation reserves and debit balance in the profit and loss account of transferor companies, accounted under securities premium account (M+J)</b>	<b>(24,096.92)</b>	<b>(102.92)</b>	<b>(6,195.38)</b>	<b>(5,455.60)</b>	<b>(12,343.02)</b>

**Notes to Standalone financial statements for the year ended March 31, 2020**

- (iv) As a part of scheme of amalgamation approved by NCLT, the authorised capital of transferor Companies namely, equity share capital of ₹ 805 lacs and preference share capital of ₹ 1,800 lacs were added to the authorised share capital of the Company.

**De-merger scheme**

On July 18, 2019 the Company and Valuable Digital Screens Private Limited (VDSPL), its wholly owned subsidiary company, had filed joint application in relation to the Scheme of Arrangement between VDSPL and the Company and their respective shareholders with the Hon'ble National Company Law Tribunal ("NCLT"). NCLT vide its Order dated November 21, 2019 sanctioned the Scheme for demerger of Caravan division of VDSPL into the Company with effect from April 1, 2019 (the Appointed date). The Scheme became effective from December 4, 2019.

The Scheme has been accounted using the 'pooling of interest' method and the figures for the year ended March 31, 2019 have been recasted as if the Demerger had occurred from the beginning of the preceding period in accordance with the requirements of Appendix C of Ind AS 103 on Business Combinations. Pursuant to the Scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Caravan division has been transferred to the Company and the Company has also recognised deferred tax assets amounting to ₹ 1,238 lacs.

All inter-company balances and transactions have been cancelled/ eliminated. The disclosures of related party transactions under note no. 36 have been made after giving effect to this Scheme of demerger.

The de-merger has resulted in the transfer of assets, liabilities and reserves into the Company at the values given below and the net difference has been adjusted in capital reserves amounting to ₹ 340.17 lacs.

	₹ in Lacs
<b>Details of Assets and Liabilities Transferred</b>	<b>April 1, 2018</b>
<b>Non-current assets</b>	
Property, plant and equipment	1,105.34
Goodwill	340.17
Other non-current assets	89.88
<b>Current assets</b>	
Financial assets	
Trade receivables	259.11
Other financial assets	2.03
Other current assets	236.74
<b>Total assets</b>	<b>2,033.27</b>
<b>Equity</b>	
Other equity	(4,451.62)
<b>Non-current liabilities</b>	
Financial liabilities	
Borrowings	467.35
Provisions	12.23
<b>Current liabilities</b>	
Financial liabilities	
Borrowings	4,239.94
Trade payables	314.95
Other financial liabilities	807.05
Other current liabilities	46.50
<b>Total liabilities</b>	<b>1,436.40</b>
Net assets/liability transferred pursuant to scheme	596.87
Less: Cancellation of investment	(256.70)
<b>Difference between investment value and net assets taken over accounted as capital reserves</b>	<b>340.17</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

	₹ in Lacs
<b>Statement of Profit and Loss of demerged unit incorporated in the books</b>	<b>March 31, 2019</b>
Revenue from operations	2,414.33
Other income	0.36
<b>Total Income - (I)</b>	<b>2,414.69</b>
<b>Expenses</b>	
Operating direct cost	2,013.54
Employee benefits expenses	133.35
Other expenses	357.53
<b>Total expenses - (II)</b>	<b>2,504.42</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>	<b>(89.73)</b>
Depreciation and amortisation expense	424.42
Finance cost	607.42
Finance income	-
<b>Profit/(Loss) before tax</b>	<b>(1,121.57)</b>
<b>Tax expense:</b>	
- Current tax	-
- Deferred tax	-
<b>Profit (Loss) for the period</b>	<b>(1,121.57)</b>
<b>Other Comprehensive Income / (Loss)</b>	
A (i) Items that will not be reclassified to profit or loss	
a) Remeasurement of the defined benefits plans	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-
B (i) Items that will be reclassified to profit or loss	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-
<b>Total Comprehensive Income for the period</b>	<b>(1,121.57)</b>

## Notes to Standalone financial statements for the year ended March 31, 2020

### 37. Financial Instruments - Accounting Classifications and Fair Value Measurement

The fair value of the financial assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value management hierarchy of the Company's Financial assets and liabilities.

The Carrying value and fair value of financial assets by categories as at March 31, 2020 were as follows:

₹ in Lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
<b>Financial Assets</b>					
Cash and cash equivalents	309.21	-	-	309.21	
Bank balances other than cash and cash equivalents	930.06	-	-	930.06	
Trade Receivables	8,256.73	-	-	8,256.73	
Loans	1,378.26	-	-	1,378.26	
Investments in other securities	-	-	6,593.45	6,593.45	Level 2
Investments in subsidiaries	11,610.03	-	-	11,610.03	
Other financial assets	129.67	-	-	129.67	
<b>Total</b>	<b>22,613.96</b>	<b>-</b>	<b>6,593.45</b>	<b>29,207.41</b>	
<b>Financial Liabilities</b>					
Lease liabilities	1,310.84	-	-	1,310.84	
Trade payables	4,243.37	-	-	4,243.37	
Borrowings (Other than Debt Securities)	4,081.91	-	-	4,081.91	
Other financial liabilities	9,081.62	-	-	9,081.62	
<b>Total</b>	<b>18,717.74</b>	<b>-</b>	<b>-</b>	<b>18,717.74</b>	

Details for the year ended March 31, 2019 are as follows:

₹ in Lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
<b>Financial Assets</b>					
Cash and cash equivalents	844.39	-	-	844.39	
Bank balances other than cash and cash equivalents	1,335.99	-	-	1,335.99	
Trade Receivables	14,596.24	-	-	14,596.24	
Loans	871.00	-	-	871.00	
Investments in other securities	-	-	11,545.39	11,545.39	Level 2
Investments in subsidiaries	11,110.03	-	-	11,110.03	
Other Financial assets	94.20	-	-	94.20	
<b>Total</b>	<b>28,851.85</b>	<b>-</b>	<b>11,545.39</b>	<b>40,397.24</b>	
<b>Financial Liabilities</b>					
Trade Payables	5,375.41	-	-	5,375.41	
Borrowings (Other than Debt Securities)	8,976.27	-	-	8,976.27	
Other financial liabilities	8,726.80	-	-	8,726.80	
<b>Total</b>	<b>23,078.48</b>	<b>-</b>	<b>-</b>	<b>23,078.48</b>	

\* The Company considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020 and March 31, 2019

## Notes to Standalone financial statements for the year ended March 31, 2020

### 38. Financial Risk Management - Objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks. The Company's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

##### a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lacs

	Increase effect		Decrease effect	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(69.93)	(78.04)	69.93	78.04

##### b) Currency Risk:

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The majority of the Company's revenue and expense are in Indian Rupees, with the remainder denominated in US Dollars. Management considers currency risk to be low and does not hedge its own currency risks except foreign currency borrowing for which it uses forward contract to hedge exposure to foreign currency risk.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions.

₹ in Lacs

Outstanding Foreign Currency Exposure as at	March 31, 2020	March 31, 2019
Payable for property, plant and equipment	1,286.91	0.77
USD	17.07	0.01
Advance to vendor	15.49	131.70
USD	0.21	1.90

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
1% increase in foreign exchange rate:	(12.71)	1.31
1% (decrease) in foreign exchange rate:	12.71	(1.31)



## Notes to Standalone financial statements for the year ended March 31, 2020

### 2. Credit Risk:

The risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approval for credit. The Company majorly operates locally and hence Company's exposure on credit risk from receivable's in different geographies is not significant.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was ₹ 16,276.71 lacs and ₹ 29,142.37 lacs as at March 31, 2020 and March 31, 2019 respectively as per the table below:

₹ In Lacs

Particulars	March 31, 2020	March 31, 2019
Balance with Banks including bank deposits	1,155.01	2,172.79
Investments	6,593.45	11,545.39
Trade Receivables	8,256.73	14,596.24
Unbilled revenue	143.05	743.80
Other financial assets	128.48	84.15
<b>Total</b>	<b>16,276.72</b>	<b>29,142.37</b>

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international credit rating agencies.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue, which are typically unsecured and are derived from revenue from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and liquid mutual fund unit with financial institutions with high ratings assigned by international and credit rating agencies. None of the other financial assets of the Company result in material concentration of credit risk.

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing risk pertaining to financial assets. The Company continues to believe that there is no impact on such assets.

### 3. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

## Notes to Standalone financial statements for the year ended March 31, 2020

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in Lacs

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>At March 31, 2020</b>				
Borrowing	2,910.74	3,354.64	-	<b>6,265.38</b>
Lease liabilities	620.33	690.51	-	<b>1,310.84</b>
Trade Payables	4,243.37	-	-	<b>4,243.37</b>
Other financial liabilities	4,549.68	4,531.94	-	<b>9,081.62</b>
<b>At March 31, 2019</b>				
Borrowing	2,697.88	3,710.10	-	<b>6,407.98</b>
Trade Payables	5,375.41	-	-	<b>5,375.41</b>
Other financial liabilities	5,525.69	3,201.11	-	<b>8,726.80</b>

### 39. Contract balances

The movement in contract assets and contract liabilities from contracts with customers:

₹ in Lacs

Contract assets (unbilled receivables)	March 31, 2020	March 31, 2019
Opening balance	743.80	320.50
Less: Invoices raised for revenue recognised during the previous year	(743.80)	(320.50)
Add: increase due to invoices not raised for revenue recognised during the year	143.05	743.80
<b>Closing balance</b>	<b>143.05</b>	<b>743.80</b>

₹ in Lacs

Contract Liabilities (advance or deferred income)	March 31, 2020	March 31, 2019
Opening balance	206.80	513.94
Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(139.39)	(417.06)
Add: invoices raised for which no revenue is recognised during the year	128.15	109.92
<b>Closing balance</b>	<b>195.56</b>	<b>206.80</b>

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

## Notes to Standalone financial statements for the year ended March 31, 2020

### Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Revenue from contracts with customers (as per Statement of Profit and Loss)	34,753.30	44,882.33
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	600.74	(423.30)
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(11.24)	(307.14)
<b>Contracted price with the customers</b>	<b>35,342.80</b>	<b>44,151.89</b>

The Company does not have revenue from individual customer exceeding 10% of total revenue

### Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

#### 40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Company .

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Long term debt including current maturities	6,265.38	6,407.98
Total Equity	40,668.30	44,009.35
Gearing Ratio	15.41%	14.56%

#### 41. Events subsequent to Balance Sheet date

Dividend on equity shares

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Proposed dividend on equity shares for the year ended March 31, 2019: ₹ 2.50 per share	-	708.77
Dividend distribution tax on proposed dividend	-	145.69
Interim dividend for the year ended (March 31, 2019: ₹ 27.50 per share which include special dividend of ₹ 15 per share)	-	7,796.47
Dividend distribution tax on interim dividend	-	1,602.59
	-	<b>10,253.52</b>

The Company converted investment in compulsorily convertible preference shares (CCPS) of Cinestaan Digital Private Limited (CDPL) into equity shares as per the terms of the agreement and were allotted 1,162,618 equity shares against CCPS. In addition, the Company also exercised 350,000 warrants by making payment of Rs 135.35 lacs @ Rs 38.67 per share for 350,000 equity shares issued against these warrants. Post conversion UFO holds 18.75% equity share capital of CDPL.

## Notes to Standalone financial statements for the year ended March 31, 2020

### 42. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibilities expenditures are as follows:

During the year ended March 31, 2020, the Company has spent ₹ 139.12 lacs on education and women empowerment with a prime emphasis on the rural areas.

₹ in Lacs

Particulars	March 31, 2020	March 31, 2019
Gross amount required to be spent	139.12	162.58
Amount spent during the year (refer note 25)	139.12	163.00
Balance unspent during the year	-	-

### 43. Details of Loans given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013.

Investment made are given under the respective head (Refer note 4)

Corporate Guarantees given by the Company in respect of Guarantee (Refer note 32)

Details of loan given

₹ in Lacs

Sr. No.	Name of the loanee	Rate of Interest	March 31, 2019	Given during the year	**Repayment during the year	March 31, 2020
1	Valuable Digital Screens Private Limited (maximum amount outstanding during the year ₹ 6,661.97 lacs (March 31, 2019: ₹ 1,286.97 lacs)	9.50% to 12.00%	1,286.97	5,325.00	5,927.54	684.43
2	PJSA Technosoft Private Limited (maximum amount outstanding during the year ₹ 1 lacs (March 31, 2019: ₹ 2 lacs)	9.50%	1.00	1.00	-	2.00
			<b>1,287.97</b>	<b>5,326.00</b>	<b>5,927.54</b>	<b>686.43</b>

\*The loan given to the above mentioned subsidiaries is repayable on demand for purpose of working capital requirement and capital expenditure for the business.

\*\* Adjustment made pursuant to the NCLT approved Scheme of demerger of Caravan Division of VDSPL into the Company (refer note. 36)

### 44. Investments during the year

The Board of Directors of the Company at its meeting held on December 20, 2019 has approved an investment of up to ₹ 2,000 lacs by way of convertible instruments over a period of three years in Cinestaan Digital Private Limited (CDPL). During the quarter ended December 31, 2019, the company has made an initial investment of ₹ 500 lacs of the total approved investment. For the purpose of accounting, CDPL is treated as an associate in accordance with Ind AS 28 on Investments in Associates and Joint Ventures.

**Notes to Standalone financial statements for the year ended March 31, 2020****45. Impact of Covid-19**

The World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic on March 11, 2020. Economic activity in India started getting impacted from March 11, 2020, when COVID-19 started to spread. Cinemas were the first to be impacted by COVID-19 and they started shutting down in accordance with the orders passed by various regulatory authorities and in a few days, all Cinemas across India were temporary shutdown. Consequent to this, as social distancing was the only way to stop the spread of COVID-19, the Government of India declared a nationwide lockdown that came into effect from March 25, 2020, impacting all non-essential activity.

The management of the Company has carried out a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Company is in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Company have remained shut since the mid of March 2020, severely impacting its revenues and profitability. The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Management has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects, and as on the date of approval of these financial results, it believes that there is no significant impact. However, the Company will continue to monitor the impact on account of changes in future economic conditions. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial results.

On account of COVID-19, the management has taken the following measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in fixed overheads for the period of the lockdown
- Reduction in salaries at various levels across the organisation

Re-opening of the Company's operations fully depends on the reopening of cinemas. The Government vide its Order [Guidelines for Phased Re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated 30th May 2020] has stated that Cinemas will be allowed to open in the third phase of re-opening but the date of cinemas reopening is uncertain at this point in time and will be decided based on the assessment of the situation. Given this uncertainty, these cost optimization measures will help the Company to conserve cash to sustain this phase until cinemas re-open.

The accompanying notes 1 to 45 are an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**

**of UFO Moviez India Limited**

**CIN : L22120MH2004PLC285453**

**Rajesh Mehra**

Partner

Membership No: 103145

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Kapil Agarwal**

Joint Managing Director

DIN No.: 00024378

Place: Mumbai

Date: June 22, 2020

**Rajesh Mishra**

CEO - Indian Operations

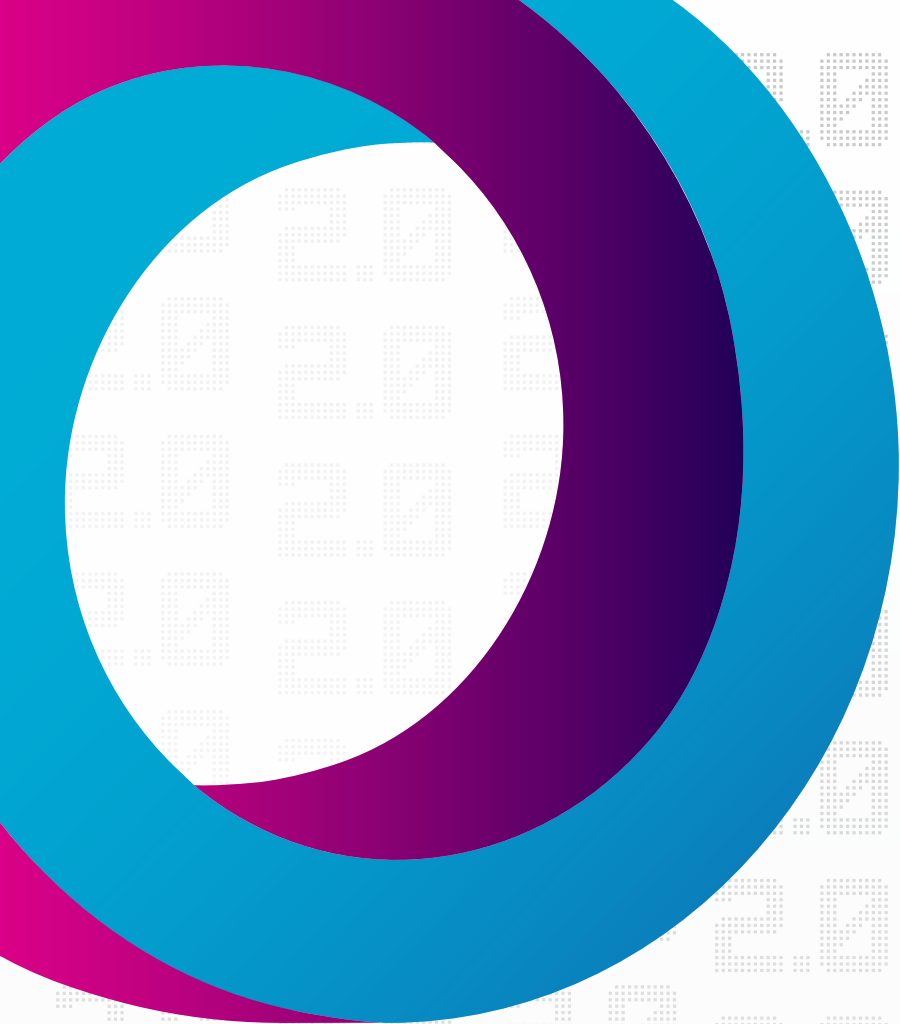
**Ashish Malushte**

Chief Financial Officer

**Sameer Chavan**

Company Secretary

Membership No.: F7211



CINE MEDIA NETWORK

If undelivered, please return to

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