August 27, 2021

To,
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.
BSE Scrip Code: 539141

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051.
NSE Scrip Code: UFO

Dear Sir / Ma'am,

Sub: Annual Report for the FY 2020-2021 and Notice of 17th Annual General Meeting

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 2020-21 along with the Notice of Annual General Meeting ('**AGM**') which is 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 17th AGM of the Company are as below:

Day & Date of AGM	Monday, September 20, 2021
Time of AGM	03:00 p.m. IST
Mode	Video Conference / Other Audio Visual Means
Web-link for participation through video conferencing	https://emeetings.kfintech.com/
Cut-off date for e-voting	Monday, September 13, 2021
Remote e-voting start date and time	Friday, September 17, 2021 at 09:00 a.m. IST
Remote e-voting end date and time	Sunday, September 19, 2020 at 05:00 p.m. IST

Kindly take note of the above on your record.

Thanking you.

Yours faithfully,

For **UFO Moviez India Limited**

Kavita Bhavesh Thadeshwar

Kavita Thadeshwar
Company Secretary

Encl: a/a

2020-21 ANNUAL REPORT

WHERE PEOPLE MATTER

UFO MOVIEZ INDIA LIMITED

Annual Report 2020 - 21

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CINE MEDIA NETWORK

UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest in-cinema advertising platform that has the power to impact almost 2.0 billion viewers annually through 3,558 screens comprising of 1,911 screens in the PRIME channel and 1,647 screens in the POPULAR channel across 1,201 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.

Letter to Shareholders

Dear Shareholders,

The fiscal year 2021 has seen humanity traversing through one of the biggest crisis faced in one's lifetime in the form of the COVID-19 pandemic. The crisis led slowdown in business activities resulted in the contraction of economies globally. However, the pandemic has allowed the world to re-think the future by developing sustainable businesses and compelled all to adapt to new-age methods of working. Work from home is a new normal and these practices are being widely implemented globally. We believe that the COVID-19 pandemic will end soon, and we will emerge stronger.

The Company's operations were halted for the major part of the financial year on account of pandemic induced temporary closure of cinemas due to lockdowns imposed by Governments. Our in-cinema advertising and digital cinema service revenues were severely impacted during the year. While cinemas were allowed to resume operations from mid-October 2020, albeit with Standard Operating Procedures (SOP's) and restrictions on seating capacity, not all cinemas reopened initially as there were very few new movie releases. The last quarter of fiscal 2021 saw some meaningful releases in the Southern markets which gained further traction in February 2021 as cinemas were allowed to operate at 100% seating capacity. The industry felt motivated by the box office performance of movies like 'Master', 'Vakeel Saab' etc. Following the success of the Southern markets, the Hindi film industry also announced a slate of movies beginning March 2021 including some big-budget releases. However, the country was seized by the second wave of COVID-19 in April 2021 leading to the closure of cinemas once again.

Being a social entertainment avenue, the Cinema business has been impacted more severely. However, large-scale vaccination is expected to provide relief as witnessed in many countries. Countries like the US, UK, and Israel that have vaccinated a large part of their population, give us confidence that cinemas will soon reopen in India and life will also return to normal.

We are hopeful of a strong come-back by the Cinema industry in fiscal 2021-22 itself supported by a strong pipeline of big-budget movies. During the lockdown, some movies did release on OTT. However, we believe that these measures were taken by the content owners to handle exceptional circumstances, primarily to tide over the financial crisis faced by them. We expect theatrical releases to remain the preferred avenue for movies as it not only has the potential to generate higher box office revenues but is also creates avenues for incremental monetization.

This pandemic has steered us towards new business initiatives as it was unthinkable that Cinemas could face such prolonged closure. We worked towards ring-fencing the Company through diversification by leveraging our existing resources and infrastructure. As such, we have ventured into the film distribution business, a natural backward integration for the Company, with a focus on building a robust professional architecture that can effectively handle pan India distribution. Unlike other distributors who invest in content, our distribution model is fee-based with zero content risk. We have also signed an agreement with Collective Artist Network Pvt Limited ("Collective") to provide marketing services for the monetization of social media assets of celebrities and social media influencers. Collective has an exclusive arrangement with around 270 celebrities from various walks of life such as Bollywood, Kollywood, Sports, etc. In addition, it also has over 5000 social media influencers on its network. It is again a purely fee-based business without any need for investment.

We also ventured into the B2C digital space by launching two initiatives namely Zinglin - a Short Video Content App and Plexigo - an OTT Platform for Content discovery. Both these platforms have been developed in-house with minimum investment by leveraging our technological capabilities. Currently, these businesses have been soft-launched and are still in a nascent stage. Although new businesses will take time to establish, we believe these businesses have good value creation potential.

We are confident about the future of the Cinema business but remain cautiously optimistic of its near-term performance which is directly linked to the return of normalcy, wherein vaccination of a large part of the population quickly will be the key factor. Until then, your Company remains committed to its employees and customers. We continue to use our cash judiciously with cost optimization measures and effective working capital management.

We hope that all our stakeholders stay safe and the world succeeds in containing this pandemic soon. We thank all our shareholders, employees, customers, and 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

President & Group CEO

Rajesh Mishra

Chief Financial Officer

Ashish Malushte

Company Secretary

Sameer Chavan (upto December 24, 2020)
Kavita Thadeshwar (w.e.f. March 27, 2021)

Statutory Auditors

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

Bankers

HDFC Bank Limited
YES Bank Limited
IDFC First 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

Day & Date of Annual General Meeting	Monday, September 20, 2021
Time of Annual General Meeting	03:00 p.m. IST
Mode	Video Conference / Other Audio Visual Means
Web-link for participation through video conferencing	https://emeetings.kfintech.com/
Cut-off date for e-voting	Monday, September 13, 2021
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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of UFO Moviez India Limited **('the Company'**) will be held on **Monday, 20th day of September, 2021 at 3:00 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, 2021 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Raaja Kanwar (DIN 00024402), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

3. **Approval for extending the 'UFO MOVIEZ INDIA LIMITED – EMPLOYEE STOCK OPTION SCHEME – 2014' to the employees of subsidiary companies of the Company:**

   To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the applicable provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules issued there under, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **('SEBI Regulations')** including any statutory modifications thereof, for the time being in force, the Memorandum and Articles of Association of the Company and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and based on the recommendations of the Compensation Committee and the Board of Directors of the Company, consent of the members is hereby accorded to extend the benefit of '**UFO MOVIEZ INDIA LIMITED – EMPLOYEE STOCK OPTION SCHEME – 2014'** (**'ESOP Scheme'**), to such individual(s) who are in the permanent employment of the subsidiary companies (whether now or hereafter existing, in India or overseas, as may be from time to time be allowed under the prevailing laws, rules and regulations, and / or any amendments thereto from time to time) whether working in India or out of India, directors of the subsidiary companies and to such other persons as may be allowed from time to time to enjoy the benefits of the ESOP Scheme under applicable laws and regulations prevailing from time to time (**'Subsidiary Companies Employees'**), except those who are promoters or belong to the promoter group, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board including the Compensation Committee (or any other Committee which the Board has constituted to be the Compensation Committee) in accordance with stipulations contained in the ESOP Scheme.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the ESOP Scheme 2014 including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the Memorandum of Association and Articles of Association of the Company and any other applicable laws;

   RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, allotment or listing of shares, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;

   RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to the Compensation Committee of the Board (or any other Committee constituted to be the Compensation Committee), with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.

   RESOLVED FURTHER THAT all members of the Compensation Committee (or any other Committee constituted to be the Compensation Committee) be and are hereby severally authorised to sign Stock option Agreement/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting stock options to the eligible employees as may be determined by the Compensation Committee (or any other Committee constituted to be the Compensation Committee) of the Board of Directors of the Company from time to time."

4. **Approval for change of Object Clause of the Memorandum of Association of the Company:**

   To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), in accordance with the Table A of the Schedule I of the Act and other applicable provisions thereof, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company as follows:

A. The existing Main Objects of Clause III (A) be altered by adding the following new clauses to it after the existing clauses, as under and consequently changing the object numbering as may be appropriate:

- To carry on the business of buying, selling, reselling, importing, exporting, storing, developing, promoting, marketing, supplying, trading, dealing, in any manner whatsoever in all type of goods, materials, commodities and services on retail as well as on wholesale basis in India or elsewhere through internet or any other channel and all type of e-commerce business in all goods and services, merchandise, vide business to business (b2b), business to customer (b2c), customer to customer (c2c) and providing services in Payment gateways, Portals, Vortals, Internet Marketing, Electronic Publishing.
- To carry on the business of developing, promoting, marketing, organizing and managing artists and celebrity management, national as well as international events, product brands, launches, ideas, concept designing and management for promotion of products, building of brands through all forms of advertising and promotions including but not limited to influencer marketing, in-cinema advertising, providing end-to-end social media and branded content solutions including all forms of technical, infrastructure and other support.

B. Clause III (B) of the Memorandum of Association of the Company, be renamed as 'Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are:'

C. The existing Clause III (C) – Other objects of the Memorandum of Association of the Company be deleted in its entirety.

D. Reference to Companies Act, 1956 wherever appearing in the Memorandum of Association be replaced with the relevant provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard."

By order of the Board of Directors

Kavita Thadeshwar
Company Secretary
M. No. A18651

Date: August 23, 2021
Place: Mumbai

Notes:

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs (**'MCA'**) has vide its General Circular dated January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as **'MCA Circulars'**) permitted the holding of the Annual General Meeting (**'AGM'**) through Video Conferencing (**'VC'**) facility or Other Audio Visual Means (**'OAVM'**), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('**SEBI**') vide its Circulars dated May 12, 2020 and January 15, 2021 (**'SEBI Circulars'**) has also granted certain relaxations. In compliance with the applicable provisions of the Companies Act, 2013 (**'the Act'**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), MCA Circulars and SEBI Circulars, the 17th AGM of the Company will be held through VC/OAVM on **Monday, September 20, 2021 at 3.00 p.m. (IST)**. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars and SEBI circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 3 of the Notice is annexed hereto.

   The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this AGM are also annexed to this Notice.

4. In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Notice convening the 17th 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 and www.nseindia.com respectively. The same is also available on the website of KFin Technologies Private Limited, Registrar and Share Transfer Agent of the Company ('**RTA / KFintech**') at the website address https://evoting.kfintech.com.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/OAVM and e-voting before or during the AGM, form part of the notes to this Notice.

   The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their requests to the Company at investors@ufomoviez.com

7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rule, 2014, the Board of Directors have appointed Mr. Vicky M. Kundaliya, Practicing Company Secretary (FCS: 7716 CP: 10989) or in his absence Mr. Kaushal Dalal as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

   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.kfintech.com within 48 hours of the conclusion of the AGM. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

8. Instructions for remote e-voting (before and during the AGM) and attending the AGM through VC/OAVM are given below:

   INSTRUCTIONS FOR REMOTE E-VOTING

   i. 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 from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin Technologies Private Limited ('**KFintech**'), on all the resolutions set forth in this Notice.

   ii. However, in pursuance to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

   iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access the e-Voting facility.

   iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Monday, September 13, 2021**, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

   v. The remote e-voting period commences on **Friday, September 17, 2021 at 9 a.m. (IST)** onwards and ends on **Sunday, September 19, 2021 at 5 p.m. (IST)**.

   vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

   vii. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM.

   viii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

   ix. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under 'Login method for remote e-voting for Individual shareholders holding securities in demat mode and instructions for attending the AGM of the Company through VC/OAVM'.

Details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders.

Step 2: Access to KFintech e-Voting system in case physical and non-individual shareholders.

Step 3: Access to join virtual meetings of the Company on KFintech e-Voting System and cast your vote electronically.

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.

Type of shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – **KFintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Step 2 : Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

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

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

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

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

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'UFO Moviez India Limited - AGM" and click on "Submit"

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

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

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

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

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

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id vickyscrutinizer@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "UFO Moviez India Limited _ Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Step 3: Instructions for all the members for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting 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.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investors@ufomoviez.com. Questions /queries received by the Company till **Saturday, September 18, 2021** shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

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

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will open from **Thursday, September 16, 2021 to Saturday, September 18, 2021**. Members shall be provided a 'queue number' before the meeting. 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 time and co-ordination constraints, the Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc.in advance as mentioned below.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option which will opened from **Thursday, September 16, 2021 to Saturday, September 18, 2021**.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact B Srinivas, at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

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

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

      1. Example for NSDL:
      2. MYEPWD <SPACE> IN12345612345678
      3. Example for CDSL:
      4. MYEPWD <SPACE> 1402345612345678
      5. Example for Physical:
      6. MYEPWD <SPACE> XXXX1234567890

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

   iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .

9. Effective April 1, 2019, the Company had stopped accepting any fresh transfer requests for securities held in physical form. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to dematerialise their holdings. Members may contact the registrar of the Company for assistance in this regard.

10. 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 are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the RTA KFintech in case the shares are held in physical form, quoting their folio number.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the Registrar & Share Transfer Agent, M/s. KFin Techonologies Private Limited, in case the shares are held in physical form, quoting their folio number.

12. 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 the aforesaid provisions, no claim shall lie 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.

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

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
6	Dividend 2018-19	July 25, 2019	August 24, 2026	From August 25, 2026 to September 24, 2026
7	Interim Dividend 2019-20	February 27, 2020	March 29, 2027	From March 30, 2027 to April 29, 2027

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.

Name of Director	Mr. Raaja Kanwar
Date of Birth and Age	February 4, 1970 51 years
Date of Initial Appointment	May 13, 2005
Qualification	Bachelor's degree in business administration from Drexel University, Pennsylvania, United States of America.
Brief Resume and Experience and Expertise	He is an entrepreneur and has expertise in strategic guidance. He has total experience of more than 27 years. He has been associated with the Company since 2005 as a Director.
No. of meetings of the Board attended during the financial year 2020-21	9 out of 12
Directorship held in other Companies (excluding foreign companies)	• AIL Consultants Private Limited [Formerly known as OSK Holdings (AIL) Private Limited] • Apollo International Limited • Apollo Logisolutions Limited • AR Spa Enterprises Private Limited • Kashipur Infrastructure and Freight Terminal Private Limited • OSK Holdings (AIL) Private Limited • Walnut Healthcare Private Limited
List of Membership / Chairmanship of as on March 31, 2021	Apollo International Limited • Audit Committee - Member • Corporate Social Responsibility Committee - Member Apollo Logisolutions Limited • Corporate Social Responsibility Committee – Member
Shareholding in the Company as on date	12,500 equity shares (0.04%)
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	Mr. Raaja Kanwar is a Non-executive, Non-Independent Director of the Company. Remuneration sought to be paid -Nil. Remuneration paid during financial year 2020-21 –Nil (Mr. Raaja Kanwar has waived his entitlement for payment of remuneration)
Justification for choosing the appointee for the appointment as Independent Directors	Not Applicable

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 REGARDING SPECIAL BUSINESS

Item No. 3

The UFO Moviez India Limited – Employee Stock Option Scheme 2014, (**ESOP Scheme**) allows grant of options not exceeding 1,150,000 options, convertible into 1,150,000 equity shares of ₹ 10 each, to the employees of the Company and its subsidiaries. However, when the approval of shareholders was taken for ESOP Scheme in the year 2014, names of the subsidiaries existing at that point of time were mentioned in the resolution. Therefore, the names of the companies which became subsidiary of the Company after the date of shareholder’s approval were not included in the shareholders approval and hence, employees of these subsidiaries are not eligible for grant of Options under the ESOP Scheme.

Accordingly, a separate resolution is proposed to extend the benefits of the ESOP Scheme to the employees of subsidiary company(ies) as may be decided by the Compensation Committee (or any other Committee constituted to be the Compensation Committee) from time to time under Applicable Laws.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them as per the proposed resolutions set out at Item No. 3 above.

The Board recommends passing of the resolutions as set out under Item No. 3 of the Notice for approval of the members as a special resolution.

Item no. 4

The Board of Directors of the Company considers from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification plans. The object Clause of the Company, is thus required to be comprehensive so as to cover a wide range of activities to enable the Company to consider embarking upon new projects and activities, conveniently and advantageously combined with the present activities of the Company.

Further, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Companies Act, 2013 it is proposed to rename Clause III (B) of the Object Cause, delete the existing clause III (C) – Other objects in its entirety and replace the references to the Companies Act 1956 with relevant provisions of the Companies Act, 2013.

The Board of Directors have subject to the approval of the shareholders approved the aforesaid changes. Since the proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013, your Directors recommend the resolution set out in item no. 4 for your approval.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the seventeenth report on the business and operations of your Company for the year ended March 31, 2021.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2021 is summarized below:

(₹ in Lacs)

Particulars	Standalone			Consolidated		
	FY21	FY20	Growth	FY21	FY20	Growth
Revenue from Operations	1,637.76	34,505.18	-95.25%	8,265.35	49,859.30	-83.42%
Other Operating Income	141.02	248.12	-43.16%	391.60	352.87	10.98%
Other Income	333.39	132.30	152.00%	413.11	180.23	129.21%
Total Income	2,112.17	34,885.60	-93.95%	9,070.06	50,392.40	-82.00%
Total Expenses	10,757.36	26,822.55	-59.89%	17,436.81	38,449.43	-54.65%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(8,645.19)	8,063.05	-207.22%	(8,366.75)	11,942.97	-170.06%
EBITDA Margin	-409.30%	23.11%	-1,870.89%	-92.25%	23.70%	489.24%
Depreciation and Amortisation	5,674.34	6,128.21	-7.41%	6,300.10	7,102.79	-11.30%
Earnings before Interest and Tax (EBIT)	(14,319.53)	1,934.84	-840.09%	(14,666.85)	4,840.18	-403.02%
Finance Cost	1,230.44	1,006.06	22.30%	1,306.75	1,009.99	29.38%
Finance Income	(967.49)	(9,427.48)	-89.74%	(949.52)	(991.23)	-4.21%
Profit before Tax and share of profit from associates	(14,582.48)	10,356.26	-240.81%	(15,024.08)	4,821.42	-411.61%
Share of profit from associates (net)	-	-	-	(71.80)	396.38	-118.11%
Profit before tax and after shares of profit from associates	(14,582.48)	10,356.26	-240.81%	(15,095.88)	5,217.80	-389.32%
Tax	(3,318.04)	224.45	-1,578.30%	(3,335.88)	1,340.74	-348.81%
Profit after Tax (PAT)	(11,264.44)	10,131.81	-211.18%	(11,760.00)	3,877.06	-403.32%
Other Comprehensive Income	34.84	102.10	-65.88%	12.93	328.51	-96.06 %
Total comprehensive income for the year, net of tax	(11,229.61)	10,233.91	-209.73%	(11,747.07)	4,205.57	-379.32%
Profit for the year attributable to equity shareholder	-	-	-	(11,760.00)	3,877.06	-403.32%
Profit for the year attributable to Non-controlling interests	-	-	-	-	-	-
Other comprehensive income attributable to equity Shareholder	-	-	-	12.93	328.51	-96.06%
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 under review and the date of this report.

DIVIDEND

Financial Year 2020-21 has been an extremely difficult year for the Company as the financial performance of the Company has been unexpectedly and adversely affected due to the COVID-19 pandemic and its spill over effects are still being felt. The Company has incurred losses during the financial year and the Board of Directors has decided to conserve its resources and not to declare any dividend for the financial year 2020-21.

TRANSFER TO RESERVES

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

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. 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, 2021 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2021.

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 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 forms part of the Annual Report.

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 2020-21.

DIRECTORS' RESPONSIBILITY STATEMENT 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 2020-21.

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, 2021 have been prepared on a going concern basis in accordance with relevant 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, 2021 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.

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

All related party transactions that were entered into during the financial year ended March 31, 2021 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**the Listing Regulations**'). Prior omnibus approval of the Audit and Risk Management Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and hence Form AOC-2 is not provided.

In line with the requirements of the Companies Act, 2013 and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at https://www.ufomoviez.com/sites/default/files/UFO_Investors/Policy_on_Related_Party_Transactions.pdf

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.

SHARE WARRANTS

As on March 31, 2021; there were no outstanding share warrants of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis of the business is set out in the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at March 31, 2021, your Company had 7 direct subsidiaries, 6 step-down subsidiaries and 7 associates.

During the year under review, the Company has made investments in the following subsidiaries and associates:

- **Cinestaan Digital Private Limited (CDPL)**

  The Board of Directors of the Company at its meeting held on December 20, 2019 had approved an investment of up to ₹ 2000 lacs by way of convertible instruments over a period of three years in CDPL. During the year under review, the Company has made further investment in CDPL aggregating to ₹ 485.34 lacs by exercising the option of conversion of 1,255,094 warrants issued by CDPL to 1,255,094 equity shares. Also, the Company had exercised the option of conversion of 1,153,026 Compulsory Convertible Preference Shares of CDPL to 1,162,618 equity shares. As on the date of this report, the Company has invested an aggregate amount of ₹ 985.35 lacs and thereby holds 29.97% voting rights in CDPL.

- **Mumbai Movie Studios Private Limited (MMSPL)**

  The Board of Directors of Scrabble Entertainment Limited (**'SEL'**), a wholly owned subsidiary of the Company, in its meeting held on October 12, 2020; had approved an investment of upto ₹ 800 lacs in MMSPL. Accordingly, during the year under review, SEL had made an investment of ₹ 37.50 lacs by subscribing to 375,000 number of equity shares of ₹ 10 each. Further, SEL had subscribed for 7,500,000 Non Cumulative Optionally Convertible Redeemable Preference Shares (**'NCOCRPS'**) of ₹ 10 each by making payment of ₹ 150 lacs towards share application money at ₹ 2 per NCOCRPS and further payment of ₹ 187.50 lacs towards first call money at ₹ 2.50 per NCOCRPS. As on the date of this report, SEL has invested an aggregate amount of ₹ 375 lacs and holds 30.74% stake in MMSPL.

- **PLEXIGO Entertainment Private Limited (PLEXIGO) (Erstwhile SAPJ Media and Entertainment Private Limited)**

  The Company has made an investment of ₹ 1 lac in PLEXIGO by purchasing 10,000 (representing 100% of equity share capital of PLEXIGO) equity shares from existing shareholders of PLEXIGO. Post this acquisition, PLEXIGO became a wholly owned subsidiary of the Company. Also, the Board of Directors of the Company in its meeting held on September 21, 2020 has approved a further investment of ₹ 275 lacs in PLEXIGO. Accordingly, during the year under review, the Company had further invested ₹ 50 lacs by subscribing to 500,000 equity shares of ₹ 10 each of PLEXIGO and ₹ 100 lacs by subscribing to 10,000 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares **('NCOCRPS')** of ₹ 1,000 each of PLEXIGO. Also, on April 12, 2021; the Company had further invested an amount of ₹ 50 lacs by subscribing 5,000 NCOCRPS of PLEXIGO. As on the date of this report, the Company has invested an aggregate amount of ₹ 201 lacs and continues to hold 100% voting rights in PLEXIGO.

- **ZINGLIN Media Private Limited (ZINGLIN) (Erstwhile PJSA Technosoft Private Limited)**

  The Board of Directors of the Company in its meeting held on September 21, 2020 has approved a further investment of ₹ 360 lacs in ZINGLIN. Accordingly, during the year under review, the Company had futher invested ₹ 50 lacs by subscribing to 500,000 equity shares of ₹ 10 each of ZINGLIN and ₹ 200 lacs by subscribing to 20,000 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares **('NCOCRPS')** of ₹ 1,000 each of ZINGLIN. Also, on April 12, 2021; the Company had further invested an amount of ₹ 109.91 lacs by subscribing 10,991 NCOCRPS of ZINGLIN. As on the date of this report, the Company has invested an aggregate amount of ₹ 360.91 lacs and continues to hold 100% voting rights in ZINGLIN.

- **UFO Software Technologies Private Limited (USTPL)**

  During the year under review, the Company has made a further investment of ₹ 1 lac in USTPL by purchasing 10,000 (representing ~4.03% of equity share capital of USTPL) equity shares of ₹ 10 each from existing shareholders of USTPL. Post this acquisition, USTPL became a wholly owned subsidiary of the Company.

  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.

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/sites/default/files/UFO_Investors/Policy%20on%20Board%20Diversity_UFO.pdf

BOARD OF DIRECTORS

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, 2021, the Board consisted of seven members, two of whom are executive directors and five are non-executive directors. Out of the five non-executive directors, three are independent directors. 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.

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.

Based on the annual confirmations received from the Independent Directors, in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that the Independent Directors fulfil the criteria of Independence as specified under Section 149(6) of the Act, read with Regulation 16(1)(b) of the Listing Regulations and are Independent of the management.

The Board is also 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.

The Board met 12 times during the financial year, the details of the meetings held 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.

RETIREMENT AND RE-APPOINTMENT OF DIRECTORS AND KMP

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. Raaja Kanwar, director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

In terms of Section 149(10) of the Companies Act, 2013, independent directors of the Company were appointed by the shareholders at the general meeting as required under Section 149(10) for the first term 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. As per the provisions of Section 149(13), the independent directors are not liable to retire by rotation.

The members of the Company at their Annual General Meeting held on August 8, 2018 had 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.

In the light of the impact of the COVID-19 pandemic on the business of the Company and consequent inadequacy of profits, the members vide special resolution passed through postal ballot on March 26, 2021, approved the payment of remuneration to the Executive Directors as minimum remuneration for the financial years 2020 – 21 to 2022 – 23.

During the year under review, Mr. Sameer Chavan resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. close of working hours of December 24, 2020. Based on the recommendation of Nomination and Remuneration Committee and with the approval of Board of Directors of the Company, Ms. Kavita Thadeshwar (ICSI Membership No. A18651) was appointed as Company Secretary and Compliance Officer of the Company w.e.f. March 27, 2021.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted the Nomination and Remuneration Policy of the Company pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and the Listing Regulations. The Policy includes laying down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company, laying down criteria to carry out evaluation of every Director's performance, determining 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 Nomination and Remuneration Policy of the Company is available on the Company's website under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/Nomination_and_Remuneration_Policy_Clean.pdf

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 reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

BOARD EVALUATION

Regulation 4(2)(f) of the Listing Regulations 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 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 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.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on May 26, 2021 inter alia, to:

(a) review the performance of the Non-Independent Directors and the Board of Directors as a whole;

(b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) 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.

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company as on March 31, 2021 comprises of three Independent Directors, Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza and one Non-Executive, 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, 2021 comprises of one Independent Director, Ms. Lynn de Souza; one Non-Executive Director, Mr. Ameya Hete and two 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year under review, the Board of Directors of the Company inducted Mr. Sanjeev Aga as a member to the CSR Committee w.e.f. February 10, 2021. Ms. Lynn de Souza resigned as a member of the CSR Committee w.e.f. March 29,

2021. Accordingly, as on March 31, 2021, the CSR Committee of the Company is headed by Mr. Sanjay Gaikwad as Chairman with Mr. Sanjeev Aga 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 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 **('Amendment Rules')**. The Policy includes role of CSR Committee, thrust areas for carrying out the CSR projects, implementation of the policy and monitoring and reporting of the activities undertaken. The Policy is available on the website of the Company under web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/CSR_Policy_2021.pdf

The annual report on CSR activities as required under the Amendment Rules is set out as **"Annexure-1"** forming part of this 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/sites/default/files/UFO_Investors/WhistleBlowerPolicy2017.pdf. 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.

CORPORATE GOVERNANCE

The Corporate Governance Report for the financial year ended March 31, 2021 as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year ended March 31, 2021, in terms of Regulation 34 of the Listing Regulations forms part of the Annual 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-2"** to this report.

AUDITORS

Statutory Auditors

At the 14th Annual General Meeting of the shareholders of the Company, 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 2021-22.

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 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for the financial year 2020 - 21 forms part of this report as **"Annexure-3"**. There are no qualifications or adverse observations by the Secretarial Auditor of the Company for the year under review.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website under the web link at https://www.ufomoviez.com/sites/default/files/Annual_Return/Form_MGT-7_FY2021_website.pdf.

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-4"** to this report.

There were no employees of the Company who were employed throughout the financial year and were in receipt of annual remuneration of ₹ 102 lacs or more. Similarly, there were no employees of the Company who were employed for a part of the financial year and were in receipt of remuneration of ₹ 8.50 lacs per month or more.

List of 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.

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.

Further, all outstanding Employee Stock Options granted to eligible employees continued to be under water and hence were not exercised during the exercise period and expired on December 11, 2020. Subsequently, on January 15, 2021; the Compensation Committee of the Board of Directors of the Company granted 1,093,700 employee stock options at an exercise price of ₹ 50 per option to the eligible employees of the Company under its ESOP Scheme 2014.

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/sites/default/files/UFO_Investors/ESOP%20Disclosures_31.03.2021.pdf

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 thereunder. 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 2020-21.

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: May 26, 2021

Annexure-1

ANNUAL REPORT ON CSR ACTIVITIES

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.

1. Brief outline on CSR Policy of the Company:

The CSR vision of the Company is to improve quality of life for all our communities through integrated and sustainable development in every possible way.

The Company has adopted a CSR policy in compliance with the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (**'Amendment Rules'**). The Policy includes role of CSR Committee, thrust areas for carrying out the CSR projects, implementation of the policy and monitoring and reporting of the activities undertaken.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Gaikwad	Designation - Chairman of the Committee Nature of Directorship – Executive Director	2	2
2	Ms. Lynn de Souza *(Resigned as a member w.e.f. March 29, 2021)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	2	2
3	Mr. Sanjeev Aga *(Appointed as a member w.e.f. February 10, 2021)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	2	1
4	Mr. Kapil Agarwal	Designation - Member of the Committee Nature of Directorship – Executive Director	2	2

3. Provide the web-link where the composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

For CSR Policy:
https://www.ufomoviez.com/sites/default/files/UFO_Investors/CSR_Policy_2021.pdf

For Composition of CSR Committee:
https://www.ufomoviez.com/sites/default/files/UFO_Investors/Composition_of_Board_and_Committees_2.pdf

For CSR projects approved by the Board:
https://www.ufomoviez.com/csr

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Nil

6. Average net profit of the Company as per Section 135(5):

₹ 52,58,36,046

7. (a) Two percent of average net profit of the Company as per Section 135(5):

₹ 1,05,16,721

(b) Surplus arising out of the CSR projects or programmes or activities for the financial years:

Nil

(c) Amount required to be set off for the financial year, if any:

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c):

₹ 1,05,16,721

8. (a) CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)		
	Amount	Date of Transfer	Nature of Fund	Amount	Date of Transfer
11,57,500	93,62,500	April 26, 2021	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21:

Sr. No.	Name of the Projects	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Project duration	Amount allocated for the Project (In ₹)	Amount spent in the current financial year (In ₹)	Amount transferred to Unspent CSR Account for the projects as per Section 135(6) (In ₹)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration No
1.	Empowering Girl Child Education **Refer note no. 1**	Promoting Education	No	Uttar Pradesh	Anupshahr, District Bulandshahar	To be spent in FY 2020-21, 2021-22 and 2022-23 towards meeting expenses in education session 2021-22, 2022-23 and 2023-24.	15,07,500 (14.33% of the outlay)	5,02,500	10,05,000	No	Pardada Pardadi Educational Society (**'PPES'**)	CSR00002968
2.	UFO CSR Healthcare Project 2020 - 21 **Refer note no. 2**	Promoting Healthcare	No	Rural and Semi urban areas to cater to the poor and marginalized sections of the society.		To be spent in the current financial year and over a period of three succeeding financial years i.e. 2020-21, 2021-22, 2022-23 and 2023-24.	90,12,500 (85.70% of the outlay)	6,55,000	83,57,500	Yes	--	--

Note 1: The Company had undertaken the project for Empowering Girl Child Education in the previous financial year through the implementing agency Pardada Pardadi Educational Society (**'PPES'**) for educating girls from poor sections of the society in villages of Anupshahar (in Bulandshahr district of Uttar Pradesh). An amount of ₹ 16.25 lacs was spent towards the said project in the FY 2019 - 20.

To create a long term impact of the project, the Company has decided to further undertake the project of Empowering the Girl Child Education Program as a CSR ongoing project through PPES. The outlay amount will be utilized for sponsoring comprehensive cost of educating 15 girl students in their education session of 2021-22, 2022-23 and 2023-24.

Founded in 2000, PPES is a non-profit, non-governmental, voluntary organization working in Anupshahar, Bulandshahr district of Uttar Pradesh.

Since its inception, PPES has been working with the vision towards improving the lives of girls and women in over 64 villages of Anupshahar, district Bulandshahr, which is one of the backward districts in Uttar Pradesh, India. PPES aims to empower girls and women from the poorest sections of Society by focusing on improving their quality of life.

PPES fulfils all the criteria stated under the Companies Act, 2013 read with rules thereunder to engage it as an implementing agency.

Note 2: Health infrastructure of our vast country necessitates high degree of private sector involvement to supplement healthcare efforts of Government agencies. There are many areas where private sector can make a meaningful contribution to improve the healthcare facilities mainly at grass-root level.

The CSR Policy of the Company adopts 'Promoting healthcare for supporting the poor sections of the society' as one of the focus areas for carrying out its CSR activities.

The Company and its subsidiaries have decided that significant portion of Company's FY 2020-21 CSR outlay will be focussed on this area through implementation of UFO CSR HEALTHCARE PROJECT: 2020-21

The objectives of UFO CSR HEALTHCARE PROJECT: 2020-21 are to make a meaningful contribution to health care facilities of the Beneficiaries, supporting the Beneficiaries financially to augment their health care facilities and ensuring that its benefits are duly passed on to the needy population.

The Project involves augmenting medical infrastructure of smaller hospitals and medical centres ('Beneficiaries') catering to needy population primarily in rural or semi urban areas by supplying free of cost (or through provision of grants) diagnostic, testing equipment, ambulances and such other requisite capital assets and funding of related facility construction costs to such beneficiaries.

During the year under review, the Company has supported upgradation and augmentation of medical infrastructure of one Beneficiary charitable clinic, located at Palghar district of Maharashtra.

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2020- 21:

Nil – As entire CSR amount is being spent on ongoing projects.

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e):

₹ 11,57,500

(g) Excess amount for set off, if any:

Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding three financial year(s):

Nil

10. In case creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

During the year under review, purchase orders were placed for acquiring assets worth ₹ 16,50,000 in respect of which an amount of ₹ 6,55,000 has been released, under the UFO CSR HEALTHCARE PROJECT 2020 - 21. The assets will be acquired in the name of the beneficiaries under the Project.

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5):

Not Applicable

For and on behalf of the Board of Directors

Sanjay Gaikwad	**Kapil Agarwal**
Chairman of CSR Committee	Joint Managing Director
DIN: 01001173	DIN: 00024378

Place: Mumbai
Date: May 26, 2021

Annexure-2

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 ₹ 1,969.21 lacs and the foreign exchange earning is ₹ 36.41 lacs.

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: May 26, 2021

Annexure-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021, 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, 2021 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, the consent of members was obtained pursuant to resolutions passed through postal ballot on 26th March 2021 for the following:-

(a) Payment of remuneration to Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director;

(b) Payment of remuneration to Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director

For D. M. Zaveri & Co
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
ICSI UDIN: F005418C000365723

Place: Mumbai
Date: May 26, 2021

Annexure-4

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			
Mr. Sanjeev Aga	20.00	-	40.00	(-) 50.00%	4.49
Mr. S. Madhavan	12.50	-	25.00	(-) 50.00%	2.80
Ms. Lynn de Souza	12.50	-	25.00	(-) 50.00%	2.80
Mr. Raaja Kanwar	-	-	-	-	-
Mr. Ameya Hete	-	-	-	-	-
Mr. Sanjay Gaikwad	82.03	-	297.35	(-) 72.41%	18.40
Mr. Kapil Agarwal	82.08	-	297.37	(-) 72.40%	18.42
Mr. Rajesh Mishra	57.26	-	153.26	(-) 62.64%	-
Mr. Ashish Malushte	47.07	-	123.17	(-) 61.78%	-
Mr. Sameer Chavan *(Till December 24, 2020)*	13.63	-	28.30	(-) 51.84%	-
Ms. Kavita Thadeshwar *(w.e.f. March 27, 2021)*	0.59	-	NA	NA	-

* 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 ₹ 4.46 lacs.

Requirement	Disclosure
The Percentage increase in median remuneration of employees in financial year	(-) 24.98 %
Number of permanent employees on the rolls of the Company	As at March 31, 2021 – 480
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 **Nil.**
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: May 26, 2021

Sanjay Gaikwad
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents below its analysis on the performance of the Company for the Fiscal Year ended March 31, 2021 and its outlook for the financial year 2021-22. UFO Moviez India Limited and its subsidiaries have been collectively referred to as "UFO"/ Company.

I. Overview of the Indian Economy

In the recent past, India has evolved as one of the fastest growing major economies in the world. However, the unprecedented outbreak of the COVID-19 pandemic led to social dysfunction and imposition of stringent lockdowns during FY21 (Financial Year 2021) to curb the transmission of the virus resulting in severe disruption in the economic activity. With the staggered relaxation of restrictions from end of July 2020 and flattening of COVID-19 curve thereafter, economic activity gradually started gathering pace by the end of CY20 (Calendar Year 2020), resulting in an uptick in consumer sentiment, further bolstered by the vaccination drive. The Economic Survey, 2020-21 had drawn attention to the V-shaped economic recovery as a testimony to the resilience and intrinsic strength of the Indian economy. However, during the beginning of FY22, India has witnessed the second wave of COVID-19 which has resulted in various State Governments re-imposing restrictions. This is expected to impact the economic recovery which had gained pace post the first wave. According to the IMF outlook*, the Indian economy is likely to contract by 8.0 percent in FY21 and expects that FY22 will be the year of rebuilding the Indian economy, projecting it to be as one of the fastest growing major economy in the world.

**IMF World Economic Outlook Update-April '21*

II. Overview of the Indian Film Exhibition Industry

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*, which demonstrates that movie viewing in cinemas is extremely important out of home entertainment destination for the people of India.

The Indian Film Exhibition Industry was severely impacted during FY21 due to the COVID-19 pandemic. With rising cases, a shutdown was announced and the entire Cinema value chain was the first to face temporary closures from end of March 2020. While cinemas were allowed to resume operations from middle of October 2020, albeit with Standard Operating Procedures (SOP's), restriction on seating capacity created a hurdle for new releases as the producers were not willing to risk box office revenues. Very few movies were released by Bollywood and most of them were small budget films. Most of the big budget Bollywood films waited for restoration of full seating capacity and return of audiences back to cinemas. This resulted in lesser number of cinemas reopening in the non-South markets. However, the Southern film markets gained momentum as many movies like Master, Vakeell Saab etc. performed very well at the box office. Looking at the success of southern movies, Bollywood also started scheduling release of big budget films. While overall markets were showing promising signs of recovery, India was once again impacted towards the end of FY21 by the second wave of the COVID-19 pandemic resulting in closure of cinemas once again in the beginning of FY22.

Inspite of lockdowns and social distancing norms, 441 films were released in CY20 as compared to 1,833 releases in CY19.

The closure of cinemas led to OTT platforms stepping up to fill the void and trying to increase its viewership. During these unusual times, some of the producers, may be due to severe financial constraint and other reasons, deviated from the usual distribution value chain of theatrical release first and started releasing directly on OTT's to monetize their movie inventory.

However, looking at the tepid response received from direct OTT release, filmmakers and streaming platforms are becoming cautious of releasing films on OTT. While most platforms are becoming conservative while shelling out large sums of money, producers have acknowledged that recovery and upside is much higher through theatrical release. Movie producers have realized that every time a good movie releases in cinemas, it establishes the value of the movie, creates equity and recall value and results in additional revenue through satellite, music and digital deals thereafter.

Overall, the theatrical revenues in the domestic market declined by ~78% from ₹11,520 Crore in CY19[(1)] to ₹2,490 Crore in CY20[(1)]. Similarly, overseas theatrical revenues of Indian films declined by ~88% from ₹2,700 Crore in CY19[(1)] to ₹310 Crore in CY20[(1)]. Since the pandemic led shutdown came into effect from the end of March 2020, the decline in revenues are much higher from a financial year perspective as compared to the calendar year.

[(1)]FICCI Frames 2021

**FICCI Frames 2020*

III. Overview of the Indian Advertisement Industry

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

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
- Skipless 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.

The Indian advertisement industry from 2014-2019 exhibited strong growth, until COVID-19 shadowed the advertisement activity impacting the growth trend. Advertisement revenues across segments declined by 25% to ₹ 59,600 Crore in CY20[(1)] as compared to ₹ 79,500 Crore in CY19[(1)]. Decline in revenues was seen across most mediums including cinema, OOH, print, television, etc. However, Digital advertising revenues remained flat, largely driven by advertising done by companies expanding their online sales. Also, while television advertising revenues declined by 21.5% in CY20, their revenues started picking up from October 2020 with availability of fresh content to broadcast.

In-Cinema advertising during the year remained severely impacted since, cinemas have remained temporarily closed and have not been able to open completely on account of the pandemic as explained above. Consequently, In-Cinema advertisement segment witnessed a de-growth of ~78% with revenues declining from ₹ 770 Crore in CY19 to ₹ 170 Crore in CY20[(1)]. Since the pandemic led shutdown came into effect from the end of March 2020, the decline in revenues is much higher from a financial year perspective as compared to the calendar year. With limited capacity and the current unusual scenario being faced by the industry, many advertisers are yet to return to the big screen. However, given the inherent advantage of in-cinema advertising, the industry is optimistic of its revival with the gradual re-opening up of cinemas at full capacity once the situation once again normalizes.

[(1)] FICCI Frames 2021

IV. Opportunities

Inventory Utilization and Realization

UFO's in-cinema advertising business has substantial 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 9,000 screens for a population of over 130 Crore. The screen density stands at less than 7 per million population 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 it is estimated that less than 40 Crore people of the total population have access to Cinema theatres. 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. These potential screen additions will provide opportunities to enhance the in-cinema advertising and digital cinema services.

V. Operating Performance

In-Cinema Advertising Business

UFO through its new brand identity 'UFO-Cine Media Network' focuses on reinforcing in-cinema advertising. As on March 31, 2021, UFO's advertisement network had 3,558 high impact advertisement screens comprising of 1,911 PRIME Screens (multiplexes and Hollywood release centres) and 1,647 POPULAR Screens (standalone screens and mass appeal screens) with presence across 1,201 cities and towns. With these channels and insightful business intelligence, advertisers can carry out large screen high impact advertising. With 3,558 high impact screens, 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. However, due to the current pandemic led scenario, cinemas have remained shut practically for entire FY 2020-21. There is a high possibility that there may be eventual closure of some of the screens as it may become unviable for them to get back to business due to financial constraints. This may result in reduction in the advertisement screen network of UFO Cine Media Network.

UFO's advertisement revenue stood at ₹ 253.27 Lacs during the fiscal year ended March 31, 2021 compared to ₹ 15,469.80 Lacs in the previous year. Revenues were severely impacted on account of cinema operations remaining shut for the major part of the year due to COVID-19 led nationwide lockdown.

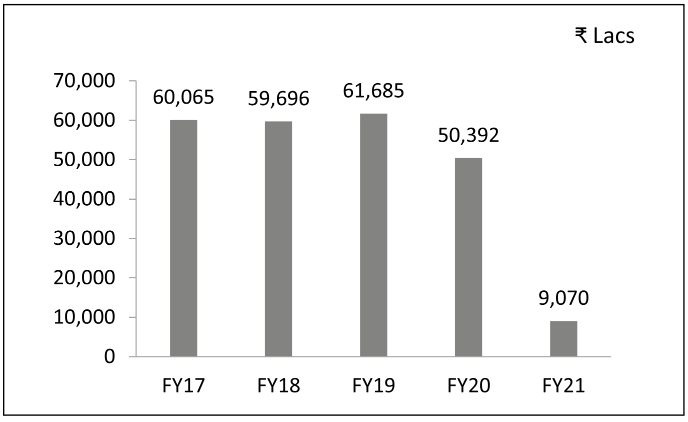
Theatrical Business

UFO operates India's largest satellite-based E-Cinema and D-Cinema network. During the FY21, UFO has digitally delivered 460 movies (including dubbed versions) to 5127 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.

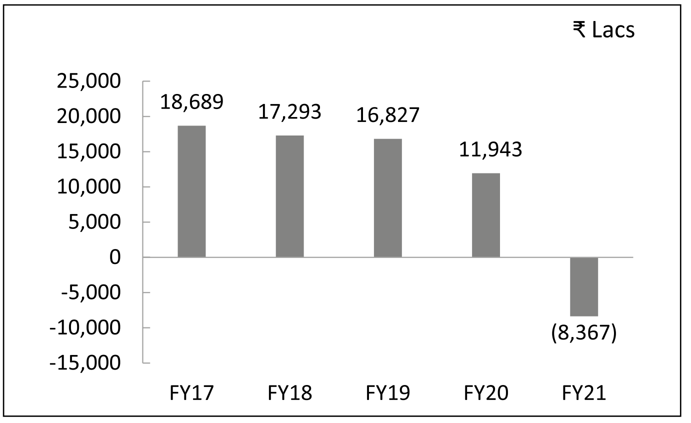
VI. Financial Performance (Consolidated)

Performance Overview (FY17 - 21)

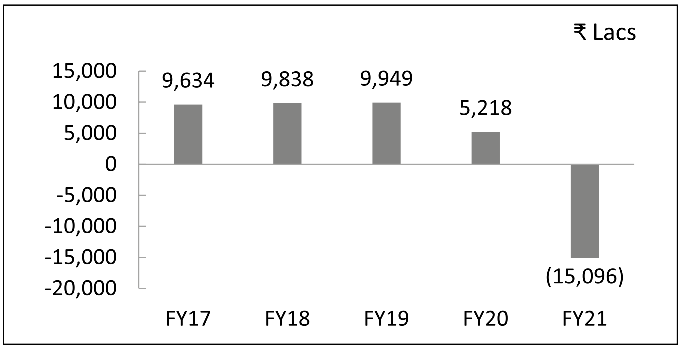
Revenue



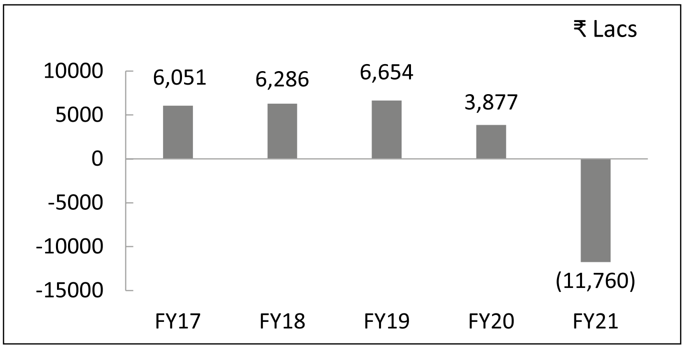
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



Revenue Analysis

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

(i) advertisers, for in-cinema advertising,

(ii) movie producers and distributors, for the secured delivery and screening of their movies and

(iii) exhibitors, for equipment rentals and sales of digital cinema equipment and consumables.

	Particulars	31-Mar-21 ₹ in Lacs	31-Mar-20 ₹ in Lacs	Growth ₹ in Lacs	% Growth
A.	**Revenue from operations**				
I.	**Advertisement revenue**	**253.27**	**15,469.80**	**-15,216.53**	**-98.36%**
II.	**Revenue from Content Owners**	**1,186.54**	**15,556.51**	**-14,369.97**	**-92.37%**
	Virtual Print Fees (VPF) - E- Cinema	553.79	9,853.79	**-9,300.00**	**-94.38%**
	Virtual Print Fees (VPF) - D- Cinema	304.56	3,450.13	**-3,145.57**	**-91.17%**
	Digitisation Income	328.19	2,252.59	**-1,924.40**	**-85.43%**
III.	**Revenue from Exhibitors**	**5,516.01**	**17,465.59**	**-11,949.58**	**-68.42%**
	Lease rental income - E-Cinema	324.68	5,323.47	**-4,998.79**	**-93.90%**
	Lease rental income - D-Cinema	76.58	717.52	**-640.94**	**-89.33%**
	Sale of Products	5,114.75	11,424.60	**-6,309.85**	**-55.23%**
IV.	**Other Operating Revenue**	**1,701.13**	**1,720.27**	**-19.14**	**-1.11%**
A.	**Revenue from operations (I to IV)**	**8,656.95**	**50,212.17**	**-41,555.22**	**-82.76%**
B.	**Other income**	**413.11**	**180.23**	**232.88**	**129.21%**
	Total Income (A+B)	**9,070.06**	**50,392.40**	**-41,322.33**	**-82.00%**

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-21 ₹ in Lacs	31-Mar-20 ₹ in Lacs	Growth ₹ in Lacs	% Growth
E-Cinema (India)				
E-Cinema VPF	553.79	9853.79	-9,330.00	-94.38%
less : VPF Sharing with exhibitors	9.51	156.53	-147.02	-93.92%
E-Cinema VPF (Net)	**544.28**	**9,697.26**	**-9,152.98**	**-94.39%**
D-Cinema (India)				
D-Cinema VPF	300.72	3,244.10	-2,943.38	-90.73%
less : VPF Sharing with exhibitors	180.02	644.12	-464.10	-72.05%
D-Cinema India VPF (Net) - (A)	**120.70**	**2,599.98**	**-2,479.28**	**-95.36%**
D-Cinema (International)				
D-Cinema VPF	3.85	206.03	-202.18	-98.13%
less : VPF Sharing with exhibitors	-60.13	102.13	-162.26	-158.88%
D-Cinema International VPF (Net) - (B)	**63.98**	**103.90**	**-39.92**	**-38.42%**
Total D-Cinema VPF (Net) (A+B)	**184.68**	**2,703.88**	**-2,519.20**	**-93.17%**
Total VPF Sharing	**129.39**	**902.78**	**-773.39**	**-85.67%**

Revenues were impacted on account of cinema operations remaining shut for the major part of the year due to COVID-19 led nationwide lockdown.

Expense Details

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

Particulars	31-Mar-21	31-Mar-20	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
Operating direct costs	**7,635.07**	20,625.41	**-12,990.34**	**-62.98%**
Employee benefit expenses	**5,182.33**	8,557.49	**-3,375.16**	**-39.44%**
Other expenses	**4,619.41**	9,266.53	**-4,647.12**	**-50.15%**
Total Expenses	**17,436.81**	**38,449.43**	**-21,012.62**	**-54.65%**

Operating direct costs

Operating direct costs in fiscal year ended March 31, 2021 were lower by ₹ 12,990.34 Lacs to ₹ 7,635.07 Lacs from ₹ 20,625.41 Lacs in fiscal year ended March 31, 2020 primarily on account of (i) advertisement revenue share paid to exhibitors was lower by ₹ 5,377.68 Lacs from ₹ 5,392.30 Lacs during the fiscal year ended March 31, 2020 to ₹ 14.62 Lacs during the fiscal year ended March 31, 2021, (ii) lower purchases of digital cinema equipment's by ₹ 2,900.74 Lacs from ₹ 5,437.60 Lacs during the fiscal year ended March 31, 2020 to ₹ 2,536.87 Lacs during the fiscal year ended March 31, 2021, (iii) lower purchases of lamps and Spares by ₹ 2,308.57 Lacs from ₹ 3,736.94 Lacs during the fiscal year ended March 31, 2020 to ₹ 1,428.37 Lacs during the fiscal year ended March 31, 2021, (iv) virtual print fees sharing was lower by ₹ 773.39 Lacs from ₹ 902.78 Lacs during the fiscal year ended March 31, 2020 to ₹ 129.39 Lacs during the fiscal year ended March 31, 2021, (v) lower repair and maintenance costs by ₹ 342.78 Lacs from ₹ 2,199.91 Lacs during the fiscal year ended March 31, 2020 to ₹ 1,857.13 Lacs during the fiscal year ended March 31, 2021, (vi) lower van operation expenses by ₹ 326.73 Lacs from ₹ 348.91 Lacs during the fiscal year ended March 31, 2020 to ₹ 22.18 Lacs during the fiscal year ended March 31, 2021, (vii) the other operating direct cost were lower by ₹ 960.48 Lacs from ₹ 2,606.99 Lacs during the fiscal year ended March 31, 2020 to ₹ 1,646.51 Lacs during the fiscal year ended March 31, 2021. The operating direct cost during the year was significant lower compared to the previous year since these costs are directly linked to the revenues. The revenues during the year were significantly lower as explained in the Revenue Analysis section above.

Employee benefit expenses

Employee benefit expenses during the fiscal year ended March 31,2021 was lower by ₹3,375.16 Lacs to ₹5,182.33 Lacs in fiscal year ended March 31,2021 from ₹8,557.49 Lacs in fiscal year ended March 31,2020. This is primarily on account of significant measures taken by the Company to reduce manpower expenses by way of salary reduction very early at the time of onset of the 1st wave in April 2020 at various levels across the organization. Also, it was lower due to lower incentives paid to the advertisement sales team on the advertisement revenues which had significantly declined in this financial year.

Other expenses

Other expenses in fiscal year ended March 31, 2021 was lower by ₹ 4,647.12 Lacs to ₹ 4,619.41 Lacs from ₹ 9,266.53 Lacs in fiscal year ended March 31, 2020 primarily on account of (i) lower commission on advertisement revenue by ₹ 1,213.21 Lacs from ₹ 1,302.11 Lacs during the fiscal year ended March 31, 2020 to ₹ 88.90 Lacs during the fiscal year ended March 31, 2021, (ii) lower legal, professional and consultancy charges by ₹ 998.36 Lacs from ₹ 2,214.61 Lacs during the fiscal year ended March 31, 2020 to ₹ 1,216.25 Lacs during the fiscal year ended March 31, 2021, (iii) lower sales promotion expenses by ₹ 808.53 Lacs from ₹ 961.49 Lacs during the fiscal year ended March 31, 2020 to ₹ 152.96 Lacs during the fiscal year ended March 31, 2021, (iv) lower travelling and conveyance expenses by ₹ 377.50 Lacs from ₹ 510.62 Lacs during the fiscal year ended March 31, 2020 to ₹ 133.12 Lacs during the fiscal year ended March 31, 2021, (v) lower rent expenses by ₹ 386.64 Lacs from ₹ 659.27 Lacs during the fiscal year ended March 31, 2020 to ₹ 272.62 Lacs during the fiscal year ended March 31, 2021 and (vi) lower freight and forwarding charges by ₹ 223.96 Lacs from ₹ 281.36 Lacs during the fiscal year ended March 31, 2020 to ₹ 57.40 Lacs during the fiscal year ended March 31, 2021. The lower other expenses were on account of significant reduction in Selling, General and Administrative (SG&A) expenses and by curtailing all discretionary spends very early at the beginning of pandemic from April 2020.

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

Consolidated EBITDA stood at negative ₹ (8,366.75) Lacs in the fiscal year ended March 31, 2021 compared to ₹ 11,942.97 Lacs in the fiscal year ended March 31, 2020.

Profit/(Loss) before tax

Consolidated profit/(loss) before tax stood at negative ₹(15,095.88) Lacs in the fiscal year ended March 31, 2021 compared to ₹ 5,217.80 Lacs in the fiscal year ended March 31, 2020.

Profit/(Loss) for the year attributable to equity shareholders of UFO

Consolidated profit/(Loss) for the year attributable to equity shareholders of UFO stood at negative ₹ (11,760.00) Lacs in the fiscal year ended March 31, 2021 compared to ₹ 3,877.06 Lacs in the fiscal year ended March 31, 2020.

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-21	31-Mar-20
Net Debt Equity Ratio	Times (x)	0.06	(0.12)
Days Sales Outstanding (DSO)*	Days	157	95
EBITDA Margin	Percentage (%)	(92.25)	23.70
Net Profit Margin	Percentage (%)	(129.66)	7.69

*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, 2020 to March 31, 2021:

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 Consolidated Gross Debt of the Company has increased from ₹ 6,992.64 Lacs as on March 31,2020 to ₹ 9,405.59 Lacs as on March 31,2021. The Consolidated Gross Cash of the Company has decreased by ₹ 3,583.73 Lacs from ₹ 11,531.87 Lacs as on March 31, 2020 to ₹ 7,948.14 Lacs as on March 31, 2021 primarily on account of cash utilized towards payment of manpower cost and other expenses (fixed SG&A) due to the pandemic led shutdown. Net Debt as on March 31, 2021 stood at ₹ 1,457.45 Lacs compared to Net Cash of ₹ 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, 2021.

DSO is calculated by dividing the Net Trade Receivables by the Total Income and multiplying the result by 365. The Net Trade Receivables stood at ₹ 3,893.74 Lacs as on March 31,2021 compared to ₹ 13,116.84 Lacs as on March 31, 2020. The Total Income stood at ₹ 9,070.06 Lacs as on March 31,2021 compared to ₹ 50,392.40 Lacs as on March 31, 2020. The DSO's were higher despite lower Net Trade Receivables on account significant reduction in Total Income due to shutting down of operations from the Month of March 2020 due to COVID-19.

EBITDA Margin is calculated as EBITDA divided by Total Revenue. The significant change in EBITDA Margin has been recorded on account of a negative EBITDA of ₹(8,366.75) Lacs as on March 31,2021 compared to EBITDA of ₹ 11,942.97 Lacs as on March 31, 2020. The negative EBITDA was primarily on account of shutting down of operations from the Month of March 2020 due to COVID-19.

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 Net Loss of ₹ 11,760.00 Lacs as on March 31,2021 compared to Net Profit of ₹ 3,877.05 Lacs as on March 31, 2020. The Net Loss was primarily on account of shutting down of operations from the Month of March 2020 due to COVID-19.

The Company's consolidated Return on Net Worth stood at (44.43%) in the fiscal year ended March 31, 2021 compared to 10.17% in the fiscal year ended March 31, 2020. 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 Net Loss (as explained above) despite a reduction in Total Equity by ₹ 11,649.94 Lacs from ₹ 38,121.32 Lacs as on March 31, 2020 to ₹ 26,471.38 Lacs as on March 31, 2021.

VII. New Business Initiatives

During this pandemic, the Company identified certain business initiatives and started pursuing few of them namely 'Zinglin' a short video content app and 'Plexigo' a premium content discovery OTT platform. Both businesses are at a nascent stage currently and it is expected that these businesses will start gaining momentum.

Additionally, the Company has also entered the Distribution Business and entered into an agreement with Collective Artist Network Private Limited to provide social media marketing services. Details are mentioned below:

A. Distribution Business

As a backward integration, UFO forayed into the film distribution business in December 2020. The endeavor is guided by a three-fold objective model promoting:

a) Fee-based film distribution with zero content risk,

b) Building a robust professional architecture which can effectively handle the film distribution throughout India leveraging our existing infrastructure.

c) Virtual Print Fee (VPF) as a percentage of box-office revenue instead of upfront fixed charge to facilitate wider release of movies.

Since the launch of the distribution business, we have distributed 12 movies and are in the process of finalizing arrangements for more movies. Some of the movies distributed on an all-India basis were "Ram Prasad Ki Tehravi" (A "Jio" Production), "Shakeela" (starring Richa Chadha and Pankaj Tripathi), "12'O Clock" (A Ram Gopal Varma film), "The Marksman" and "Flight". The other movies like mega Tamil hit Master, Naandhi, Chakra, Check, Mosagallu etc. were distributed in select film circuits. This initiative had also helped theatres re-open post the Pandemic led shutdown with an assured line-up of content.

Hopefully, over a period, this vertical will start generating good revenues for the Company.

B. Agreement with Collective Artist Network Private Limited

UFO has signed an agreement with Collective Artist Network Private Limited ("Collective") to provide social media marketing services.

Collective is India's leading talent management agency having exclusive arrangement with around 270 celebrities from various walks of life such as Bollywood, Kollywood, Sports etc. Some of these celebrities are Deepika Padukone, Shraddha Kapoor, Kriti Sanon, Ranbir Kapoor, Tiger Shroff, Kartik Aryan, Rana Daggubatti, Ravichandran Ashwin etc. In addition, it also has over 5000 social media influencers on its network. Collective monetizes the social media assets of celebrities and social media influencers on its network through its division - Big Bang Social (BBS)

UFO has an experienced Pan-India team of sales and marketing professionals to monetize exclusive in-cinema advertising rights. We would be primarily leveraging this team to monetize the huge advertising potential of the social media platforms of the celebrities and social media influencers under Collective network.

Social media is the fastest growing advertising media and globally, around 6-8% of the total spend on digital advertising is by way of influencer marketing. As per Industry sources, in India, annual spend for digital advertising is around ₹ 20,000 Crore of which around ₹ 400 Crore are spent on influencer marketing. As per global benchmarks, the influencer marketing in India should be between ₹ 1,200-1,600 Crore. With more and more advertisers allocating budgets for digital marketing, Influence marketing has substantial growth opportunity in years to come.

With this tie-up, UFO will be able to expand its reach in the fast-growing social media advertising segment in addition to its core business of in-cinema advertising. Social media opportunity is a 24/7 business and will only grow with penetration of digital in our lives and digital media becoming critical for the success of brands.

VIII. Outlook

In Q4FY21, post lockdown restrictions were lifted and in some states theaters were allowed to operate at 100% seating capacity, new movies started releasing in cinemas that had opened which were predominantly in Southern states. Most of these movies released were able to bring decent footfalls to the cinemas and performed well at the box office offering a ray of hope to the film exhibitors. The second wave of COVID-19 gained momentum from end of March 21 and once again led to disruptions in operations of cinemas in most of the states and most of the releases were postponed due to surge in Covid-19 cases. Though, uncertainties over the reopening of the cinemas exists, the Company remains cautiously optimistic given the positive trend seen in the economic recovery post the 1st wave. Also, signs of revival in the Southern film market in Q4FY21 clearly indicated that there is a pent-up demand. Thus, normalcy in the theatrical business is likely to come back after the new lock down restrictions are eased out. Some of the developed countries such as the US, UK, Israel which have successfully vaccinated large part of their population have encouragingly resumed gradual normalcy in their countries which also provides hope that India too shall bounce back in due course through the world's largest vaccination drive. Until then, given the uncertainties around the current situation, the Company's revenues are expected to be impacted as our major earnings is dependent on the theatrical releases and in-cinema advertisements. Despite the risk involved, the Company is cautiously optimistic about the revival of the entire industry. The Company expects gradual revival in Theatrical business while Advertisement revenue may take even longer to recover as media spending will return only when Cinema occupancy normalizes along with steady flow of movie releases. If the pandemic continues, this may further delay the recovery and could further impact the business operations and the financial position of the Company. In the interim, the Company is using its cash reserves judiciously in order to sustain during these testing times. Being the early pioneers of cinema digitization with satellite technology in India, the Company is optimistic that business will bounce back once cinema operations normalizes.

IX. Threats / Risks and Concerns

The continued temporary shutdown of Cinemas due to COVID-19 led lockdown on account of the first and the second wave and potential threats from future reoccurrence of such waves may impact the Company's ability to navigate ahead. Such events may have material impact on the Company's operating performance and financial position if extended for a prolonged period. This lockdown has given rise to several risks. 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.

The COVID-19 pandemic has resulted in movies getting released on other platforms such as OTT due to the closure of social entertainment avenues like cinema screens. This could result in changes in release patterns such as simultaneous release of movies in Cinemas and OTT going forward and/or narrowing of the release window on OTT after theatrical release. There could also be a change in consumer behavior like increased consumption of new movies on OTT, if available, resulting in lower cinema footfalls and thereby impacting theatrical revenues and in-cinema advertisement spends.

X. 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 stakeholder's and shareholder value in the Company.

XI. Internal Controls

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.

XII. Human Resources and Industrial Relations

The unprecedented impact of the pandemic has resulted in undertaking several activities by Human Resources. The Human Resources Team promptly ensured a transition from the usual ways of work to a remote working model. Wellness, wellbeing, communication, collaboration, change management and engagement were the broad themes of focus during the financial year under review. These translated in action in the following ways - Formulating and executing a robust and effective internal communication plan, revision of policies to make them relevant, setting up a virtual office space, introduction of work from home allowances, ethical resource optimization, facilitation of change, employee skill-enhancement and learning opportunities, multiple townhalls with the leaders, wellness and wellbeing check-ins, phased return to work roll outs ensuring safety and compliance and driving employee engagement to keep employees involved. Maintaining a strong organization-employee relationship and being relevant will remain the Company's focus as it braves forward into the new financial year.

The total employee strength including the group Companies and the top management stood at 603 as on March 31, 2021.

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, 2021, 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, 2021.

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. The composition of the Board of Directors of the Company is in accordance the Listing Regulations and the Act, read with applicable rules made thereunder as amended from time to time.

CATEGORY AND ATTENDANCE OF DIRECTORS

Category of Directors, attendance of each Director at the Board Meetings held during the financial year under review and the last Annual General Meeting, the number of other Directorships and Chairmanship/ Membership of Board Committees as on March 31, 2021 are as follows:

Sr. no.	Name, Designation and DIN of the Director	Category$	No. of Board Meetings Attended / held during the FY 2020 - 21	Attendance at AGM held on August 20, 2020	No. of Directorship in other companies*	No. of committee positions in Committees of other companies **	Directorship in other listed companies and category $
1.	Mr. Sanjeev Aga - Chairman (DIN 00022065)	I & NED	12(12)	Yes	4	Chariman:1 Member:3	Pidilite Industries Limited - I & NED Mahindra Holidays & Resorts India Limited - I & NED Larsen and Toubro Limited - I & NED Larsen & Toubro Infotech Limited - I & NED
2	Mr. Ameya Hete Director (DIN 01645102)	NED	9 (12)	Yes	1	Chairman: Nil Member: Nil	Nil
3.	Mr. Kapil Agarwal Director (DIN 00024378)	ED	12 (12)	Yes	1	Chairman: Nil Member: 1	Nil
4.	Ms. Lynn de Souza Director (DIN 01419138)	I & NED	12 (12)	Yes	2	Chairperson: Nil Member: 2	Nil
5.	Mr. Raaja Kanwar Director (DIN 00024402)	NED	9 (12)	No	2	Chairman: Nil Member: 1	Nil
6.	Mr. S. Madhavan Director (DIN 06451889)	I & NED	12 (12)	Yes	5	Chairman: 4 Member: 3	HCL Technologies Limited - I & NED Transport Corporation of India Limited - I & NED Sterlite Technologies Limited - I & NED ICICI Bank Limited - I & NED
7.	Mr. Sanjay Gaikwad Director (DIN 01001173)	ED	11(12)	Yes	2	Chairman: Nil Member: 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.*

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. Raaja Kanwar, retires by rotation in the forthcoming AGM and is eligible for re-appointment.

Except Mr. Ameya Hete, Mr. Raaja Kanwar and Mr. S. Madhavan who hold 242,797 (0.86%), 12,500 (0.04%) and 7,000 (0.02%) equity shares of the Company respectively in their own name, none of the non-executive directors were holding any equity shares of the Company.

There is no inter-se relation between any of the Directors.

BOARD PROCEDURES

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 the 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.

During the year, due to COVID-19 outbreak and lockdown situation prevailing in India, it was not possible to hold any Board Meeting with the physical presence of the directors. Considering the situation, the Ministry of Corporate Affairs ("**MCA**") had issued various circulars providing relaxation for holding the Board Meeting and Annual General Meeting ("**AGM"**) through Video Conferencing. In compliance with circulars of the MCA, during the year the Company have held all the Board Meetings of the Company through Video Conferencing.

During the year under review, the Board met 12 times on the following dates: April 03, 2020; May 06, 2020; June 22, 2020; August 7, 2020; August 24, 2020; September 21, 2020; November 12, 2020; December 21, 2020, January 05, 2021; February 10, 2021, February 19, 2021 and March 27, 2021. 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/sites/default/files/UFO_Investors/Code_of_Conduct.pdf

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.

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.

CONFIRMATION AS REGARDS INDEPENDENCE OF INDEPENDENT DIRECTORS

Based on the annual confirmations received from the Independent Directors, in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that the Independent Directors fulfils the criteria of independence as specified under Section 149(6) of the Act, read with Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

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 Managing Director and the Joint Managing Director apprises the Directors regarding the business affairs of the Company on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively at the Board and Committee Meetings of the Company. 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.

The familiarization programme imparted to the Independent Directors is disclosed on the Company's website under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/Familiarisation_Programme_0.pdf

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Schedule IV to the Act (Code for Independent Directors) read with Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, was held on May 26, 2021. At the said meeting, the Independent Directors:

a) reviewed the performance of Non-Independent Directors and the Board as a whole;

b) 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 26, 2021.

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.

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 of Directors of the Company comprises of qualified members who have the skills, expertise and competence to make effective contribution to the growth of the Company as well as on the various business and governance matters discussed in the Board and Committee meetings. The Board members are committed to ensuring that the Company is in compliance with the requisite standards of corporate governance. The Board has identified below mentioned expertise which the directors of the Company require 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.

The table below summarizes, 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 Board:

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

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 and Finance 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 is reviewed from time to time. Meetings of each of these Committees are headed by the respective Chairman, 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 are placed 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 role of the Audit and Risk Management Committee includes the scope as specified in Regulation 18 read with Part C of Schedule II of the Listing Regulations in addition to the requirements of Section 177 of the Act.

The terms of reference of Audit and Risk Management Committee include amongst other matters, reviewing of (i) the financial statements and the Auditors Report before submission to the Board; ii) evaluation of internal financial controls; iii) management discussion and analysis report; (iv) related party transactions; (v) the management letters / letters of internal control weaknesses issued by the statutory auditors, if any; (vi) the internal audit reports; and (v) the appointment, removal and terms of remuneration of the internal auditor/ statutory auditor.

The composition of the Audit and Risk Management Committee as at March 31, 2021 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 2020-21 / (no. of meetings held during the tenure)
Mr. Sanjeev Aga	Chairman	Non-Executive, Independent Director	4 (4)
Mr. S. Madhavan	Member	Non-Executive, Independent Director	4 (4)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	4 (4)
Mr. Ameya Hete	Member	Non-Executive Director	4 (4)

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 and Internal Auditors are invited to attend the Meeting of the Audit and Risk Management Committee. 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, 4 meetings of the Audit and Risk Management Committee were held on June 22, 2020; August 07, 2020; November 12, 2020 and February 10, 2021.

B. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178(3) of the Act and the Listing Regulations the scope and terms of reference of the Nomination and Remuneration Committee includes laying down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company, laying down criteria to carry out evaluation of every Director's performance, determining 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 Nomination and Remuneration Policy of the Company is available on the Company's website under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/Nomination_and_Remuneration_Policy_Clean.pdf

The composition of the Nomination and Remuneration Committee as at March 31, 2021 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 2020-21/ (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	6 (6)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	6 (6)
Mr. Ameya Hete	Member	Non-Executive Director	4 (6)

During the year under review, 6 meetings of the Nomination and Remuneration Committee were held on June 22, 2020; August 24, 2020; January 05, 2021; February 10, 2021; February 19, 2021 and March 27, 2021.

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:

a) 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.

` b) Review of measures taken for effective exercise of voting rights by shareholders.

c) 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.

d) 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, 2021 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 2020-21 / (no. of meetings held during the tenure)
Ms. Lynn de Souza	Chairperson	Non-Executive, Independent Director	4 (4)
Mr. Sanjay Gaikwad	Member	Executive Director	4 (4)
Mr. Kapil Agarwal	Member	Executive Director	4 (4)
Mr. Ameya Hete	Member	Non-Executive	4 (4)

During the year under review, 4 meetings of the Stakeholders' Relationship Committee were held on June 22, 2020; August 7, 2020; November 12, 2020 and February 10, 2021.

Mr. Sameer Chavan was the Company Secretary and Compliance Officer of the Company till December 24, 2020. Ms. Krutika Kumeria was appointed as an Interim Compliance Officer of the Company for the period from December 25, 2020 to March 26, 2021. With effect from March 27, 2021, Ms. Kavita Thadeshwar is Company Secretary and 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, 2021 are as under:

Particulars	Received	Resolved	Pending
No. of Complaints	113	107	6*

* The complaints received at the end of the quarter during 27^{th} to 31^{st} March, 2021 have been subsequently resolved.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

a) 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 Act and include guiding principles for selection, implementation and monitoring of CSR activities;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time;

d) Formulate / modify and recommend to the Board, annual action plan in pursuance of the CSR policy of the Company.

The composition of the Corporate Social Responsibility Committee as at March 31, 2021 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 2020-21 / (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	2(2)
*Ms. Lynn de Souza	Member	Non-Executive, Independent Director	2(2)
Mr. Kapil Agarwal	Member	Executive Director	2(2)
#Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	1(1)

*Ms. Lynn de Souza resigned from the Committee w.e.f March 29, 2021.

Mr. Sanjeev Aga was appointed w.e.f February 10, 2021.

During the year under review, 2 meetings of the Corporate Social Responsibility Committee were held on June 22, 2020 and March 27, 2021.

The policy on Corporate Social Responsibility is available on the Company's website under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/CSR_Policy_2021.pdf

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:

a) Administration and superintendence of the employee stock options schemes.

b) Formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard.

c) 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 Company and its employees, as applicable.

The members of the Compensation Committee are as below:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2020-21 / (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	1 (1)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	1 (1)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (1)
Mr. Sanjay Gaikwad	Member	Executive Director	1 (1)

During the year under review, one meeting of the Compensation Committee was held on January 15, 2021.

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 Banking & Finance.

During the year under review, one meeting of the Finance Committee was held on December 18, 2020 which was attended by all the Committee members.

DETAILS OF REMUNERATION TO THE DIRECTORS FOR THE FINANCIAL YEAR 2020 - 21

Remuneration to Executive Directors:

The members of the Company at their Annual General Meeting held on August 9, 2018 have 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 also approved their remuneration.

All elements of the 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	a.	Company's contribution to provident fund and superannuation fund as per Company rules.	a.	Company's contribution to provident fund and superannuation fund as per Company rules.
		b.	Gratuity as per Company rules.	b.	Gratuity as per Company rules.
		c.	Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.	c.	Accommodation (furnished or otherwise) or House rent allowance in lieu thereof.
		d.	Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.	d.	Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement.
		e.	Provision of Company maintained car, reimbursement of driver's salary & petrol and vehicle maintenance expenses for the official use.	e.	Provision of Company maintained car, reimbursement of driver's salary & petrol and vehicle maintenance expenses for the official use.
		f.	Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.	f.	Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use.
		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.	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.
		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.	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.
3.	Total remuneration	The total remuneration as per point (1) and (2) above shall be restricted to an amount of ₹ 275 lacs p.a.*		The total remuneration as per point (1) and (2) above shall be restricted to an amount of ₹ 275 lacs p.a.*	

Particulars		Sanjay Gaikwad	Kapil Agarwal
4.	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.
5.	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.*
6.	Valuation of perquisites	Perquisites/Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.	Perquisites/Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.
7.	Employee Stock Options	Nil	Stock options as per the schemes framed by the Company may be granted from time to time. The perquisite value of stock options (being the difference between the market price on the date of exercise and the exercise price of stock options arising on exercise of stock options calculated as per the provisions of Income Tax Act, 1961), not being remuneration payable by the Company, shall not be considered while calculating the overall limits of remuneration specified above.

* In view of inadequacy of profits on account of the adverse impact of the COVID-19 pandemic on the business of the Company, the members have vide special resolution passed through postal ballot on March 26, 2021, approved the payment of the aforesaid remuneration as minimum remuneration for the financial year 2020 – 21 to 2022 – 23.

However, given that the financial performance of the Company for FY 2020-21 has been unexpectedly affected due to the COVID-19 pandemic, the total remuneration payable to Mr. Kapil Agarwal & Mr. Sanjay Gaikwad for FY 2020- 21 was restricted to ₹ 95 lacs (Rupees Ninety-Five Lacs) each.

Details of remuneration paid during the financial year 2020 – 21 are as under:

(₹ in lacs)

Sr. no.	Particulars of remuneration	Mr. Sanjay Gaikwad	Mr. Kapil Agarwal
1.	Salary	82.03	82.08
2.	Perquisites	Nil	Nil
3.	Performance Incentive	Nil	Nil
	Total	**82.03**	**82.08**

Remuneration to Non-Executive Directors:

In the light of the impact of COVID – 19 pandemic on the business of the Company and the consequent inadequacy of profits, the independent directors, as a show of support and solidarity with the management of the Company, have agreed to reduce the overall remuneration payable to them during the FY 2020-21 to 50% of the agreed remuneration.

No commission was paid to the Non-Executive Independent Directors during the financial year 2020-21. The sitting fees paid to the Non-Executive Independent Directors for attending the Board and Committee Meetings for the financial year 2020 - 21 is as below:

Name of Director	Sitting Fees (₹ in lacs)
Mr. Sanjeev Aga	20.00
Ms. Lynn de Souza	12.50
Mr. S. Madhavan	12.50
Total	45.00

The terms and conditions of the appointment of aforesaid independent directors and criteria formaking payments to non- executive directors are disclosed on the Company's website under the weblink:https://www.ufomoviez.com/sites/default/files/UFO_Investors/Nomination_and_Remuneration_Policy_Clean.pdf

No sitting fees is payable to Non-Executive Non-Independent Directors as they have waived their entitlement for the same.

SUBSIDIARY COMPANIES

During the year under review, the Company had material subsidiaries viz. Scrabble Entertainment Limited and Scrabble Entertainment DMCC, as per the Listing Regulations. 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/sites/default/files/UFO_Investors/policy_on_material.pdf

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)
2019-20	Through Video Conferencing	August 20, 2020	03:00 p.m.	None
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.	1. Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director. 2. Re-appointment of Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director.

B. Special resolutions passed through Postal Ballot

During the year under review, the Company has sought the approval of shareholders on the special resolutions through Postal Ballot. Further, Postal Ballot was conducted by the Company as per the provisions of the Act read with rules made thereunder the Listing Regulations and applicable laws, rules and regulations, as amended from time to time.

The details of the Postal Ballot are mentioned below:

Date of Postal Ballot Notice	Voting Period	Date of Report by scrutinizer	Date of declaration of results / Date of approval of members	Name of the Scrutinizer	Description of special resolutions passed through Postal Ballot
February 19, 2021	From February 25, 2021 at 9.00 a.m. to March 26, 2021 at 5.00 p.m.	March 27, 2021	March 27, 2021	Mr. Vicky M. Kundaliya, Practicing Company Secretary (CP No. 10989 and Membership No. FCS 7716)	1. Payment of remuneration to Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director. 2. Payment of remuneration to Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director

The resolutions were passed with requisite majority. The details of voting pattern on aforesaid resolutions are mentioned below:

Details of resolution	No. of outstanding shares	No. of votes polled			% of Votes polled on outstanding shares	No. & % of Votes – in favour	No. & % of Votes-Against
		Poll/ E-voting	Postal Ballot E-voting	Total			
Payment of remuneration to Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director.	28,350,801	N.A.	15,620,274	15,620,274	55.09	15,612,260 (99.95%)	8014 (0.05%)
Payment of remuneration to Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director	28,350,801	N.A.	15,620,274	15,620,274	55.09	15,612,320 (99.95%)	7954 (0.05%)

In accordance with the provisions of Section 110 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and as per the guidelines prescribed by the Ministry of Corporate Affairs for holding general meetings/conducting postal ballot process through e-voting vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in view of COVID-19 pandemic, the resolutions were passed by the Members of the Company through postal ballot by way of electronic voting.

The Company had engaged the services of KFin Technologies Private Limited ("**KFin**") for providing remote e-voting facilities to the Members, enabling them to cast their vote in a secure manner.

The Postal Ballot Notice was sent by email to all those members, whose names were appearing on the Register of Members/ List of Beneficial Owners, received from NSDL and CDSL as on the cut-off date i.e. February 19, 2021. To facilitate the shareholders whose email address was not registered to receive the notice electronically and cast their vote electronically, Company had made special arrangement with its Registrar & Share Transfer Agent for registration of email addresses.

As on the date of the report, the Company does not propose to pass any special resolution 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.'

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 17th Annual General Meeting	Monday, September 20, 2021 at 3.00 PM
Financial Year	April 1 to March 31
Board Meeting for consideration of Accounts for the financial year ended March 31, 2021	May 26, 2021
Last date for receipt of Proxy Forms	Not Applicable
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2021; September, 2021 and December, 2021 of the financial year 2021-22.	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, 2022	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	Scrip Code: 539141	INE527H01019
1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Scrip Name: UFO Moviez India Limited	
Tel.: 022-2272 1233/34	Scrip Id: UFO	
Fax: 022-2272 1919/3027		
The National Stock Exchange of India Limited	Series – EQ	
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	Scrip Name: UFO	
Tel.: 022-2659 8100 – 14		
Fax: 022-2659 8237/38		

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 and NSE Nifty.

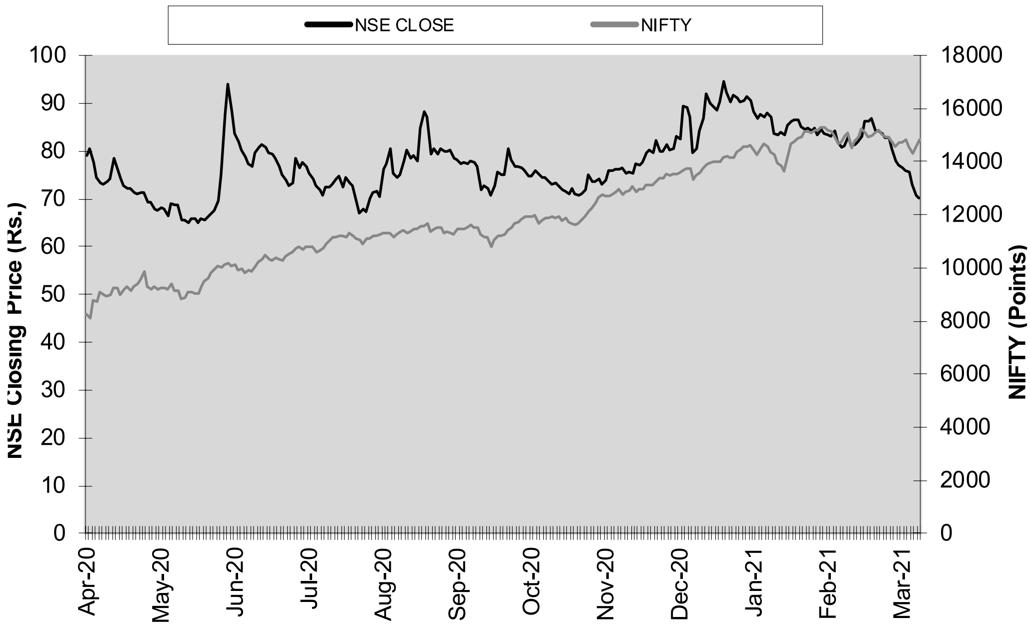
The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the financial year 2020-21 on the BSE and the NSE depicting the liquidity of the Company's Equity Shares for the financial year ended March 31, 2021, on the said exchanges is 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-20	89.00	70.15	158.73	84.00	70.40	2238.33
May-20	72.00	64.00	70.65	73.00	63.90	809.08
Jun-20	104.00	66.00	927.57	104.00	66.00	9120.82
Jul-20	83.00	67.00	365.46	80.05	66.80	4308.51
Aug-20	89.90	64.80	886.16	89.90	65.00	9090.09
Sep-20	82.00	70.00	202.00	82.40	70.05	2060.98
Oct-20	83.50	69.05	240.09	83.70	68.80	1664.40
Nov-20	78.80	70.05	184.52	78.95	70.40	1729.44
Dec-20	94.75	76.75	1160.18	94.75	76.85	11804.80
Jan-21	95.95	82.55	732.42	96.00	82.10	6709.11
Feb-21	89.35	80.00	314.73	87.75	76.00	2253.49
Mar-21	90.60	69.00	546.83	90.70	69.30	2579.11

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

BSE Sensex:

NSE Nifty:



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. M/s. 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, 2021

Range (In ₹) *	No. of equity Shares	Amount (₹ in lacs)	% to capital	No. of shareholders	% to total shareholder
up to 5000	3,369,973	3,36,99,730	11.89	38,828	91.78
5001-10000	1,452,950	1,45,29,500	5.12	1,821	4.30
10001-20000	1,264,521	1,26,45,210	4.46	842	1.99
20001-30000	757,273	75,72,730	2.67	298	0.70
30001-40000	453,069	45,30,690	1.60	127	0.30
40001-50000	517,902	51,79,020	1.83	110	0.26
50001-100000	1,083,677	1,08,36,770	3.82	147	0.35
100001 & Above	19,451,436	19,45,14,360	68.61	132	0.31
Total	**28,350,801**	**28,35,08,010**	**100**	**42,305**	**100**

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

Shareholding Pattern as on March 31, 2021

Category	No. of shares held	Percentage
Promoter and Promoter Group	8,668,540	30.58
Foreign Portfolio Investors	650,750	2.30
Foreign Venture Capital	5,251,608	18.52
Foreign Nationals	87	0.00
Non Resident Indians	260,393	0.92
Non Resident Indian Non Repatriable	61,856	0.22
Resident Individuals	10,633,841	37.51
Others	2,823,726	9.96
Total	**28,350,801**	**100.00**

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, 2021 are as mentioned below:

Particulars	No. of shares	% to Capital
National Securities Depository Limited	21,435,137	75.61
Central Depository Services (India) Limited	6,894,591	24.32
Total Demat (A)	**28,329,728**	**99.93**
Physical (B)	**21,073**	**0.07**
Total (A + B)	**28,350,801**	**100**

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, DGM - Investor Relations, Accounts & Finance
Tel: +91 22 40305060
Email: ashwin.chhugani@ufomoviez.com

For queries relating to shares / compliance

Ms. Kavita Thadeshwar, Company Secretary and Compliance Officer
Tel : +91 22 40305060
Email: investors@ufomoviez.com

Credit Ratings

The Company has been awarded [ICRA] A+ (Negative) credit rating and [ICRA] A1 credit rating for its long term and short-term bank credit facilities by CRISIL respectively.

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/sites/default/files/UFO_Investors/Policy_on_Related_Party_Transactions.pdf

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 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/sites/default/files/UFO_Investors/WhistleBlowerPolicy2017.pdf

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 2020-21.

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

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.

Demat suspense account / unclaimed suspense account

As on March 31, 2021, 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/sites/default/files/UFO_Investors/Code_of_Practices.pdf

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised any funds through preferential allotment or qualified institutions placement and accordingly, the details of utilization as specified under Regulation 32 (7A) is not applicable.

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/sites/default/files/UFO_Investors/Policy%20for_determination_of_materiality_of_event_Final_0.pdf

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 ₹ 49.50 lacs.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Kapil Agarwal**
Date: May 26, 2021	Managing Director	Joint Managing Director
Place: Mumbai	DIN: 01001173	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, 2021.

Date: May 26, 2021
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, 2021 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: May 26, 2021	**Rajesh Mishra**	**Ashish Malushte**
Place: Mumbai	Chief Executive Officer	Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members of
UFO Moviez India Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by UFO Moviez India Limited ("Company") as per the relevant provisions in the Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2021.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respects 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 Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 during the period ended March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For V. M. Kundaliya & Associates
Company Secretaries

Vicky M. Kundaliya
Proprietor
FCS-7716/C. P. No. 10989
UDIN: F007716C000375622
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: May 26, 2021

Note:-

1. Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining Secretarial Records by way of electronic mode from the Company and have not been able to carry out physical visit to Registered Office of the Company for verification of data from the Original records. This Certificate is based on records/inputs/documents/details received via E-mail from the Secretarial Team/Management and oral confirmation from Secretarial Team/management that the electronic records/inputs/documents/details are true and correct.

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
Valuable Techno Park, Plot #53/1, Road #7,
MIDC, Marol, Andheri (E), Mumbai – 400093

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) 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, 2021 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 of 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: F005418C000365681

Place: Mumbai
Date: May 26, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021 ('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, 2021 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 28th October, 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
FCS-7716/C. P. No. 10989
UDIN: F007716C000372696

Place: Mumbai — Peer Review Certificate No. 1245/2021
Date: May 26, 2021 — 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
FCS-7716/C. P. No. 10989
UDIN: F007716C000372696
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: May 26, 2021

BUSINESS RESPONSIBILITY REPORT

Section A: General Information About the Company

1.	**Corporate Identity Number (CIN) of the Company**	CIN: L22120MH2004PLC285453
2.	**Name of the Company**	UFO Moviez India Limited
3.	**Registered address**	Valuable Techno Park, Plot 53/1, Road no. 7, MIDC Marol, Andheri (E), Mumbai 400093
4.	**Website**	www.ufomoviez.com
5.	**E-mail id**	investors@ufomoviez.com
6.	**Financial Year reported**	April 1, 2020 to March 31, 2021
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Digital Cinema Services and related activity – NIC Code 59
8.	**List three key products/services that the Company manufactures/provides**	• In-cinema advertising services • Digital cinema services • Sale of digital cinema equipment
9.	**Total number of locations where business activity is undertaken by the Company**	**(a) Number of International Locations** • Nepal • Middle East through Subsidiary Company **(b) Number of National Locations** • Providing services to the Cinema Industry across 1197 Cities and Towns • 22 Offices and Warehouses across 22 Cities and Towns
10.	**Markets served by the Company – Local/State/ National/International**	India & Nepal through UFO Moviez India Limited and Middle East Market through a Subsidiary Company

Section B: Financial Details of the Company

1.	**Paid up Capital**	₹ 2,835.08 Lacs
2.	**Total Turnover**	₹ 2,112.17 Lacs
3.	**Total Profit After Taxes**	₹ (11,264.44) Lacs
4.	**Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax**	During FY 2020–21, the Company had a CSR obligation of ₹ 105.20 lacs which is 2% of average profits in the preceding three financial years. The Company has spent an amount of ₹ 11.57 lacs on CSR activities and an amount of ₹ 93.63 lacs is transferred to a separate CSR Unspent Bank Account for undertaking Ongoing CSR activities explained in detail hereafter.

5.	**List of activities in which expenditure in 4 above has been incurred:**	**Below are the details of the ongoing CSR projects that the company is undertaking** (a) Promoting education - through 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. The CSR contribution made by the Company will be utilized for sponsoring comprehensive cost of educating 15 girl students towards meeting expenses in their education session of 2021-22, 2022-23, and 2023-24. (b) 'UFO CSR Healthcare Project 2020 - 21'- for Augmenting medical infrastructure of charitable clinics, smaller hospitals and medical centres catering to rural and, semi urban population from poor sections of the society ("Beneficiaries"); by providing free of cost (or through provision of grants) to such beneficiaries, diagnostic, testing equipment, ambulances and such other requisite capital assets and funding of related facility construction costs. During the year under review, the Company has supported upgradation and augmentation of medical infrastructure of one Beneficiary charitable clinic, located at Palghar district of Maharashtra.'.

Section C: Other Details

1.	**Does the Company have any Subsidiary Company/ Companies?**	Yes, details are given below: • Scrabble Entertainment Limited • Zinglin Media Private Limited • Plexigo Entertainment Private Limited • UFO Software Technologies Private Limited • Valuable Digital Screens Private Limited • United Film Organisers Nepal Private Limited • UFO Lanka (Private) Limited • Scrabble Entertainment (Mauritius) Limited • Scrabble Entertainment DMCC • Scrabble Entertainment (Lebanon) Sarl Achrafieh, Beirut • Scrabble Entertainment (Israel) Limited • Scrabble Digital INC • Scrabble Digital Limited
2.	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?**	Yes, 2 Subsidiaries participate in the BR Initiatives of UFO Moviez India Limited • Scrabble Entertainment Limited • Scrabble Digital Limited
3.	**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?**	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.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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: https://www.ufomoviez.com/investor. 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 Board of Directors of the Company and its Committees 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 FY2020-21 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, 2021 are as under.

   No. of Complaints Received - 113

   No. of Complaints Resolved - 107

   No. of Complaints Received Pending – 006*

   *These complaints had been received between 27th to 31st March, 2021 and were subsequently resolved.

   Also, mentioned below are the customer calls logged with the Company's Helpdesk / Customer Care during the financial year ended March 31, 2021

   Total customer calls logged – 10,828

   No. of customer calls Resolved – 10,431

   No. of customer calls Received Pending – 397*

   * These calls are open as theaters remain closed due to government orders as a preventive measure to curb COVID-19 virus.

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.

480 onroll employees

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

416 include offroll/Consultant/Trainee/Third party engineer

3. Please indicate the Number of permanent women employees.

45 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 – 75.00%

(b) Permanent Women Employees - 77.78%

(c) Casual/Temporary/Contractual Employees - Nil

(d) Employees with Disabilities -100%

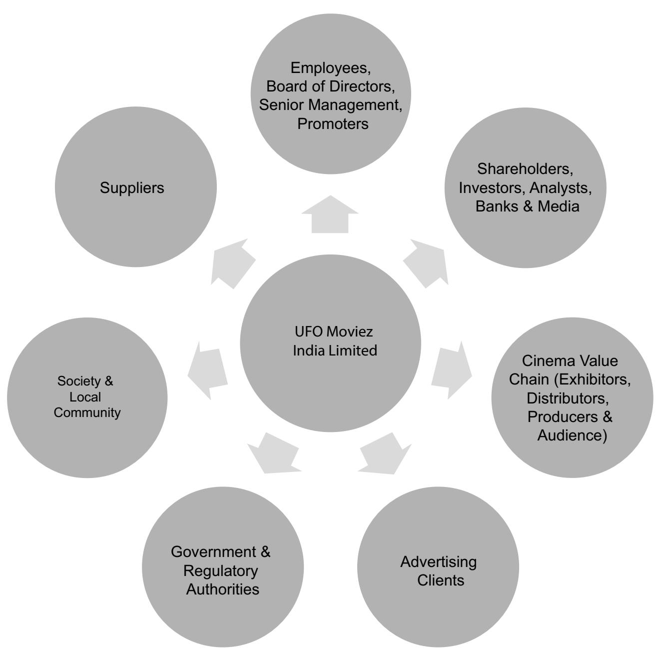
Safety training

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. However, during the year due to the COVID-19 pandemic the Company's operations were impacted for most part of the year and offices also remained shut while work from home has been widely implemented. As a result, the Company during the year has not been able to conduct Safety trainings on ground.

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 wager, 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 2020-21.

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-2 (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 census.

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 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-2 (CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO) of the Directors' Report which forms part of the Annual Report which is available on the Company's 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 in FY19 and FY20 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 group comprising of the members of the senior management monitors various CSR initiatives/ projects undertaken by the Company in compliance with the Company's CSR objectives.

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.

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?

3.67% of the customer complaints filed with the Company's Helpdesk during the year are pending at the end of the financial year. These calls are open as theaters remained closed due to government orders as a preventive measure to curb COVID-19 virus. 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 and irresponsible advertising during the last six years and pending as on the end of the financial year. However, a case on anti-competitive behaviour has been filed against the company. The details are mentioned below:

PF Digital Media Services Ltd. (Mumbai) and Ravindra Walia (Film Producer based in Mumbai), collectively called the “Informants”, have initiated a Complaint (Case No. 11 of 2020) against UFO Moviez India Limited (“UFO”), Scrabble Digital Limited (“Scrabble Digital”) and 5 other Parties before Competition Commission of India (“CCI”). The allegations against UFO and Scrabble Digital are that they have violated Sections 3 and 4 of the Competition Act, 2002, and inter alia, the agreements between UFO and Cinema Theatre owners impose anticompetitive restraints. UFO and Scrabble Digital have submitted their reply wherein strong and robust arguments have been made as to why the Complaint is without merit and requires to be dismissed. Final orders from the CCI are awaited on the Order.

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 the “Holding Company” or ‘UFO’) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), and its associates, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss, 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, 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, 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated 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 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.

Emphasis of matter

We draw attention to Note 44 to the consolidated financial statements which describes the economic and social disruptions as a result of COVID-19 pandemic and the impact thereof on the Group’s operations, financial statements and management’s assessment of going concern assumption.

Our opinion is not modified in respect of this matter.

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.

Impact of COVID-19 on Going concern assessment	
The key audit matter	**How the matter was addressed in our audit**
Refer Note 44 to the financial statements UFO is in the business of digital cinema distribution network across India. With outbreak of COVID-19 pandemic during the previous year and the recent surge in COVID-19 cases across India from March 2021, the operations of the Holding Company and its subsidiaries in India 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.	Our procedures included: • Obtained management’s assessment of use of going concern assumption in preparation of the financial statements • Discussed with the management and Those charged with Governance regarding the plan for resumption of operations and the Group’s ability to meet it’s obligations in future. Assessed sufficiency of the Group’s resources/ funds to meet its costs in the foreseeable future. • 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.

	• Assessed the appropriateness and reasonableness of the cash flow forecasts for the foreseeable future, approved by the Board of Directors of the Holding Company, 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 • Evaluated the mitigation measures taken by the Holding Company's management. We evaluated measures of cost rationalization, managing the liquidity position and resumption of operations • We also considered the adequacy of the required disclosure in the consolidated financial statements on the going concern assumption.

Impairment of goodwill	
The key audit matter	**How the matter was addressed in our audit**
The carrying value of goodwill as at March 31, 2021 in the consolidated financial statements of the Group is Rs. 2,310.88 lakhs (refer note 3.4 to the consolidated financial statements). 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. We identified this as a KAM considering the significant risk that the goodwill arising out of investments in entities may not be recoverable. 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.	Our audit procedures included, amongst others, the following: • Evaluating the Group's process for testing impairment by assessing management's review of financial performance of the underlying entities; • 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; • reconciled input data to approved budgets and tested mathematical accuracy; • performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis. • Discussed management's strategic and operational plans for the foreseeable future. • Assessed the appropriateness of the Group's disclosures in respect of impairment assessment of goodwill in accordance with the accounting standards

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 consolidated 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' Responsibility 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 / loss 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 Accounting Standards 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 of 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 are responsible for overseeing the financial reporting process of each company.

Auditor's 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 auditor's 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 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 preparing 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 auditor's 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 auditor's 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. 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.

Other Matters

(a) We did not audit the financial statements of seven subsidiaries (including step-down subsidiaries), whose financial statements reflect total assets (before consolidation adjustments) of Rs. 7,369 lakhs as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. 6,336 lakhs, Group’s share of total net loss after tax (before consolidation adjustments) of Rs. 185 lakhs and net cash inflow (before consolidation adjustments) amounting to Rs. 20 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. 27 lakhs for the year ended March 31, 2021, in respect of four 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.

(b) Of the above, two subsidiaries and two associates are located outside India whose financial statements 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 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 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 Company and audited by us.

(c) The financial statements of four subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 72 lakhs as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. Nil lakhs, Group’s share of total net (loss) after tax (before consolidation adjustments) of Rs. 74 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 9 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 loss) of Rs. 99 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements 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 statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements 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 statements of subsidiaries and associates as certified by the Management.

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report 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 Accounting Standards 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, 2021 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 incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2021 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, its subsidiary companies and associate companies incorporated in India 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report 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, 2021 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, 2021.

    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, 2021.

    iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended March 31, 2021.

   (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 associate companies 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
Membership Number: 103145
ICAI UDIN: 21103145AAAACF3480

Mumbai
May 26, 2021

Annexure A to the Independent Auditors' Report on the Consolidated financial statements of UFO Moviez India Limited for the year ended March 31, 2021

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 the Group and its associates as of and for the year ended March 31, 2021, 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 its 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, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such 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 Holding 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 consolidated financial statements criteria established by the Holding 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 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 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 auditor's 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 and associate companies, which are companies incorporated in India, 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 over 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 in so far as it relates to its five subsidiary companies and its two associates 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 Number: 103145
ICAI UDIN: 21103145AAAACF3480

Mumbai
May 26, 2021

Consolidated Balance Sheet as at March 31, 2021

₹ in lacs

Particulars	Notes	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3.1	13,876.42	17,987.96
Capital work-in-progress	3.2	1,826.20	1,975.97
Right-of-use assets	3.3	858.28	1,861.58
Goodwill	3.4	2,310.88	2,310.88
Other intangible assets	3.5	301.79	162.12
Financial assets			
(i) Investments	4	2,467.74	1,778.61
(ii) Loans receivables	5	629.41	678.59
(iii) Other financial assets	6	446.37	8.33
Income tax assets (net)	7	3,728.43	4,875.25
Deferred tax assets (net)	7A	8,038.69	4,366.96
Other non-current assets	8	417.18	839.91
Total Non-current assets (A)		**34,901.38**	**36,846.16**
Current assets			
Inventories	9	1,127.14	1,449.06
Financial assets			
(i) Investments	10	4,064.65	8,699.98
(ii) Trade receivables	11	3,893.74	13,116.84
(iii) Unbilled receivables		208.32	280.17
(iv) Cash and cash equivalents	12	1,252.61	1,368.08
(v) Bank balances other than cash and cash equivalents	12	2,184.51	1,455.47
(vi) Loans receivables	5	109.13	137.49
(vii) Other financial assets	6	14.06	29.40
Other current assets	8	4,260.84	3,687.97
Total Current assets (B)		**17,115.00**	**30,224.46**
Total Assets (A+B)		**52,016.39**	**67,070.62**
Equity and liabilities			
Equity			
(i) Share capital	13	2,835.08	2,835.08
(ii) Other equity	14	23,636.33	35,286.22
Equity attributable to owners of the Company		**26,471.41**	**38,121.30**
Non-controlling interest		-	1.33
Total equity (C)		**26,471.41**	**38,122.63**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	6,013.28	3,354.65
(ii) Lease liabilities	31	520.16	1,185.52
(iii) Other financial liabilities	16	3,351.78	4,668.77
Provisions	17	769.67	648.47
Deferred tax liabilities (Net)	7A	558.27	359.04
Other non-current liabilities	18	445.74	605.71
Total non-current liabilities (D)		**11,658.90**	**10,822.16**

₹ in lacs

Particulars			Notes	March 31, 2021	March 31, 2020
Current liabilities					
Financial liabilities					
(i)	Borrowings		19	59.60	727.26
(ii)	Lease liabilities		31	468.77	786.13
(iii)	Trade payables				
	a)	Total outstanding dues of micro enterprises and small enterprises		-	-
	b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	20	6,057.91	8,328.35
(iv)	Others financial liabilities		16	5,135.51	5,014.11
Provisions			17	449.30	439.03
Other current liabilities			18	1,714.99	2,830.95
Total current liabilities (E)				**13,886.07**	**18,125.83**
Total liabilities (D+E) = (F)				**25,544.98**	**28,947.99**
Total equity and liabilities (C+F)				**52,016.39**	**67,070.62**
Significant accounting policies			2		

The accompanying notes 1 to 46 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

Rajesh Mehra
Partner
Membership No: 103145

Place:Mumbai
Date: May 26, 2021

For and on behalf of the Board of Directors
of UFO Moviez India Limited
CIN : L22120MH2004PLC285453

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

₹ in lacs

	Notes	March 31, 2021	March 31, 2020
Income			
Revenue from operations	21	8,656.95	50,212.17
Other income	22	413.11	180.23
Total income (I)		**9,070.06**	**50,392.40**
Expenses			
Operating direct costs	23	**7,635.07**	**20,625.41**
- Cost of consumables and spares consumed		162.75	547.28
- Purchases of digital cinema equipment and lamps		3,965.24	9,174.54
- Changes in inventories		364.37	(255.11)
- Advertisement revenue share		14.62	5,392.30
- Virtual print fees sharing		129.39	902.78
- Other operating direct cost		2,998.70	4,863.62
Employee benefit expenses	24	5,182.33	8,557.49
Other expenses	25	4,619.41	9,266.53
Total expenses (II)		**17,436.81**	**38,449.43**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(8,366.75)**	**11,942.97**
Depreciation and amortisation expenses	3	6,300.10	7,102.79
Finance cost	26	1,306.75	1,009.99
Finance income	27	(949.52)	(991.23)
Profit / (Loss) before tax and share of profit from associates		**(15,024.08)**	**4,821.42**
Share of Profit / (Loss) from associates (net)		(71.80)	396.38
Profit / (Loss) before tax and after share of profit from associates		**(15,095.88)**	**5,217.80**
Tax expenses			
Current tax	7A	129.96	1,519.27
Deferred tax (credit)	7A	(3,465.84)	(178.53)
Total tax expenses		**(3,335.88)**	**1,340.74**
Profit / (Loss) for the year		**(11,760.00)**	**3,877.06**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		50.42	155.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.35)	(36.29)
B (i) Items that will be reclassified to profit or loss			
a) Exchange differences in translating the financials statements of foreign operations		(25.14)	209.10
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income /(Loss) for the year, net of tax		**(11,747.07)**	**4,205.57**
Profit / (Loss) for the year attributable to			
a) Owners of the Company		**(11,760.00)**	**3,877.06**
b) Non-controlling interests		-	-
Other comprehensive income attributable to			
a) Owners of the Company		**12.93**	**328.51**
b) Non-controlling interests		-	-
Total Comprehensive Income / (Loss) for the year attributable to			
a) Owners of the Company		**(11,747.07)**	**4,205.57**
b) Non-controlling interests		-	-
Earnings per equity share (Face value of share of ₹ 10 each)	28		
Basic		(41.48)	13.68
Diluted		(41.48)	13.68
Significant accounting policies	2		

The accompanying notes 1 to 46 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

Rajesh Mehra
Partner
Membership No: 103145

Place:Mumbai
Date: May 26, 2021

For and on behalf of the Board of Directors
of UFO Moviez India Limited
CIN : L22120MH2004PLC285453

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Consolidated statement of changes in equity for the year ended March 31, 2021

A. Equity share capital (refer note 13)

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the 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**

B. Other equity

₹ in lacs

Particulars	Attributable to Owners of the Company										Non Controlling Interest	Total other equity
	Reserves and Surplus						Other Comprehensive Income	Capital Reserve	Money Received against share warrant	Total		
	Other Reserve (on purchase of Non-controlling interest stake)	Securities Premium	Share Based Payment Reserve	Legal Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (FCTR)					
As at March 31, 2021												
Opening Balance as at April 1, 2020	(2,183.39)	29,836.90	371.72	182.93	-	5,251.21	301.35	1,525.50	-	35,286.22	1.33	35,287.55
Loss for the Year	-	-	-	-	-	(11,760.00)	-	-	-	(11,760.00)	-	(11,760.00)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	(25.14)	-	-	(25.14)	-	(25.14)
Share Issue expenses	-	-	-	-	-	(4.65)	-	-	-	(4.65)	-	(4.65)
Acquisition of additional stake in associate	-	-	-	-	-	-	-	32.65	-	32.65	-	32.65
Employee Stock Compensation for Options granted	-	-	68.83	-	-	-	-	-	-	68.83	-	68.83
Acquisition of Non Controlling Interest	0.35	-	-	-	-	-	-	-	-	0.35	(1.33)	(0.98)
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	38.07	-	-	-	38.07	-	38.07
Total Comprehensive Income	**0.35**	**-**	**68.83**	**-**	**-**	**(11,726.58)**	**(25.14)**	**32.65**	**-**	**(11,649.89)**	**(1.33)**	**(11,651.22)**
Transfer to General Reserve	-	-	(371.72)	-	371.72	-	-	-	-	-	-	-
Closing Balance as at March 31, 2021	**(2,183.04)**	**29,836.90**	**68.83**	**182.93**	**371.72**	**(6,475.37)**	**276.21**	**1,558.15**	**-**	**23,636.33**	**-**	**23,636.33**
As at March 31, 2020												
Opening Balance as at April 1, 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
Forfieted	-	-	-	-	-	-	-	1,525.50	(1,525.50)	-	-	-
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	119.41	-		-	119.41	-	119.41
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**3,996.47**	**209.10**	**1,525.50**	**(1,525.50)**	**4,205.57**	**-**	**4,205.57**
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
Closing Balance as at March 31, 2020	**(2,183.39)**	**29,836.90**	**371.72**	**182.93**	**-**	**5,251.21**	**301.35**	**1,525.50**	**-**	**35,286.22**	**1.33**	**35,287.55**

The accompanying notes 1 to 46 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

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place:Mumbai
Date: May 26, 2021

Consolidated Statement of Cash Flows for the year ended March 31, 2021

₹ in lacs

	March 31, 2021	March 31, 2020
Cash flow from / (used in) operating activities		
Profit / (Loss) before share of profit / (loss) from associates and tax	**(15,024.08)**	**4,821.41**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	6,300.10	7,102.79
Bad debts written off	103.82	160.15
Provision for doubtful debts	1,081.60	522.91
Provision for doubtful loans and advances	-	72.04
Unrealised foreign exchange (gain) / loss (net)	0.82	69.57
(Gain) / Loss on sale of property, plant and equipment	(4.63)	(8.55)
Sundry balances written back	(391.60)	(352.87)
Net gain on current investments	(281.61)	(639.70)
ESOP compensation	68.83	-
Interest expenses on financial liabilities carried at amortised cost	136.73	144.23
Interest expense on lease liabilities	188.51	153.53
Gain on lease concession and modification	(318.29)	-
Finance cost	951.85	678.71
Interest income	(667.59)	(346.57)
Operating profit / (Loss) before working capital changes	**(7,855.54)**	**12,377.65**
Movements in working capital		
(Decrease) in trade payables	(2,339.04)	(1,884.82)
(Decrease) in other financial liabilities (current and non-current)	(533.88)	(1,134.49)
Increase / (Decrease) in other liabilities (current and non-current)	(865.94)	27.56
Increase in provisions (current and non-current)	265.63	129.14
Decrease in trade receivables	8,075.10	6,075.31
Decrease in financials assets (current and non-current)	159.68	499.92
(Increase) in other assets (current and non-current)	(548.04)	(755.73)
(Increase) / Decrease in inventories	307.49	(206.99)
Cash generated from / (used in) operations	**(3,334.54)**	**15,127.55**
Direct taxes paid (net of refunds)	1,732.71	(3,101.00)
Net cash flow from / (used in) operating activities (A)	**(1,601.83)**	**12,026.55**
Cash flows from / (used in) investing activities		
Purchase of property, plant and equipments, including capital work in progress and capital advances	(2,471.46)	(4,390.30)
Proceeds from sale of property, plant and equipments including capital work in progress	88.57	280.71
Payment of purchase consideration for purchase of subsidiary shares from non-controlling interest	(2.00)	-
Proceeds from amount invested in associates	91.55	-
Payment of purchase consideration for purchase of shares / warrant of associates	(522.84)	(500.00)
Payment of purchase consideration for purchase of preference shares of a associates	(337.50)	-
Purchase of current investments (including dividend reinvestment)	(10,404.58)	(41,548.80)
Proceeds from sale / redemption of current investments	15,322.87	47,465.54
Proceeds from Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net)	(1,172.27)	2,165.67
Interest received	87.78	322.34
Dividends received	58.66	355.06
Net cash flow from investing activities (B)	**738.78**	**4,150.22**

₹ in lacs

	March 31, 2021	March 31, 2020
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity share capital (including premium)	1.00	-
(Repayment) of short term borrowings (net)	(667.67)	(668.91)
Shares Issue expenses	(4.65)	-
Proceeds from long-term borrowings	5,070.36	2,865.21
Repayment of long-term borrowings	(1,989.74)	(3,007.81)
Interest paid	(954.52)	(717.90)
Repayment of Lease liabilities	(686.33)	(608.77)
Dividend paid on equity shares	-	(12,757.86)
Tax on dividend paid on equity shares	-	(2,065.26)
Net cash flow from / (used in) financing activities (C)	**768.45**	**(16,961.30)**
Net (decrease) in cash and cash equivalents (A + B + C)	**(94.60)**	**(784.53)**
Unrealised gain on foreign currency cash and cash equivalents	(20.87)	(72.24)
Cash and cash equivalents at the beginning of the period	1,368.08	2,224.85
Cash and cash equivalents at the end of the period	**1,252.61**	**1,368.08**
Components of cash and cash equivalents		
Cash on hand	4.67	3.47
Balance with banks:		
- on current accounts	1,247.94	1,364.61
Cash and cash equivalents (Refer note 12)	**1,252.61**	**1,368.08**

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

Particulars	Non-current borrowing*	Current borrowing
Opening balance as on April 1, 2020	6,265.40	727.26
Cash flow during the year		
Proceeds	5,070.36	3,573.29
Repayment	1,989.74	4,240.95
Non cash changes if any	-	-
Closing balance as on March 31, 2021	**9,346.02**	**59.60**

* 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 46 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

Rajesh Mehra
Partner
Membership No: 103145

Place:Mumbai
Date: May 26, 2021

For and on behalf of the Board of Directors
of UFO Moviez India Limited
CIN : L22120MH2004PLC285453

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Notes to Consolidated financial statements for the year ended March 31, 2021

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. .

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on May 26, 2021.

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 Group'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 Group 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 (hereinafter referred together as "the Group") and Associates.

(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 in the fair value of the 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

b) The non-controlling share of movements in equity since the date the parent - subsidiary relationship comes into existence.

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 includes 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 CFS, 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 there is further acquisition from Non-controlling interest of a subsidiary and cost of investments of the Group is in excess of share of equity in subsidiaries as on the date of investment, 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, 2021	UFO's ownership interest as on March 31, 2020
Scrabble Entertainment Limited	India	100%	100%
Valuable Digital Screen Private Limited	India	100%	100%
Zinglin Media Private Limited (earlier 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	100%	95.97%
Plexigo Entertainment Private Limited	India	100%	-
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%	100%

Notes to Consolidated financial statements for the year ended March 31, 2021

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

Associate Name	**Country of Incorporation**	**UFO's ownership interest as on March 31, 2021**	**UFO's ownership interest as on March 31, 2020**
Scrabble Digital DMCC	United Arab Emirates	33.33%	33.33%
Scrabble Venture LLC	United States of America	30.00%	30.00%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30.00%	30.00%
Mukta V N Films Private Limited	India	48.12%	48.12%
Scrabble Audio Visual Equipment Trading LLC	United Arab Emirates	49.00%	49.00%
Cinestaan Digital Private Limited	India	29.97% of the Voting Rights	14.41% of the Voting Rights
Mumbai Movie Studios Private Limited	India	30.74%	-

(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, 2021**	**UFO's ownership interest as on March 31, 2020**
Scrabble Entertainment Israel Limited	Israel	100%	100%

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, 2021**	**As at and For the Year ended March 31, 2020**
Scrabble Digital DMCC	Associate	Year ended December 31, 2020	Year ended December 31, 2019
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended December 31, 2020	Year ended December 31, 2019

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 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

- **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.

- **Leases**

  The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

  The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

  The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **COVID-19**

  The Company has taken into account all the possible impacts of COVID-19 in preparation of these CFS, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Group believes that COVID-19 will impact their business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term. The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of the CFS, it believes that there is no significant impact. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these CFS.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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 costs 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.

(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.

Notes to Consolidated financial statements for the year ended March 31, 2021

(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 assetsare 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)
Computer Software	2 – 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 recognized in the Statement of profit and loss when the asset is derecognized.

(d) Business Combination:

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

Notes to Consolidated financial statements for the year ended March 31, 2021

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.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

(f) Leases:

As a lessee:

The Group has adopted Ind AS 116-Leases 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 initial application (April 1, 2019).

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 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.

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.

As a 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.

(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.

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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.
- 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 Group disaggregates revenue from contracts with customers based on nature of services.

The Group did not earn revenue during the year 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 Group 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 entity’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.

Notes to Consolidated financial statements for the year ended March 31, 2021

- **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. 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

Notes to Consolidated financial statements for the year ended March 31, 2021

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.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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.

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 the Life Insurance Corporation of India to which contributions are made by the Group.

Notes to Consolidated financial statements for the year ended March 31, 2021

Other long-term employee benefits

Long 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 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.

(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 number 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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 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 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.

2.7 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Notes to Consolidated financial statements for the year ended March 31, 2021

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the CFS.

  The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated financial statements for the year ended March 31, 2021

3.1 Property, plant and equipment

₹ in lacs

	Leasehold Improvements	Plant and Machinery (Refer note 31 for Asset given on lease)	Computer Systems	Office Equipment	Furniture and Fixtures	Electrical Equipments and Installations	Vehicles	Total
Cost as At April 1, 2019	**804.28**	**26,815.03**	**356.29**	**275.74**	**67.66**	**38.45**	**2,315.66**	**30,673.11**
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)
Cost as At March 31, 2020	**830.90**	**27,797.01**	**488.57**	**318.72**	**72.09**	**38.60**	**2,387.24**	**31,933.13**
Additions	202.66	979.55	36.90	54.27	57.52	-	41.18	1,372.08
Disposals	-	869.65	0.96	23.97	2.45	-	154.07	1,051.11
Exchange difference on translation of foreign operations	(0.20)	(1.29)	(0.09)	(0.05)	(0.24)	-	(1.20)	(3.06)
Cost as At March 31, 2021	**1,033.36**	**27,905.63**	**524.42**	**348.97**	**126.92**	**38.60**	**2,273.15**	**32,251.03**
Accumulated Depreciation/ Amortisation								
At April 1, 2019	**505.67**	**8,120.95**	**184.00**	**144.99**	**45.90**	**20.82**	**1,188.96**	**10,211.29**
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
At March 31, 2020	**687.97**	**11,074.91**	**252.25**	**194.74**	**50.01**	**27.24**	**1,658.05**	**13,945.17**
Charge for the year	121.23	4,706.50	127.11	53.92	16.79	6.19	367.20	5,398.94
On Disposals	-	801.14	0.62	14.45	2.45	-	148.51	967.17
Exchange difference on translation of foreign operations	(0.08)	(1.14)	(0.05)	(0.02)	(0.10)	-	(0.91)	(2.32)
At March 31, 2021	**809.12**	**14,979.12**	**378.69**	**234.19**	**64.25**	**33.43**	**1,875.83**	**18,374.62**
Net Carrying amount								
At March 31, 2020	**142.93**	**16,722.10**	**236.32**	**123.98**	**22.08**	**11.36**	**729.19**	**17,987.96**
At March 31, 2021	**224.24**	**12,926.50**	**145.73**	**114.78**	**62.67**	**5.17**	**397.32**	**13,876.42**

Notes to Consolidated financial statements for the year ended March 31, 2021

3.2 Capital work in progress

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Opening	1,975.94	870.60
Add : Purchase	780.92	5,019.21
Less : Installed	903.41	3,564.56
Less : Sale / Write off	27.25	349.29
Closing	**1,826.20**	**1,975.97**

3.3 Right of use assets

₹ in lacs

Cost as At April 1, 2019	-
Additions	2,440.25
Disposals	-
Cost as At March 31, 2020	2,440.25
Additions	8.19
Disposals	(213.99)
Cost as At March 31, 2021	**2,234.45**
Accumulated Depreciation/Amortisation	
At April 1, 2019	-
Charge for the year	578.67
On Disposals	-
At March 31, 2020	578.67
Charge for the year	836.73
On Disposals	(39.23)
At March 31, 2021	**1,376.17**
Net Carrying amount	
At March 31, 2020	1,861.58
At March 31, 2021	**858.28**

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). 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.

The Group's leases mainly comprise of land and buildings. The Group leases land and buildings for office and warehouse facilities.

Notes to Consolidated financial statements for the year ended March 31, 2021

3.4 Goodwill on Consolidation

₹ in lacs

At April 1, 2019	**2,310.88**
Additions	-
Disposals	-
At March 31, 2020	**2,310.88**
Additions	-
Disposals	-
At March 31, 2021	**2,310.88**
Accumulated Amortisation	
At April 1, 2019	-
Charge for the year	-
Disposals	-
At March 31, 2020	**-**
Charge for the year	-
On Disposals	-
At March 31, 2021	**-**
Net Carrying amount as at	**-**
At March 31, 2020	**2,310.88**
At March 31, 2021	**2,310.88**

The Group performed its annual impairment test for the year ended March 31, 2021, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 6 years, as the Group 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 1.2% annual growth rate for periods subsequent to the forecast period of 6 years and discount rate of 19.91%. 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 Consolidated financial statements for the year ended March 31, 2021

3.5 Intangible Assets

₹ in lacs

	Computer software and other Intangible Assets	Network (relationship with studio & exhibitors)	Total
	A	B	C=A+B
Cost as At April 1, 2019	**429.60**	**790.00**	**1,219.60**
Additions	6.90	-	6.90
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
Cost as At March 31, 2020	**436.50**	**790.00**	**1,226.50**
Additions	204.10	-	204.10
Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
Cost as At March 31, 2021	**640.60**	**790.00**	**1,430.60**
Amortisation			
Accumulated as At April 1, 2019	**209.60**	**790.00**	**999.60**
Charge for the year	65.01	-	65.01
On Disposals	-	-	-
Exchange difference on translation of foreign operations	(0.23)	-	(0.23)
At March 31, 2020	**274.38**	**790.00**	**1,064.38**
Charge for the year	64.43		64.43
On Disposals			-
Exchange difference on translation of foreign operations			-
At March 31, 2021	**338.81**	**790.00**	**1,128.81**
Net Carrying amount			
At March 31, 2020	**162.12**	**-**	**162.12**
At March 31, 2021	**301.79**	**-**	**301.79**

The estimated amorisation for the years subsequent to March 31, 2021 is as follows

₹ in lacs

Year ended March 31,	Amortisation expenses
2022	67.82
2023	49.00
2024	45.44
2025	40.62
Thereafter	98.89
	301.79

Notes to Consolidated financial statements for the year ended March 31, 2021

4. Investments

₹ in lacs

	March 31, 2021	March 31, 2020
Unquoted equity instruments (at cost)		
Investment in subsidiaries (under liquidation)		
1 (March 31, 2020: 1) Equity Share of USD 1 each fully paid up in Scrabble Entertainment Israel Limited	-	-
Investment in Associates		
100 (March 31, 2020: 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)	177.76	257.79
3,000 (March 31, 2020: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss) (Refer note a)	148.59	253.08
3,060,000 (March 31, 2020: 3,060,000) Equity Shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited (Including post - acquisition share of profit or loss)	265.10	332.49
240,000 (March 31, 2020: 240,000) Share Warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
375,000 (March 31, 2020: Nil) Equity Shares of ₹ 10 each fully paid up in Mumbai Movies Studio Private Limited (Including post - acquisition share of profit or loss)	0.00	-
2,623,880 (March 31, 2020 : 3,878,975) Share Warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	26.24	38.79
2,417,712 (March 31, 2020 : Nil) Equity Shares of ₹ 38.67 each fully paid up in Cinestaan Digital Private Limited (Including post - acquisition share of profit or loss)	696.06	(43.65)
147 (March 31, 2020: 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)	792.49	454.90
Unquoted Preference shares (at cost)		
Investment in Associates		
Nil (March 31, 2020 : 1,153,026) Compulsorily Convertible Preference Shares of ₹ 40 each fully paid up in Cinestaan Digital Private Limited	-	461.21
7,500,000 (March 31, 2020 : Nil) Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of ₹ 10 each, paid up of ₹ 4.5 each in Mumbai Movies Studio Private Limited	337.50	-
	2,467.74	**1,778.61**

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

Other disclosures:	March 31, 2021	March 31, 2020
(i) Aggregate amount of quoted investments (Gross)	-	-
(ii) Market value of quoted investments	-	-
(iii) Aggregate amount of unquoted investments (Gross)	2,467.74	1,778.61
(iv) Aggregate amount of impairment in value of investment	-	-

Notes to Consolidated financial statements for the year ended March 31, 2021

5. Financial assets - Loans receivables

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unsecured (Considered Good)				
Security deposit to related parties (Refer note 33)	359.66	355.97	-	2.43
Security deposit to other than related parties	269.75	322.62	109.13	135.06
Unsecured (Considered doubtful)				
Loan to others	-	-	83.43	83.43
Less: Allowance for doubtful balance	-	-	(83.43)	(83.43)
	-	-	-	-
Balance with statutory / government authorities	14.66	14.66	-	-
Less: Allowance for doubtful balance	(14.66)	(14.66)	-	-
	-	-	-	-
	629.41	**678.59**	**109.13**	**137.49**

6. Other financial assets (Unsecured - Considered good, unless otherwise stated)

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 20201	March 31, 2020
Interest accrued but not due on fixed deposit	-	-	9.66	23.68
Other receivables	-	-	4.40	5.72
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	446.37	8.33	-	-
Unsecured - Doubtful				
Interest accrued on loan given	-	-	79.75	44.70
Less: Allowance for doubtful balance	-	-	(79.75)	(44.70)
	446.37	**8.33**	**14.06**	**29.40**

7. Income tax assets

₹ in lacs

	March 31, 2021	March 31, 2020
Income tax assets (net of provision for income tax ₹ 22,701.49 lacs (March 31, 2020 : ₹ 22,680.54 lacs)	3,728.43	4,875.25
	3,728.43	**4,875.25**

7A. Deferred tax assets / (liability)

₹ in lacs

		March 31, 2021	March 31, 2020
A	**Deferred tax assets**		
	Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,341.17	3,153.23
	Provision for doubtful debts and advances	644.56	412.79
	Impact of expenditure / (Income) charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	504.91	358.09
	Deferred tax assets on carry forward of losses of Caravan Division	-	442.85
	Deferred tax assets on carry forward losses	3,548.05	-
	Gross deferred tax assets	**8,038.69**	**4,366.96**

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

		March 31, 2021	March 31, 2020
B	**Deferred tax liabilities**		
	Undistributed profit of foreign subsidiaries and associates	558.27	359.04
	Gross deferred tax liabilities	**558.27**	**359.04**
	Net deferred tax assets	**7,480.42**	**4,007.92**

Movement in Deferred tax Assets and Liabilities

₹ 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	3,153.21
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)		358.11
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)
Total	**3,820.05**	**178.53**	**(36.29)**	**45.63**	**4,007.92**

₹ in lacs

Movement during the year ended March 31, 2021	As at March 31, 2020	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	On Business Combination and others	As at March 31, 2021
Deferred tax assets /(liabilities)					
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	3,153.21	187.96	-		3,341.17
Provision for Doubtful Debt and advances	412.79	231.76	-	-	644.55
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	358.11	159.16	(12.35)		504.91
Deferred tax assets on carry forward of losses	442.85	3,105.21			3,548.06
Undistributed profit of foreign subsidiaries and associates	(359.04)	(199.23)	-	-	(558.27)
Total	**4,007.92**	**3,484.86**	**(12.35)**	**-**	**7,480.42**

Notes to Consolidated financial statements for the year ended March 31, 2021

The major components of income tax expense for the year are as under:

₹ in lacs

		March 31, 2021	March 31, 2020
i)	**Income tax recognised in the Consolidated Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	29.64	1,519.27
	In respect of prior years	100.32	-
	Deferred tax:		
	In respect of current year	(3,465.84)	(178.53)
	Income tax expense recognised in the Statement of Profit and Loss	**(3,335.88)**	**1,340.74**
ii)	**Income tax expense recognised in OCI**		
	Deferred tax:		
	Deferred tax expense on remeasurements of defined benefit plans	(12.35)	(36.29)
	Income tax expense recognised in OCI	**(12.35)**	**(36.29)**

Reconciliation of tax expense and the accounting profit for the year is as under: ₹ in Lacs

	March 31, 2021	March 31, 2020
Profit / Loss) before tax	(15,095.88)	5,217.80
Income tax expense calculated at Corporate tax rate @ 25.17 %	(3,799.33)	1,313.22
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	199.23	205.57
Change in tax rates	-	(1,262.00)
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
Tax of earlier period	100.32	-
Tax on dividend from associates	8.80	-
Effect of subsidiaries not chargeable to tax/losses of subsidiaries on which no deferred tax has been created	(105.89)	(69.43)
Effect of results of associates	18.07	(99.67)
Tax on expenses not deductible for tax purpose	89.48	67.00
Tax on income of subsidiary at different tax rate	(29.43)	-
Tax losses on which deferred tax assets has not been created	140.23	-
Others	55.00	(60.66)
Total	**(3,323.53)**	**1,377.03**
Tax expense as per Statement of Profit and Loss	**(3,323.53)**	**1,377.03**

The rate used for the reconciliation is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.

Subsidiaries has the following unused tax losses on incurrence 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

Assessment year	Category	Amount of Loss	Amount of Deferred tax Asset	Expiry Date
2021-22	Business loss	557.16	140.23	31-Mar-30
2020-21	Unabsorbed Depreciation	53.09	13.36	Not applicable
2020-21	Business loss	23.29	5.86	31-Mar-29
2019-20	Unabsorbed Depreciation	39.76	10.01	Not applicable
2018-19	Unabsorbed Depreciation	20.51	5.16	Not applicable
2017-18	Unabsorbed Depreciation	18.41	4.63	Not applicable
2016-17	Unabsorbed Depreciation	19.08	4.80	Not applicable
2015-16	Unabsorbed Depreciation	15.29	3.85	Not applicable
2014-15	Unabsorbed Depreciation	5.05	1.27	Not applicable
Total		**751.64**	**189.17**	

As at March 31, 2021, deferred tax liability of ₹ 558.27 lacs (March 31, 2020: ₹ 359.04 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 subsidaries 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Capital advances	108.80	281.17	-	-
Balances with statutory / government authorities:				
Considered good	17.75	20.23	58.07	65.55
Considered doubtful	10.00	10.00	-	-
Less: Allowance for doubtful receivables	(10.00)	(10.00)	-	-
Deposit with Government bodies and others	85.37	92.94	-	-
Advance to suppliers	-	-	273.41	504.28
Loans and advances to employees	-	-	40.43	82.04
Prepaid expenses	205.26	445.57	788.46	1,163.09
GST credit receivable	-	-	3,042.20	1,835.01
Others	-	-	58.27	38.00
	417.18	**839.91**	**4,260.84**	**3,687.97**

9. Inventories (Valued at cost or net realisable value, whichever is lower)

₹ in lacs

	March 31, 2021	March 31, 2020
Traded goods (Lamps) (March 31, 2021 net of provision of ₹ 47.19 lacs, March 31, 2020 Provision of ₹ 47.19 lacs)	560.72	802.47
Digital Cinema Equipment	184.55	354.36
Consumables and spares	375.01	292.23
Content cost	6.86	-
	1,127.14	**1,449.06**

Notes to Consolidated financial statements for the year ended March 31, 2021

10. Investments - Current

₹ in lacs

	March 31, 2021	March 31, 2020
Unquoted mutual funds - carried at fair value through profit and loss		
Investment in mutual funds	4,064.65	8,699.98
	4,064.65	**8,699.98**

Aggregate market value of investment in unquoted mutual funds units held by the Group based on NAV declared on the balance sheet date by mutual fund is ₹ 4,064.65 lacs (March 31, 2020: ₹ 8,699.98 lacs)

11. Trade receivables (unsecured)

₹ in lacs

	March 31, 2021	March 31, 2020
Considered good	3,893.74	13,116.84
Credit impaired	3,340.06	2,368.98
	7,233.80	**15,485.82**
Less: Allowance for doubtful trade receivable	(3,340.06)	(2,368.98)
Total	**3,893.74**	**13,116.84**

For details pertaining to related party receivables refer note 33

12. Cash and bank balances

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash and cash equivalents				
Balances with banks:				
– In current accounts	-	-	1,247.94	1,364.61
Cash on hand	-	-	4.67	3.47
Total (A)	**-**	**-**	**1,252.61**	**1,368.08**
Other bank balances				
– In unpaid dividend account*	-	-	27.06	83.14
– Deposits with original maturity for less than 12 months	-	-	1,050.35	990.61
– Deposits with remaining maturity for more than 12 months	446.37	8.33	-	-
Total (B)	**446.37**	**8.33**	**1,077.41**	**1,073.75**
– Margin money deposit with original maturity for less than 12 months	-	-	1,107.10	381.72
Total (C)	**-**	**-**	**1,107.10**	**381.72**
Amount disclosed under non - current financial assets (Refer note 6)	(446.37)	(8.33)	-	-
Total (B+C)	**-**	**-**	**2,184.51**	**1,455.47**

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 Company.

* The Company can utilize these balances only toward settlement of the respective unpaid dividend.

Notes to Consolidated financial statements for the year ended March 31, 2021

13. Share capital

₹ in lacs

	March 31, 2021	March 31, 2020
Authorised share capital		
53,050,000 (March 31, 2020: 53,050,000) equity shares of ₹ 10/- each	5,305.00	5,305.00
1,565,000 (March 31, 2020: 1,565,000) preference shares of ₹ 1,000/- each	15,650.00	15,650.00
	20,955.00	**20,955.00**
Share capital		
Issued, subscribed and fully paid up shares		
28,350,801 (March 31, 2020: 28,350,801) equity shares of ₹ 10 each fully paid - up	2,835.08	2,835.08
Total issued, subscribed and fully paid up share capital	**2,835.08**	**2,835.08**

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

Equity shares	March 31, 2021		March 31, 2020	
	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	-	-	-	-
Outstanding at the end of the year	**28,350,801**	**2,835.08**	**28,350,801**	**2,835.08**

(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.

Rights 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, 2021		March 31, 2020	
	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 Private Limited	2,243,657	7.91	2,243,657	7.91
Reliance Capital Trustee Co Limited	-	-	1,555,239	5.49
SBI Magnum Multicap Fund (SBI Mutual Funds)	-	-	478,469	1.69

Notes to Consolidated financial statements for the year ended March 31, 2021

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, 2020: 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, refer note 30

14. Other equity

₹ in lacs

	March 31, 2021	March 31, 2020
Reserve and Surplus		
Other Reserve (on purchase of Non-controlling interest stake)		
Balance as at the beginning of year	(2,183.39)	(2,183.39)
Add: Addition during the year	0.35	-
Balance as at the end of year	**(2,183.04)**	**(2,183.39)**
Securities Premium		
Balance as at the beginning of year	29,836.90	29,836.90
Add: Addition during the year	-	-
Balance as at the end of year	**29,836.90**	**29,836.90**
Share based payment reserves		
Balance as at the beginning of year	371.72	371.72
Add : Employee stock option granted during the year	68.83	-
Less : Transfer on employee stock options expired during the year	(371.72)	-
Balance as at the end of year	**68.83**	**371.72**
General Reserves		
Balance as at the beginning of year	-	-
Add : Transfer on employee stock options expired during the year	371.72	-
Balance as at the end of year	**371.72**	**-**
Legal Reserve		
Opening and Closing balance	**182.93**	**182.93**
Retained earnings		
Balance as at the beginning of year	5,251.21	16,110.16
Add: Profit / (Loss) of the year	(11,760.00)	3,877.06
Add: Remeasurement of defined benefit plans	38.07	119.41
Dividend paid (including dividend distribution tax)	-	(14,823.12)
Transfer to FCTR	-	0.70
Share issue expenses	(4.65)	-
Transition impact of Ind AS 116	-	(33.00)
Balance as at the end of year	**(6,475.37)**	**5,251.21**

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

	March 31, 2021	March 31, 2020
Capital Reserve		
Balance as at the beginning of year	1,525.50	-
Add: On forfeiture of 1,525,000 share warrants (refer note f)	-	1,525.50
Add: On acquisition of additional stake in associate	32.65	-
Balance as at the end of year	**1,558.15**	**1,525.50**
Money received against share warrant		
Balance as at the beginning of year	-	1,525.50
Add: Transferred to capital reserve on forfeiture	-	(1,525.50)
Balance as at the end of year	**-**	**-**
Foreign Currency Translation Reserve (FCTR)		
Balance as at the beginning of year	301.35	92.25
Add / (less):Exchange differences on translating the financial statements of foreign operations	(25.14)	209.10
Balance as at the end of year	**276.21**	**301.35**
Total	**23,636.33**	**35,286.22**

The description of the nature and purpose of each reserve within equity is as follows:

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 share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

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:** During the year ended March 31, 2019, 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 ended March 31, 2020, the said warrant were not excerised 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 by the Company and transferred to Capital Reserve

g. **General reserve :** The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. It represents reserve created on account of transfer of cost relating to employee stock options expired at the end of vesting period.

Notes to Consolidated financial statements for the year ended March 31, 2021

15. Borrowings (at amortised cost-secured)

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Term loans				
Rupee loan from banks (secured by first charge on Plant and Machinery and all current assets of the Company)				
Term loan 1 from HDFC Bank	1,773.61	969.71	697.07	223.78
Term loan 2 from HDFC Bank	1,539.67	2,082.91	1,383.86	1,385.51
Term loan 3 from Yes Bank	-	302.03	951.79	1,208.10
Term loan 4 from Axis Bank	-	-	-	93.35
Term loan 5 from IDFC Bank	2,700.00	-	300.00	-
Sub Total (a)	**6,013.28**	**3,354.65**	**3,332.72**	**2,910.74**
Less :Amount disclosed under the head “Other Current financial Liabilities” (Refer note 16) (b)	-	-	(3,332.72)	(2,910.74)
Net amount (a) + (b)	**6,013.28**	**3,354.65**	**-**	**-**

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.91% (March 31, 2020 : 9.30%) per annum is repayable in 48 monthly installments starting from July 31, 2020.

Term loan 2 having interest of bank 1 year MCLR plus 85 basis points i.e. 8.87% (March 31, 2020 : 9,36%) per annum is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 1 year MCLR i.e. 9.32% (March 31, 2020 : 9.70%) per annum is repayable in 48 monthly installments starting from July 15, 2017.

Term loan 4 having interest of bank base rate plus 200 basis points i.e. 8.85% (March 31, 2020 : 9.85%) per annum is repayable in 12 quarterly installments starting from June 30, 2017.

Term loan 5 having interest of bank base rate plus 200 basis points i.e. 9.70% (March 31, 2020 : NA) per annum is repayable in 10 quarterly installments starting from March 31, 2022.

During the year ended March 31, 2021, the Company has availed 6 months moratorium on repayment of above loan no. 2 to 4 and interest thereon from banks based on the circular issued by Reserve Bank of India.

Notes to Consolidated financial statements for the year ended March 31, 2021

16. Financial liabilities - others

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Other financial liabilities carried at amortised cost				
Current maturities of long-term debts (Refer note 15)	-	-	3,332.72	2,910.74
Commission on financial guarantee payable	-	-	-	2.76
Interest accrued but not due on borrowings	-	-	47.27	49.94
Deposit from customers	3,012.96	3,118.49	1,211.91	1,235.38
Deposit from related parties (Refer note 33)	2.87	2.74	-	-
Unpaid dividend	-	-	27.06	83.14
Payables for purchase of property, plant and equipments	335.95	1,547.54	-	10.17
Salary and reimbursement payable	-	-	516.55	721.98
	3,351.78	**4,668.77**	**5,135.51**	**5,014.11**

17. Provisions

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for Employee Benefits				
Provision for gratuity (Refer note 29)	749.71	646.06	2.57	2.12
Provision for compensated absences (Refer note 29)	19.96	2.41	444.81	434.24
Others				
Provision for warranties (Refer note a)	-	-	1.92	2.67
	769.67	**648.47**	**449.30**	**439.03**

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 products are generally covered under the warranty period ranging from 1 year to 6 years.

₹ in lacs

	March 31, 2021	March 31, 2020
At the beginning of the year	2.67	1.64
Arising during the year	-	1.96
Utilized during the year	(0.75)	(0.93)
At the end of the year	**1.92**	**2.67**
Current portion	1.92	2.67
Non-current portion	-	-

18. Other Liabilities

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Temporary book overdraft	-	-	-	14.86
Deferred revenue	445.74	605.71	271.66	264.97
Advance received from customers	-	-	1,176.42	2,205.57
Statutory dues payable				
Employee related liabilities	-	-	50.65	68.98
VAT payable	-	-	8.22	88.67
TDS payable	-	-	208.04	187.04
Other liabilities	-	-	-	0.77
Other taxes payable	-	-	-	0.09
	445.74	**605.71**	**1,714.99**	**2,830.95**

Notes to Consolidated financial statements for the year ended March 31, 2021

19. Current borrowings

₹ in lacs

	March 31, 2021	March 31, 2020
Secured		
Cash credit from HDFC Bank Limited	-	727.26
Cash credit from ICICI Bank Limited	59.60	-
	59.60	**727.26**

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 @ 8.30% per annum (March 31, 2020 : 9.40% per annum).

Cash credit from ICICI bank Limited was secured by first charge on current investment of the subsidiary and carried interest @ 8.00% per annum.

20. Financial liabilities - Trade payables

₹ in lacs

	Current	
	March 31, 2021	March 31, 2020
Trade payables:		
a) Total Outstanding dues of Micro and small enterprises (Refer note 40)	-	-
b) Total Outstanding dues of creditors other than micro and small enterprises	6,057.91	8,328.35
Total	**6,057.91**	**8,328.35**

21. Revenue from operations

₹ in lacs

		March 31, 2021	March 31, 2020
Sale of Services			
Advertisement revenue		253.27	15,469.80
Virtual Print Fees - E-Cinema		553.79	9,853.79
Virtual Print Fees - D-Cinema		304.56	3,450.13
Lease rental income - E-Cinema		324.68	5,323.47
Lease rental income - D-Cinema		76.58	717.52
Digitisation income		328.19	2,252.59
Maintenance service fee		1,079.18	762.98
Registration fees income		4.60	43.57
Commission income		-	50.86
Others		225.75	509.99
	(A)	**3,150.60**	**38,434.70**
Sales of Products			
Lamps		1,928.32	4,862.61
Digital cinema equipments		3,186.43	6,561.99
	(B)	**5,114.75**	**11,424.60**
Other Operating Income			
Sundry balances written back		391.60	352.87
	(C)	**391.60**	**352.87**
Total	**(A)+(B)+(C)**	**8,656.95**	**50,212.17**

Notes to Consolidated financial statements for the year ended March 31, 2021

22. Other Income*

₹ in lacs

	March 31, 2021	March 31, 2020
Miscellaneous income**	406.84	169.53
Commission fees on financial guarantee given	-	2.15
Profit on Sale of Fixed Assets	6.27	8.55
	413.11	**180.23**

* 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)

** Miscellaneous income inclued gain on lease concession and modification of ₹ 309.76 lacs (March 31, 2020 : ₹ Nil)

23. Operating direct costs

₹ in lacs

	March 31, 2021	March 31, 2020
Advertisement revenue share	14.62	5,392.30
Exhibition equipments repairs	1,857.13	2,199.91
Van operation expenses	22.18	348.91
Technical service fees	512.29	928.63
Bandwidth charges	233.02	579.33
Purchase of digital cinema equipment	2,536.87	5,437.60
Purchase of lamps and spares	1,428.37	3,736.94
Content processing charges	3.07	62.64
Virtual print fees sharing	129.39	902.78
Other expenses	371.00	744.20
(Increase) / Decrease in inventories of digital cinema equipments		
Inventories at the beginning of the year	354.36	186.31
Inventories at the end of the year	184.55	354.36
	169.81	**(168.05)**
(Increase) / Decrease in inventories of lamps		
Inventories at the beginning of the year	802.47	715.41
Inventories at the end of the year	607.91	802.47
	194.56	**(87.06)**
Content Cost		
Opening Content cost	24.76	67.56
Add : Cost of content aquired during the year	(0.42)	5.05
Less : Closing balance of unamortised content cost	(6.86)	(24.76)
	17.48	**47.85**
Consumables and spares		
Inventories at the beginning of the year	266.83	236.82
Add: Purchases	253.45	529.44
Less: Inventories at the end of the year	(375.01)	(266.83)
	145.27	**499.43**
	7,635.07	**20,625.41**

Notes to Consolidated financial statements for the year ended March 31, 2021

24. Employee benefit expense

₹ in lacs

	March 31, 2021	March 31, 2020
Salaries and wages (including bonus)	4,343.12	7,444.01
Contribution to provident and other funds	263.22	402.73
Gratuity expenses (Refer note 29)	200.23	179.61
Compensated absences (Refer note 29)	73.60	0.55
ESOP compensation cost (Refer note 30)	68.83	-
Staff welfare expenses	233.33	530.59
	5,182.33	**8,557.49**

25. Other expenses

₹ in lacs

	March 31, 2021	March 31, 2020
Rent	272.62	659.27
Freight and forwarding charges	57.40	281.36
Legal, professional and consultancy charges	1,216.25	2,214.61
Directors sitting fees including commission	48.38	98.00
Commission on advertisement revenue	88.90	1,302.11
Commission on other revenue	243.51	453.99
Corporate social responsibility expenses	216.01	239.93
Sales promotion expenses	152.96	961.49
Electricity charges	136.45	285.75
Rates and taxes	27.90	90.26
Payment to Auditors	65.10	73.52
Repairs and maintenance		
- Plant and machinery	4.34	35.50
- Furniture and fixtures	-	0.38
- Others	107.67	290.52
Insurance	121.33	108.55
Travelling and conveyance expenses	133.12	510.62
Communication and courier expenses	102.07	180.94
Printing and stationery	21.81	67.34
Bad debts written-off	200.25	457.10
Less: Provision utilised	(95.24)	(296.96)
Provision for doubtful debts	1,081.60	522.91
Provision for doubtful loans and advances	-	72.04
Loss on sale and write off of fixed assets (net)	1.64	-
Miscellaneous expenses	410.28	589.08
Foreign exchange loss (net)	5.05	68.21
	4,619.41	**9,266.53**

Notes to Consolidated financial statements for the year ended March 31, 2021

26. Finance Cost

₹ in lacs

	March 31, 2021	March 31, 2020
Interest on		
- Term loan	745.95	576.71
- Cash credit	205.91	102.14
Interest expenses on lease liabilities	188.51	154.23
Bank charges	29.65	32.68
Interest expenses on financial liabilities carried at amortised cost	136.73	144.23
	1,306.75	**1,009.99**

27. Finance Income

₹ in lacs

	March 31, 2021	March 31, 2020
Interest income on		
- Fixed deposits	79.05	105.25
- Others *	588.76	241.32
Interest income financial assets carried at amortised cost	0.00	4.96
Net gain on current investments **	281.71	639.70
	949.52	**991.23**

* Interest on other includes interest received on income tax refund

** Includes reversal of fair value gain recognised earlier of ₹ 322.43 lacs (March 31, 2020 : ₹ 416.09 lacs)

28. Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in the basic and diluted EPS computations:

₹ in lacs

	March 31, 2021	March 31, 2020
Basic		
Profit /(Loss) attributable to equity holders of parent	(11,760.00)	3,877.06
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)	**(41.48)**	**13.68**
Diluted		
Profit /(Loss) attributable to equity holders of parent	(11,760.00)	3,877.06
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Effect of dilutions of stock options granted under ESOP	96,941	-
Weighted average number of shares outstanding (including dilution)	28,447,742	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)*	**(41.48)**	**13.68**

*Since diluted earnings per share is increased when taking the ESOP into account from ₹ (41.48) to ₹ (41.34) due loss in current year, the ESOP are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹ (41.48).

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, 2021	March 31, 2020
Contribution to Provident fund (Government) and other funds	263.22	402.73

Notes to Consolidated financial statements for the year ended March 31, 2021

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, 2021

₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to Statement of Profit and Loss			
As at April 1, 2020	1,230.28	582.10	648.18
Service Cost	166.41		166.41
Net Interest cost	70.91	-	70.91
Investment Income	-	37.09	(37.09)
Recognised in Statement of profit and loss	**237.32**	**37.09**	**200.23**
Benefit paid	(70.36)	(61.70)	(8.67)
Remeasurement gains / losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(10.54)	10.54
Actuarial changes arising from Changes in financial assumptions	(44.21)	-	(44.21)
Experience Adjustments	(16.75)	-	(16.75)
Net actuarial (gain) / loss recognized in the year	-	-	-
Recognised in Other comprehensive Income	**(60.96)**	**(10.54)**	**(50.42)**
Contribution by employer	-	37.04	(37.04)
As at March 31, 2021	**1,336.28**	**583.99**	**752.28**

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
Gratuity cost charged to Statement to Profit and Loss			
As at April 1, 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)
Recognised in statement of profit and loss	**217.79**	**38.19**	**179.60**
Benefit paid	(11.70)	(5.09)	(6.61)
Remeasurement gains/losses in other Comprehensive income			
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	-	-	-
Recognised in Other comprehensive Income	**(163.96)**	**-**	**(163.96)**
Contribution by employer	-	25.00	(25.00)
As at March 31, 2020	**1,230.28**	**582.10**	**648.18**

Notes to Consolidated financial statements for the year ended March 31, 2021

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity	March 31, 2021	March 31, 2020
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

The principal assumptions used in determining gratuity as shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.25%	6.40%
Salary Growth	NIL for the first year and 6% thereafter	NIL for the first year and 6% thereafter
Employee turnover	13.10%	13.10%
Retirement age (years)	58.00	58.00
Expected returns on assets	8%	8%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

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.

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in lacs

	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	1,222.93	(1,095.61)	1,172.78	(1,049.61)
Salary Growth (-/+1%)	(1,102.11)	1,213.82	(1,055.94)	1,163.87
Attrition(-0.50/+0.50%)	1,133.86	(1,160.80)	1,085.00	(1,116.40)

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, 2021	March 31, 2020
Within the next 12 months(next annual reporting period)	662.26	630.31

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2020: 5 years)

₹ in lacs

Expected future cash flows (valued on undiscounted basis):	March 31, 2021	March 31, 2020
1 Year	246.85	239.23
2 to 5 years	555.14	525.53
6 to 10 years	427.89	414.06
More than 10 years	501.89	508.94

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 ₹ 73.60 Lacs (March 31, 2020: ₹ 0.55 lacs) is recognised as an expense in the Statement of profit and loss.

Notes to Consolidated financial statements for the year ended March 31, 2021

30. Employee stock option plans

During the year ended March 31, 2021, the Company's equity settled ESOP Scheme 2014 was in existence.

(a) Employee Stock Option Scheme 2014 (ESOP 2014):

During the year ended March 31, 2021, all outstanding Employee Stock Options (Options) granted to eligible employees lapsed as the same were not exercised during the exercise period which expired on December 11, 2020. On January 15, 2021 the Compensation Committee of the Board of Directors of the Company at its meeting held on January 15, 2021, granted 1,093,700 Options to the eligible employees of the Company under its Employee Stock Option Scheme 2014 (ESOP 2014).

As per the ESOP Scheme 2014, First 50% of the options shall vest on January 15 2022 i.e. after one year from the date of grant and second 50% of of the options shall vest on January 15 2023 i.e. after two years from the date of grant.

The exercise period of these options is as follows:

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.

The details of activity under the Scheme 2014 are summarised below:

	March 31, 2021		March 31, 2020	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	814,819	400	820,569	400
Granted during the year	1,093,700	50	-	-
Exercised during the year	-	-	-	-
Forfeited/lapsed during the year out of opening	(814,819)	400	(5,750)	400
Lapsed during the year out of options granted during the year	(3,600)	-	-	-
Outstanding at the end of the year	1,090,100	50	814,819	400
Exercisable at the end of the year	1,090,100	50	814,819	400
Weighted average remaining contractual life (in months)	40		9	

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are:

	March 31, 2021	
	Vest 1	Vest 2
Expected Volatility	56.84%	49.75%
Risk -Free interest rate	4.24%	4.67%
Fair Market Value	88.15	88.15
Exercise Price (Rupees)	50.00	50.00
Dividend Yield	4.86%	4.86%
Expected life of options granted in years	2.00	3.00

The Carrying amount of Employee stock option reserve as at March 31, 2021 is ₹ 68.82 lacs (March 31, 2020: ₹ 371.72 lacs). The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 50. As a result, an expense of ₹ 68.82 lacs (March 31, 2020 : Nil) is recorded in Statement of Profit and Loss in current year.

Notes to Consolidated financial statements for the year ended March 31, 2021

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.

During the year ended March 31, 2021, Company has received rent concession from landlords on lease taken for office and warehouse facilities on account of Covid 19. As per para 46A and 46B of Ind AS 116 on Leases, such changes in lease payment due to rent concession has not been treated as lease modification. Rent concession amounting to ₹ 309.76 lacs has been recognised under 'Other income' (Refer note 22)

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Lease payments recognised in the statement of profit and loss	272.62	659.27
	272.62	**659.27**

Future lease rental expense will be recognised in the Statement of profit and loss of subsequent years as follows:

₹ In lacs

Particulars	March 31, 2021	March 31, 2020
Due not later than one year	37.71	237.68
Due later than one year but not later than five years	201.13	386.30
Later than five years	-	-
	238.84	**623.98**

The movement in lease liabilities during the year is as follows :

₹ In lacs

Particulars	March 31, 2021	March 31, 2020
Opening/Addition on account of transition to IND AS 116	1,971.65	2,426.19
Finance Cost accrued during the period	188.51	154.23
Deletions	(183.29)	-
Rent concessions recognised in the statement of profit and loss	(309.76)	-
Reversal of lease liabilities	(8.27)	-
Addition	16.42	-
Payment for lease liabilities	(686.33)	(608.77)
Balance at the end	**988.93**	**1,971.65**

The break-up of current and non-current lease liabilities is as follows :

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	468.77	786.13
Non-current lease liabilities	520.16	1,185.52
	988.93	**1,971.65**

Notes to Consolidated financial statements for the year ended March 31, 2021

The details regarding the contractual maturities of lease liabilities on an undiscounted basis is as follows:

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Due not later than one year	553.24	1,026.59
Due later than one year but not later than five years	558.23	1,290.92
Later than five years	85.47	112.04
	1,196.94	**2,429.55**

Operating lease commitments – Group as lessor

The Company has leased out Digital Cinema Equipment to theatres and franchisees 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, 2021	March 31, 2020
Lease income recognised in Statement of profit and loss	401.26	6,040.99
	401.26	**6,040.99**

32. Segmental Reporting

The Group is engaged primarily in the business of Digital Cinema Services and sale of digital cinema equipments. 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.

Information about geographical areas:

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Revenue by Geographical Market		
- Within India	2,811.74	41,294.58
- Middle east	5,765.35	8,401.82
- Rest of the world	79.87	515.78
Non-Current Assets (Property Plant and Equipment, Capital work in progress, Goodwill and Intangible Assets)		
- Within India	19,096.09	24,249.08
- Middle east	77.48	49.43
- Rest of the world	-	-

During the year ended March 31, 2020 and March 31, 2021, no single external customer has generated revenue of 10% or more of the Group's total revenue.

Notes to Consolidated financial statements for the year ended March 31, 2021

33. Related party disclosures

1. Names of related parties where transactions have taken place during the year

Associate Enterprises	Scrabble Digital DMCC Scrabble Venture LLC Mukta V N Films Limited Scrabble Audio Visual Equipment Trading LLC Cinestaan Digital Private Limted (w.e.f. December 19, 2019) Mumbai Movie Studios Private Limited (w.e.f. September 17, 2020)
Enterprises owned or significantly influenced by key management personnel or their relatives	Media Infotek Park Valuable Media Private Limited Valuable Technologies Limited Valuable Edutainment Private Limited Valuable Infotainment Private Limited Apollo International Limited Qwik Entertainment India Private Limited Impact Media Exchange Limited Nifty Portfolio Services Private Limited Advent Fiscal Private Limited S.Madhavan (HUF)
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 (up to December 24, 2020) Ms. Kavita Thadeshwar- Company Secretary (w.e.f. March 27, 2021) 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	Mrs. Aruna Narendra Hete Mr. Uday Shankar Gaikwad Mrs. Mohana Subramanian Mrs. Kamayani Singh Kanwar

Notes to Consolidated financial statements for the year ended March 31, 2021

2. Details of transactions with related parties during the year

₹ in lacs

Sr. No.	Particulars		March 31, 2021	March 31, 2020
Nature of transaction/Name of the Parties				
1	Enterprises owned or significantly influenced by Key Management Personnel or their relatives			
A	**Expenses reimbursed**			
	i)	Media Infotek Park	64.19	112.37
B	**Technical services (expense)**			
	i)	Valuable Technologies Limited	512.29	928.63
C	**Direct Expenses (Licensee fees – Impact)**			
	i)	Impact Media Exchange Limited	36.00	72.00
D	**Licensee fee- Club X (income)**			
	i)	Valuable Media Private Limited	0.35	9.77
E	**Rent paid (expense)**			
	i)	Media Infotek Park	453.95	608.76
F	**Rent income (Miscellaneous receipts)**			
	i)	Valuable Media Private Limited	2.78	6.45
	ii)	Valuable Edutainment Private Limited	0.98	2.45
G	**Sales of Spare income**			
	i)	Valuable Media Private Limited	-	0.17
H	**Security Deposit received**			
	i)	Valuable Media Private Limited	-	0.20
	ii)	Valuable Edutainment Private Limited	-	0.21
I	**Dividend Paid**			
	i)	Valuable Media Private Limited	-	1,009.92
	ii)	Valuable Technologies Limited	-	1,009.65
	iii)	Nifty Portfolio Services Private Limited	-	243.96
	iv)	Advent Fiscal Private Limited	-	331.73
	v)	S. Madhavan (HUF)	-	1.35
	vi)	Apollo International Limited	-	1,019.89
2	**Associate Enterprises**			
A	**Sale of goods**			
	i)	Scrabble Audio Visual Equipment Trading LLC	602.92	1,671.04
B	**Content Income**			
	i)	Mukta V N Films Limited	5.51	-
C	**Rent income (Miscellaneous receipts)**			
	i)	Mumbai Movie Studios Private Limited	5.20	-
D	**Support service expenses**			
	i)	Mumbai Movie Studios Private Limited	49.36	-
E	**Management Service Fees (Miscellaneous receipts)**			
	i)	Mumbai Movie Studios Private Limited	3.75	-
F	**Dividend received**			
	i)	Scrabble Digital DMCC	58.66	176.10
	ii)	Scrabble Venture LLC	-	178.96

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars		March 31, 2021	March 31, 2020
G	**Purchase of share warrant**			
	i)	Cinestaan Digital Private Limted	-	38.79
H	**Payment for conversion of share warrants into Equity shares**			
	i)	Cinestaan Digital Private Limted	485.34	-
I	**Purchase of compulsorily convertible preference shares**			
	i)	Cinestaan Digital Private Limted	-	461.21
J	**Purchase of Optionally convertible preference shares**			
	i)	Mumbai Movies Studio Private Limited	337.50	-
K	**Purchase of equity shares**			
	i)	Mumbai Movies Studio Private Limited	37.50	-
3	**Key Managerial Personnel and their relatives**			
A	**Remuneration to key managerial personnel***			
	i)	Mr. Sanjay Gaikwad	82.03	297.35
	ii)	Mr. Kapil Agarwal	82.08	297.37
	iii)	Mr. Ashish Malushte	47.07	123.17
	iv)	Mr. Rajesh Mishra	57.26	153.26
	v)	Mr. Sameer Chavan	13.63	28.30
	vi)	Ms. Kavita Thadeshwar *	2.01	-
B	**Dividend Paid to key managerial personnel**			
	i)	Mr. Sanjay Gaikwad	-	118.71
	ii)	Mr. Kapil Agarwal	-	208.08
	iii)	Mr. Ashish Malushte	-	8.29
	iv)	Mr. Rajesh Mishra	-	12.89
	v)	Mr. Ameya Hete	-	102.51
	vi)	Mr S. Madhavan	-	3.15
	vii)	Mrs. Aruna Narendra Hete	-	1.80
	viii)	Mr. Uday Shankar Gaikwad	-	0.09
	ix)	Mrs. Mohana Subramanian	-	0.03
	x)	Mrs. Kamayani Singh Kanwar	-	90.17
C	**Directors Sitting Fees and Commission expenses**			
	i)	Mr. Sanjeev Aga	20.00	40.00
	ii)	Ms. Lynn de Souza	14.13	29.25
	iii)	Mr S. Madhavan	14.25	28.75

* Include remuneration of ₹ 0.59 lacs from date of appointment as Company Secretary.

3. Balance outstanding as at

₹ in lacs

Sr. No.	Particular		March 31, 2021	March 31, 2020
1	**Enterprises owned or significantly influenced by Key Management Personnel and their relatives**			
A	**Trade Receivables**			
	i)	Valuable Media Private Limited	0.88	3.32
	ii)	Valuable Infotainment Private Limited	0.27	0.27
	iii)	Valuable Edutainment Private Limited	1.15	1.18
B	**Deposit receivable**			
	i)	Media Infotek Park	359.66	359.66

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particular	March 31, 2021	March 31, 2020
C	**Deposit payable**		
	i) Valuable Media Private Limited	2.16	2.04
	ii) Valuable Infotainment Private Limited	0.06	0.65
	iii) Valuable Edutainment Private Limited	0.64	0.05
D	**Trade Payable**		
	i) Impact Media Exchange Limited	3.32	-
	ii) Media Infotek Park	81.89	-
	iii) Valuable Technologies Limited	83.45	-
2	**Associate enterprise**		
A	**Amount receivable**		
	i) Mukta V N Films Limited	6.13	-
	ii) Scrabble Audio Visual Equipment Trading LLC	-	613.13
B	**Amount payable**		
	i) Mumbai Movie Studios Private Limited	0.29	
	ii) Scrabble Audio Visual Equipment Trading LLC	250.19	-
C	**Corporate Guarantee given on borrowing (Refer note a)**		
	i) Mukta V N Films Limited	200.00	200.00
3	**Key managerial personnel**		
A	**Payable to Independent and Non executive directors**		
	i) Mr. Sanjeev Aga	3.00	25.00
	ii) Ms. Lynn de Souza	0.00	8.50
	iii) Mr S. Madhavan	0.00	12.50

Notes:

a) As at March 31, 2021, the Company has provided Corporate guarantee to the bank for an Overdraft facility of ₹ 200 lacs (March 31, 2020: ₹ 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, 2021	March 31, 2020
Remuneration	284.09	899.45

*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.

34. Capital and other commitments

₹ in lacs

Capital commitments	March 31, 2021	March 31, 2020
Capital commitments	143.22	1,410.21
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 43.68 lacs (March 31, 2020 : ₹ 187.28 lacs))		
Other commitments (operating expenses net of advances of ₹ 9.20 lacs (March 31, 2020 : ₹18.21 lacs))	330.53	722.89
	473.75	**2,133.10**

Notes to Consolidated financial statements for the year ended March 31, 2021

35. Contingent liabilities

₹ in lacs

	March 31, 2021	March 31, 2020
Pending litigations/matters		
(i) In respect of income tax matters		
Income Tax matters (Refer note (a)	-	-
(ii) In respect of Indirect tax matters		
VAT and Sevice tax matters (Refer note (b)	76.00	76.00
Maharashtra sales tax (FY 2014-15)	6.27	-
	82.27	**76.00**

a) 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 Group's financial position and results of operations.

b) i) **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 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.

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 Hon'ble High court against the Order on March 22, 2018

On January 27, 2020, the Company received an order from High court Mumbai dated January 22, 2020, wherein appeal filled by Department has disposed of, stating that it is not maintainable in High Court. The department has further appealed with Honourable Supreme court against the Order of CESTATE on July 20, 2020.

The Company received a show-cause cum demand notice dated April 16, 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 Supreme 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 Group generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

Notes to Consolidated financial statements for the year ended March 31, 2021

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, 2021 is as follows:

₹ in lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total Carrying amount	Total Fair value
Financial Assets					
Non current Investments	2,467.74			2,467.74	2,467.74
Loans receivables	738.55	-	-	738.55	738.55
Current Investments	-	4,064.65		4,064.65	4,064.65
Trade Receivables	3,893.74	-	-	3,893.74	3,893.74
Unbilled Receivable	208.32	-	-	208.32	208.32
Cash and Cash equivalents	1,252.61	-	-	1,252.61	1,252.61
Bank balances other than cash and cash equivalents	2,630.87	-	-	2,630.87	2,630.87
Other Financial Assets	14.06	-	-	14.06	14.06
Total				**15,270.54**	**15,270.54**
Financial Liabilities					
Borrowing	9,405.59	-	-	9,405.59	9,405.59
Lease liabilities	988.93	-	-	988.93	988.93
Trade Payable	6,057.91	-		6,057.91	6,057.91
Other financial liabilities	5,154.57	-	-	5,154.57	5,154.57
Total				**21,607.00**	**21,607.00**

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
Financial Assets					
Non current Investments	1,778.61			1,778.61	1,778.61
Loans receivables	816.08	-	-	816.08	816.08
Current Investments	-	8,699.98		8,699.98	8,699.98
Trade Receivables	13,116.84	-	-	13,116.84	13,116.84
Unbilled Receivable	280.17	-	-	280.17	280.17
Cash and Cash equivalents	1,368.08	-	-	1,368.08	1,368.08
Bank balances other than cash and cash equivalents	1,463.80	-	-	1,463.80	1,463.80
Other Financial Assets	29.40	-	-	29.40	29.40
Total				**27,552.96**	**27,552.96**
Financial Liabilities					
Borrowing	6,992.65	-	-	6,992.65	6,992.65
Lease liabilities	1,971.65	-	-	1,971.65	1,971.65
Trade Payable	8,328.35	-	-	8,328.35	8,328.35
Other financial liabilities	6,772.14	-	-	6,772.14	6,772.14
Total				**24,064.79**	**24,064.79**

Notes to Consolidated financial statements for the year ended March 31, 2021

The Carrying value and fair value of financial assets by categories as at March 31, 2021 is as follows:

₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss					
Investment in mutual funds	4,064.65	4,064.65	-	4,064.65	-
Total	**4,064.65**	**4,064.65**	**-**	**4,064.65**	**-**

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
Financial Assets at Fair Value through Profit or Loss					
Investment in mutual funds	8,699.98	8,699.98	-	8,699.98	-
Total	**8,699.98**	**8,699.98**	**-**	**8,699.98**	**-**

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, 2020 and March 31, 2021 there was no transfer between level 1 and level 2 fair value instruments.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(94.1)	(69.9)	94.1	69.9

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 AED and US Dollars. Management considers currency risk to be low and does not hedge its own currency risks.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions for taking appropriate actions.

₹ in lacs

	March 31, 2021	March 31, 2020
Trade Receivable	74.67	67.80
In USD (in lacs)	1.03	0.90
Trade Payable	59.69	1,351.68
In USD (in lacs)	0.82	17.93
Advance to supplier	129.74	15.49
In USD (in lacs)	1.79	0.21
Cash and Bank Balance	0.69	0.70
In USD (in lacs)	0.06	0.06
Advance from Customer	36.03	37.51
In USD (in lacs)	0.50	0.50
Other receivable	26.07	-
in USD (in lacs)	0.36	-

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, 2021	March 31, 2020
1% increase in foreign exchange rate:	1.35	(13.05)
1% (decrease) in foreign exchange rate:	(1.35)	13.05

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.

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 .

Notes to Consolidated financial statements for the year ended March 31, 2021

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk is ₹ 12,802.81 lacs and ₹ 25,774.35 lacs as at March 31, 2020 and March 31, 2021 respectively as per the table below:

₹ In lacs

	March 31, 2021	March 31, 2020
Non Current Loan receivable	629.41	678.59
Other Non current financial assets	446.37	8.33
Current Investments	4,064.65	8,699.98
Trade Receivable	3,893.74	13,116.84
Unbilled receivables	208.32	280.17
Cash and cash equivalents	1,252.61	1,368.08
Bank balances other than cash and cash equivalents	2,184.51	1,455.47
Current Loan receivable	109.13	137.49
Other current financial assets	14.06	29.40
Total	**12,802.81**	**25,774.35**

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 Group 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 Group 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 Group 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 Group 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 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 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

₹ in lacs

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At March 31, 2021					
Non current borrowings	3,332.72	6,013.28	-	9,346.00	9,346.00
Current borrowing	59.60	-	-	59.60	59.60
Lease liabilities	468.77	520.16	-	988.94	988.94
Trade Payables	6,057.91	-	-	6,057.91	6,057.91
Other financial liabilities (current)	1,802.79	-	-	1,802.79	1,802.79
Other financial liabilities (non-current)	-	3,351.78	-	3,351.78	3,351.78
Total				**21,607.01**	**21,607.01**
At March 31, 2020					
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		1,971.65	1,971.65
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
Total				**24,064.79**	**24,064.79**

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, 2021	March 31, 2020
Long term debt including current maturities	9,346.00	6,265.39
Equity attributable to owners of Group	26,471.41	38,121.30
Gearing Ratio	**35.31%**	**16.44%**

39. Business Combinations and acquisition of non-controlling interest

(A) Acquisition of stake in Mumbai Movie Studios Private Limited (MMSPL)

On October 12, 2020, the Board of Directors of Scrabble Entertainment Limited (SEL), a wholly owned subsidiary of the Company, had approved an investment of upto ₹ 800 lacs in Mumbai Movie Studios Private Limited (MMSPL). Accordingly, SEL made an investment of ₹ 37.50 lacs on December 4, 2020, subscribing to 375,000 number of equity shares of ₹ 10 each. Post this acquisition, SEL holds 30.74% stake in MMSPL and it has been treated as an associate for the purpose of accounting.

Further on November 13, 2020, SEL made an investment of ₹ 150 lacs, subscribing to 7,500,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of ₹ 10 each, paid up value per share is ₹ 2 and on March 5, 2021, SEL made addional investment of ₹ 187 Lacs towards 1st call of ₹ 2.5 per share.

Notes to Consolidated financial statements for the year ended March 31, 2021

(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 last year, the company has made an initial investment of ₹ 500 lacs of the total approved investment (₹ 461.21 lacs in compulsorily convertible preference shares and ₹38.79 in share warrant).

On May 27, 2020, the Company converted its 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, on the same day, the Company also exercised 350,000 warrants by making payment of ₹ 135.35 lacs @ ₹ 38.67 per share for 350,000 equity shares issued against these warrants.

Further, on August 25, 2020, the Company exercised 362,037 warrants by making payment of ₹ 140 lacs @ 38.67 per share for 362,037 equity shares issued against these warrants.

Further, on November 27, 2020, the Company exercised 284,459 warrants by making payment of ₹ 110 lacs @ 38.67 per share for 284,459 equity shares issued against these warrants.

Further, on March 4, 2021, the Company exercised 258,598 warrants by making payment of ₹ 100 lacs @ 38.67 per share for 258,598 equity shares issued against these warrants.

Post above conversions, the Company holds 29.97% of voting rights of CDPL and 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) Investment in Zinglin Media Private Limited and Plexigo Entertainment Private Limited:

The Board of Directors of the Company at its meeting held on September 21, 2020 has approved the acquisition of 10,000 equity shares, having a face value of ₹ 10 each, in SAPJ Media and Entertainment Private Limited [now renamed to Plexigo Entertainment Private Limited (Plexigo)] from its existing equity shareholders for an aggregate consideration of ₹ 1 lac. Consequent to the acquisition, the company holds 100% of the issued and paid-up equity share capital of Plexigo and for the purpose of accounting it is treated as a subsidiary.

In the same meeting, the Board of Directors approved the following further investments:

a. Investment upto ₹ 275 lacs [upto ₹ 50 lacs through equity shares and upto ₹ 225 lacs though non-cumulative optionally convertible redeemable preference shares (NCOCRPS)] in Plexigo

b. Investment upto ₹ 360 lacs (upto ₹ 50 lacs through equity shares and upto ₹ 310 lacs though NCOCRPS) in PJSA Technosoft Private Limited [now renamed to Zinglin Media Private Limited (Zinglin)]

Accordingly, the Company has made an investment of ₹ 150 lacs in Plexigo, subscribing to 500,000 equity shares of ₹ 10 each and 10,000 NCOCRPS of ₹ 1,000 each, allotment of which has been approved by the Board of Directors of Plexigo at its meeting held on November 5, 2020 and February 17, 2021 respectively.

Further, the Company has made an investment of ₹ 250 lacs in Zinglin, subscribing to 500,000 equity shares of ₹ 10 each and 10,000 NCOCRPS of ₹ 1,000 each, allotment of which has been approved by the Board of Directors of Zinglin at its meeting held on November 5, 2020 and an additional investment 10,000 NCOCRPS of ₹ 1,000 each, allotment of which has been approved by the Board of Directors of Zinglin at its meeting held on February 17, 2021.

Also, on April 12, 2021, the Company had further invested an amount of ₹ 50 lacs by subscribing 5,000 NCOCRPS of Plexigo and ₹ 109.91 lacs by subscribing 10,991 NCOCRPS of Zinglin.

Post the aforesaid allotments, the Company continues to hold 100% voting rights in Plexigo and Zinglin.

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.

Notes to Consolidated financial statements for the year ended March 31, 2021

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group is as under:

₹ in lacs

Particular	March 31, 2021	March 31, 2020
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	-	-

41. Event subsequent to balance sheet date

On April 12, 2021; the Company had further invested an amount of ₹ 50 lacs by subscribing 5,000 Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of Plexigo Entertainment Private Limited of ₹1,000/- each and of ₹ 109.91 lacs by subscribing 10,991 NCOCRPS of Zinglin Media Private Limited of ₹1,000/- each.

42. Investment in an Associate

Material Associate

There are no investments in Associates that are individually material.

Non Material Associate:

Summarised financial information of associates that are not individually material as per Ind AS 112.

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Group's share of Profit / (loss)	(71.80)	396.38
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	(71.80)	396.38

43. Contract balances

The movement in contract assets and contract liabilities from contracts with customers:

₹ in lacs

Contract assets (Unbilled Receivables)	March 31, 2021	March 31, 2020
Opening balance April 1, 2020	**280.17**	**1,046.87**
Less: Invoices raised for revenue recognised during the previous year	(280.17)	(1,046.87)
Add: increase due to invoices not raised for revenue recognised during the year	208.32	280.17
Closing balance March 31, 2021	**208.32**	**280.17**

₹ in lacs

Contract Liabilities (Advance or deferred income)	March 31, 2021	March 31, 2020
Opening balance	870.68	1,027.13
Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(870.68)	(1,027.13)
Add: invoices raised for which no revenue is recognised during the year	717.40	870.68
Closing balance	**717.40**	**870.68**

The Group 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.

Notes to Consolidated financial statements for the year ended March 31, 2021

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, 2021	March 31, 2020
Revenue from contracts with customers (as per Statement of Profit and Loss)	8,656.95	50,212.17
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	(71.85)	(766.70)
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(153.28)	(156.44)
Contracted price with the customers	**8,431.82**	**49,289.02**

The Company does not have revenue from individual customer exceeding 10% of total revenue

44. Impact of Covid-19

After COVID-19 was declared as a pandemic in March 2020, and a nationwide lockdown was announced, the film exhibition industry was the first to be impacted as all cinemas across India were temporarily shut down. Cinemas were allowed to re-open only post October 15, 2020 to operate with up to 50% of their seating capacity, in areas outside the containment zones. Further, despite the restrictions being eased, many cinemas opted to remain shut for lack of new content.

The southern market witnessed good traction during January to March 2021 with multiple new releases. The non-southern markets were also hoping for an uptick. However, the second wave of COVID-19 towards the end of FY21, and the reimposition of lockdown restrictions, has once again led to widespread cinema closures.

Since the Group is primarily in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Group continue to remain impacted severely resulting in lower revenues and losses. The Group has conserved its cash reserves by implementing cost optimization measures, which, inter alia, have included reduction in fixed overheads and salary cuts across the organization. The Company has also evaluated raising finances through further debt facilities. As on March 31, 2021, the Company's funds position (group level) stood at ₹ 7,948.14 lacs, and the Company has also obtained approval for additional banking facility of ₹ 2,220.00 lacs in the month of May 2021. The Company is watching events closely. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these Consolidated Financial Statement.

The management believes that COVID-19 will impact the Company's business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term. The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of these financial statements, it believes that there is no significant impact.

Further, despite various uncertainties, the management and the Board of Directors believe that the Group would be able to meet its financial obligations in the foreseeable future based on the above actions, continued support from various stakeholders and availability of financing from lenders. Accordingly, the management and the Board of Directors believe that the operations of the Group can be sustained on a going concern basis.

45. The Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to Consolidated financial statements for the year ended March 31, 2021

46. 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, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	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
A. UFO Moviez India Limited	112.00%	29,647.51	28.21%	(3,318.06)	360.15%	46.55	27.85%	(3,271.50)
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	20.22%	5,351.48	5.80%	(682.53)	14.51%	1.88	5.79%	(680.65)
(ii) Valuable Digital Screen Private Limited	-1.75%	(464.00)	0.00%	-	0.00%	-	0.00%	-
(iii) Zinglin Media Private Limited	-0.36%	(94.05)	-0.03%	3.40	0.00%	-	-0.03%	3.40
(iv) UFO Software Technologies Private Limited	0.14%	35.78	-0.01%	1.00	0.00%	-	-0.01%	1.00
(v) Plexigo Entertainment Private Limited	-0.11%	(28.81)	-0.01%	1.01	0.00%	-	-0.01%	1.01
(vi) Scrabble Digital Limited	4.77%	1,262.06	1.48%	(173.92)	9.32%	1.20	1.47%	(172.71)
II. Foreign								
(vi) United Film Organisers Nepal Private Limited	0.19%	50.99	0.00%	-	0.00%	-	0.00%	-
(vii) UFO Lanka Private Limited	0.08%	21.77	0.00%	-	0.00%	-	0.00%	-
(viii) Scrabble Entertainment DMCC	7.45%	1,971.80	-4.21%	494.58	0.00%	-	-4.21%	494.58
(ix) Scrabble Entertainment Mauritius Limited	3.29%	871.70	-0.33%	38.34	-12.11%	(1.57)	-0.31%	36.78
(x) Scrabble Entertainment Lebanon Sarl	-0.27%	(70.90)	0.00%	-	0.00%	-	0.00%	-
(xi) Scrabble Digital Inc	-0.01%	(2.43)	0.63%	(73.86)	0.00%	-	0.63%	(73.86)
C. Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D. Associates (Investment as per equity method)								
I. Indian								
(i) Mukta V N Films Limited	1.09%	289	0.57%	(67.39)	0.00%	-	0.57%	(67.39)
(ii) Cinestaan Digital Private Limited	0.00%	-	2.13%	(250.99)	0.00%		2.14%	(250.99)
(iii) Scrabble Digital DMCC	0.67%	177.76	0.18%	(21.38)	0.00%	-	0.18%	(21.38)
(iv) Scrabble Ventures LLC	0.56%	148.59	0.27%	(31.66)	0.00%	-	0.27%	(31.66)
(v) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	0.00	0.00%	0.00	0.00%	-	0.00%	-
(vi) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E.	2.99%	792.49	-2.88%	338.19	0.00%	-	-2.88%	338.19
(vii) Mumbai Movies Studio Private Limited	0.00%	-	0.33%	(38.56)	0.00%	-	0.33%	(38.56)
Adjustment arising on consolidation	-50.96%	(13,489.40)	67.84%	(7,978.17)	-271.86%	(35.14)	68.22%	(8,013.31)
Total	**100.00%**	**26,471.41**	**100.00%**	**(11,760.00)**	**100.00%**	**12.93**	**100.00%**	**(11,747.07)**

Notes to Consolidated financial statements for the year ended March 31, 2021

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
A. UFO Moviez India Limited	107.06%	40,813.32	261.33%	10,131.82	31.08%	102.10	243.34%	10,233.93
B. Subsidiaries and step down subsidiaries								
I. Indian								
(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
(v) Scrabble Digital Limited	3.76%	1,434.77	17.76%	688.68	0.00%	-	16.38%	688.68
II. Foreign								
(vi) United Film Organisers Nepal Private Limited	0.14%	52.48	0.00%	-	-0.28%	(0.94)	-0.02%	(0.94)
(vii) UFO Lanka Private Limited	0.06%	23.19	0.00%	-	-0.02%	(0.06)	0.00%	(0.06)
		-	0.00%	-	0.00%	-	0.00%	-
(viii) Scrabble Entertainment DMCC	3.96%	1,509.65	11.74%	455.08	37.16%	122.07	13.72%	577.15
(ix) Scrabble Entertainment Mauritius Limited	2.26%	859.83	1.14%	44.12	23.13%	75.99	2.86%	120.11
(x) Scrabble Entertainment Lebanon Sarl	-0.19%	(72.36)	-0.28%	(10.74)	-0.67%	(2.20)	-0.31%	(12.95)
(xi) Scrabble Digital Inc	0.19%	72.72	-1.02%	(39.72)	2.12%	6.95	-0.78%	(32.77)
	0.00%	-	0.00%	-	0.00%	-	0.00%	-
C. Non Controlling Interest in all subsidiaries	0.00%	1.35	0.00%	-	0.00%	-	0.00%	-
D. Associates (Investment as per equity method)								
I. Indian								
(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)
Total	**100.00%**	**38,122.63**	**100.00%**	**3,877.06**	**100.00%**	**328.51**	**100.00%**	**4205.57**

*The details of Net Assets and Share in Profit and Loss and Shares in Other Comprehensive Income have been presented before eliminations.before eliminations.

The accompanying notes 1 to 46 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

Rajesh Mehra
Partner
Membership No: 103145

Place:Mumbai
Date: May 26, 2021

For and on behalf of the Board of Directors
of UFO Moviez India Limited
CIN : L22120MH2004PLC285453

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

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

₹ In lacs

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	5,274.69	8,254.19	2,902.66	3,965.21	777.54	(854.86)	(172.32)	(682.54)	-	100	India
2	Scrabble Entertainment DMCC	16-Feb-11	-	19.94	AED	598.05	1,311.94	3,799.16	1,889.18	31.89	5,703.84	438.34	-	438.34	-	100	U.A.E.
3	Scrabble Entertainment Mauritius Limited	11-Jul-11	-	73.24	USD	549.27	322.43	890.67	18.97	538.65	79.02	39.67	1.73	37.94	-	100	Mauritius
4	Scrabble Digital Inc	22-Mar-13	-	73.24	USD	402.80	141.67	546.00	1.54	445.75	-	(127.55)	(2.27)	(125.29)	-	100	U.S.A.
5	Scrabble Entertainment Lebanon Sarl	13-Mar-12	31-Dec-20	0.05	LBP	2.43	(72.63)	-	70.20	-	-	-	-	-	-	100	Lebanon
6	Scrabble Entertainment Israel Ltd	17-Jun-12	-	21.94	ILS	21.94	-	21.94	-	-	-	-	-	-	-	100	Israel
7	UFO Software Technologies Private Limited	20-Feb-07	-	1.00	INR	24.82	10.96	53.45	17.67	-	-	1.01	1.00	0.01	-	100	India
8	Valuable Digital Screens Private Limited	6-Jan-15	-	1.00	INR	1.45	(465.45)	754.85	1,218.85	-	2.91	(326.22)	-	(326.22)	-	100	India
9	UFO Lanka Private Limited	31-Jan-08	-	0.36	LKR	101.31	(79.54)	21.77	-	-	-	-	-	-	-	100	SriLanka
10	United Film Organizers Nepal Private Limited	23-Mar-08	-	0.62	NPR	99.00	(48.01)	50.99	0.00	-	-	0.45	-	0.45	-	100	Nepal
11	Zinglin Media Private Limited	11-Nov-17	-	1.00	INR	51.00	(142.45)	198.78	290.23	-	-	(134.52)	3.40	(137.92)	-	100	India
12	Plexigo Entertainment Private Limited	5-Nov-20	-	1.00	INR	51.00	(78.40)	110.46	137.86		1.22	(74.88)	1.01	(75.89)	-	100	India
13	Scrabble Digital Limited	15-Dec-18	-	1.00	INR	59.31	1,202.74	1,505.04	242.98	-	437.22	(221.37)	(47.45)	(173.92)	-	100	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2020 and is not audited and is management accounts

2. The exchange rates considered are as at March 31, 2021

3. The accounts of Scrabble Digital Inc, United Films Organizers Nepal Private Limited, ,UFO Lanka Private Limited as at March 31, 2021 are not audited and are Management accounts.

4. Scrabble Entertainment Israel Ltd is under the process of being Liquidated, hence not consolidated.

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

Sr. No.	Name of Associates or Joint Ventures	Mukta VN Films Limited	Cinestaan Digital Private Limited	Mumbai Movies Studio 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.
1	**Latest Audited Balance Sheet**	31-Mar-21	31-Mar-21	31-Mar-21	31-Dec-20	31-Mar-21	31-Mar-21	31-Mar-21
2	**Date on which the Associate or Joint Venture was associated or acquired**	10-Jun-13	20-Dec-19	4-Dec-20	16-Feb-11	1-Apr-13	16-Aug-13	25-Nov-18
3	**Shares of Associate or Joint Venture held by the Company on the year end**							
	Number of shares held	2,699,950	2,417,712	375,000	100	3,000	1,500	147
	Amount of Investment in Associate or Joint Venture	330.00	985.35	375.00	12.73	199.00	0.08	28.27
	Extent of Holding (in percentage)	48.12%	29.97%	30.74%	33.33%	30%	30%	49%
4	**Description of how there is significant influence**							
5	**Reason why the associate / joint venture is not consolidated**	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	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials
6	**Networth attributable to shareholding as per last audited Balance Sheet**	265.10	137.11	8.33	205.78	38.68	(225.30)	413.01
7	**Profit or Loss for the year**	(95.21)	(776.41)	(90.94)	(63.46)	(108.96)	(302.13)	337.96
	i. Considered in Consolidation	(67.39)	(250.99)	(38.56)	(21.38)	(31.66)	-	338.19
	ii. Not Considered in Consolidation	(27.82)	(525.42)	(52.38)	(42.08)	(77.29)	(302.13)	(0.23)

Notes:

1. The exchange rates considered are at March 31, 2021
2. The reporting period for Scrabble Digital DMCC is December 31, 2020
3. 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, 2021
4. 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: May 26, 2021

For and on behalf of the Board of Directors
of UFO Moviez India Limited
CIN : L22120MH2004PLC285453

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

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, 2021, 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, 2021, and of its loss 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..

Emphasis of matter

We draw attention to Note 46 to the standalone financial statements which describes the economic and social disruptions as a result of COVID-19 pandemic and the impact thereof on the Company's operations, financial statements and management's assessment of going concern assumption.

Our opinion is not modified in respect of this matter.

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.

Impact of COVID-19 on Going concern assessment	
The key audit matter	**How the matter was addressed in our audit**
Refer Note 46 to the financial statements UFO is in the business of digital cinema distribution network across India. With outbreak of COVID-19 pandemic during the previous year and the recent surge in COVID-19 cases across India from March 2021, 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.	Our procedures included: Obtained management's assessment of use of going concern assumption in preparation of the financial statements; • Discussed with the management and Those charged with Governance regarding the plan for resumption of operations and the Company's ability to meet it's obligations in future. Assessed sufficiency of the Company's resources/funds to meet its costs in the foreseeable future; • 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;

<table>
<tr><td></td><td>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;
Evaluated the mitigation measures taken by the Company's management and Those charged with Governance. In particular, we evaluated measures of cost rationalization, managing the Company's liquidity position and resumption of operations; and
We also considered the adequacy of the required disclosure in the financial statements on the going concern assumption.</td></tr>
<tr><td colspan="2">Impairment of investment in and loans to subsidiaries and associates</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Company has investments in subsidiaries and associates - carrying amount of investment in subsidiaries and associates is Rs. 12,502.44 lakhs. Further, the Company has also advanced loans amounting to Rs. 616.00 lakhs (refer Notes 4 and 5 to the standalone financial statements). Management has performed an impairment assessment, in case of any triggers, based on the future business plans of the respective entity with underlying assumptions using the discounted free cash flow model.

We identified this as a KAM considering the significant risk that these investments and loans may not be recoverable.

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.</td><td>Our audit procedures included, amongst others, the following:
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 and associate;
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;
reconciled input data to approved budgets and tested mathematical accuracy;
performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in the aggregate, could impact the analysis; and
Discussed management's strategic and operational plans for the foreseeable future.</td></tr>
</table>

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/loss 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 Board of Directors 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.

Auditor's 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 auditor's 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 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 auditor's 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 auditor's 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.

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 as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 on its financial position in its standalone financial statements - Refer Note 35 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.

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021.

   (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-100022

Rajesh Mehra
Partner
Membership Number: 103145
ICAI UDIN: 21103145AAAACE3496

Mumbai
May 26, 2021

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, 2021, 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, or 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 generally 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no 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 (Rs 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	Hon'ble Supreme Court
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	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)

Name of the statute	Nature of dues*	Amount (Rs in lakhs)*	Period (Financial year)	Forum where the dispute is pending
Gujarat Sales tax	Sales tax	1	2013-14	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)
Telangana sales tax	Sales tax	9	2015-16	Dy. Commissioner Sales tax

*Excludes interest / penalty payable under relevant provisions of the respective Acts and amounts are net of amounts paid/ deposited under protest of Rs.31 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 Number: 103145
ICAI UDIN: 21103145AAAACE3496

Mumbai
May 26, 2021

Annexure B to the Independent Auditors' Report on the standalone financial statements of UFO Moviez India Limited for the year ended March 31, 2021

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 March 31, 2021 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 standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone 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 standalone 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 auditor's 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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 Number: 103145
ICAI UDIN: 21103145AAAACE3496

Mumbai
May 26, 2021

Standalone Balance sheet as at March 31, 2021

₹ in lacs

Particulars	Notes	March 31, 2021	March 31, 2020
Assets			
Non-current Assets			
Property, plant and equipment	3.1	13,062.38	16,872.34
Capital work-in-progress	3.1	1,765.38	1,941.00
Right of use assets	3.2	556.86	1,249.61
Goodwill	3.3	340.17	340.17
Other intangible assets	3.4	105.42	157.34
Financial assets			
(i) Investment in subsidiaries and associates	4	12,502.44	11,610.03
(ii) Loans receivables	5	569.52	593.60
(iii) Other financial assets	6	408.90	1.19
Income tax assets (net)	7	3,271.86	4,606.06
Deferred tax assets (net)	8	7,098.75	3,692.85
Other non-current assets	9	366.59	721.96
Total Non-current Assets (A)		**40,048.27**	**41,786.15**
Current Assets			
Inventories	10	672.53	557.15
Financial assets			
(i) Investments	11	2,543.04	6,593.45
(ii) Trade receivables	12	1,374.56	8,256.73
(iii) Unbilled receivables		107.78	143.05
(iv) Cash and cash equivalents	13	242.53	309.21
(v) Bank balances other than cash and cash equivalents	13	1,200.84	930.06
(vi) Loans receivables	5	151.76	784.66
(vii) Other financial assets	6	149.61	128.48
Other current assets	9	3,481.14	2,699.77
Total Current Assets (B)		**9,923.79**	**20,402.56**
Total Assets (A+B)		**49,972.06**	**62,188.71**
Equity And Liabilities			
Equity			
(i) Share capital	14	2,835.08	2,835.08
(ii) Other equity	15	26,672.44	37,833.22
Total Equity (C)		**29,507.52**	**40,668.30**
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	16	6,013.28	3,354.64
(ii) Lease liabilities	32	280.39	690.51
(iii) Other financial liabilities	17	3,320.58	4,531.94
Provisions	18	580.41	495.22
Other non-current liabilities	19	378.93	509.39
Total Non-current Liabilities (D)		**10,573.59**	**9,581.70**

₹ in lacs

Particulars	Notes	March 31, 2021	March 31, 2020
Current Liabilities			
Financial liabilities			
(i) Borrowings	20	-	727.26
(ii) Lease liabilities	32	349.95	620.33
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises			
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,497.31	4,243.37
(iv) Others financial liabilities	17	4,699.91	4,549.68
Provisions	18	419.96	407.58
Other current liabilities	19	923.82	1,390.49
Total Current Liabilities (E)		**9,890.95**	**11,938.71**
Total Liabilities (D+E)		**20,464.54**	**21,520.41**
Total Equity And Liabilities (C+D+E)		**49,972.06**	**62,188.71**
Significant accounting policies	2		

The accompanying notes 1 to 47 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

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date: May 26, 2021

Standalone Statement of profit and loss for the year ended March 31, 2021

₹ in lacs

Particular	Notes	March 31, 2021	March 31, 2020
Income			
Revenue from operations	22	1,778.78	34,753.30
Other income	23	333.39	132.30
Total Income (I)		**2,112.17**	**34,885.60**
Expenses			
Operating direct cost	24	2,481.32	12,030.65
Cost of consumables and spares consumed		150.34	359.25
Purchases of digital cinema equipment and lamps		189.48	1,331.30
Changes in inventories		(24.65)	23.13
Advertisement revenue share		14.62	5,392.30
Virtual print fees sharing		33.53	794.07
Other operating direct cost		2,118.00	4,130.60
Employee benefits expenses	25	4,152.28	7,357.60
Other expenses	26	4,123.76	7,434.30
Total Expenses (II)		**10,757.36**	**26,822.55**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(8,645.19)**	**8,063.05**
Depreciation and amortisation expenses	3	5,674.34	6,128.21
Finance cost	27	1,230.44	1,006.06
Finance income	28	(967.49)	(9,427.48)
Profit / (Loss) before tax		**(14,582.48)**	**10,356.26**
Tax Expense:			
- Current tax	8	99.58	57.25
- Deferred tax charge / (credit)	8	(3,417.62)	167.20
Total Tax Expense		**(3,318.04)**	**224.45**
Profit / (Loss) for the year		**(11,264.44)**	**10,131.81**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefits plans		46.55	136.44
(ii) Income tax related to items that will not be reclassified to profit or loss		(11.72)	(34.34)
Total Comprehensive Income / (Loss) for the year		**(11,229.61)**	**10,233.91**
Earnings per equity share (Face value of share of ₹ 10 each)			
(1) Basic	29	(39.73)	35.74
(2) Diluted	29	(39.73)	35.74
Significant accounting policies	2		

The accompanying notes 1 to 47 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
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Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date: May 26, 2021

Standalone statement of changes in equity for the year ended March 31, 2021

A. Share capital (refer note 14)

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Balance at the beginning of the year	2,835.08	2,835.08
Changes in equity share capital during the reporting year	-	-
Balance at the end of reporting year	**2,835.08**	**2,835.08**

B. Other equity

₹ in lacs

Particulars	Attributable to owners of the Company						
	Reserves and Surplus				Money received against share warrant	Employee Stock Options (ESOP) Outstanding	Total Equity
	Securities premium	Capital reserve	General reserve	Retained earnings*			
As at March 31, 2019	**29,540.60**	**340.17**	**-**	**9,396.28**	**1,525.50**	**371.72**	**41,174.27**
Profit for the year	-	-	-	10,131.81	-	-	10,131.81
Other comprehensive income for the year	-	-	-	102.10	-	-	102.10
Total Comprehensive Income	**29,540.60**	**340.17**	**-**	**19,630.19**	**1,525.50**	**371.72**	**51,408.18**
Opening Ind AS adjustment 116	-	-	-	(16.49)	-	-	(16.49)
Capital reserve	-	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)
Dividend	-	-	-	(708.77)	-	-	(708.77)
Distribution tax	-	-	-	(145.69)	-	-	(145.69)
Interim dividend	-	-	-	(4,252.62)	-	-	(4,252.62)
As at March 31, 2020	**29,540.60**	**1,865.67**	**-**	**6,055.23**	**-**	**371.72**	**37,833.22**
Profit / (Loss) for the year	**-**	**-**	**-**	**(11,264.44)**	**-**	**-**	**(11,264.44)**
Other comprehensive income for the year	-	-	-	34.83	-	-	34.83
Total Comprehensive Income	**29,540.60**	**1,865.67**	**-**	**(5,174.38)**	**-**	**371.72**	**26,603.61**
Employee stock option plans cost	-	-	-	-	-	68.83	68.83
Transfer to General Reserve	-	-	371.72	-	-	(371.72)	-
As at March 31, 2021	**29,540.60**	**1,865.67**	**371.72**	**(5,174.38)**	**-**	**68.83**	**26,672.44**

* refer note 37

The accompanying notes 1 to 47 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

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date: May 26, 2021

Standalone Statement of Cash Flow for the year ended March 31, 2021

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit / (Loss) before tax	**(14,582.48)**	**10,356.26**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	5,674.34	6,128.21
Provision for doubtful debts	742.10	170.93
Provision for doubtful loans and advances	776.00	-
Sundry balances written back	(141.02)	(248.12)
Unrealised foreign exchange loss (net)	1.08	68.18
(Profit) / Loss on sale and write off of fixed assets	(3.62)	0.11
Bad debts written-off	44.28	70.41
Net gain on current investments	(242.12)	(437.67)
Interest expenses on financial liabilities carried at amortised cost	134.78	139.61
ESOP compensation	63.77	-
Dividend income from subsidiaries	-	(8,867.19)
Gain on lease concession	(251.42)	-
Interest on fixed deposits	(59.64)	(66.30)
Interest on loan to related party	(77.40)	(56.32)
Interest on income tax refund	(588.33)	-
Interest on term loan	745.95	576.71
Interest on cash credit	194.33	102.00
Interest expense on loan from related party	-	61.84
Interest expense on lease liabilities	131.42	102.05
Operating profit before working capital changes	**(7,437.98)**	**8,100.71**
Movement in working capital :		
(Decrease) in trade payables	(746.06)	(1,132.04)
Increase in long-term provisions	131.73	249.11
Increase / (Decrease) in Short-term provisions	12.38	(160.64)
(Decrease) in other non-current liabilities	(130.46)	(25.31)
Increase in non current financial liabilities	11.32	71.98
(Decrease) in other current liabilities	(325.65)	(389.25)
(Decrease) in current financial liabilities	(404.95)	(643.82)
(Increase) in other current assets	(781.37)	(838.54)
Decrease in trade receivables	6,095.80	6,098.16
(Increase) / Decrease in inventories	(115.38)	69.91
(Increase) / Decrease in current loan receivables	14.90	(35.74)
Decrease in other non current assets	248.68	62.33
(Increase) / Decrease in current financial assets	(83.78)	597.52
Decrease / (Increase) in non current loan receivables	24.08	(121.62)
Cash generated from / (used in) operations	**(3,486.74)**	**11,902.76**
Net direct taxes refund / (paid)	1,822.92	(2,281.59)
Net cash flow from / (used in) operating activities (A)	**(1,663.82)**	**9,621.17**
Cash flow from / (used in) investing activities		
Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances	(2,126.33)	(3,888.22)
Proceeds from sale of property, plant and equipment including capital work in progress	83.97	78.87
Payment of purchase consideration for purchase of shares / warrants of a associates	(485.35)	(500.00)
Payment of purchase consideration for purchase of preference shares of a subsidiary	(300.00)	-
Payment of purchase consideration for purchase of shares of a subsidiary	(101.00)	-
Payment for acquisition of non-controlling stake of a subsidiary	(1.00)	-
Purchase of current investments	(8,709.72)	(30,986.51)
Proceeds from sale/redemption of current investments	13,002.25	36,376.13
Interest on fixed deposits	69.49	15.62
Interest on loan to related party	5.48	65.90
Dividend received from subsidiary	-	8,867.19
Loan to related party (given) / received (net)	2.00	(349.90)
Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net)	(678.47)	414.77
Net cash flow from / (used in) investing activities (B)	**761.32**	**10,093.85**

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Cash flow from / (used in) financing activities		
Proceeds from long term borrowings	5,070.36	2,865.21
Repayment of long term borrowings	(1,989.74)	(3,007.81)
Availment / (Repayment) of short term borrowings (net)	(727.26)	(4,538.93)
Repayment of lease liabilities	(574.59)	(516.83)
Dividend on equity shares	-	(12,757.86)
Tax on dividend paid on equity shares	-	(800.61)
Interest on term loan	(748.62)	(1,329.53)
Interest on cash credit	(194.33)	(102.00)
Interest expense on loan from related party	-	(61.84)
Net cash flow from / (used in) financing activities (C)	**835.82**	**(20,250.20)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(66.68)**	**(535.18)**
Cash and cash equivalents at the beginning of the period	309.21	844.39
Cash and cash equivalents at the end of the period	**242.53**	**309.21**
Components of cash and cash equivalents		
Cash on hand	1.52	2.31
Balance with banks:		
- in current accounts	241.01	306.90
Cash and cash equivalents (refer note 13)	**242.53**	**309.21**

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

₹ in lacs

Particulars	Non-current borrowings*	Current borrowings
Opening balance as at April 1, 2020	6,265.38	727.26
Cash flow during the year:		
-Proceeds	5,070.36	3,513.69
-Repayments	1,989.74	4,240.95
Non cash changes if any	-	-
Closing balance as at March 31, 2021	**9,346.00**	**-**

* 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 IND AS - 7 "Cash Flow Statements"

Significant accounting policies **2**

The accompanying notes 1 to 47 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

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date: May 26, 2021

Notes to standalone financial statements for the year ended March 31, 2021

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 May 26, 2021.

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.

Notes to standalone financial statements for the year ended March 31, 2021

- **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 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.

- **Lease**

  The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

  The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

  The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Covid 19**

  The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Notes to standalone financial statements for the year ended March 31, 2021

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 costs 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

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 deprecation 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.

Notes to standalone financial statements for the year ended March 31, 2021

(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.

(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 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.

Notes to standalone financial statements for the year ended March 31, 2021

(f) 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.

(g) 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, 2021

(h) Revenue Recognition

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

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.

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 entity’s right to receive dividend is established.

Notes to standalone financial statements for the year ended March 31, 2021

(i) 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.

(j) 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, 2021

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.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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.

Notes to standalone financial statements for the year ended March 31, 2021

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 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.

(k) 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.

Notes to standalone financial statements for the year ended March 31, 2021

(l) 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 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.

(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. 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.

Notes to standalone financial statements for the year ended March 31, 2021

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.

(n) 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 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 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.

(p) 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.

Notes to standalone financial statements for the year ended March 31, 2021

(q) 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.

(r) 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.

(s) 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.

(t) Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to standalone financial statements for the year ended March 31, 2021

3.1 Property, Plant and Equipment

₹ in lacs

	Leasehold Improvements	Plant and Machinery (Refer Note 32 for Assets given on lease)	Computer Systems	Office Equipment	Furniture and Fixtures	Electrical Equipments and Installations	Vehicles	Total
Cost								
As at April 1, 2019	506.84	22,394.26	203.97	229.20	42.92	38.45	1,972.32	25,387.96
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
At March 31, 2020	**507.33**	**25,367.02**	**357.89**	**264.59**	**44.29**	**38.60**	**2,015.88**	**28,595.59**
Additions	158.85	905.62	33.48	35.05	48.66	-	-	1,181.66
Disposals	-	390.50	0.59	23.97	-	-	94.65	509.71
At March 31, 2021	**666.18**	**25,882.14**	**390.78**	**275.66**	**92.95**	**38.60**	**1,921.23**	**29,267.54**
Accumulated Depreciation/Amortisation								
As at April 1, 2019	**303.25**	**5,256.47**	**116.48**	**113.26**	**28.59**	**20.82**	**848.40**	**6,687.27**
Charge for the year	107.73	4,841.37	88.35	45.54	6.21	6.42	524.24	5,619.86
On disposals	-	557.23	-	0.10	-	-	26.55	583.88
At March 31, 2020	**410.98**	**9,540.61**	**204.83**	**158.70**	**34.80**	**27.24**	**1,346.09**	**11,723.25**
Charge for the year	90.36	4,322.60	82.53	45.69	12.05	6.19	351.85	4,911.27
On disposals	-	325.59	0.24	14.45	-	-	89.08	429.36
At March 31, 2021	**501.34**	**13,537.62**	**287.12**	**189.94**	**46.85**	**33.43**	**1,608.86**	**16,205.16**
Net Block								
At March 31, 2020	**96.35**	**15,826.41**	**153.06**	**105.88**	**9.49**	**11.36**	**669.79**	**16,872.34**
At March 31, 2021	**164.84**	**12,344.52**	**103.66**	**85.72**	**46.10**	**5.17**	**312.37**	**13,062.38**
* refer note 37								

3.1 Capital Work in Progress

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Opening	**1,941.00**	**838.06**
Add : Purchase	742.33	4,896.45
Less : Installed	890.70	3,444.22
Less : Sale / Write off	27.25	349.29
Closing	**1,765.38**	**1,941.00**

Notes to standalone financial statements for the year ended March 31, 2021

3.2 Right of Use Assets

₹ in lacs

	Right of Use Assets
Cost	
As at April 1, 2019	-
Additions	1,701.37
Disposals	-
At March 31, 2020	**1,701.37**
Additions	14.09
Disposals	-
At March 31, 2021	**1,715.46**
Accumulated Depreciation/Amortisation	
As at April 1, 2019	-
Charge for the year	451.76
On disposals	-
At March 31, 2020	**451.76**
Charge for the year	706.84
On disposals	-
At March 31, 2021	**1,158.60**
Net Block	
At March 31, 2020	**1,249.61**
At March 31, 2021	**556.86**

(a) The Company has adopted Ind AS 116 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.

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

The Company's leases mainly comprise of land and buildings. The Company leases land and buildings for office and warehouse facilities.

Notes to standalone financial statements for the year ended March 31, 2021

3.3 Goodwill

₹ in lacs

	Goodwill
Cost	
As at April 1, 2019	340.17
Additions	-
Disposals	-
At March 31, 2020	**340.17**
Additions	-
Disposals	-
At March 31, 2021	**340.17**
Accumulated Depreciation/Amortisation	
As at April 1, 2019	-
Charge for the year	-
On disposals	-
At March 31, 2020	**-**
Charge for the year	-
On disposals	-
At March 31, 2021	**-**
Net Block	
At March 31, 2020	**340.17**
At March 31, 2021	**340.17**

3.4 Other Intangible Assets

₹ in lacs

	Computer software *
Cost	
As at April 1, 2019	376.22
Additions	2.40
Disposals	-
At March 31, 2020	**378.62**
Additions	4.31
Disposals	-
At March 31, 2021	**382.93**
Accumulated Depreciation/Amortisation	
As at April 1, 2019	164.69
Charge for the year	56.59
On disposals	-
At March 31, 2020	**221.28**
Charge for the year	56.23
On disposals	-
At March 31, 2021	**277.51**
Net Block	
At March 31, 2020	**157.34**
At March 31, 2021	**105.42**

Notes to standalone financial statements for the year ended March 31, 2021

* The estimated amortisation for the years subsequent to March 31, 2021 is as follows :

₹ in lacs

Year ended 31,	Amortisation expenses
2022	28.55
2023	9.73
2024	6.17
2025	1.35
Thereafter	59.62
	105.42

a) The Company is principally engaged in the business of exhibition of digital cinema. The carrying amount of Goodwill as at March 31, 2021 is ₹ 340.17 lacs (March 31, 2020 : ₹ 340.17 lacs)

b) The Company performed its annual impairment test for the year ended March 31, 2021, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 6 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 1.2% annual growth rate for periods subsequent to the forecast period of 6 years and discount rate of 19.91%. 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, 2021

4. Investment in subsidiaries and associates

₹ in lacs

	March 31, 2021	March 31, 2020
Unquoted equity instruments (at cost)		
Investment in subsidiaries		
14,475 (March 31, 2020 : 14,475) ordinary shares of ₹ 10 each fully paid in Valuable Digital Screens Private Limited, India.	300.00	300.00
768,317 (March 31, 2020 : 768,317) ordinary shares of ₹ 10 each fully paid in Scrabble Entertainment Limited, India.	10,371.93	10,371.93
Add : ESOP issued to employee of subsidiary	3.48	-
Add : ESOP issued to employee of step down subsidiary	1.58	-
99,600 (March 31, 2020 : 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)
248,239 (March 31, 2020 : 238,239) equity share of ₹ 10 each at par fully paid in UFO Software Technologies Private Limited	37.15	36.15
2,775,950 (March 31, 2020 : 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)
510,000 (March 31, 2020 : Nil) ordinary shares of ₹ 10 each at par, fully paid, Plexigo Entertainment Private Limited (formerly known as SAPJ Technosoft Private Limited)	51.00	-
510,000 (March 31, 2020 : 10,000) ordinary shares of ₹ 10 each at par, fully paid, Zinglin Media Private Limited (formerly known as PJSA Technosoft Private Limited)	51.00	1.00
Investment in associates		
3,060,000 (March 31, 2020 : 3,060,000) equity shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	306.00	306.00
240,000 (March 31, 2020 : 240,000) shares of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
26,23,880 (March 31, 2020 : 38,78,975) share warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	26.24	38.79
2,417,712 (March 31, 2020 : Nil) equity shares of ₹ 38.67 each fully paid up in Cinestaan Digital Private Limited	959.11	-
Unquoted preference shares (at cost)		
Investment in subsidiaries		
59,900 (March 31, 2020 : 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	37.44	37.44
10,000 (March 31, 2020 : Nil) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Plexigo Entertainment Private Limited (formerly known as SAPJ Technosoft Private Limited)	100.00	-
20,000 (March 31, 2020 : Nil) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Zinglin Media Private Limited (formerly known as PJSA Technosoft Private Limited)	200.00	-
Investment in associates		
Nil (March 31, 2020 : 1,153,026) compulsorily convertible preference shares of ₹ 40 each fully paid up in Cinestaan Digital Private Limited	-	461.21
	12,502.44	**11,610.03**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	12,502.44	11,610.03
Aggregate amount of impairment in value of investments	195.00	195.00

Notes to standalone financial statements for the year ended March 31, 2021

5. Loans receivables (Unsecured, considered good unless otherwise stated)

₹ in lacs

	Non current		Current	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Security deposit - other than to related party	210.15	234.23	83.33	94.54
Security deposit to related parties (refer note 33)	359.37	359.37	-	3.69
Loans to related party (refer note 44)			68.43	686.43
Unsecured - Doubtful				
Loans to related party (refer note 44)			616.00	-
Less : Allowance for doubtful balances			(616.00)	-
Balance with statutory / government authorities	14.66	14.66		
Less : Allowance for doubtful balances	(14.66)	(14.66)		
	569.52	**593.60**	**151.76**	**784.66**

6. Other financial assets (Unsecured, considered good unless otherwise stated)

₹ in lacs

	Non current		Current	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Interest accrued but not due on fixed deposit			7.26	17.12
Interest accrued on loan to related parties (refer note 33)			17.57	105.64
Other receivables			124.78	5.72
Fixed deposit with remaining maturity more than 12 month (refer note 13)	408.90	1.19	-	-
Unsecured - Doubtful				
Interest accrued on loan to related parties (refer note 33)			160.00	-
Less : Allowance for doubtful balances			(160.00)	-
	408.90	**1.19**	**149.61**	**128.48**

7. Income tax assets

₹ in lacs

	March 31, 2021	**March 31, 2020**
Income tax assets (net of provision for income tax ₹14,675.17 lacs (March 31, 2020 : ₹ 14,575.60 lacs)	3,271.86	4,606.06
	3,271.86	**4,606.06**

Notes to standalone financial statements for the year ended March 31, 2021

8. Deferred tax assets (net)

₹ in lacs

		March 31, 2021	March 31, 2020
A)	**Deferred tax asset**		
	Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	2,823.65	2,666.88
	Provision for doubtful debts and advances	450.20	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	251.77	227.22
	Deferred tax assets on Ind AS 116 accounting	18.49	15.41
	Deferred tax assets on carry forward losses	3,548.04	442.86
	Others	15.17	88.91
	Total deferred tax assets	**7,107.32**	**3,718.58**
B)	**Deferred tax liabilities**		
	Fair value of investment	(8.57)	(25.73)
	Total deferred tax liabilities	**(8.57)**	**(25.73)**
	Deferred taxes assets (net)	**7,098.75**	**3,692.85**

Movement in deferred tax assets and liabilities

₹ 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	As at March 31, 2020
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortisation 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	-	442.85		442.85
Others	(83.40)	146.61		63.21
Total	**3,886.59**	**(159.40)**	**(34.34)**	**3,692.85**

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Movement during the year ended March 31, 2021	As at March 31, 2020	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2021
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	2,666.87	156.78		2,823.65
Provision for Doubtful Debt and advances	277.30	172.90		450.20
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	227.21	36.28	(11.72)	251.77
Deferred tax assets on Ind AS 116 accounting	15.41	3.08		18.49
Deferred tax assets on carry forward losses	442.85	3,105.18		3,548.03
Others	63.21	(56.60)		6.61
Total	**3,692.85**	**3,417.62**	**(11.72)**	**7,098.75**

The major components of income tax expense for the year are as under:

₹ in lacs

		March 31, 2021	March 31, 2020
i)	**Income tax recognised in the Standalone Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	-	57.25
	In respect of prior year	99.58	-
	Deferred tax		
	In respect of current year	(3,417.62)	159.40
	Income tax expense recognised in the Statement of Profit and Loss	**(3,318.04)**	**216.65**

₹ in lacs

		March 31, 2021	March 31, 2020
ii)	**Income tax expense recognised in OCI**		
	Deferred tax :		
	Deferred tax expense on remeasurements of defined benefit plans	(11.72)	(34.34)
	Income tax expense recognised in OCI	**(11.72)**	**(34.34)**

Notes to standalone financial statements for the year ended March 31, 2021

Reconciliation of tax expense and the accounting profit for the year is as under:

₹ in lacs

	March 31, 2021	March 31, 2020
Profit / (Loss) before tax	(14,582.48)	10,356.26
Income tax expense calculated at Corporate tax rate	25.17%	25.17%
Computed tax expenses	(3,670.12)	2,606.47
Impact on account of:		
Income exempt from tax	-	(2,231.69)
Expenses not deductible for tax purpose	491.18	434.43
Impact on account of different in tax rate	-	(49.29)
Tax impact on account of carry forward losses adjusted with taxable profit	3,178.94	(702.67)
Tax in respect of prior year	99.58	-
Tax expense as per Statement of profit and loss	**99.58**	**57.25**

9. Other assets (Unsecured, Considered good unless otherwise stated)

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances to vendors	-	-	160.31	130.15
Balance with statutory / government authorities	16.16	18.64	25.51	25.51
Deposit with government bodies	85.37	92.94	-	-
Capital advances	65.79	172.47	-	-
Loans and advances to employees	-	-	30.26	51.53
Prepaid expenses	199.27	437.91	705.43	1,011.57
GST credit receivable	-	-	2,559.63	1,481.01
	366.59	**721.96**	**3,481.14**	**2,699.77**

10. Inventories (Valued at cost or net realisable value, whichever is lower)

₹ in lacs

	March 31, 2021	March 31, 2020
Traded goods (Lamps)	335.51	310.86
Consumables and spares	330.16	221.53
Content cost	6.86	24.76
	672.53	**557.15**

11. Current investments

₹ in lacs

	March 31, 2021	March 31, 2020
Carried at FVTPL		
Unquoted mutual funds		
Investment in mutual funds	2,543.04	6,593.45
	2,543.04	**6,593.45**
Aggregate amount of unquoted investments	**2,543.04**	**6,593.45**
NAV of unquoted investments	**2,543.04**	**6,593.45**
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 ₹ 2,543.04 lacs (March 31, 2020 : ₹ 6,593.45 lacs)

Notes to standalone financial statements for the year ended March 31, 2021

12. Trade receivables (Unsecured)

₹ in lacs

	March 31, 2021	March 31, 2020
Considered good	1,374.56	8,256.73
Credit impaired	1,788.78	1,101.80
	3,163.34	**9,358.53**
Less : Allowance for doubtful trade receivable	(1,788.78)	(1,101.80)
	1,374.56	**8,256.73**

For details pertaining to related party receivable (refer note 33)

13. Cash and bank balances

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash and cash equivalents				
Balances with banks :				
– In current accounts			241.01	306.90
Cash on hand			1.52	2.31
	-	**-**	**242.53**	**309.21**
Other bank balances				
– In unpaid dividend account*			27.06	83.14
– Deposits with original maturity more than 3 month and less than 12 months			154.76	500.19
– Deposits with remaining maturity for more than 12 months	-		-	-
	-	**-**	**181.82**	**583.33**
– Margin money deposit with original maturity for less than 12 months			1,019.02	346.73
– Margin money deposit with remaining maturity for more than 12 months	408.90	1.19	-	-
	408.90	**1.19**	**1,200.84**	**930.06**
Amount disclosed under non-current financial assets (refer note 6)	(408.90)	(1.19)		
	-	**-**	**1,443.37**	**1,239.27**

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.

Notes to standalone financial statements for the year ended March 31, 2021

14. Equity share capital

₹ in lacs

	March 31, 2021	March 31, 2020
Authorised share capital*		
53,050,000 (March 31, 2020 : 53,050,000) equity shares of ₹ 10 each	5,305.00	5,305.00
1,565,000 (March 31, 2020 : 1,565,000) preference shares of ₹ 1,000 each	15,650.00	15,650.00
	20,955.00	**20,955.00**
*** refer note 37**		
Share capital		
Issued, subscribed and fully paid up shares		
28,350,801 (March 31, 2020: 28,350,801) equity shares of ₹ 10 each fully paid-up	2,835.08	2,835.08
Total issued, subscribed and fully paid up share capital	**2,835.08**	**2,835.08**

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

Equity shares	March 31, 2021		March 31, 2020	
	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	-	-	-	-
Outstanding at the end of the year	**28,350,801**	**2,835.08**	**28,350,801**	**2,835.08**

(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.

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.

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

Name of the shareholder	March 31, 2021		March 31, 2020	
	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
SBI Magnum Multicap Fund (SBI Mutual Funds)	-	-	478,469	1.69

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to standalone financial statements for the year ended March 31, 2021

(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, 2020: 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 refer note 31

15. Other equity

₹ in lacs

	March 31, 2021	March 31, 2020
Securities premium		
Balance as at beginning of the year	29,540.60	29,540.60
Balance as at end of the year	**29,540.60**	**29,540.60**
Capital reserve *		
Balance as at beginning of the year	1,865.67	340.17
Add : On forfeiture of 1,525,000 share warrants (refer note c)	-	1,525.50
Closing balance	**1,865.67**	**1,865.67**
General reserve		
Balance as at beginning of the year	-	-
Add : Transfer on employee stock options expired during the year	371.72	-
Closing balance	**371.72**	**-**
Employee stock options outstanding		
Balance as at beginning of the year	371.72	371.72
Add : Employee stock option granted during the year	68.83	-
Less : Transfer on employee stock options expired during the year	(371.72)	-
Closing balance	**68.83**	**371.72**
Surplus in the statement of profit and loss		
Balance as at beginning of the year	6,055.23	9,396.28
Profit / (Loss) for the year	(11,229.61)	10,233.91
Opening Ind AS adjustment 116	-	(16.49)
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)
Closing balance	**(5,174.38)**	**6,055.23**
Money received against share warrants		
Balance as at beginning of the year	-	1,525.50
Add : Transferred to capital reserve	-	(1,525.50)
Closing balance	**-**	**-**
Total other equity	**26,672.44**	**37,833.22**

Notes to standalone financial statements for the year ended March 31, 2021

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 share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

c) **Money received against share warrants :** During the year ended March 31, 2019, 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 warrants 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 ended March 31, 2020, the said warrants 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 by 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 ended March 31, 2020 (refer note 37)

f) **General reserve :** The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. It represents reserve created on account of transfer of cost relating to employee stock options expired at the end of vesting period.

16. Borrowings (Secured)

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Term loans (valued at amortised cost)				
Rupee loan from banks (secured by first charge on Plant and Machinery and all current assets of the Company)				
Term loan 1 from HDFC Bank	1,773.61	969.71	697.07	223.78
Term loan 2 from HDFC Bank	1,539.67	2,082.91	1,383.86	1,385.50
Term loan 3 from Yes Bank	-	302.02	951.79	1,208.11
Term loan 4 from Axis Bank	-	-	-	93.35
Term loan 5 from IDFC Bank	2,700.00	-	300.00	-
Total	**6,013.28**	**3,354.64**	**3,332.72**	**2,910.74**
Amount disclosed under “Other financial liabilities” (refer note 17)	-	-	(3,332.72)	(2,910.74)
Net amount	**6,013.28**	**3,354.64**	**-**	**-**

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.91% (March 31, 2020 : 9.30%) per annum is repayable in 48 monthly installments starting from July 31, 2020.

Term loan 2 having interest of bank 1 year MCLR plus 85 basis points i.e. 8.87% (March 31, 2020 : 9.36%) per annum is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 1 year MCLR i.e. 9.32% (March 31, 2020 : 9.70%) per annum is repayable in 48 monthly installments starting from July 15, 2017.

Term loan 4 having interest of bank base rate plus 200 basis points i.e. 8.85% (March 31, 2020 : 9.85%) per annum is repayable in 12 quarterly installments starting from June 30, 2017.

Term loan 5 having interest of bank base rate plus 200 basis points i.e. 9.70% (March 31, 2020 : NA) per annum is repayable in 10 quarterly installments starting from March 31, 2022.

During the year ended March 31, 2021, the Company has availed 6 months moratorium on repayment of above loan no. 2 to 4 and interest thereon from banks based on the circular issued by Reserve Bank of India.

Notes to standalone financial statements for the year ended March 31, 2021

17. Other financial liabilities

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial liabilities at amortised cost				
Current maturities of long term debts (refer note 16)			3,332.72	2,910.74
Interest accrued but not due on borrowings			47.27	49.94
Unclaimed dividend			27.06	83.14
Deposit from theatres and regional dealers	2,640.57	2,629.25	660.14	657.31
Deposit from related parties (refer note 33)	355.16	355.16		
Other security deposit			123.94	126.65
Other payables				
Payables for purchase of property, plant and equipment	324.85	1,547.53	-	-
Salary and reimbursement payable			508.78	721.90
	3,320.58	**4,531.94**	**4,699.91**	**4,549.68**

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021. (March 31, 2020 : ₹ Nil)

18. Provisions

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for gratuity (refer note 30)	580.41	495.22		
Provision for compensated absences (refer note 30)			419.96	407.58
	580.41	**495.22**	**419.96**	**407.58**

19. Other liabilities

₹ in lacs

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Temporary book overdraft			-	14.86
Deferred advertisement income			149.09	139.06
Deferred lease rental income	378.93	509.39	18.30	32.70
Advance from customers			540.65	1,000.37
Statutory dues *			215.78	203.50
	378.93	**509.39**	**923.82**	**1,390.49**
* Statutory dues payable includes				
ESIC			1.24	0.10
Professional tax			1.18	1.02
Provident fund			41.78	55.38
Tax deducted at source			171.58	147.00
			215.78	**203.50**

Notes to standalone financial statements for the year ended March 31, 2021

20. Borrowings (Secured)

₹ in lacs

	March 31, 2021	March 31, 2020
Financial liabilities at amortised cost		
Cash credit from HDFC Bank Limited	-	727.26
	-	**727.26**

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 @ 8.30% per annum (March 31, 2020 : 9.40% per annum).

21. Trade payables

₹ in lacs

	Current	
	March 31, 2021	March 31, 2020
a) Total outstanding dues of micro enterprises and small enterprises (refer note 36)	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,497.31	4,243.37
	3,497.31	**4,243.37**

* For details pertaining to related party payable refer note 33

22. Revenue from operations

₹ in lacs

	March 31, 2021	March 31, 2020
Sale of services		
Advertisement revenue	253.27	15,469.80
Virtual print fees - E - Cinema	553.79	9,853.79
Virtual print fees - D - Cinema	14.17	666.66
Lease rental income - E - Cinema	331.21	5,276.31
Lease rental income - D - Cinema	15.71	462.38
Digitisation income	58.57	527.77
Registration fees income	4.60	43.57
Other revenue	129.73	469.93
	1,361.05	**32,770.21**
Sale of products		
Lamp and spares sale	106.04	1,056.60
Sale of digital cinema equipments	170.67	678.37
	276.71	**1,734.97**
Other operating income		
Sundry balances written back	141.02	248.12
	141.02	**248.12**
	1,778.78	**34,753.30**

Notes to standalone financial statements for the year ended March 31, 2021

23. Other Income*

₹ in lacs

	March 31, 2021	March 31, 2020
Miscellaneous income **	329.77	116.60
Profit on sale of fixed assets (net)	3.62	-
Commission on financial guarantee given	-	15.70
	333.39	**132.30**

* Other income excludes income earned by way of interest, dividend, gain on sale of current investments, which has been disclosed under finance income (refer note 28)

** Miscellaneous income include gain on lease concession of ₹ 251.42 lacs (March 31, 2020 : ₹ Nil)

24. Operating direct costs

₹ in lacs

	March 31, 2021	March 31, 2020
Advertisement revenue share	14.62	5,392.30
Exhibition equipments repairs	1,233.60	1,676.55
Technical service fees	512.29	928.63
Bandwidth charges	233.02	579.33
Purchase of digital cinema equipment	59.46	352.27
Purchase of lamps	130.02	979.03
Content processing charges	77.56	420.83
Virtual print fees sharing	33.53	794.07
Van operating cost	22.18	348.91
Other expenses	39.35	176.35
	2,355.63	**11,648.27**
(Increase) / decrease in inventories of traded goods (lamps)		
Inventories at the beginning of the year	310.86	333.99
Less : Inventories at the end of the year	(335.51)	(310.86)
	(24.65)	**23.13**
(Increase) / decrease in digital cinema equipment		
Opening stock	-	-
Less : Closing stock	-	-
	-	-
Content cost		
Opening content cost	24.76	67.56
Add : Cost of content acquired during the year	(0.42)	5.05
Less : Closing balance of unamortised content cost	(6.86)	(24.76)
	17.48	**47.85**
Consumables and spares		
Opening stock	221.53	257.73
Add : Purchases	241.49	275.20
Less : Closing stock	(330.16)	(221.53)
	132.86	**311.40**
	2,481.32	**12,030.65**

Notes to standalone financial statements for the year ended March 31, 2021

25. Employee benefit expense

₹ in lacs

	March 31, 2021	March 31, 2020
Salaries and wages (including bonus)	3,537.01	6,447.52
Contribution to provident and other funds	227.93	361.17
Gratuity expenses (refer note 30)	156.56	141.21
Compensated absences (refer note 30)	55.73	3.15
Employee stock compensation expenses (refer note 31)	63.77	-
Staff welfare expenses	111.28	404.55
	4,152.28	**7,357.60**

26. Other expenses

₹ in lacs

		March 31, 2021	March 31, 2020
Rent		201.08	525.24
Freight and forwarding charges		122.75	334.56
Legal, professional and consultancy charges		1,020.52	1,832.96
Directors' sitting fees including commission		45.00	90.00
Commission on advertisement revenue		88.90	1,302.11
Commission on other revenue		3.25	108.38
Corporate social responsibility expenses (refer note 43)		105.20	139.12
Sales promotion expenses		91.33	940.48
Electricity charges		111.00	224.36
Rates and taxes		19.01	81.45
Payment to auditor (refer (i) below)		58.60	65.04
Repairs and maintenance			
- Plant and machinery		4.34	34.90
- Furniture and fixtures		-	0.38
- Others		80.46	218.21
Insurance		85.00	81.13
Travelling and conveyance expenses		117.89	439.02
Communication and courier expenses		67.56	132.93
Printing and stationery		17.48	59.52
Bad debts written-off	99.39		169.58
Less: Provision utilised	(55.12)	44.28	(99.17)
Loss on sale and write off of fixed assets (net)		-	0.11
Provision for doubtful debts		742.10	170.93
Provision for doubtful loans and advances		776.00	-
Foreign exchange loss (net)		9.14	89.66
Miscellaneous expenses		312.88	493.40
		4,123.76	**7,434.30**

Notes to standalone financial statements for the year ended March 31, 2021

(i) Payment to auditor

₹ in lacs

	March 31, 2021	March 31, 2020
Statutory auditor		
Statutory audit	32.50	34.50
Tax audit	3.50	3.50
Limited review	17.00	21.00
Reimbursement of expenses	2.60	3.54
In other capacity		
Other services (certification fees)	3.00	2.50
	58.60	**65.04**

27. Finance Cost

₹ in lacs

	March 31, 2021	March 31, 2020
Interest on		
- Term loan	745.95	576.71
- Cash credit	194.33	102.00
- Loan from related party (refer note 33)	-	61.84
Interest expenses on lease liabilities	131.42	102.05
Interest expenses on financial liabilities carried at amortised cost	134.78	139.61
Bank charges	23.96	23.85
	1,230.44	**1,006.06**

28. Finance Income

₹ in lacs

	March 31, 2021	March 31, 2020
Interest on:		
- Fixed deposits	59.64	66.30
- Loan to related party (refer note 33)	77.40	56.32
- Other *	588.33	-
Net gain on current investments **	242.12	437.67
Dividend income from subsidiaries (refer note 33)	-	8,867.19
	967.49	**9,427.48**

* Interest on other includes interest received on income tax refund.

** Includes fair value loss of ₹ 68.17 lacs (March 31, 2020 : ₹ 430.06 lacs)

Notes to standalone financial statements for the year ended March 31, 2021

29. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in lacs

	March 31, 2021	March 31, 2020
Basic		
Net profit after tax as per the statement of profit and loss	(11,264.44)	10,131.81
Net profit for calculation of basic EPS	**(11,264.44)**	**10,131.81**
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)	**(39.73)**	**35.74**
Diluted		
Net profit for calculation of basic EPS	(11,264.44)	10,131.81
Weighted average number of equity shares in calculating basic EPS	28,350,801	28,350,801
Effect of dilutions for share warrants/stock options granted under ESOP	96,941	-
Weighted average number of shares outstanding (including dilution)	28,447,742	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)*	**(39.73)**	**35.74**

*Since diluted earnings per share is increased when taking the ESOP into account (from ₹ (39.73 to ₹ (39.60)) due loss in current year, the ESOP are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹ (39.73)

30. Gratuity and other post-employment benefit plans

a) Defined contribution plan

The Company has recognised and included in Note 25 “contribution to provident fund and other funds” expenses towards the defined contribution plan as under:

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Contribution to provident fund	208.55	340.97
Administration charge - provident fund	13.12	19.42
Contribution to ESIC - employer share	6.26	0.78
	227.93	**361.17**

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 recognized in the balance sheet for the respective plans.

Notes to standalone financial statements for the year ended March 31, 2021

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at March 31, 2021

₹ in lacs

Particulars	Defined benefit obligation	Fair value of plan assets	(Benefit) / Liability
As at April 1, 2020	1,041.01	545.79	495.22
Service cost	124.89		124.89
Net interest expense	66.58		66.58
Investment income		34.91	(34.91)
Recognised in the statement of profit and loss	**191.47**	**34.91**	**156.56**
Benefit paid	**(60.62)**	**(60.62)**	**-**
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)		(9.32)	9.32
Actuarial changes arising from changes in demographic assumptions	-		-
Actuarial changes arising from Changes in financial assumptions	(40.39)		(40.39)
Experience adjustments	(15.48)		(15.48)
Net actuarial (gain) / loss recognised in the year			-
Recognised in other comprehensive income	**(55.87)**	**(9.32)**	**(46.55)**
Contribution by employer	-	24.82	(24.82)
As at March 31, 2021	**1,115.99**	**535.58**	**580.41**

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
Gratuity cost charged to statement of profit and loss			
As at April 1, 2019	1,005.50	490.03	515.47
Service cost	103.50	-	103.50
Net interest expense	73.56	-	73.56
Investment income	-	35.85	(35.85)
Recognised in the statement of profit and loss	**177.06**	**35.85**	**141.21**
Benefit paid	**(5.11)**	**(5.09)**	**(0.02)**
Remeasurement gains/losses in other comprehensive income			
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	-	-	-
Recognised in other comprehensive income	**(136.44)**	**-**	**(136.44)**
Contribution by employer	-	25.00	(25.00)
As at March 31, 2020	**1,041.01**	**545.79**	**495.22**

Notes to standalone financial statements for the year ended March 31, 2021

The principal assumptions used in determining gratuity are as shown below:

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.25%	6.40%
Future Salary increase	NIL for the first year and 6% thereafter	NIL for the first year and 6% thereafter
Employee turnover	13.10%	13.10%
Retirement age (years)	58	58
Expected returns on assets	8%	8.0%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

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.

A quantitative sensitivity analysis for the significant assumption is shown below

₹ in lacs

Particulars	DBO	DBO
	March 31, 2021	March 31, 2020
Discount rate (-1%)	1,137.75	1,100.59
Discount rate (+1%)	(1,022.18)	(987.33)
Salary Growth rate (-1%)	(1,028.69)	(993.76)
Salary Growth rate (+1%)	1,128.91	1,091.85
Attrition rate (-0.5%)	1,060.29	1,020.86
Attrition rate (+0.5%)	(1,086.56)	(1,051.61)

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.

Expected contributions to defined benefit plan

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	657.44	580.22
Total	**657.44**	**580.22**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2020: 5 years)

₹ in lacs

Expected cash flows over the next (valued on undiscounted basis):	March 31, 2021	March 31, 2020
1 Year	237.74	230.98
2 to 5 years	522.34	497.40
6 to 10 years	395.86	386.90
More than 10 years	436.90	452.44

Notes to standalone financial statements for the year ended March 31, 2021

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

₹ in lacs

Gratuity	March 31, 2021	March 31, 2020
Investments with insurer (Life Insurance Corporation Limited)	**100%**	**100%**

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 ₹ 55.73 lacs (March 31, 2020: ₹ 3.15 lacs) is recognised as an expense in the Statement of profit and loss.

31. Employee stock option plans

During the year ended March 31, 2021, the Company's equity-settled ESOP Scheme viz., ESOP Scheme 2014 was in existence.

(a) Employee Stock Option Scheme 2014 (ESOP 2014) :

During the year ended March 31, 2021, all outstanding Employee Stock Options (Options) granted to eligible employees lapsed as the same were not exercised during the exercise period which expired on December 11, 2020. On January 15, 2021 the Compensation Committee of the Board of Directors of the Company at its meeting held on January 15, 2021, granted 1,093,700 Options to the eligible employees of the Company and its Subsidiaries under its Employee Stock Option Scheme 2014 (ESOP 2014) out of which 3600 Options are expired due to resignation of eligible employees..

As per the ESOP Scheme 2014, First 50% of the options shall vest on January 15, 2022 i.e. after one year from the date of grant and second 50% of the options shall vest on 15th January 2023 i.e. after two years from the date of grant.

The exercise period of these options is within a period of two years from the date of Vesting of the respective Employee Stock Options.

The details of activity under the Scheme 2014 are summarised below:

	March 31, 2021		March 31, 2020	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	814,819	400	820,569	400
Granted during the year due to scheme modification	1,093,700	50	-	-
Exercised during the year	-	-	-	-
Expired during the year out of opening	(814,819)	400	(5,750)	400
Expired during the year out of option granted during year	(3,600)	50	-	-
Outstanding at the end of the year	**1,090,100**	**50**	**814,819**	**400**
Exercisable at the end of the year	1,090,100	50	814,819	400
Weighted average remaining contractual life (in months)	40	-	9	-

Notes to standalone financial statements for the year ended March 31, 2021

The key assumption in Black Scholes Model for calculating fair value as on the date of grant are :

	March 31, 2021	
	Vest 1	Vest 2
Expected volatility	56.84%	49.75%
Risk - Free interest rate	4.24%	4.67%
Weighted average share price	88.15	88.15
Exercise price (Rupees)	50.00	50.00
Dividend yield	4.86%	4.86%
Expected life of options granted in years	2.00	3.00

The Carrying amount of Employee stock option reserve as at March 31, 2021 is ₹ 68.83 lacs (March 31, 2020 : ₹ 371.72 lacs). The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 50.00. As a result, an expense of ₹ 63.77 lacs (March 31, 2020 : ₹ Nil) is recorded in Statement of Profit and Loss in current year. ESOP cost of ₹ 5.06 lacs relating to ESOP granted to the employees of the subsidiary company has been adjusted with the cost of investment. (refer note 4)

32. Leases

Operating lease : Company as lessee

The Company's significant leasing arrangement comprises of land and buildings taken on lease for office and warehouse facilities. 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.

During the year ended March 31, 2021, Company has received rent concession from landlords on lease taken for office and warehouse facilities on account of Covid 19. As per para 46A and 46B of Ind AS 116 on Leases, such changes in lease payment due to rent concession has not been treated as lease modification. Rent concession amounting to ₹ 251.42 lacs has been recognised under 'Other income' (refer note 23)

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Lease payment recognised in Statement of profit and loss	201.08	525.24
	201.08	**525.24**

Future lease rental expense will be recognised in the Statement of profit and loss of subsequent years as follows:

₹ In lacs

Particulars	March 31, 2021	March 31, 2020
Due not later than one year	151.60	205.07
Due later than one year but not later than five years	203.87	355.47
Later than five years	-	-
	355.47	**560.54**

Notes to standalone financial statements for the year ended March 31, 2021

The movement in lease liabilities during the year is as follows :

₹ In lacs

Particulars	March 31, 2021	March 31, 2020
As at opening	1,310.84	-
Addition on account of transition to IND AS 116	-	1,725.66
Addition on account of lease liabilities	14.09	-
Finance cost accrued during the period	131.42	102.05
Deletions	-	-
Rent concessions recognised in the statement of profit and loss	(251.42)	-
Payment for lease liabilities	(574.59)	(516.87)
Balance at the end	**630.34**	**1,310.84**

The break-up of current and non-current lease liabilities is as follows :

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	349.95	620.33
Non-current lease liabilities	280.39	690.51
	630.34	**1,310.84**

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows :

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Due not later than one year	408.83	826.54
Due later than one year but not later than five years	289.94	687.07
Later than five years	60.00	60.00
	758.77	**1,573.61**

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.

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Lease income recognised in Statement of profit and loss	346.92	5,738.69
	346.92	**5,738.69**

Notes to standalone financial statements for the year ended March 31, 2021

33. Related party disclosure

1. Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiaries	Scrabble Entertainment Limited
	Valuable Digital Screens Private Limited
	United Film Organisers Nepal Private Limited, Nepal*
	Zinglin Media Private Limited (formerly known as PJSA Technosoft Private Limited)
	Plexigo Entertainment Private Limited (formerly known as SAPJ Technosoft Private Limited)(w.e.f. August 10, 2020)
	UFO Lanka Private Limited, Sri Lanka*
	UFO Software Technologies Private Limited
Step-down subsidiaries	Scrabble Entertainment DMCC, Dubai
	Scrabble Entertainment (Lebanon) Sarl, Lebanon
	Scrabble Digital Inc., USA.
	Scrabble Entertainment Mauritius Limited, Mauritius
	Scrabble Entertainment Israel Limited, Israel*
	Scrabble Digital Limited
Associate of company	Mukta VN Films Limited
	Cinestaan Digital Private Limited (w.e.f. December 19, 2019)
Associate of subsidiary	Scrabble Digital DMCC, Dubai
	Scrabble Ventures LLC
	Scrabble Ventures, S.de R.L. de C.V., Mexico
	Mumbai Movie Studios Private Limited (w.e.f. September 17, 2020)

* Under voluntary liquidation

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 - President and Group Chief Executive Officer
	Mr. Sameer Chavan - Company Secretary (up to December 24, 2020)
	Ms. Kavita Thadeshwar- Company Secretary (w.e.f. March 27, 2021)
	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

Notes to standalone financial statements for the year ended March 31, 2021

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 Private 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, 2021	March 31, 2020
Nature of transaction and name of the parties				
1	**Subsidiaries companies**			
A	Virtual print fees (Income)			
	i)	Scrabble Entertainment Limited	13.99	562.97
B	Lease rental income			
	i)	Scrabble Entertainment Limited	7.55	238.64
C	Unsecured loan given			
	i)	Valuable Digital Screens Private Limited	Nil	5,325.00
	ii)	Zinglin Media Private Limited	25.00	1.00
	iii)	Plexigo Entertainment Private Limited	10.00	Nil
D	Repayment received against unsecured loan			
	i)	Zinglin Media Private Limited	27.00	Nil
	ii)	Plexigo Entertainment Private Limited	10.00	Nil
E	Interest income on loans			
	i)	Valuable Digital Screens Private Limited	76.93	56.18
	ii)	Zinglin Media Private Limited	0.38	0.14
	iii)	Plexigo Entertainment Private Limited	0.10	Nil
F	Rent income (Miscellaneous receipts)			
	i)	Scrabble Entertainment Limited	6.19	11.96
	ii)	Valuable Digital Screens Private Limited	2.43	4.43
G	Recovery of reimbursable expenses			
	i)	Scrabble Entertainment Limited	0.30	1.69
	ii)	Valuable Digital Screens Private Limited	Nil	0.52
	iii)	Zinglin Media Private Limited	78.00	Nil
	iv)	UFO Software Technologies Private Limited	12.68	Nil
	v)	Plexigo Entertainment Private Limited	30.22	Nil

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars	March 31, 2021	March 31, 2020
H	Rent paid		
	i) Scrabble Entertainment Limited	4.64	11.31
I	Virtual print fee sharing (expenses)		
	i) Scrabble Entertainment Limited	29.15	474.37
J	Lease rental expenses		
	i) Scrabble Entertainment Limited	2.25	79.71
K	Content provisioning charges		
	i) Valuable Digital Screens Private Limited	1.10	24.63
L	Franchisee fees charges		
	i) Valuable Digital Screens Private Limited	0.02	2.04
M	Security deposit paid		
	i) Scrabble Entertainment Limited	Nil	1.65
N	Security deposit received		
	i) Scrabble Entertainment Limited	1.75	1.89
	ii) Valuable Digital Screens Private Limited	Nil	0.25
O	Loan transferred on account of Demerger*		
	i) Valuable Digital Screens Private Limited	Nil	5,927.54
P	Interest transferred on account of Demerger*		
	i) Valuable Digital Screens Private Limited	Nil	17.11
Q	Sale of equipments and lamps		
	i) Valuable Digital Screens Private Limited	0.22	Nil
	ii) Zinglin Media Private Limited	6.00	Nil
R	Dividend income		
	i) Scrabble Entertainment Limited	Nil	8,867.19
S	Content income		
	i) Valuable Digital Screens Private Limited	1.47	0.63
T	Advertisement income		
	i) Zinglin Media Private Limited	1.13	Nil
U	Purchase of equity shares		
	i) Zinglin Media Private Limited	50.00	1.00
	ii) Plexigo Entertainment Private Limited	51.00	Nil
	iii) UFO Software Technologies Private Limited	1.00	Nil
V	Purchase of preference shares (NCOCRPS)		
	i) Zinglin Media Private Limited	200.00	Nil
	ii) Plexigo Entertainment Private Limited	100.00	Nil
2	**Step-down subsidiaries**		
A	Sale of assets		
	i) Scrabble Entertainment DMCC, Dubai	28.02	Nil
B	Virtual print fee sharing (expenses)		
	i) Scrabble Digital Limited	8.24	Nil
C	Rent income (miscellaneous receipts)		
	i) Scrabble Digital Limited	1.76	2.33
D	Security deposit received		
	i) Scrabble Digital Limited	Nil	1.33

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars		March 31, 2021	March 31, 2020
E	Content processing charges			
	i)	Scrabble Digital Limited	73.37	336.86
F	Recovery of reimbursable expenses			
	i)	Scrabble Digital Limited	Nil	0.79
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**			
A	Expenses reimbursed			
	i)	Media Infotek Park	64.19	121.78
B	Technical services fees (expense)			
	i)	Valuable Technologies Limited	512.29	928.63
C	Operating direct expenses (Licensee fees – Impact)			
	i)	Impact Media Exchange Limited	36.00	72.00
D	Licensee fee- (Other income Club X)			
	i)	Valuable Media Private Limited	0.35	9.77
E	Rent paid (expense)			
	i)	Media Infotek Park	452.56	606.54
F	Rent income (Miscellaneous receipts)			
	i)	Valuable Media Private Limited	2.45	6.45
	ii)	Valuable Edutainment Private Limited	0.98	2.45
G	Sales of spare income			
	i)	Valuable Media Private Limited	Nil	0.17
H	Security deposit received			
	i)	Valuable Media Private Limited	Nil	0.20
	ii)	Valuable Edutainment Private Limited	Nil	0.21
I	Dividend paid			
	i)	Valuable Media Private Limited	Nil	1,009.92
	ii)	Valuable Technologies Limited	Nil	1,009.65
	iii)	Nifty Portfolio Services Private Limited	Nil	243.96
	iv)	Advent Fiscal Private Limited	Nil	331.73
	v)	S. Madhavan (HUF)	Nil	1.35
	vi)	Apollo International Limited	Nil	1,019.89
	vii)	Mrs. Aruna Narendra Hete	Nil	1.80
	viii)	Mr. Uday Shankar Gaikwad	Nil	0.09
	ix)	Mrs. Mohana Subramanian	Nil	0.03
	x)	Mrs. Kamayani Singh Kanwar	Nil	90.17
4	**Associates of Company**			
A	Purchase of share warrant			
	i)	Cinestaan Digital Private Limited	Nil	38.79
B	Purchase of equity shares			
	i)	Cinestaan Digital Private Limited	485.34	Nil
C	Purchase of convertible preference shares			
	i)	Cinestaan Digital Private Limited	Nil	461.21
D	Content Income			
	i)	Mukta V N Films Limited	5.50	0.64

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars		March 31, 2021	March 31, 2020
5	**Associates of subsidiary**			
A	Support service expenses			
	i)	Mumbai Movie Studios Private Limited	49.36	Nil
B	Rent income (Miscellaneous receipts)			
	i)	Mumbai Movie Studios Private Limited	5.20	Nil
C	Management Service Fees (Miscellaneous receipts)			
	i)	Mumbai Movie Studios Private Limited	3.75	Nil
6	**Key managerial personnel and their relatives**			
A	Remuneration to key managerial personnel*			
	i)	Mr. Sanjay Gaikwad	82.03	297.35
	ii)	Mr. Kapil Agarwal	82.08	297.37
	iii)	Mr. Ashish Malushte	47.07	123.17
	iv)	Mr. Rajesh Mishra	57.26	153.26
	v)	Mr. Sameer Chavan	13.63	28.30
	vi)	Ms. Kavita Thadeshwar**	2.01	Nil
B	Directors sitting fee and commission expenses			
	i)	Mr. S. Madhavan	12.50	25.00
	ii)	Ms. Lynn de Souza	12.50	25.00
	iii)	Mr. Sanjeev Aga	20.00	40.00
C	Dividend paid to key managerial personnel			
	i)	Mr. Sanjay Gaikwad	Nil	118.71
	ii)	Mr. Kapil Agarwal	Nil	208.08
	iii)	Mr. Ashish Malushte	Nil	8.29
	iv)	Mr. Ameya Hete	Nil	102.51
	v)	Mr. S. Madhavan	Nil	3.15
	vi)	Mr. Rajesh Mishra	Nil	12.89

3. Balance outstanding at the year end.

₹ in lacs

Sr. No.	Particulars		March 31, 2021	March 31, 2020
1	**Subsidiaries companies**			
A	Unsecured loan			
	i)	Valuable Digital Screens Private Limited	684.43	684.43
	ii)	Zinglin Media Private Limited	Nil	2.00
B	Interest accrued on loans			
	i)	Valuable Digital Screens Private Limited	177.57	105.50
	ii)	Zinglin Media Private Limited	Nil	0.14
C	Trade receivables			
	i)	Valuable Digital Screens Private Limited	1.64	1.36
	ii)	Scrabble Entertainment Limited	Nil	324.75
D	Trade payable			
	i)	Scrabble Entertainment Limited	4.26	Nil
	ii)	Valuable Digital Screens Private Limited	Nil	0.93
	iii)	Valuable Technologies Limited	3.85	Nil
E	Deposit receivable			
	i)	Scrabble Entertainment Limited	1.65	3.40

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars	March 31, 2021	March 31, 2020
F	Deposit payable		
	i) Valuable Digital Screens Private Limited	1.41	1.41
	ii) Scrabble Entertainment Limited	349.38	349.38
G	Unbilled revenue		
	i) Scrabble Entertainment Limited	8.01	Nil
H	Unbilled expenses		
	i) Scrabble Entertainment Limited	9.48	Nil
I	Other receivables		
	i) Valuable Digital Screens Private Limited	89.78	Nil
	ii) Zinglin Media Private Limited	22.32	Nil
	iii) UFO Software Technologies Private Limited	14.84	Nil
	iv) Plexigo Entertainment Private Limited	1.82	Nil
2	**Step-down subsidiaries**		
A	Trade receivables		
	i) Scrabble Digital Limited	Nil	7.59
	ii) Scrabble Entertainment DMCC, Dubai	0.87	Nil
B	Amount payable		
	i) Scrabble Digital Limited	144.59	95.28
C	Deposit payable		
	i) Scrabble Digital Limited	1.61	1.61
D	Unbilled Expenses		
	i) Scrabble Digital Limited	54.83	164.46
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**		
A	Amount receivable		
	i) Valuable Media Private Limited	0.82	3.32
	ii) Valuable Infotainment Private Limited	0.27	0.27
	iii) Valuable Edutainment Private Limited	1.15	1.18
B	Deposit receivable		
	i) Media Infotek Park	357.72	357.72
C	Deposit payable		
	i) Valuable Media Private Limited	2.04	2.04
	ii) Valuable Infotainment Private Limited	0.06	0.06
	iii) Valuable Edutainment Private Limited	0.65	0.65
D	Unbilled expenses		
	i) Impact Media Exchange Limited	Nil	6.00
	ii) Valuable Technologies Limited	83.46	1.74
	iii) Media Infotek Park - Provision	81.62	9.41
E	Trade payable		
	i) Impact Media Exchange Limited	3.32	6.48
	ii) Media Infotek Park	Nil	24.67
	iii) Valuable Technologies Limited	Nil	82.43
4	**Key management personnel**		
A	Payable to Independent and Non-executive director		
	i) Mr. S. Madhavan	Nil	12.50
	ii) Ms. Lynn de Souza	Nil	8.50
	iii) Mr. Sanjeev Aga	3.00	25.50

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Sr. No.	Particulars	March 31, 2021	March 31, 2020
5	**Associates of company**		
A	Corporate guarantee given to bank for borrowing (please refer (a) below)		
	i) Mukta V N Films Limited	200.00	200.00
B	Trade receivable		
	i) Mukta V N Films Limited	6.13	0.72
6	**Associates of subsidiary**		
A	Trade payable		
	i) Mumbai Movie Studios Private Limited	0.29	Nil
B	Trade receivable		
	i) Mumbai Movie Studios Private Limited	8.95	Nil

* Adjustment made pursuant to the scheme of demerger of Caravan Division of VDSPL into the Company (refer note. 37)

** Include remuneration of ₹ 0.59 lacs from date of appointment as Company Secretary.

Compensation of key management personnel of the Company:

₹ in lacs

Particular	March 31, 2021	March 31, 2020
Remuneration	284.09	899.45

*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:

a) The Company has provided Corporate guarantee to bank for Overdraft facility of ₹ 200 lacs taken by Mukta VN Films Limited, that it will take all necessary steps so that the repayment of the loan is honoured as and when due and payable.

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.

34. Capital and other commitments

₹ in lacs

	March 31, 2021	March 31, 2020
Capital commitments	143.22	1,410.21
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 43.68 lacs (March 31, 2020 : ₹ 187.28 lacs)))		
Other commitments (Operating expenses net of advances of ₹ 9.20 lacs (March 31, 2020 : ₹ 18.21 lacs))	301.23	722.89
	444.45	**2,133.10**

Notes to standalone financial statements for the year ended March 31, 2021

35. Contingent liabilities

₹ in lacs

	March 31, 2021	March 31, 2020
Pending litigations / matters		
(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
	76.00	**76.00**

Notes:

a) 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.

b) i) **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 Honourable 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 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 and difference in material movement value as per VAT return and 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.

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 Hon'ble High court against the Order on March 22, 2018.

On January 27, 2020, the Company received an order from High court Mumbai dated January 22, 2020, wherein appeal filled by Department has disposed of, stating that it is not maintainable in High Court. The department has further appealed with Honourable Supreme court against the Order of CESTATE on July 20, 2020.

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 Supreme 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.

Notes to standalone financial statements for the year ended March 31, 2021

36. 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, 2021	March 31, 2020
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	-	-

37. Business combinations and acquisition of non controlling interest

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 was accounted using the 'pooling of interest' method and the figures (standalone) for the year ended March 31, 2019 were 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 were transferred to the Company and the Company 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 33 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

Details of Assets and Liabilities Transferred	April 1, 2018
Non-current assets	
Property, plant and equipment	1,105.34
Goodwill	340.17
Other non-current assets	89.88
Current assets	
Financial assets	
Trade receivables	259.11
Other financial assets	2.03
Other current assets	236.74
Total assets	**2,033.27**

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Details of Assets and Liabilities Transferred	April 1, 2018
Equity	
Equity share capital	
Other equity	(4,451.62)
Non-current liabilities	
Financial liabilities	
Borrowings	467.35
Provisions	12.23
Current liabilities	
Financial liabilities	
Borrowings	4,239.94
Trade payables	314.95
Other financial liabilities	807.05
Other current liabilities	46.50
Total liabilities	**1,436.40**
Net assets/liability transferred pursuant to scheme	596.87
Less: Cancellation of investment	(256.70)
Difference between investment value and net assets taken over accounted as capital reserves	**340.17**

₹ in lacs

Statement of Profit and Loss of demerged unit incorporated in the books	March 31, 2019
Revenue from operations	2,414.33
Other income	0.36
Total Income - (I)	**2,414.69**
Expenses	
Operating direct cost	2,013.54
Employee benefits expenses	133.35
Other expenses	357.53
Total expenses - (II)	**2,504.42**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	**(89.73)**
Depreciation and amortisation expense	424.42
Finance cost	607.42
Finance income	-
Profit/(Loss) before tax	**(1,121.57)**
Tax expense:	
- Current tax	-
- Deferred tax	-
Profit (Loss) for the period	**(1,121.57)**

Notes to standalone financial statements for the year ended March 31, 2021

₹ in lacs

Statement of Profit and Loss of demerged unit incorporated in the books			March 31, 2019
Other Comprehensive Income / (Loss)			
A	(i)	Items that will not be reclassified to profit or loss	
		Remeasurement of Net Defined Benefit Liability	-
	(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	-
Total Comprehensive Income for the period			**(1,121.57)**

38. 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 and liabilities by categories as at March 31, 2021 were as follows:

₹ in lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets					
Investment in subsidiaries and associates	12,502.44		-	12,502.44	
Loans receivables	721.27	-	-	721.27	
Investments	-	-	2,543.04	2,543.04	Level 2
Trade receivables	1,374.56	-	-	1,374.56	
Unbilled receivables	107.78	-	-	107.78	
Cash and cash equivalents	242.53	-	-	242.53	
Bank balances other than cash and cash equivalents	1,200.84	-	-	1,200.84	
Other financial assets	558.51	-	-	558.51	
Total	**16,707.93**	**-**	**2,543.04**	**19,250.97**	
Financial Liabilities					
Borrowings	6,013.28	-	-	6,013.28	
Lease liabilities	630.33	-	-	630.33	
Trade payables	3,497.31	-	-	3,497.31	
Other financial liabilities	8,020.49	-	-	8,020.49	
Total	**18,161.41**	**-**	**-**	**18,161.41**	

Notes to standalone financial statements for the year ended March 31, 2021

Details for the year ended March 31, 2020 are as follows:

₹ in lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets					
Investments in subsidiaries	11,610.03	-	-	11,610.03	
Loans receivables	1,378.26	-	-	1,378.26	
Investments	-	-	6,593.45	6,593.45	Level 2
Trade receivables	8,256.73	-	-	8,256.73	
Unbilled receivables					
Cash and cash equivalents	309.21	-	-	309.21	
Bank balances other than cash and cash equivalents	930.06	-	-	930.06	
Other financial assets	129.67	-	-	129.67	
Total	**22,613.96**	**-**	**6,593.45**	**29,207.41**	
Financial Liabilities					
Borrowings	4,081.91	-	-	4,081.91	
Lease liabilities	1,310.84	-	-	1,310.84	
Trade payables	4,243.37	-	-	4,243.37	
Other financial liabilities	9,081.62	-	-	9,081.62	
Total	**18,717.74**	**-**	**-**	**18,717.74**	

* 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, 2021 and March 31, 2020

39. 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.

Notes to standalone financial statements for the year ended March 31, 2021

The following table demonstrates the sensitivity to a reasonably possible change in floating rate of interest on borrowings . 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Effect on profit of increase / decrease in floating interest rate by 100 basis points (1%) for term loans	(93.46)	(69.93)	93.46	69.93

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.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions for taking appropriate actions.

₹ in lacs

Outstanding Foreign Currency Exposure as at	March 31, 2021	March 31, 2020
Payable for property, plant and equipment	0.55	1,286.91
USD	0.01	17.07
Advance to vendor	129.74	15.49
USD	1.79	0.21
Other receivable	26.07	-
USD	0.36	-

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, 2021	March 31, 2020
1% increase in foreign exchange rate :	1.55	(12.71)
1% (decrease) in foreign exchange rate:	(1.55)	12.71

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 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 .

Notes to standalone financial statements for the year ended March 31, 2021

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was ₹ 5,998.67 lacs and ₹ 16,276.72 lacs as at March 31 2021 and March 31, 2020 respectively as per the table below.

₹ In lacs

Particulars	March 31, 2021	March 31, 2020
Investments	2,543.04	6,593.45
Trade receivables	1,374.56	8,256.73
Unbilled revenue	107.78	143.05
Balance with banks including bank fixed deposits	1,823.68	1,155.01
Other financial assets	149.61	128.48
	5,998.67	**16,276.72**

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 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.

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.

Notes to standalone financial statements for the year ended March 31, 2021

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
At March 31, 2021				
Borrowing	3,332.72	6,013.28	-	**9,346.00**
Lease liabilities	349.95	280.39		**630.33**
Trade payables	3,497.31	-	-	**3,497.31**
Other financial liabilities	1,367.20	3,320.58	-	**4,687.78**
At March 31, 2020				
Borrowing	2,910.74	3,354.64	-	**6,265.38**
Lease liabilities	620.33	690.51	-	**1,310.84**
Trade payables	4,243.37	-	-	**4,243.37**
Other financial liabilities	1,638.94	4,531.94	-	**6,170.88**

40. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

₹ in lacs

Contract assets (Unbilled revenue)	March 31, 2021	March 31, 2020
Opening balance	143.05	743.80
Less: Invoices raised for revenue recognised during the previous year	(143.05)	(743.80)
Add: Revenue recognised but invoices not raised during the year	107.81	143.05
Closing balance	**107.81**	**143.05**

₹ in lacs

Contract liabilities (Advance or deferred income)	March 31, 2021	March 31, 2020
Opening balance	195.56	206.80
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(4.92)	(139.39)
Add: invoices raised for which no revenue is recognised during the year	14.95	128.15
Closing balance	**205.59**	**195.56**

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 amortised along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Notes to standalone financial statements for the year ended March 31, 2021

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Revenue from contracts with customers (as per Statement of Profit and Loss)	1,778.78	34,753.30
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Add / (Less): Unbilled revenue adjustments	35.24	600.74
Add / (Less): Deferred revenue adjustments	10.03	(11.24)
Contracted price with the customers	**1,824.05**	**35,342.80**

The Company does not have revenue from individual customer exceeding 10% of total revenue

41. 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, 2021	March 31, 2020
Long term debt including current maturities	9,346.00	6,265.38
Total equity	29,507.52	40,668.30
Gearing ratio	31.67%	15.41%

42. Events subsequent to Balance Sheet date

On April 12, 2021, the Company had further invested an amount of ₹ 50 lacs by subscribing to 5,000 Non-cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS") of Plexigo Entertainment Private Limited of ₹ 1000 each and of ₹ 109.91 lacs by subscribing to 10,991 NCOCRPS of Zinglin Media Private Limited of ₹ 1000 each.

43. 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, 2021, the Company has spent ₹ 11.58 lacs on providing healthcare, education and rehabilitation for underprivileged girls and children from the rural village.

The Company has, post year-end, transferred unspent amount of ₹ 93.63 lacs in a special bank account opened for the purpose of Corporate Social Responsibility and will be spending the said amount within three years from the date of transfer i.e. April 26, 2021

₹ in lacs

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent	105.20	139.12
Amount spent during the year (refer note 26)	11.57	139.12
Balance unspent during the year	**93.63**	**-**

Notes to standalone financial statements for the year ended March 31, 2021

44. 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 & 45)

Corporate Guarantee given by the Company in respect of overdraft facility amounting to ₹ 200.00 lacs taken by Mukta VN Films Limited. (refer note 33)

Details of loan given

₹ in lacs

Sr. No.	Name of the loanee	Rate of Interest	March 31, 2020	Given during the year	**Repayment during the year	March 31, 2021
1	Valuable Digital Screens Private Limited	9.50% to 12.00%	684.43	-	-	684.43
2	Zinglin Media Private Limited	9.50% & 9.70%	2.00	25.00	27.00	-
3	Plexigo Entertainment Private Limited	9.70%	-	10.00	10.00	-
			686.43	**35.00**	**37.00**	**684.43**

*The loan given to the above mentioned subsidiaries is repayable on demand for purpose of working capital requirement and capital expenditure for the business.

45. Investments during the year

Investment in Cinestaan Digital Private Limited (CDPL) :

During the year ended March 31, 2021, the Company converted its 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.

Further the Company also exercised 1,255,094 warrants by making the payments 485.35 lacs @ ₹ 38.67 per shares for 1,255,094 equity shares issued against these warrants. Post above conversions, the Company holds 29.97% of voting rights of CDPL.

Investment in Plexigo Entertainment Private Limited and Zinglin Media Private Limited :

The Board of Directors of the Company at its meeting held on September 21, 2020 has approved the acquisition of 10,000 equity shares, having a face value of ₹ 10 each, in SAPJ Media and Entertainment Private Limited [now renamed to Plexigo Entertainment Private Limited (Plexigo)] from its existing equity shareholders for an aggregate consideration of ₹ 1 lac. Consequent to the acquisition, the company holds 100% of the issued and paid-up equity share capital of Plexigo and for the purpose of accounting it is treated as a subsidiary.

In the same meeting, the Board of Directors approved the following further investments:

a. Investment upto ₹ 275 lacs [upto ₹ 50 lacs through equity shares and upto ₹ 225 lacs though non-cumulative optionally convertible redeemable preference shares (NCOCRPS)] in Plexigo.

b. Investment upto ₹ 360 lacs (upto ₹ 50 lacs through equity shares and upto ₹ 310 lacs though NCOCRPS) in PJSA Technosoft Private Limited [now renamed to Zinglin Media Private Limited (Zinglin).

Accordingly, the Company has made an investment of ₹ 150 lacs in Plexigo, subscribing to 500,000 equity shares of ₹ 10 each and 10,000 NCOCRPS of ₹ 1,000 each, allotment of which has been approved by the Board of Directors of Plexigo at its meeting held on November 5, 2020 and February 17, 2021 respectively.

Further, the Company has made an investment of ₹ 250 lacs in Zinglin, subscribing to 500,000 equity shares of ₹ 10 each, allotment of which has been approved by the Board of Directors of Zinglin at its meeting held on November 5, 2020 and 20,000 NCOCRPS of ₹ 1,000 each, allotment of 10,000 NCOCRPS has been approved by the Board of Directors of Zinglin at its meeting held on November 5, 2020 and another 10,000 NCOCRPS of ₹ 1,000 each, has been approved by the Board of Directors of Zinglin at its meeting held on February 17, 2021.

Post the aforesaid allotments, the Company continues to hold 100% voting rights in Plexigo and Zinglin.

Investment in UFO Software Technologies Private Limited :

The Board of Directors of the Company at its meeting held on December 14, 2020 has approved the acquisition of 10,000 equity shares, having a face value of ₹ 10 each, in UFO Software Technologies Private Limited,

Notes to standalone financial statements for the year ended March 31, 2021

46. Impact of Covid-19

After COVID-19 was declared as a pandemic in March 2020, and a nationwide lockdown was announced, the film exhibition industry was the first to be impacted as all cinemas across India were temporarily shut down. Cinemas were allowed to re-open only post October 15, 2020 to operate with up to 50% of their seating capacity, in areas outside the containment zones. Further, despite the restrictions being eased, many cinemas opted to remain shut for lack of new content.

The southern market witnessed good traction during January to March 2021 with multiple new releases. The non-southern markets were also hoping for an uptick. However, the second wave of COVID-19 towards the end of FY21, and the reimposition of lockdown restrictions, has once again led to widespread cinema closures.

Since the Company is primarily in the business of monetising in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Company continue to remain impacted severely resulting in lower revenues and losses. The Company has conserved its cash reserves by implementing cost optimisation measures, which, inter alia, have included reduction in fixed overheads and salary cuts across the organisation. The Company has also evaluated raising finances through dividends from its subsidiaries and availing further debt facilities. As on March 31, 2021, the Company's funds position stood at ₹ 4,395.30 lacs, and the Company has also obtained approval for additional banking facility of ₹ 2,220 lacs in the month of May 2021. The Company is watching events closely. 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.

The management believes that COVID-19 will impact the Company's business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term. The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of these financial statements, it believes that there is no significant impact.

Further, despite various uncertainties, the management and the Board of Directors believe that the Company would be able to meet its financial obligations in the foreseeable future based on the above actions, continued support from various stakeholders and availability of financing from lenders. Accordingly, the management and the Board of Directors believe that the operations of the Company can be sustained on a going concern basis.

47. Code on social security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

The accompanying notes 1 to 47 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

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date: May 26, 2021

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