UFO
CINE MEDIA NETWORK

July 29, 2022

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 Financial Year 2021-22 and Notice of the 18th Annual General Meeting

Pursuant to Regulation 34(1) 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 2021-22 along with the Notice of the 18th Annual General Meeting (‘**AGM**’) which is being sent through electronic mode to the members.

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

Brief details of the 18th AGM of the Company are as below:

Day & Date of AGM	Tuesday, August 23, 2022
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	Tuesday, August 16, 2022
Remote e-voting start date and time	Thursday, August 18, 2022 at 09:00 a.m. IST
Remote e-voting end date and time	Monday, August 22, 2022 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 Thadeshwar

Kavita Thadeshwar
Company Secretary

Encl: a/a

UFO MOVIEZ INDIA LIMITED: VALUABLE TECHNO PARK, PLOT 53/1, ROAD 07, MIDC, ANDHERI (E), MUMBAI 400 093 **T:** +91 022 4030 5060
E: CORPORATE@UFOMOVIEZ.COM **CORPORATE IDENTITY NUMBER**: L22120MH2004PLC285453 **WWW.UFOMOVIEZ.COM**
GST I: 27AABCV8900E1ZF

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TOGETHER TOWARDS TOMORROW

ANNUAL REPORT

2021-22

UFO MOVIEZ INDIA LIMITED

Annual Report 2021 - 22

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UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest in-cinema advertising platform that has the power to impact almost 1.8 billion viewers annually through 3,484 screens comprising of 1,975 screens in the PRIME channel and 1,509 screens in the POPULAR channel across 1,186 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,

Over the last two years, the pandemic has tested the resilience of economies around the world. While economic activities were severely affected in FY21, preventive and supportive measures taken in FY22 led to a rebound. The Indian economy too has shown resilience and rebounded strongly in FY22. Most of the sectors that were impacted by the pandemic have largely recovered, but sectors like outdoor entertainment, hospitality, film exhibition, etc. have remained impacted for a longer period.

The severity of the COVID-19 pandemic and ensuing restrictions continued to affect the business in FY22 as well. This was due to the absence of big-budget releases during the first seven months of FY22 led by the closure of cinemas in most of the States due to the second wave of COVID.
The release of big-budget movies began only in Novemeber'21 and continued thereafter. However, the widespread of the third wave of COVID-19 at the very beginning of January'22 and subsequent restrictions led to another two months impact on the business operations as movies only started to release again towards the end of February'22. As an impact of the two lockdowns due to the 2nd and the 3rd wave of COVID-19, the overall recovery in the business has remained subdued in FY22. However, as a result of a steady flow of releases in recent months and strong support of movie-goers, theatrical revenues have rebounded swiftly while advertising revenue is gradually improving. This is expected to continue in FY23 subject to no further pandemic-induced restrictions.

Also during the year, as a proactive measure amidst the second wave, the company raised equity funds to the tune of Rs. 96.82 crore. It was primarily done to address any unforeseen events due to any further COVID-induced restrictions and to help the core business meet its immediate capital requirements as soon as the movies begin to release following the pandemic. The fundraising has given the company a strong financial foothold. We will prudently utilize these funds for business expansion and any short-term capital requirements until our core business regains normalcy. As long as no new pandemic-induced restrictions affect business operations, we are optimistic that the Company will soon return to the pre-pandemic level.

We thank all our shareholders, employees, customers, and other stakeholders for unconditional support in these pressing times.

Together we will move towards a better tomorrow.

Warm Regards,
Sanjay Gaikwad
Founder and Managing Director

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CORPORATE INFORMATION

Board of Directors

Sanjeev Aga	Chairman & Independent Director
Anand Trivedi	Non-Executive Director (w.e.f. December 09, 2021)
Ameya Hete	Non-Executive Director
Gautam Trivedi	Non-Executive Director (w.e.f. December 09, 2021)
Kanwar Bir Singh Anand	Independent Director (w.e.f. May 26, 2022)
Kapil Agarwal	Non-Executive Director (w.e.f. June 17, 2022) Joint Managing Director (upto June 17, 2022)
Lynn de Souza	Independent Director
Raaja Kanwar	Non-Executive Director
Rajesh Mishra	Executive Director and Group CEO (w.e.f. June 18, 2022)
Rajiv Batra	Independent Director (w.e.f. June 15, 2022)
S. Madhavan	Independent Director
Sanjay Gaikwad	Managing Director
Swati Mohan	Independent Director (w.e.f. June 15, 2022)

Chief Financial Officer

Ashish Malushte

Company Secretary

Kavita Thadeshwar

Statutory Auditors

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

Bankers

HDFC Bank Limited

IDFC First Bank Limited

Registrar & Share Transfer Agent

KFin Technologies 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	Tuesday, August 23, 2022
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	Tuesday, August 16, 2022
Remote e-voting start date and time	Thursday, August 18, 2022 at 09:00 a.m. IST
Remote e-voting end date and time	Monday, August 22, 2022 at 05:00 p.m. IST

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of UFO Moviez India Limited **('the Company')** will be held on **Tuesday, 23rd day of August, 2022 at 03.00 p.m. (IST) through Video Conference / Other Audio Visual Means,** to transact the following business.

Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ameya Hete (DIN 01645102), a Non-Executive Non–Independent Director who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

3. Appointment of Mr. Anand Trivedi (DIN 02059249) as a Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with provisions of the Articles of Association of the Company, Mr. Anand Trivedi (DIN 02059249), who was appointed as an Additional Director in the category of Non-Executive Director of the Company by the Board of Directors w.e.f. December 09, 2021, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

4. Appointment of Mr. Gautam Trivedi (DIN 02647162) as a Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with provisions of the Articles of Association of the Company, Mr. Gautam Trivedi (DIN 02647162), who was appointed as an Additional Director in the category of Non-Executive Director of the Company by the Board of Directors w.e.f. December 09, 2021, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

5. Appointment of Mr. Kanwar Bir Singh Anand (DIN 03518282) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 197 and 198 read with Schedule IV, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 16(1)(b) and Regulation 25(2A) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Kanwar Bir Singh Anand (DIN 03518282), who was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company by the Board of Directors w.e.f. May 26, 2022, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years from the original date of appointment i.e. May 26, 2022 upto May 25, 2025.

RESOLVED FURTHER THAT in addition to sitting fees payable for attending the meetings of the Board of Directors of the Company and Committees thereof, the Company be and is hereby authorised to pay to Mr. Kanwar Bir Singh Anand for a period of three years commencing from May 26, 2022, commission on net profits of the Company for a financial year computed as per the provisions of Section 198, within the limits prescribed under Section 197 of the Act, in such manner, amount and proportion as the Board of Directors may determine from time to time.

RESOLVED FURTHER THAT in case of no profits / inadequate profits, consent of the Members be and is hereby accorded for payment of Remuneration to Mr. Kanwar Bir Singh Anand in accordance with the limits prescribed under Schedule V to the Act, in such manner, amount and proportion as may be directed by the Board of Directors of the Company for three Financial Years 2022-23, 2023-24 and 2024-25.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

6. **Appointment of Mr. Rajiv Batra (DIN 00082866) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 197 and 198 read with Schedule IV, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 16(1)(b) and Regulation 25(2A) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rajiv Batra (DIN 00082866), who was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company by the Board of Directors w.e.f. June 15, 2022, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years from the original date of appointment i.e. June 15, 2022 upto June 14, 2025.

RESOLVED FURTHER THAT in addition to sitting fees payable for attending the meetings of the Board of Directors of the Company and Committees thereof, the Company be and is hereby authorised to pay to Mr. Rajiv Batra for a period of three years commencing from June 15, 2022, commission on net profits of the Company for a financial year computed as per the provisions of Section 198, within the limits prescribed under Section 197 of the Act, in such manner, amount and proportion as the Board of Directors may determine from time to time.

RESOLVED FURTHER THAT in case of no profits / inadequate profits, consent of the Members be and is hereby accorded for payment of Remuneration to Mr. Rajiv Batra in accordance with the limits prescribed under Schedule V to the Act, in such manner, amount and proportion as may be directed by the Board of Directors of the Company for three Financial Years 2022-23, 2023-24 and 2024-25.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

7. **Appointment of Ms. Swati Mohan (DIN 06377656) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 197 and 198 read with Schedule IV, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 16(1)(b), Regulation 17(1)(a) and Regulation 25(2A) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Swati Mohan (DIN 06377656), who was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company by the Board of Directors w.e.f. June 15, 2022, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years from the original date of appointment i.e. from June 15, 2022 upto June 14, 2025.

RESOLVED FURTHER THAT in addition to sitting fees payable for attending the meetings of the Board of Directors of the Company and committees thereof, the Company be and is hereby authorised to pay to Ms. Swati Mohan for a period of three years commencing from June 15, 2022, commission on net profits of the Company for a financial year computed as per the provisions of Section 198, within the limits prescribed under Section 197 of the Act, in such manner, amount and proportion as the Board of Directors may determine from time to time.

RESOLVED FURTHER THAT in case of no profits / inadequate profits, consent of the Members be and is hereby accorded for payment of Remuneration to Ms. Swati Mohan in accordance with the limits prescribed under Schedule V to the Act, in such manner, amount and proportion as may be directed by the Board of Directors of the Company for three Financial Years 2022-23, 2023-24 and 2024-25.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

8. Appointment of Mr. Rajesh Mishra (DIN 00103157) as an Executive Director and Group CEO of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions of the Companies Act, 2013 (**'the Act'**) and the rules made thereunder (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, Mr. Rajesh Mishra (DIN: 00103157), who was appointed as an Additional Director of the Company w.e.f. June 18, 2022 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, approval of the members of the Company be and is hereby accorded for appointment of Mr. Rajesh Mishra (DIN 00103157) as an Executive Director and Group CEO of the Company w.e.f. June 18, 2022, for a period of three consecutive years from the original date of appointment i.e. from June 18, 2022 upto June 17, 2025, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including designation, remuneration / remuneration structure of Mr. Rajesh Mishra within the limits set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

9. Payment of remuneration to the existing Independent Directors of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 (**'the Act'**) and the rules made thereunder (including any statutory modification or re-enactment thereof), and the Articles of Association of the Company, basis the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors of the Company, consent of the Members be and is hereby accorded for payment of Remuneration to the existing Independent Directors of the Company viz. Mr. Sanjeev Aga (DIN 00022065), Ms. Lynn De Souza (DIN 01419138) and Mr. S. Madhavan (DIN 06451889) (**'Independent Directors'**), in accordance with the limits prescribed under Schedule V to the Act, and the same be paid to the Independent Directors of the Company in such manner, amount and proportion as the Board of Directors may determine, for the Financial Year 2021-22 and their balance tenure in Financial Year 2022-23 (on pro-rata basis).

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorised to take all necessary steps and to do all such acts, deeds and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the concerned statutory authorities and to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient."

By order of the Board of Directors

Kavita Thadeshwar
Company Secretary
M. No. A18651

Date: June 15, 2022
Place: Mumbai

Notes:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (**'MCA'**) has vide its General Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 (collectively referred to as **'MCA Circulars'**) permitted the holding of the Annual General Meeting (**'AGM'**) through Video Conferencing (**'VC'**) facility/Other Audio Visual Means (**'OAVM'**), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (**'the Act'**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**) and MCA Circulars, the **18th AGM** of the Company is being held through VC/OAVM on **Tuesday, August 23, 2022 at 03.00 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 to 9** of the Notice is annexed hereto.

   The relevant details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards - 2 (**'SS-2'**) on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment / 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 2021-22 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless the Member has specifically requested for a hard copy of the Annual Report. The Notice convening the 18th 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 the 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 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 and Certificate from the Secretarial Auditors of the Company certifying that the employee stock option scheme of the Company is being implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity), Regulations, 2021 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 (FCS: 7141 CP: 7512) as the Scrutinizer to scrutinize the e-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 KFintech 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 Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 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 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 09, 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 e-Voting facility.

iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, August 16, 2022**, 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 **Thursday, August 18, 2022 at 09:00 a.m. (IST)** onwards and ends on **Monday, August 22, 2022 at 05:00 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 shareholder, 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 acquire shares of the Company and become 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 and joining virtual meeting for Individual shareholders holding securities in demat mode".

x. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

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

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate e-AGM and vote at the AGM.

Details of Step 1 are mentioned below:

I) 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 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**

Details on Step 2 are mentioned below:

I) 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://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN 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. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending the duly filled in form ISR 1 uploaded in Company / RTA website along with relevant proof to the RTA, M/s KFin Technologies Limited, Unit: UFO Moviez India Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the scan copies of the documents may also be mailed through your registered email id with KFintech at the mail id einward.ris@kfintech.com duly e-Signed on the forms and all proofs.

Members holding shares in dematerialised mode are requested to register/ update their email addresses with relevant depository participants.

iii 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.

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

Details of Step 3 are mentioned below:

I) 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 August 20, 2022 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 2,000 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 be opened from **Thursday, August 18, 2022 to Saturday, August 20, 2022**. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

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, August 18, 2022 to Saturday, August 20, 2022**.

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 at evoting@kfintech.com or call KFintech's toll free No. 1800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, August 16, 2022**, 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. In case a person (individual holding shares in physical mode/ non individuals) 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 1800-309-4001 or write to them at evoting@kfintech.com.

9. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023 and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 03, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFintech at einward.ris@kfintech.com. The forms for updating the same are available at https://ris.kfintech.com/default.aspx. Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

   Folios of members holding physical securities will be freezed, if they fail to furnish these details or link their PAN with Aadhaar before the due date. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. In case the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

   The Company through its Registrar and Share Transfer Agent, KFintech, has sent communications to the concerned shareholders explaining the aforesaid requirements and the same is available at https://www.ufomoviez.com/sites/default/files/Communication-to-the-holders-of-Physical-Shares-of-the-Company.pdf

10. SEBI has vide its Circulars dated January 24, 2022 and January 25, 2022 mandated listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub division / Splitting of securities certificate, Consolidation of securities certificates / folios, Transmission and Transposition.

    Accordingly, Members are requested to make service requests in prescribed Form ISR–4, as available on the website of Company's Registrat and Share Transfer Agent, KFintech, at the link https://karisma.kfintech.com/downloads/Form-ISR-4.pdf.

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, KFintech, in case the shares are held in physical form, quoting their folio number.

12. Pursuant to the provision of the Act, 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 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 laying with the Company on the website of the Company https://www.ufomoviez.com/investor and on the website of the Ministry of Corporate Affairs.

    Members who have not claimed the dividend so far are requested to make their claims to the Company's Registrar & Share Transfer Agent, KFintech.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 & 4

The Company had raised funds of Rs. 9,682.87 lacs by way of issue of Equity shares on preferential issue basis to Nepean Focused Investment Fund (a scheme of investment of Nepean Investment Trust II, Category II Alternative Investment Fund registered with SEBI). The Company entered into a Share Subscription Agreement dated November 03, 2021 with Nepean Capital LLP (in its capacity as the investment manager acting for Nepean Investment Trust II and through the scheme of investment Nepean Focused Investment Fund) (**'SSA'**). Pursuant to the SSA, Mr. Anand Trivedi and Mr. Gautam Trivedi were appointed as Additional Directors in the category of Non-Executive Directors of the Company w.e.f. December 09, 2021.

Mr. Anand Trivedi is an MBA from Columbia Business School and holds a Bachelor of Law degree from Mumbai University. He has a rich experience of nearly three decades in the financial industry, of which nearly two decades were spent investing in public and private markets in both India and Asia.

His last role was Managing Director & Head of GE Private Equity in India investing primarily in Indian Mid-Caps with strong growth potential. In the past, he has been associated amongst others with Reliance Industries Limited, Nicholas Applegate Capital Management, Lehman Brothers and ABN AMRO Rothschild.

He is currently the Co-Founder & Managing Partner of Nepean Capital that manages funds and invests across Public & Private markets in India.

Mr. Gautam Trivedi is an MBA from the University of Southern California and holds a Bachelor of Law degree from Mumbai University. He has a rich experience of nearly three decades in the Indian and Asian financial markets.

In his last role, Gautam was the CEO of Religare Capital Markets, one of India's leading Investment Banks where he worked extensively with Mid Cap companies and helped them rerate. In the past, he has been associated amongst others with Goldman Sachs, DSP Merrill Lynch, CLSA Asea, and Reliance Industries Limited.

He is currently the Co-Founder & Managing Partner of Nepean Capital that manages funds and invests across Public and Private markets in India.

Pursuant to Section 161 of the Act, Mr. Anand Trivedi and Mr. Gautam Trivedi hold office from the date of their appointment till the date of this Annual General Meeting.

The Company has received a notice under Section 160 of the Act from a member proposing their candidature as Directors of the Company, liable to retire by rotation.

The Company has received their consent to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; confirmation in form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under Section 164(2) of the Act from being appointed as Directors along with other disclosures.

The Board of Directors are of the opinion that appointment of Mr. Anand Trivedi and Mr. Gautam Trivedi as Non-Executive Directors of the Company, liable to retire by rotation, on the Board, is in the best interest of the Company.

The statement containing information as required under Regulation 36 of the Listing Regulations and SS-2 with reference to Ordinary Resolution at Item Nos. 3 & 4 is annexed to the Notice.

Accordingly, the Board of Directors recommends the Ordinary Resolutions set out at Item nos. 3 and 4 of the Notice for approval by the members.

Except Mr. Anand Trivedi and Mr. Gautam Trivedi being appointee directors, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 3 and 4.

Item no. 5

Based on the recommendation of the Nomination and Remuneration Committee (**'NRC'**), the Board of Directors at its meeting held on May 26, 2022, subject to the approval of the members of the Company, had appointed Mr. Kanwar Bir Singh Anand (DIN 03518282) (**'Mr. KBS Anand'**) as an Additional Director in the category of Independent Non-Executive Director of the Company, for a term of three consecutive years to hold office from May 26, 2022 to May 25, 2025.

Mr. KBS Anand is a Mechanical Engineer from the IIT, Bombay and has completed Post Graduate Diploma in Business Management from the IIM, Kolkata with a specialization in Marketing.

A veteran of the paint industry, Mr. KBS Anand was associated with Asian Paints Limited for over four decades. He served the Company in various capacities starting in the year 1979 in Sales and Marketing function and headed the Company as Managing Director & CEO of Asian Paints Limited effective April 1, 2012 until his superannuation till March, 2020.

During his association with Asian Paints, Mr. KBS Anand has been recipient of some of the most prestigious Indian and Global recognitions for business leaders. He won the award for being the most "Entrepreneurial CEO" by EY Entrepreneur of The Year 2019. He was nominated as the 'Best CEO – Private Sector' at the Forbes Leadership Awards in 2016 and was also awarded the Qimpro Gold Standard in Business for Quality in 2017.

The NRC has considered amongst others, leadership capabilities, expertise in corporate governance, business management, risk management, rich educational background as the skills required for this role. The NRC and the Board of Directors are of the view that Mr. KBS Anand possesses appropriate skills, expertise and competencies and has vast experience which would be of immense benefit to the Company and hence it is in the best interest of the Company to appoint him as an Independent Director of the Company.

Pursuant to Section 161 of the Act, Mr. KBS Anand holds office from the date of his appointment till the date of this Annual General Meeting.

The Company has received a Notice from member of the Company in writing under Section 160 of the Act proposing his candidature for the office of Director.

The Company has received from Mr. KBS Anand consent to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; confirmation in form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act from being appointed as Director; confirmation that he meets the criteria of independence as provided under Section 149(6) of the Act and rules framed thereunder and regulation 16(1)(b) of the Listing Regulations; declaration under Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as regards registration with the Independent Directors databank maintained by the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India alongwith the other disclosures. He has further confirmed that in terms of Regulation 25(8) of the Listing Regulations, he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge his duties as an Independent Director of the Company; and that he is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority.

In the opinion of the Board, Mr. KBS Anand fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Regulations, for appointment as an Independent Director of the Company and is independent of the management of the Company.

A copy of the Letter of Appointment for the Independent Director, setting out terms and conditions of appointment of Independent Director is available on the website of the Company www.ufomoviez.com.

The statement containing additional information as required under Schedule V to the Act, Regulation 36 of the Listing Regulations and Clause 1.2.5 of SS-2 with reference to Special Resolution at Item No. 5 is annexed to the Notice.

Accordingly, the Board recommends passing of the Resolution at Item No. 5 of the Notice as a Special Resolution.

Except Mr. KBS Anand being appointee director, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item no. 6

Based on the recommendation of the Nomination and Remuneration Committee (**'NRC'**), the Board of Directors at its meeting held on June 15, 2022, subject to the approval of the members of the Company, had appointed Mr. Rajiv Batra (DIN 00082866) as an Additional Director in the category of Independent Non-Executive Director of the Company, for a term of three consecutive years to hold office from June 15, 2022 to June 14, 2025.

Mr. Rajiv Batra is Economics Honors graduate and a qualified Chartered Accountant. He brings an experience of nearly four decades in Finance and Accounting across India and the United States of America. He is seasoned and successful finance professional, well versed with statutory audits, budgeting, financial controls, accounting and taxation.

Mr. Batra was associated for 15 years with Modi Xerox, which eventually became Xerox Inc. He was one of the founding employees and elevated as the Chief Financial Officer of Xerox in India. Subsequently, he moved to Xerox Inc. based at Stamford Connecticut USA and assumed the role of Chief Financial Officer.

Mr. Batra worked as Chief Financial Officer of Digital Equipment Limited, a subsidiary of US $ 8 Billion listed Corporation. He has also worked with Cummins India Limited as Chief Financial Officer where he handled additional portfolios alongwith Finance function. He was a Financial Mentor of PI Industries, at the Group Level.

The NRC has considered amongst others, leadership capabilities, expertise in accounting & finance, corporate governance, business management, risk management, rich educational background as the skills required for this role. The NRC and the Board of Directors are of the view that Mr. Rajiv Batra possesses rich experience as a board member and leadership role in large corporates; expertise in financial matters, regulatory aspects and risk management, which would be of immense benefit to the Company and hence it is in the best interest of the Company to appoint him as an Independent Director of the Company.

Pursuant to Section 161 of the Act, Mr. Rajiv Batra holds office from the date of his appointment till the date of this Annual General Meeting.

The Company has received a Notice from member of the Company in writing under Section 160 of the Act proposing his candidature for the office of Director.

The Company has received from Mr. Rajiv Batra consent to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; confirmation in form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act for being appointed as Director; confirmation that he meets the criteria of independence as provided under Section 149(6) of the Act and rules framed thereunder and regulation 16(1)(b) of the Listing Regulations; declaration under Rule 6(1) of the

Companies (Appointment and Qualification of Directors) Rules, 2014 as regards registration with the Independent Directors databank maintained by the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India alongwith the other disclosures. He has further confirmed that in terms of Regulation 25(8) of the Listing Regulations, he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge his duties as an Independent Director of the Company; and that he is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority.

In the opinion of the Board, Mr. Rajiv Batra fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Regulations, for appointment as an Independent Director of the Company and is independent of the management of the Company.

A copy of the Letter of Appointment for the Independent Director, setting out terms and conditions of appointment of Independent Director is available on the website of the Company www.ufomoviez.com.

The statement containing additional information as required under Schedule V to the act, Regulation 36 of the Listing Regulations and Clause 1.2.5 of SS-2 with reference to Special Resolution at Item Nos. 6 is annexed to the Notice.

Accordingly, the Board recommends passing of the Resolution at Item No. 6 of the Notice as a Special Resolution.

Except Mr. Rajiv Batra being appointee director, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item no. 7

Based on the recommendation of the Nomination and Remuneration Committee (**‘NRC’**), the Board of Directors at its meeting held on June 15, 2022, subject to the approval of the members of the Company had appointed Ms. Swati Mohan (DIN 06377656) as an Additional Director in the category of Independent Non-Executive Director of the Company, for a term of three consecutive years to hold office from June 15, 2022 to June 14, 2025.

Ms. Swati Mohan is English Literature Honors graduate. Over the past two decades, Ms. Mohan has played a key role in growing global Media & Tech businesses in India.

In her last role, she was associated as Chief Business Officer of Pet Care Leader & Sequoia funded Heads up for Tails where she led their digital transformation. Before that, she was the head of marketing at the global streaming giant Netflix and was part of the core leadership team in the first few years of operation of Netflix in India. She has also worked with National Geographic, Fox Networks Group, Group M and Endemol.

An award winning leader, Ms. Mohan has many accolades to her name such as The Economic Times 40 under Forty (2019), CMO for Growth (2020), and IMPACT Women to watch out for (2018). Currently, she is an advisor to a host of consumer tech brands from large scale unicorns to early stage start-ups in their journey to build sustainable businesses and meaningful brands on the back of consumer loyalty, new habit building, enhanced brand perception and new revenue streams.

The NRC has considered leadership capabilities, business management, risk management, experience in media industry as the skills required for this role. The NRC and the Board of Directors are of the view that Ms. Mohan possess the requisite skills and has rich experience in the digital media space which will be of great advantage for guiding the Company in its operations. Hence, it is in the best interest of the Company to appoint her as an Independent Director of the Company.

In view of the above, the NRC and the Board of Directors are of the view that Ms. Swati Mohan possesses appropriate skills, expertise and competencies and has vast experience which would be of immense benefit to the Company and hence it is in the best interest of the Company to appoint her as an Independent Director of the Company.

Pursuant to Section 161 of the Act, Ms. Swati Mohan holds office from the date of her appointment till the date of this Annual General Meeting.

The Company has received a Notice from member of the Company in writing under Section 160 of the Act proposing her candidature for the office of Director.

The Company has received from Ms. Swati Mohan consent to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; confirmation in form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Act for being appointed as Director; confirmation that she meets the criteria of independence as provided under Section 149(6) of the Act and rules framed thereunder and regulation 16(1)(b) of the Listing Regulations; declaration under Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as regards registration with the Independent Directors databank maintained by the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India alongwith the other disclosures. She has further confirmed that in terms of Regulation 25(8) of the Listing Regulations, she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company; and that she is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority.

In the opinion of the Board, Ms. Swati Mohan fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Regulations, for appointment as Independent Director of the Company and is independent of the management of the Company.

A copy of the Letter of Appointment for the Independent Director, setting out terms and conditions of appointment of Independent

Director is available on the website of the Company www.ufomoviez.com.

The statement containing additional information as required under Schedule V to the Act, Regulation 36 of the Listing Regulations and Clause 1.2.5 of SS-2 with reference to Special Resolution at Item Nos. 7 is annexed to the Notice.

Accordingly, the Board recommends passing of the Resolution at Item No. 7 of the Notice as a Special Resolution.

Except Ms. Swati Mohan being appointee director, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item no. 8

The Board of Directors, on recommendation of the Nomination and Remuneration Committee (**'NRC'**), had at its meeting held on May 26, 2022 appointed Mr. Rajesh Mishra, as an Additional Director in the capacity of Executive Director of the Company w.e.f. June 18, 2022.

Mr. Rajesh Mishra is a qualified Chartered Accountant and has more than 30 years of experience in media, films, television and the print industry.

He started his career in the media industry with a leading film production company as Head of Production. Post this stint he went on to join the Zee Network, and as General Manager – Legal and Commercial where he was in charge of the legal and content procurement departments. Thereafter, he started his own television production company but later moved back to corporate life and joined Bennett, Coleman & Co. Ltd (The Times of India Group) as General Manager – Corporate Affairs. In this role, he handled Strategic Alliances and Mergers and Acquisitions.

He has been associated with the Company since inception as one of the founding employees, spearheading the Digital Cinema rollout in India as COO- Indian Operations. Prior to his appointment as an Executive Director, he was the President and Group CEO of the Company, where he was responsible for the overall operations of the Company.

The details of remuneration proposed to be paid to Mr. Rajesh Mishra are as under:

Remuneration proposed:

1. **Basic Salary:**

   In the scale of ₹ 1,08,00,000 per annum (Rupees One Crore Eight Lacs only) to ₹ 1,25,00,000 per annum (Rupees One Crore Twenty Five Lacs only).

2. **Perquisites / Allowances:**

   In addition to the basic salary, the appointee shall also be entitled to the following perquisites / allowances: accommodation (furnished or otherwise) or house rent allowance in lieu thereof; reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement; leave travel concession; Company's contribution to provident fund and such other perquisites and allowances as may be allowed under the Company's rules or schemes and any other allowances, perquisites, benefits and facilities as the Board of Directors may approve from time to time.

   The above 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.

   Items and expenses listed out in serial nos. 4, 5 and 6 do not form part of the perquisites and allowances listed out above; and will not be included in the computation of ceiling on remuneration mentioned at (3) below.

3. The total remuneration as per (1) and (2) above shall not exceed the scale of ₹ 2,15,00,000 p.a. (Rupees Two Crores Fifteen Lacs only) to ₹ 2,50,00,000 p.a. (Rupees Two Crores Fifty Lacs only).

   In addition to the perquisites and allowances listed out in serial no. 2 above, the following facilities will also be provided or expenses reimbursed.

4. Contribution to Superannuation Fund, Annuity Fund and Gratuity as per Rules of the Fund/Scheme in force from time to time to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

5. Provision of medical and accident insurance; company maintained car, reimbursement of driver's salary & fuel and vehicle maintenance expenses for the official use; membership fees of one club in India and mobile, telephone and internet facility at residence.

6. Perquisite value arising out of Employee Stock Option / Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits, to which the appointee may be entitled, as per the schemes framed by the Company from time to time.

7. **Annual Performance Incentive:**

   In addition to the above, and subject to the Nomination and Remuneration Committee's final determination, based upon defined parameters, the appointee will also be entitled for an annual performance incentive not exceeding ₹ 1,00,00,000 (Rupees One Crore Only).

Minimum remuneration:

In the event of absence of profits and/ or inadequacy of profits, in any financial year during the currency of tenure of Mr. Rajesh Mishra as an Executive Director, the payment of above remuneration by way of fixed pay, variable pay, annual performance incentive, perquisites, allowances and other benefits shall be made, notwithstanding such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act or under the provisions of SEBI Listing Regulations or under any other law for the time being in force, if any.

The statement containing additional information as required under Schedule V to the Act, Regulation 36 of the Listing Regulations and Clause 1.2.5 of SS-2 with reference to Special Resolution at Item No. 8 is annexed to the Notice.

Under the able leadership and guidance of Mr. Mishra, the Company will continue to achieve significant milestones. The Board of Directors are of the opinion that appointment of Mr. Rajesh Mishra as an Executive Director and Group CEO of the Company will be in the best interest of the Company.

Pursuant to Section 161 of the Act, Mr. Rajesh Mishra holds office from the date of his appointment till the date of this Annual General Meeting.

The Company has received a Notice from member of the Company in writing under Section 160 of the Act proposing his candidature for the office of Director.

The Company has received his consent, declaration to the effect that he is not disqualified under Section 164(2) of the Act for being appointed as Director and other disclosures.

Accordingly, the Board recommends passing of the Resolution at Item No. 8 of the Notice as a Special Resolution.

Except Mr. Rajesh Mishra being appointee director, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item no. 9

Mr. Sanjeev Aga (DIN 00022065), Ms. Lynn De Souza (DIN 01419138) and Mr. S. Madhavan (DIN 06451889) were appointed as Independent Directors of the Company, for a period of five years w.e.f November 20, 2017.

The remuneration of the existing Independent Directors of the Company include sitting fees and payment of commission not exceeding one percent of the net profits of the Company for the relevant financial year, calculated in accordance with the provisions of Section 198 of the Act.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, decides the overall maximum remuneration and the amount of commission and sitting fees to each of the Directors, within the said limit.

However, owing to the adverse impact of COVID – 19 induced lockdown restrictions and closure of cinemas / occupancy restrictions for major part of the previous Financial Year 2021-22, the revenues of the Company were significantly impacted resulting in loss for the said financial year. In view of losses, the Company was not able to pay any commission to the existing Independent Directors of the Company for the Financial Year 2020-21 and 2021-22. In fact, the Independent Directors as a show of support and solidarity with the management of the Company, had agreed to reduce the overall remuneration payable to them to 50% and 67% during the Financial Year 2020-21 and 2021-22 respectively.

Section 197 read with Section II of Part II of Schedule V of the Act, enables the Companies to pay remuneration to Non-Executive Directors in the event of absence of profits and/ or inadequacy of profits, in accordance with the limits prescribed therein, which are based on the effective capital of the Company, with the approval of Members of the Company by way of an ordinary resolution.

In view of the above, approval of the Members is sought for payment of remuneration to the Independent Directors of the Company in accordance with the limits provided under Schedule V to the Act, for the Financial Year 2021-22 and proportionately for their balance tenure in Financial Year 2022-23. Such remuneration will be within the overall remuneration payable to the Independent Directors and shall be paid in such manner, amount and proportion as the Board of Directors may decide.

Accordingly, the Board recommends passing of the resolution as set out under Item No. 9 of the Notice for approval of the members as an ordinary resolution.

Except Mr. Sanjeev Aga, Ms. Lynn de Souza and Mr. S. Madhavan, 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).

The statement containing additional information as required under Schedule V to the Act, is annexed to the Notice.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT W.R.T. ITEM NO. 5 to 9

<table>
<tr><th>I.</th><th colspan="2">General Information</th></tr>
<tr><td>1.</td><td>Nature of industry</td><td>Digital cinema distribution and in-cinema advertising</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>The Company is in operation since June 30, 2004</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>
Consolidated (₹ in lacs)
<table>
<tr><th>Title</th><th>2019-20</th><th>2020-21</th><th>2021-22</th></tr>
<tr><td>Turnover</td><td>50,212.17</td><td>8,809.38</td><td>16,013.79</td></tr>
<tr><td>PBT</td><td>5,217.80</td><td>(15,095.88)</td><td>(10,671.93)</td></tr>
<tr><td>PAT</td><td>3,877.06</td><td>(11,760.00)</td><td>(8,685.48)</td></tr>
</table>
Standalone (₹ in lacs)
<table>
<tr><th>Title</th><th>2019-20</th><th>2020-21</th><th>2021-22</th></tr>
<tr><td>Turnover</td><td>34,753.30</td><td>1,778.78</td><td>8,666.38</td></tr>
<tr><td>PBT</td><td>10,356.26</td><td>(14,582.48)</td><td>(8,965.71)</td></tr>
<tr><td>PAT</td><td>10,131.81</td><td>(11,264.44)</td><td>(6,886.74)</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any.</td><td>As at March 31, 2022, FII / FVCI / Foreign Bodies Corporates, NRI, etc. holds 8,16,596 (2.15%) equity shares of the Company.</td></tr>
<tr><th>II.</th><th>Information about the appointee</th><th></th></tr>
<tr><td>1.</td><td>Background details, Job profile, their suitability, recognition and awards</td><td>The details of the existing Independent Directors profile can be found on the website of the Company at www.ufomoviez.com.
Detailed profile of Mr. KBS Anand, Mr. Rajiv Batra, Ms. Swati Mohan and Mr. Rajesh Mishra, to be appointed at this Annual General Meeting forms part of the explanatory statement at agenda item no. 5 to 8 respectively.</td></tr>
<tr><td>2.</td><td>Past remuneration (In Rs. lacs) excluding sitting fees, if any
FY 2020 – 21
FY 2019 – 20
FY 2018 – 19</td><td>
<table>
<tr><th>Mr. Sanjeev Aga</th><th>Ms. Lynn De Souza</th><th>Mr. S. Madhavan</th><th>Mr. KBS Anand[1]</th><th>Mr. Rajiv Batra[2]</th><th>Ms. Swati Mohan[3]</th><th>Mr. Rajesh Mishra[4]</th></tr>
<tr><td>Nil</td><td>Nil</td><td>Nil</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>25.50</td><td>8.50</td><td>12.50</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>26.00</td><td>12.50</td><td>11.00</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table>
</td></tr>
<tr><td>3.</td><td>Remuneration proposed</td><td>As per the explanatory statement provided with respect to agenda items 5 to 9.</td></tr>
<tr><td>4.</td><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</td><td>Considering the profile of the Directors and their responsibilities, the proposed remuneration is in line with remuneration drawn for similar positions in the Industry.</td></tr>
<tr><td>5.</td><td>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.</td><td>The Independent Directors do not have any pecuniary relationship with the Company except to the extent of sitting fees, commission or remuneration (proposed to be paid), and reimbursement of out of pocket expenses received by them for attending the meetings. Apart from remuneration proposed to be paid, Mr. Rajesh Mishra, does not have any direct or indirect pecuniary relationship with the Company or managerial personnel or any other director.</td></tr>
</table>

1 Appointed w.e.f. May 26, 2022
2 Appointed w.e.f. June 15, 2022
3 Appointed w.e.f. June 15, 2022
4 Appointed w.e.f. June 18, 2022

III.	**Other information**	
1.	Reasons of loss or inadequate profits	The film exhibition industry was the worst affected due to the Covid 19 pandemic as cinemas were the first to close and the last to open. The State Governments allowed cinemas to re-open from July/ August, 2021 in a phased manner, with certain restrictions on seating and protocols on operating procedures. The key states of Maharashtra and Kerala allowed opening of cinemas only from end of October/beginning of November, 2021. However, towards the end of December, 2021, the country witnessed a 3rd wave of COVID-19 led by Omicron variant, resulting in re-imposing of restrictions on theatres. Nevertheless, the impact of the third wave of COVID-19 was short-lived and the Industry and the Company recovered relatively quickly from it. Major Hindi movies started releasing post reopening of cinemas and many production houses started announcing release dates for their films thereby generating a very strong content pipeline. Also, the filmgoers have started revisiting big screens in large numbers to watch big releases. The Company has started witnessing a revival in its theatrical business though the advertisement revenues may take more time to recover. It is expected that the Company's operations and revenue will regain normalcy in due course. Due to the adverse impact of COVID – 19 induced restrictions, for the major part of the year, the Company has incurred losses during the financial year 2021-22.
2.	Steps taken or proposed to be taken for improvement	Since the onset of the COVID-19 outbreak, the Company has taken necessary measures to mitigate any adverse impact on the business and focused on cash conservation through curtailing fixed and manpower costs, ensuring a steady flow of debtor realisations, tightening control over trade payables and putting on hold capital expenditure towards digital cinema. Also, the Company has raised funds aggregating to ₹ 9,682.87 lacs through preferential allotment of 93,99,933 equity shares to Nepean Focused Investment Fund. The fund raising will help the Company to face any unforeseen situation going forward as well as to take care of organic or in-organic growth opportunities and working capital requirements. With reopening of theatres and a robust content pipeline, the Company expects an improvement in its profitability, in the coming quarters.
3.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The Company has been profitable since financial year 2011-12, however, its business (digital cinema distribution and in-cinema advertising) has been adversely affected due to the COVID-19 pandemic. While there are several uncertainties affecting the Company's external business environment which are beyond the Company's control, the Company, in good faith, is making its best efforts to become profitable, in near future.
IV.	**Disclosures**	The Company has not committed any default in payment of dues to any bank or public financial institution or non - convertible debenture holders or any other secured creditor.

Details of the Directors seeking appointment / 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. Ameya Hete	Mr. Anand Trivedi	Mr. Gautam Trivedi
Date of Birth and Age	November 28, 1975 46 years	March 23, 1969 53 years	January 24, 1966 56 years
Date of Initial Appointment	October 17, 2008	December 09, 2021	December 09, 2021
Qualification	Bachelor's degree in Industrial Engineering from the University of Nagpur and a Master's degree in Industrial Engineering from the Binghamton University, New York, United States of America.	MBA from Columbia Business School, Bachelor's degree of Law and Bachelor's degree in Commerce from the Mumbai University.	MBA in Finance & Accounting from the University of Southern California in Los Angeles, Bachelor's degree of Law and Bachelor's degree in Commerce from the Mumbai University.
Brief Resume and Experience and Expertise	More than two decades of experience in the field of engineering and general corporate management.	Nearly three decades of experience in the financial industry including investing in public and private markets in both India and Asia	Nearly three decades of experience in the Indian and Asian financial markets
No. of Board meetings attended during the financial year 2021-22	7 out of 10	3 out of 3	3 out of 3
Directorship held in other Companies (excluding foreign companies)	• Valuable Infra-Tech Private Limited • Valuable Infrastructure Private Limited • Asiastar City Holdings Private Limited • Goldencrest Financial Services Private Limited • M5 Media Investments Private Limited • Valuable Technologies Private Limited • Qwik Entertainment India Private Limited • Valuable RNGS Infrastructure Private Limited • Impact Media Exchange Limited • Valuable Innovations Private Limited • Valuable Edutainment Private Limited • Titbit Interactive Systems Private Limited • Sky N Land Video Networks Private Limited • Kongo Educational Services Private Limited • Valuable Media Private Limited	• Ge Strategic Investments India (Pvt. Co.With Ultd Liability • Extramarks Education India Private Limited	• Raymond Apparel Limited • Landmark Cars Limited • Landmark Automobiles Private Limited • Anaheim Trading Private Limited • Extramarks Education India Private Limited • Trivedi Consultants Private Limited
List of Membership / Chairmanship of Board Committees in other companies	Nil	Nil	Raymond Apparel Limited • Audit Committee – Member • Nomination and Remuneration Committee – Member • Committee of Directors – Member Landmark Cars Limited • Audit Committee – Member • Nomination and Remuneration Committee – Member • Stakeholder's Relationship Committee - Member

Name of Director	Mr. Ameya Hete	Mr. Anand Trivedi	Mr. Gautam Trivedi
Listed entities from which the Director has resigned in the past three years	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company as on date	2,42,797 equity shares (0.64%)	Nil	Nil
Relationship with other directors, manager and Key Managerial Personnel of the Company	No Relation	Brother of Mr. Gautam Trivedi, Non-Executive Additional Director and not related to any other Director / Key Managerial Personnel	Brother of Mr. Anand Trivedi, Non-Executive Additional Director and not related to any other Director / Key Managerial Personnel
Terms and conditions of appointment or re- appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Non-executive, Non-Independent Director, liable to retire by rotation. He is entitled to sitting fees for attending Committee and Board Meetings.	Non-executive, Non-Independent Director, liable to retire by rotation. He is entitled to sitting fees for attending Board Meetings.	Non-executive, Non-Independent Director, liable to retire by rotation. He is entitled to sitting fees for attending Board Meetings.

Details of the Directors seeking appointment / 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. Kanwar Bir Singh Anand**	**Mr. Rajiv Batra**	**Ms. Swati Mohan**	**Mr. Rajesh Mishra**
Date of Birth and Age	August 30, 1955 66 years	September 30, 1955 66 years	August 10, 1978 43 years	February 11, 1966 56 years
Date of Initial Appointment	May 26, 2022	June 15, 2022	June 15, 2022	June 18, 2022
Qualification	B. Tech (Mechanical) from Indian Institute of Technology (IIT), Bombay, and PGDM, Indian Institute of Management (IIM), Kolkata	BA (Hons) Economics and Member of the Institute of Chartered Accountants of India	Masters in Film & Television from Goldsmiths College, University of London, United Kingdom and English Literature Honors Graduate	Bachelor's Degree in Commerce from the Mumbai University and Member of the Institute of Chartered Accountants of India
Brief Resume and Experience and Expertise	More than four decades of experience of working in various capacities such as Sales & Marketing function and as Managing Director & CEO.	More than four decades of experience in Finance and Accounting across India and US.	Around two decades of experience in growing global Media & Tech businesses	More than three decades of experience in media, films, television and the print industry.
No. of Board meetings attended during the financial year 2021-22	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Directorship held in other Companies (excluding foreign companies)	• Lupin Limited • Tata Chemicals Limited • Borosil Limited	• The Hi-Tech Gears Limited • Minda Industries Limited	Nil	• Cinestaan Digital Private Limited • Mukta V N Films Limited • UFO Software Technologies Private Limited • Scrabble Digital Limited • Scrabble Entertainment Limited
List of Membership / Chairmanship of Board Committees (including the Company)	Lupin Limited • Stakeholder's Relationship Committee – Chairman • Corporate Social Responsibility Committee – Member Tata Chemicals Limited • Risk Management Committee – Chairman • Audit Committee – Member Borosil Limited • Nomination & Remuneration Management Committee - Member	Nil	Nil	Scrabble Digital Limited • Corporate Social Responsibility Committee - Chairman

Name of Director	Mr. Kanwar Bir Singh Anand	Mr. Rajiv Batra	Ms. Swati Mohan	Mr. Rajesh Mishra
Listed entities from which the Director has resigned in the past three years	• Marico Limited • Asian Paints Limited • Borosil Renewables Limited	Nil	Nil	Not Applicable
Shareholding in the Company as on date	Nil	Nil	Nil	28,649 equity shares (0.07%)
Relationship with other directors, manager and Key Managerial Personnel of the Company	No Relation	No Relation	No Relation	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	Non-Executive Independent Director for a period of three consecutive years, not liable to retire by rotation. Details of remuneration proposed to be paid are provided in the Resolution at item no. 5	Non-Executive Independent Director for a period of three consecutive years, not liable to retire by rotation. Details of remuneration proposed to be paid are provided in the Resolution at item no. 6	Non-Executive Independent Director for a period of three consecutive years, not liable to retire by rotation. Details of remuneration proposed to be paid are provided in the Resolution at item no. 7	Executive Director for a period of three consecutive years. Details of remuneration proposed to be paid are provided in the explanatory statement at item no. 8

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the eighteenth report on the business and operations of your Company for the Financial Year ended March 31, 2022.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the Financial Year ended March 31, 2022 is summarized below:

(₹ in lacs)

Particulars	Standalone			Consolidated		
	FY22	FY21	Growth	FY22	FY21	Growth
Revenue from Operations	8,109.09	1,637.76	395%	15,005.55	8,265.35	81.55%
Other Operating Income	557.29	141.02	295%	1,008.24	544.03	85.33%
Other Income	332.80	333.39	0%	380.44	411.46	-7.54%
Total Income	**8,999.18**	**2,112.17**	**326%**	**16,394.23**	**9,220.84**	**77.80%**
Total Expenses	**14,083.51**	**10,757.36**	**31%**	**21,113.49**	**17,587.59**	**20.05%**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**(5,084.33)**	**(8,645.19)**	**-41%**	**(4,719.26)**	**(8,366.75)**	**-43.60%**
EBITDA Margin	(56.50%)	(409.30%)	-86%	(28.79%)	(90.74%)	-68.28%
Depreciation and Amortisation	5,115.59	5,674.34	-10%	5,577.47	6,300.10	-11.47%
Earnings before Interest and Tax (EBIT)	**(10,199.92)**	**(14,319.53)**	**-29%**	**(10,296.73)**	**(14,666.85)**	**-29.80%**
Finance Cost	1,120.17	1,230.44	-9%	1,162.86	1,306.75	-11.01%
Finance Income	(2,354.38)	(967.49)	-143%	(445.53)	(949.52)	-53.08%
Profit before Tax and share of profit from associates	**(8,965.71)**	**(14,582.48)**	**-39%**	**(11,014.06)**	**(15,024.08)**	**-26.69%**
Share of profit from associates (net)				342.13	(71.80)	-576.50%
Profit before tax and after shares of profit from associates	**(8,965.71)**	**(14,582.48)**	**-39%**	**(10,671.93)**	**(15,095.88)**	**-29.30%**
Tax	(2,078.97)	(3,318.04)	-37%	(1,986.45)	(3,335.88)	-40.45%
Profit after Tax (PAT)	**(6,886.74)**	**(11,264.44)**	**-39%**	**(8,685.48)**	**(11,760.00)**	**-26.14%**
Other Comprehensive Income	(58.54)	34.84	-268%	(12.10)	12.93	-193.66%
Total comprehensive income for the year, net of tax	**(6,945.28)**	**(11,229.60)**	**-38%**	**(8,697.58)**	**(11,747.07)**	**-25.95%**
Profit for the year attributable to equity shareholder	-	-	-	(8,685.48)	(11,760.00)	-26.14%
Profit for the year attributable to Non-controlling interests	-	-	-	-	-	-
Other comprehensive income attributable to equity Shareholder	-	-	-	(12.10)	12.93	-193.66%
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 this 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

Due to the adverse impact of COVID – 19 induced restrictions, for the major part of the year, the Company has incurred losses during the Financial Year. The Board of Directors have decided to conserve its resources and not to declare any dividend for the Financial Year 2021-22.

TRANSFER TO RESERVES

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

ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS

During the year under review, subsequent to approval accorded by the shareholders of the Company at the Extra-Ordinary General Meeting held on November 26, 2021, the Company had issued and allotted 93,99,933 equity shares, on a preferential basis to Nepean Focused Investment Fund (a scheme of investment of Nepean Investment Trust II, a category II Alternative Investment Fund registered with the Securities and Exchange Board of India), at a price of ₹ 103.01 (including premium of ₹ 93.01) per equity share, aggregating to ₹ 9,682.87 lacs for cash consideration. The proceeds of the said Preferential Issue were raised to meet the working capital requirements, general corporate purpose, to support the future growth plans of the Company and to further invest in the subsidiaries and such other purpose as the Board may decide.

SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2022 is ₹ 20,955 lacs divided into 5,30,50,000 equity shares of ₹ 10 each and 15,65,000 preference shares of ₹ 1,000 each. There was no change in Authorised Share Capital of the Company during the year under review.

During the year under review, the Company had allotted 93,99,933 equity shares of ₹ 10 each to Nepean Focused Investment Fund, as mentioned above. Further, the Company had allotted 2,90,409 equity shares of ₹ 10 each to the eligible employees upon exercise of options granted to them under the Employee Stock Option Scheme – 2014 of the Company.

The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2022 stands ₹ 3,804.11 lacs divided into 3,80,41,143 equity shares of ₹ 10 each.

Also, during the year under review, the Company had neither issued any equity shares with differential rights as to dividend, voting rights or otherwise nor had issued sweat equity shares to its Directors or employees.

SHARE WARRANTS

As on March 31, 2022, there were no outstanding share warrants of the Company.

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 Act (**'the Act'**), the relevant provisions of the Act 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 off 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, 2022 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2022.

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, its subsidiaries and associates, 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 Act form 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 2021-22.

DIRECTORS' RESPONSIBILITY STATEMENTS REQUIRED UNDER SECTION 134(3)(C) OF THE ACT

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 and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the Financial Year 2021-22.

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

(a) in the preparation of the annual accounts for the Financial Year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2022 and of the profit and loss of the Company for that year;

(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) the annual accounts have been prepared on a 'going concern' basis;

(e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;

(f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Act, 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 are placed before the Audit and Risk Management Committee for approval as required under Section 177 of the Act 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.

The related party transactions that were entered into during the Financial Year ended March 31, 2022 were on an arm's length basis and were in the ordinary course of business. 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 Act and the Listing Regulations, the Company has modified the 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%20on%20Related%20Party%20Transactions.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. Also, there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 and that there is no instance of onetime settlement with any Bank or Financial Institution, during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at March 31, 2022, the Company had 6 direct subsidiaries, 6 step-down subsidiaries and 7 associates. A list of bodies corporate which are direct and step down subsidiaries / associates of the Company is provided as part of the notes to the Consolidated Financial Statements. The following developments took place during the year under review:

- In terms of provisions of Listing Regulations, Scrabble Entertainment Limited and Scrabble Entertainment DMCC were the material subsidiaries of the Company.
- United Film Organizers Nepal Private Limited, a wholly owned subsidiary of the Company having no business operations since last few years, was under voluntary liquidation. On completion of the process of liquidation, its registration has been cancelled w.e.f. March 10, 2022 by the Ministry of Industry, Commerce and Supply Office of Company Registrar, Tripureshwor, Kathmandu, Nepal.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries and associates of the Company. The Consolidated Financial Statements of the Company, all its subsidiaries and associates have been prepared in accordance with Section 129(3) of the Act and form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries and associates 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 Act, 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

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, 2022, the Board consisted of nine members, two of whom are Executive Directors and seven are Non-Executive Directors. Out of the seven 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.

APPOINTMENT, RE-APPOINTMENT AND RETIREMENT OF DIRECTORS

Consequent to the Preferential Issue of Shares, the Company entered into a Share Subscription Agreement dated November 03, 2021 with Nepean Capital LLP (in its capacity as the investment manager acting for Nepean Investment Trust II and through the scheme of investment Nepean Focused Investment Fund) (**'SSA'**). Pursuant to the SSA, Mr. Anand Trivedi and Mr. Gautam Trivedi were appointed as Additional Directors in the category of Non-Executive Directors of the Company w.e.f. December 09, 2021.

In accordance with Sections 152 and 161 of the Act, Mr. Anand Trivedi and Mr. Gautam Trivedi will hold office till the date of the ensuing Annual General Meeting (**'AGM'**). The Company has received notice from member of the Company under Section 160 of the Act, proposing their candidature as Directors at the AGM. The Board recommends their appointment.

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

As per mutual agreement with the Board of Directors, Mr. Kapil Agarwal, Joint Managing Director will step down from active management and from his role of Joint Managing Director of the Company w.e.f. close of business hours on June 17, 2022 and will be, immediately thereafter, designated as a Non-Executive Director, liable to retire by rotation. The Board places on record the immense contribution made by Mr. Kapil Agarwal in the growth of the Company.

As part of succession planning, the Board has appointed Mr. Rajesh Mishra, President and Group CEO of the Company as an Additional Director in the category and with the designation of Executive Director & Group CEO w.e.f. June 18, 2022. Mr. Mishra has been associated with the Company since 2006 and is currently responsible for overall operation of the Company. He will be largely assuming the role of Mr. Kapil Agarwal. The Board recommends his appointment.

Mr. Kanwar Bir Singh Anand (DIN 03518282) was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company for a period of three consecutive years i.e. from May 26, 2022 upto May 25, 2025, subject to approval of members of the Company. The Company has received requisite notice from member of the Company under Section 160 of the Act, proposing his candidature as a Director at the AGM. The Board recommends his appointment.

Brief resume, nature of expertise, details of directorships held in other companies of the aforesaid Directors and other relevant information of the Directors proposed to be appointed / re-appointed in the AGM, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, are appended as an Annexure to the Notice of the ensuing AGM.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act 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.

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 Act and the Listing Regulations. The Policy includes laying down criteria for identifying persons who are qualified to become Directors, Key Managerial Personnel (**'KMP'**), 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%20and%20Remuneration%20Policy_F_clean.pdf

The details of the managerial remuneration for the Financial Year 2021-22 are provided in the Corporate Governance Report.

BOARD EVALUATION

Regulation 4(2)(f) of the Listing Regulations mandates that the Board shall monitor and review the board evaluation framework. The Act 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 Act state 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, 2022 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.

COMMITTEES OF BOARD OF DIRECTORS

In compliance with the provisions of the Act and Listing Regulations, Statutory Board Committees are constituted viz. Audit and Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Compensation Committee. Finance Committee is constituted for administrative convenience.

A detailed update on the Board and Committees, its composition, meetings held during the Financial Year 2021-22 and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company did not have average net profits for the last three financial years and accordingly, it was not obligated to contribute towards CSR activities during Financial Year 2021-22. The Company had undertaken certain ongoing CSR Projects during the previous Financial Year 2020 -21. The Annual Report on CSR activities as required under the provisions of the Act is set out as "**Annexure-1**" forming part of this Report.

VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigilance mechanism in confirmation with Section 177(9) of the Act and Regulation 22 of the 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 this Annual Report.

RISK MANAGEMENT

The Company has developed and implemented Risk Management plans in accordance with the provisions of the Act 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, 2022 as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the Financial Year ended March 31, 2022, in terms of Regulation 34 of Listing Regulations forms part of this 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 Act 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 09, 2018, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office for a consecutive term of five years, from the conclusion of 14th Annual General Meeting of the Company until the conclusion of the 19th Annual General Meeting. As per the provisions of the Act, 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 2022-23.

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 Act, 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 2021-22, as required under Section 204 of the Act and rules thereunder. The Secretarial Audit Report for the Financial Year 2021-22 forms part of this report as "**Annexure-3**". The report is free of any qualifications or adverse observations.

Secretarial Audit Report of Scrabble Entertainment Limited, an unlisted material subsidiary of the Company for the Financial Year 2021-22, carried out by M/s. V. M. Kundaliya & Associates, Company Secretaries, pursuant to section 204 of Act and Regulation 24A of the Listing Regulations, forms part of this Annual Report. The report is free of any qualifications or adverse observations.

Further, maintenance of cost records as prescribed by the Central Government under Section 148(1) of the Act is not applicable to the Company.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the the Company's website under the web link at https://www.ufomoviez.com/sites/default/files/Annual_Return/Form_MGT_7%20UFO%202022%20website.pdf

HUMAN RESOURCES

Your Directors believe that the key to the success of any Company are its employees. Your Company has a team of abled 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 Act 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.

A statement containing the names of top 10 employees, in terms of their remuneration, in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this report. The said statement is not being sent along with this annual report to the members of the Company.

In terms of Section 136 of the Act, 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 the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('**SBEB Regulations**').

The Compensation Committee of the Board of Directors of the Company at its meeting held on January 15, 2021 and January 24, 2022 granted 10,93,700 and 27,300 stock options respectively at an exercise price of ₹ 50 per option, to the eligible employees of the Company and subsidiary Companies 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 SBEB Regulations are available on the Company's website under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/ESOP%20Disclosures_31.03.2022.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 there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee as per the provisions of the said Act to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the Financial Year 2021-22.

SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

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, 2022

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 ('**the Act**') 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	3	3
2	Mr. Sanjeev Aga	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	3	3
3	Mr. S. Madhavan (Appointed as a Member w.e.f. May 26, 2021)	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	3	2
4	Mr. Kapil Agarwal	Designation - Member of the Committee Nature of Directorship – Executive Director	3	3

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/UFO%20Composition%20of%20Board%20and%20Committees_June%202022.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):**

   ₹ (21,36,19,272)/-

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

Nil

(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):**

Nil

8. (a) **CSR amount spent or unspent for the Financial Year 2021-22:**

Not Applicable.

(b) **Details of CSR amount spent against ongoing projects for the Financial Year 2021-22:**

Not Applicable

(c) **Details of CSR amount spent against other than ongoing projects for the Financial Year 2021- 22:**

Not Applicable.

(d) **Amount spent in Administrative Overheads:**

Not Applicable.

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

Not Applicable.

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):**

Not Applicable.

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

Nil

9. (a) **Details of Unspent CSR amount for the preceding three Financial Years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (In ₹)	Amount spent in the reporting Financial year (In ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (In ₹)
				Name of the Fund	Amount (In ₹)	Date of transfer	
1	2020-21	93,62,500	18,61,892	NA	NA	NA	75,00,608

(b) **Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):**

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (In ₹)	Amount spent on the Project in the reporting financial year (In ₹)	Cumulative amount spent at the end of reporting financial year (In ₹)	Status of the Project – Completed / Ongoing
1	FY31.03.2021_1	Empowering Girl Child Education	2020-21	48 months (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	5,02,500	10,05,000	Ongoing
2	FY31.03.2021_2	Promoting health care including preventive health care	2020-21	48 months (To be spent in 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	13,59,392	20,14,392	Ongoing

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 :

Sr. No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1	September 11, 2021	₹ 3,25,000	**Vasundhara Charitable Trust** Ishaan, 15th Floor, Khed Gully, Prabhadevi, Mumbai – 400 025	X-Ray Machine, Table and Generator **Vasundhara Charitable Trust** Tarapur, Maharashtra
2	August 26, 2021	₹ 6,00,000		Direct Digitizer Model “REGIUS SIGMA II” **Vasundhara Charitable Trust** Tarapur, Maharashtra
3	March 29, 2022	₹ 7,25,000	**Sir D.M. Petit Municipal Hospital** Bangli Road, Kharale, Husaini Colony, Vasai (West), Vasai –Virar, Maharashtra - 401202	BPL Anaesthesia Workstation **Sir D.M. Petit Municipal Hospital** Bangli Road, Kharale, Husaini Colony, Vasai (West), Vasai –Virar, Maharashtra - 401202
4	March 29, 2022	₹ 1,23,000 (Purchase Order of ₹ 2,46,400 has been placed and 50% of the amount has been released)		Comen Patient Monitor **Sir D.M. Petit Municipal Hospital** Bangli Road, Kharale, Husaini Colony, Vasai (West), Vasai –Virar, Maharashtra - 401202

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
Managing Director
DIN: 01001173

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place: Mumbai
Date: May 26, 2022

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 earnings is ₹ 35.39 lacs and the foreign exchange outflow is ₹ 783.31 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, 2022

Annexure - 3

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the Financial Year ended 31st March 2022
[Pursuant to Section 204(1) of the Act and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial 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 31st March 2022, 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 31st March 2022 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 and Sweat Equity) Regulations, 2021;

  (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, 2021; (**Not relevant / applicable during the year under review**)

  (h) The Securities and Exchange Board of India (Buy-back 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, there were following major actions which have been done in compliance with applicable statutory provisions;

1. The consent of members was obtained at the Seventeenth Annual General meeting of the Company held on 20th September 2021 for the following:-
    a) Approval for extending the 'UFO Moviez India Limited – Employee Stock Option Scheme –2014' to the employees of subsidiary companies of the Company;
    b) Approval for change of Object Clause of the Memorandum of Association of the Company;
2. The consent of members was obtained at the Extra-Ordinary General meeting of the Company held on 26th November 2021 for the following:-
    a) Approval to the Board to create, offer, issue, and allot on a private placement / preferential basis up to 93,99,933; equity shares having face value ₹ 10/- each at a per share price of ₹ 103.01/- to Nepean Focused Investment Fund, a scheme of investment of Nepean Investment Trust II, Category II Alternative Investment Fund.
    b) Alteration of Articles of Association of the Company by adoption of new set of Articles of Association inter alia incorporating the relevant provisions of the Share Subscription Agreement entered between the Company and Nepean Capital LLP, a limited liability partnership firm incorporated under the Limited Liability Partnership Act, 2008, in its capacity as the investment manager for Nepean Investment Trust II, a category II alternative investment fund, through the scheme of investment Nepean Focused Investment Fund;
3. Pursuant to Employee Stock Option Scheme 2014, 29,04,09 Equity shares of face value of ₹ 10 each for cash at exercise price of ₹ 50 per share of the Company was allotted to the grantees who has exercised their vested options ;
4. The Board of Directors of the Company in their meeting held on 9th December 2021 allotted 93,99,933 Equity Shares of face value of ₹ 10 each at a price of ₹ 103.01 per share to Nepean Focused Investment Fund, a scheme of investment of Nepean Investment Trust II, Category II Alternative Investment Fund on a private placement / preferential basis ;
5. The Board of Directors of the Company in their meeting held on 16th August 2021 had considered and approved Scheme of Amalgamation of Wholly Owned Subsidiaries (Direct / Step down) viz. Scrabble Entertainment Limited, Scrabble Digital Limited, Scrabble Entertainment (Mauritius) Limited with UFO Moviez India Limited and their respective shareholders; and later on said Scheme was withdrawn by the Board of Directors of the Company in their meeting held on 3rd November 2021.

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

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
ICSI UDIN: F005418D000345428
Peer Review Certificate No.: 1187/2021

Place: Mumbai
Date: May 26, 2022

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

ANNEXURE A

To,

The Members,
UFO Moviez India Limited

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 Secretarial records. I believe that the process 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 and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure 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.
7. Due to the pandemic caused by Covid–19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report, we have conducted our audit remotely based on the records and information made available to us by the Company electronically.

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

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

Place: Mumbai
Date: May 26, 2022

Annexure-4

DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FY 2021-22

A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021 - 22 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary:

Name of Director / Key Managerial Personnel	Designation	% increase / (decrease) in remuneration as compared to previous year	Ratio of Remuneration of each Director to median remuneration
Mr. Anand Trivedi*	Non – Executive Director	N.A.	0.41:1
Mr. Ameya Hete@	Non – Executive Director	N.A.	1.23:1
Mr. Gautam Trivedi*	Non – Executive Director	N.A.	0.41:1
Mr. Kapil Agarwal&	Joint Managing Director	166.96#	45.08:1
Ms. Lynn de Souza	Independent Director	33.36$	3.43:1
Mr. Raaja Kanwar@	Non – Executive Director	N.A.	0.21:1
Mr. Sanjeev Aga	Chairman & Independent Director	33.35$	5.49:1
Mr. S. Madhavan	Independent Director	33.36$	3.43:1
Mr. Sanjay Gaikwad	Managing Director	167.12#	45.08:1
Mr. Rajesh Mishra	President & Group CEO	51.62^	N.A.
Mr. Ashish Malushte	Chief Financial Officer	44.89^	N.A.
Ms. Kavita Thadeshwar@	Company Secretary	N.A.	N.A.

** Appointed as Non – Executive Director w.e.f. December 09, 2021*

@ Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence not stated.

& Remuneration excludes perquisite value of ₹ 60.81 lacs towards exercise of Employee Stock Options during the FY 2021-22.

 # Owing to the adverse impact of COVID – 19 pandemic the Executive Directors took a significant cut in their remuneration in FY 2020-21 to the tune of 72% over the FY 2019-20 levels and the same was restored in the later part of the FY 2021-22. As such FY 2021-22 remuneration of Executive Directors as compared with their pre – pandemic levels (FY 2019-20) has seen a reduction of 26% in FY 2021-22.

$ The Independent Directors as a show of support and solidarity with the management of the Company, had taken a significant cut of 50% and 33.33% in the overall remuneration payable to them during FY 2020-21 and FY 2021-22 as compared with their pre – pandemic levels (FY 2019-20).

^The Key Managerial Personnel took a significant cut in their remuneration of 62% and 43% during the FY 2020 - 21 and FY 2021 - 22 as compared with their pre - pandemic levels (FY 2019 - 20).

B. The percentage increase in median remuneration of employees in financial year 2021-22: 9.04 %

C. Number of permanent employees on the rolls of the Company as at March 31, 2022: 474

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

- The average percentage increase made in the salaries of employees other than managerial personnel in the financial year 2021-22 was 23.38%.
- There was no increase in the managerial remuneration.

E. Affirmation:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Presented below is an analysis of the performance of the Company for the Financial Year ended March 31, 2022 and the outlook for the Financial Year 2022-23. UFO Moviez India Limited and its subsidiaries have been collectively referred to as "UFO/ Company".

I. Overview of the Indian Economy

The Indian economy was expected to be back to pre-covid levels in Financial Year 2022 (FY22), despite beginning the year on a muted note due to the outbreak of the second wave of COVID-19 which started towards the beginning of April and continued until mid-Q2FY22. During the second wave, economic activities were once again affected by the outbreak of Delta variant. However, because of the large-scale vaccination program and strict compliance with COVID protocols, as well as the planned reopening of markets after the wave subsided, economic activities started to recover rapidly. However, very soon the third wave of COVID-19 led by the Omicron variant hit the country towards the end of Q3FY22 and subsequent restrictions once again led to the slowing down of economic activities but only for a brief period. Sectors like outdoor entertainment, film exhibition, etc. were mostly the ones that continued to remain severely affected for a longer period. The economy, however, rebounded with the GDP growing at 8.4% year over year (YoY) in Q2FY22, which moderated to 5.4% YoY in Q3FY22. The accommodative monetary stance maintained by the Reserve Bank of India (RBI) and the financial stimulus provided by the government proved to be instrumental in the recovery of the economy. Overall GDP growth for FY22 was robust and the economy is expected to grow at 6.9% in FY23* as per IMF estimates, making India the fastest growing economy in the world.

** IMF World Economic Outlook April 2022*

II. Overview of the Indian Film Exhibition Industry

The Indian film exhibition industry continued to be impacted by the pandemic-induced restrictions and lockdowns. In the early part of FY22, most movie releases came from the South and other regional markets while big-budget Hindi movies waited for restrictions to ease. After the first COVID wave, the occupancy restrictions began to ease from February'21, and big-budget Bollywood movies were set for release soon thereafter. However, the widespread prevelance of the new variant of COVID-19 in mid calendar year 2021 (CY21) once again led to a temporary closure of cinemas and the cinemas started reopening with occupancy restrictions from July'21 following the directives of the respective State Governments. Post the reopening of cinemas, especially in the State of Maharashtra, big-budget Bollywood movies began to release in November and many movies were released thereafter. However, towards the end of December'21, major metropolitan cities in India were once again under the grip of the 3rd wave of COVID-19 led by the Omicron variant. Because of this surge and ensuing restrictions, release of new movies were rescheduled to a later date. However, the impact of the third wave was short-lived and cinemas started to reopen once again in February'22. The first big budget movie post the third wave was released in the last week of February and since then there has been a steady release of new movies.

In terms of the overall performance, more than 800 movies were released in CY21 as compared to around 550 movies in CY20 which led to a 61% growth in overall theatrical revenues from ₹2,800 Crore in CY20(1) to ₹ 4,500 Crore in CY21(1). Furthermore, many films were running to packed houses, despite the increase in average ticket prices. This facilitated the recovery of the industry indicating better times for the film exhibition business going forward.

The recovery rate of the theatrical revenues in CY21 as compared to pre-pandemic i.e. CY19 levels was at 32%. This recovery trend is expected to gather pace in FY23 with no occupancy restrictions and a robust release pipeline. Movies like Gangubai Kathiawadi, The Kashmir Files, RRR, and KGF: Chapter 2, have already done a combined business of more than ₹2,100 Crore at the domestic box office in the first four months of CY22 itself. The success of these movies has reaffirmed the continuing relevance of the Indian film exhibition business. The stakeholders in the film industry have uniformly acknowledged the importance of theatrical film exhibition of movies. The bounce back of the film exhibition business and the growth in Over-the-Top (OTT) streaming services indicates that both will complement each other and will thrive in parallel. Furthermore, mass appeal movies like Pushpa: The Rise, RRR, and KGF: Chapter 2 from the South market have seen strong acceptance and have done exceedingly well at the box office in the Hindi market and this emerging trend of the pan-India release of select South movies is expected to continue thereby giving a boost to the overall domestic box office collections in North India also. Overall, FY23 is expected to be one of the best years for the film exhibition business, subject to there being no further pandemic induced disruptions.

(1) FICCI Frames 2022

III. Overview of the Indian Advertisement Industry

Over the period from CY14 to CY19, the Indian advertisement industry exhibited strong CAGR of ~14%(1) until COVID-19 over-shadowed all economic activity, leading to a 25% decline in advertising revenues in CY20. However, as the economic activities began to recover in CY21, the overall advertisement spending also nearly reached its pre-pandemic levels. The combined advertising spending across all media stood at ₹ 74,600 Crore in CY21(1) as compared to ₹ 59,500 Crore in CY20(1) and ₹ 79,500 Crore in CY19(1). The recovery was primarily driven by an increase in advertisement spends on digital media. Spending on digital advertising has increased in recent years, and it was further boosted during the pandemic. During this period, digital advertising was the only media that saw consistent spending. Other advertising mediums such as Television, Out-of-home (OOH) advertising, Radio, Print, etc. saw a decline in CY20, but have begun to recover in CY21 with only Television advertisement spends reaching its pre-pandemic levels. However, In-cinema advertising was the only medium on which advertising spending had declined further in CY21. This was on account of the lockdowns and seating capacity restrictions, and cinemas were not able to reopen completely on account of the pandemic for a major portion of the year. Hence, the in-cinema advertising declined from ~₹800 Crore in pre-pandemic i.e. CY19 to ~₹100 Crore in CY21.

However, this trend is expected to reverse in the future, supported by strong patronage of movie goers and multiple big-budget movie releases.

(1) *FICCI Frames 2022*

IV. Opportunities and Initiatives

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 currently significantly lower as compared to these parameters for major multiplex screens. However, due to the temporary closure of cinemas led by pandemic induced restrictions and lockdowns, the inventory utilization had dropped further to minimal levels. With the reopening of cinemas and the availability of movies, the inventory utilization and realization levels are expected to increase.

Screen Growth

India has ~9,000 screens for a population of over 130 Crore people. 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 only ~40 Crore people that too in urban and semi-urban areas, have access to cinemas. As per an analysis, out of 19,300 pincodes in India, over 16,500 pincodes do not have cinema screens and there is huge potential to add new screens to make cinemas more accessible to a larger population across the country.

UFO is trying to bridge this gap through its wholly owned subsidiary, Nova Cinemaz Private Limited (NOVA), which is developing a novel concept of entertainment and utility centers (EUCs) in rural and semi-urban India. Under one roof, these centers will have screens operated by NOVA Cinemaz, cafeterias, digital utility services, and other services.

NOVA is rolling out this EUC project using an asset-light model. In this model, the major capital expenditures will be borne by the partner, while NOVA will provide digital cinema equipment, support in center design, content planning, and in-cinema advertising. These potential screen additions will over a long term provide opportunities to increase the overall revenues of the Company.

Distribution Business

The Indian film industry on an average produces and releases over 1800 films annually in more than 20 languages making it one of the most diverse in the world. Before the onset of the pandemic i.e. in CY19 over 1800 movies were released, of which around 900 were South movies and over 500 were other regional movies. Up until recently, nearly all South and other regional movies were mainly released in their home territory or select circuits, with the exception of a few big-budget movies like Bahubali, KGF, or big star cast movies like those of Rajnikanth, etc. Recognizing the potential of regional films, more and more movies are seeking a pan-India release. In the same vein, Bollywood movies strive to release on more screens in the South market.

Being in the business for over 17 years, UFO has played a role of a partner for all the stakeholders of the film industry, enabling them to release films digitally. In the process, it has established strong relationships within the industry. Leveraging on these relationships, UFO ventured into the distribution business in December 2020.

UFO's foray into the film distribution business was guided by the following objectives:

- Fee-based film distribution with zero content risk,
- Building a robust professional architecture, which can effectively handle the film distribution throughout India leveraging our existing infrastructure and goodwill.
- Providing regular content supply of films to our existing screens especially in the single screen market where dubbed films work well.
- Establishing deeper roots in the Indian film industry and providing support to the core business.

UFO apart from distributing Hindi movies pan-India, has also helped South and other regional movies get a wider release across India. UFO's Pan-India presence through its 22 regional offices and large network of screens, makes easier to identify potential pockets for such movies and get a wider release. UFO has since distributed over 35 movies including some mega-hits like Master (Tamil), Annaatthe (Tamil), Beast (Beast), The Marksman (English) Sooryavanshi (Hindi), etc. in various circuits.

Operating Performance

In-Cinema Advertising Business

UFO has created a pan-India, high-impact, in-cinema advertising platform with generally long-term advertising rights to 3,484 screens as of 31 March 2022. UFO's In-cinema advertising platform enables advertisers to reach a targeted, captive audience in both Premium and Mass Market segments with high flexibility and control over the advertising process.

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

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

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.

As of 31st March 2022, UFO's advertisement network had 3,484 high impact advertisement screens comprising of 1,975 PRIME Screens (multiplexes and Hollywood release centres) and 1,509 POPULAR Screens (standalone screens and mass appeal screens) with presence across 1,186 cities and towns. With these channels and insightful business intelligence, advertisers can carry out large screen high impact advertising. With 3,484 high impact screens, UFO is India's leading in-cinema advertising network with the power to impact up to 1.8 billion viewers annually and the only network to reach the urban heartland audience with high flexibility and control over the advertising process. Of these 3,484 screens, ~250 screens are currently under watch for low utilization/ not fully operational due to issues faced by them during the COVID period.

Due to of the outbreak of COVID-19 in FY21 and FY22, cinema operations remained impacted resulting in lower advertisement revenue at ₹ 253.27 Lacs in FY21 and ₹ 1,507.75 Lacs in FY22 compared to pre-pandemic levels of ₹ 15,469.80 Lacs in FY20.

Theatrical Business

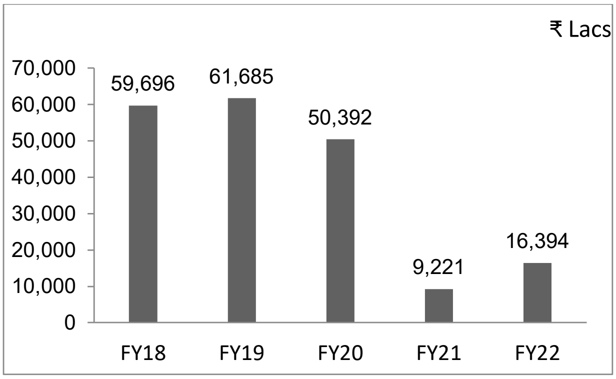
UFO's theatrical business continued to remain impacted by the pandemic in FY22 similar to FY21 due to the spread of the second wave of COVID-19. This once again led to a temporary closure of cinemas from April 2021 and these were only allowed to reopen from July 2021 at the discretion of State Governments. Maharashtra, a key market for Bollywood movies, accounting for ~30% of the box office collections continued to remain closed until October 2021. Big-budget Bollywood movies only started to release from November 2021 post the reopening of cinemas in Maharashtra albeit with 50% occupancy. However, very soon the third wave of COVID-19 led by the Omicron variant hit the country at the very beginning of January 2022 and subsequent restrictions led to another two months impact on the business operations as movies only started to release again towards the end of February 2022. As a consequence of the two lockdowns due to the second and the third wave of COVID-19, the overall recovery in the theatrical business of the Company has remained subdued in FY22. However, the steady release of big movies during the last six weeks of FY22 has led to a bounce back in the theatrical revenues. This is expected to continue going forward in FY23 subject to no further pandemic induced restrictions.

UFO operates India's largest satellite-based E-Cinema and D-Cinema network and services comprising of 5,144 screens spread across 28 States and 5 Union territories. UFO has digitally delivered 872 movies (including dubbed versions) in FY22 and has delivered over 17,000 movies digitally in India since the beginning of UFO's operations.

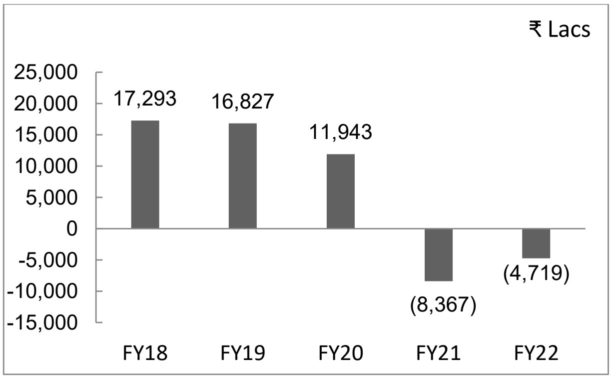
V. Financial Performance (Consolidated)

Performance Overview (FY18 - 22)

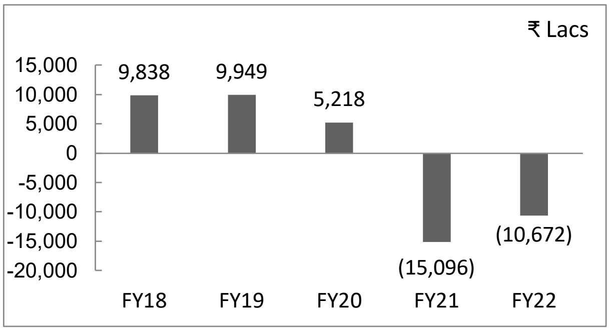
Revenue



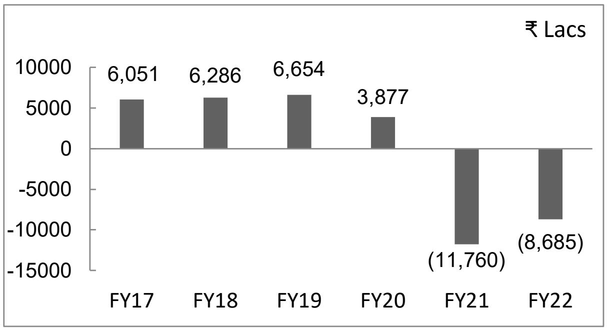
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



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) producers and distributors, for secured delivery and screening of movies (Content Delivery Charges –CDC / VPF) and

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

Particulars	31-Mar-22 ₹ in Lacs	31-Mar-21 ₹ in Lacs	Growth ₹ in Lacs	% Growth
A. Revenue from operations				
I. Advertisement revenue	**1,507.75**	**253.27**	**1,254.48**	**495.31%**
II. Revenue from Content Owners	**5,283.84**	**1,186.54**	**4,097.30**	**345.31%**
Content Delivery Charges (CDC/VPF) - E- Cinema	3,119.95	553.79	2,566.16	463.38%
Content Delivery Charges (CDC/VPF) - D- Cinema	1,325.14	304.56	1,020.58	335.10%
Digitisation Income	838.75	328.19	510.56	155.57%
III. Revenue from Exhibitors	**7,290.36**	**5,516.01**	**1,774.35**	**32.17%**
Lease rental income - E-Cinema	997.72	324.53	673.19	207.44%
Lease rental income - D-Cinema	174.59	76.58	98.01	127.98%
Sale of Products	6,118.05	5,114.90	1,003.15	19.61%
IV. Other Operating Revenue	**1,931.84**	**1,853.56**	**78.28**	**4.22%**
A. Revenue from operations (I to IV)	**16,013.79**	**8,809.38**	**7,204.41**	**81.78%**
B. Other income	**380.44**	**411.46**	**-31.02**	**-7.54%**
Total Income (A+B)	**16,394.23**	**9,220.84**	**7,173.39**	**77.80%**

UFO shares a significant portion of its D-Cinema CDC with the exhibitors under the CDC sharing arrangement. Hence, it is important to analyse the CDC revenues on a net basis as given in the table below;

Particulars	31-Mar-22 ₹ in Lacs	31-Mar-21 ₹ in Lacs	Growth ₹ in Lacs	% Growth
E-Cinema				
E-Cinema CDC	3,119.95	553.79	2,566.16	463.38%
less : CDC Sharing with exhibitors	62.68	9.51	53.17	559.10%
E-Cinema CDC (Net)	**3,057.27**	**544.28**	**2,512.99**	**461.71%**
D-Cinema				
D-Cinema CDC	1,325.14	304.56	1,020.58	335.10%
less : CDC Sharing with exhibitors	799.03	119.88	679.15	566.52%
D-Cinema CDC (Net)	**526.11**	**184.68**	**341.43**	**184.88%**

Expense Details

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

Particulars	31-Mar-22 ₹ in Lacs	31-Mar-21 ₹ in Lacs	Growth ₹ in Lacs	% Growth
Operating direct costs	9,327.29	7,635.06	1,692.23	22.16%
Employee benefit expenses	6,904.52	5,182.33	1,722.19	33.23%
Other expenses	4,881.68	4,770.20	111.48	2.34%
Total Expenses	**21,113.49**	**17,587.59**	**3,525.90**	**20.05%**

Operating direct costs

Operating direct costs in financial year ended March 31, 2022 increased by ₹ 1,692.23 Lacs to ₹ 9,327.29 Lacs from ₹ 7,635.06 Lacs in financial year ended March 31, 2021 primarily on account of (i) content delivery charges (CDC/VPF) sharing was higher by ₹ 732.32 Lacs from ₹ 129.39 Lacs during the financial year ended March 31, 2021 to ₹ 861.71 Lacs during the financial year ended March 31, 2022, (ii) increase in purchases of digital cinema equipment's by ₹ 401.87 Lacs from ₹ 2,536.87 Lacs during the financial year ended March 31, 2021 to ₹ 2,938.74 Lacs during the financial year ended March 31, 2022, (iii) increase in purchases of lamps and Spares by ₹ 390.27 Lacs from ₹ 1,428.37 Lacs during the financial year ended March 31, 2021 to ₹ 1,818.64 Lacs during the financial year ended March 31, 2022, (iv) increase in consumables and spares by ₹ 219.53 Lacs from ₹ 162.76 Lacs during the financial year ended March 31, 2021 to ₹ 382.29 Lacs during the financial year ended March 31, 2022, (v) advertisement revenue share paid to exhibitors was higher by ₹ 137.21 Lacs from ₹ 14.62 Lacs during the financial year ended March 31, 2021 to ₹ 151.84 Lacs during the financial year ended March 31, 2022, (vi) increase in bandwidth costs by ₹ 137.19 Lacs from ₹ 233.02 Lacs during the financial year ended March 31, 2021 to ₹ 370.21 Lacs during the financial year ended March 31, 2022. The operating direct cost during the year was significantly higher compared to the previous year since these costs are directly linked to the revenues. The revenues during the year were significantly higher as explained in the Revenue Analysis section above.

Employee benefit expenses

Employee benefit expenses during the financial year ended March 31, 2022 was higher by ₹1,722.19 Lacs to ₹6,904.52 Lacs in financial year ended March 31, 2022 from ₹5,182.33 Lacs in financial year ended March 31, 2021. Employee benefit expenses were higher during the year, as at the time of outbreak of COVID-19 pandemic in March'20 several cost optimization measures were taken and in the process Employee salaries were curtailed. However, as the cinemas started to open in Novemeber'21 and the Company started generating revenues, employees salaries were re-instated in December'21. Further, employees were given increments in Decemeber'21 which was on hold since last two years.

Other expenses

Other expenses in financial year ended March 31, 2022 were higher by ₹ 111.48 Lacs to ₹ 4,881.68 Lacs from ₹ 4,770.20 Lacs in financial year ended March 31, 2021 primarily on account of (i) increase in legal, professional and consultancy charges by ₹ 472.24 Lacs from ₹ 1,215.45 Lacs during the financial year ended March 31, 2021 to ₹ 1,687.69 Lacs during the financial year ended March 31, 2022, (ii) one-time impact of provisioning of ₹ 410.49 Lacs towards an impairment of investment, (iii) higher travelling and conveyance expenses by ₹ 149.09 Lacs from ₹ 133.12 Lacs during the financial year ended March 31, 2021 to ₹ 282.22 Lacs during the financial year ended March 31, 2022, (iv) commission on advertisement revenue was higher by ₹ 123.57 Lacs from ₹ 88.90 Lacs during the financial year ended March 31, 2021 to ₹ 212.47 Lacs during the financial year ended March 31, 2022, (v) increase in freight and forwarding charges by ₹ 109.73 Lacs from ₹ 209.84 Lacs during the financial year ended March 31, 2021 to ₹ 319.57 Lacs during the financial year ended March 31, 2022.

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

Consolidated EBITDA loss stood at ₹ (4,719.26) Lacs in the financial year ended March 31, 2022 compared to loss of ₹ (8,366.75) Lacs in the financial year ended March 31, 2021.

Profit/ (Loss) before tax

Consolidated profit/(loss) before tax stood at ₹ (10,671.93) Lacs in the financial year ended March 31, 2022 compared to ₹ (15,095.88) Lacs in the financial year ended March 31, 2021.

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 ₹ (8,685.48) Lacs in the financial year ended March 31, 2022 compared to ₹ (11,760.00) Lacs in the financial year ended March 31, 2021.

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-22	31-Mar-21
Net Debt Equity Ratio	Times (x)	-0.12	0.06
Days Sales Outstanding (DSO)*	Days	76	159
EBITDA Margin	Percentage (%)	(28.79)	(90.74)
Net Profit Margin	Percentage (%)	(52.98)	(127.54)

*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, 2021 to March 31, 2022:

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 decreased from ₹ 9,405.60 Lacs as on March 31, 2021 to ₹ 8,693.99 Lacs as on March 31, 2022. The Consolidated Gross Cash of the Company has increased by ₹ 3,950.04 Lacs from ₹ 7,948.14 Lacs as on March 31, 2021 to ₹ 11,898.18 as on March 31, 2022. Net Cash as on March 31, 2022 stood at ₹ (3,204.19) Lacs compared to Net Debt of ₹ 1,457.46 Lacs as on March 31, 2021. As a result, a significant change in Net Debt Equity Ratio has been recorded during the year ended March 31, 2022.

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 ₹ (8,685.48) as on March 31, 2022 compared to Net Loss of ₹ (11,760.00) Lacs as on March 31, 2021. There has been a decline in Net Loss primarily on account of resumption of operations post the second wave of COVID-19.

The Company's consolidated Return on Net Worth stood at (31.50%) in the financial year ended March 31, 2022 compared to (44.43%) in the financial year ended March 31, 2021. Return on Net Worth is calculated as Net Profit divided by Total Equity.

VI. Outlook

Although most of FY22 was affected by COVID-19, the second half has seen some recovery and this is expected to continue. After the third wave of COVID-19 had subsided, many big films (Hindi as well as South movies) were consistently released pan-India, which played a pivotal role in bringing audiences back to the theaters. In addition, in March 2022, the occupancy restrictions were lifted, allowing for a full-scale reopening of the movie business after almost two years of the COVID-19 pandemic, thus setting the stage for a faster recovery. With new films being released regularly, the theatrical business is on course to recovery and should soon be back to its pre-pandemic levels. However, advertisement business is expected to recover gradually as advertisers are expected to slowly increase their budget allocation for in-cinema advertising. The overall performance of the Company is expected to improve as both of these business segments recover. In addition, the company is also focusing on the new revenue stream, i.e. the distribution business, which is also expected to contribute to the overall performance of the Company. The foundation is in place, and as the industry recovers, the business is on the road to recovery and will start delivering positive results in the near future. With no new COVID-19 wave and ensuing restrictions that obstructs the recovery of the cinema business, including in-cinema advertising, we expect the Company to be back in profit soon.

VII. Threats / Risks and Concerns

The Company faces potential threats from future reoccurrence of COVID-19 waves or similar events. Such events may have material impact on the Company's operating performance and financial position if extended for a prolonged period.

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 had resulted in some movies getting released on other platforms such as OTT due to the closure of social entertainment avenues like cinemas. This could have led to changes in release patterns, such as films being simultaneously released in cinemas and on OTT in the future, and/or the release window for OTT films being narrowed after the theatrical release. The pandemic had also induced a possibility of a transition in consumer behavior where they could have consumed new movies on OTT, if available, resulting in lower cinema footfalls and affecting theatrical revenues and in-cinema advertising.

VIII. 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.

IX. 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.

X. Human Resources and Industrial Relations

The Human Resource strategic plan for FY22 emphasized on well-being, sustenance, and adaptability as the key success factors. Encouraging employees to get vaccinated became an immediate priority during the second wave of COVID-19. To support this initiative, company-sponsored vaccination drives were organized at the corporate office in Mumbai for employees and their immediate relatives. This included on-roll, off-roll, and contractual staff as well. In addition, sessions were conducted from time to time with the help of subject matter experts to harness collective resilience and mental well-being. All communication channels were tapped to ensure maximum employee reach & opening up feedback centres to capture periodic pulse, helped the Company proactively alleviate concerns that arose out of the pandemic.

Through these efforts, the focus is on excellence, innovation, and constant improvement in the coming financial year.

The total employee strength including the group Companies stood at 571 as of March 31, 2022.

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, 2022, 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, 2022.

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. As on March 31, 2022, the Board consists of 9 members with 2 Executive Directors and 7 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 with the Listing Regulations and the Act, read with applicable rules made there under 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 (**'AGM'**), the number of other Directorships and Chairmanship/ Membership of Board Committees as on March 31, 2022 are as follows:

Sr. No.	Name, Designation and DIN of the Director	Category$^{\$}$	No. of Board Meetings Attended / held during the Financial Year 2021-22	Attendance at AGM held on September 20, 2021	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	9(10)	Yes	4	Chariman:1 Member:3	Pidilite Industries Limited - I & NED Mahindra Holidays & Resorts India Limited - I & NED Larsen & Toubro Limited - I & NED Larsen & Toubro Infotech Limited - I & NED
2.	Mr. Ameya Hete Director (DIN 01645102)	NED	7 (10)	Yes	1	Chairman: Nil Member: Nil	Nil
3.	Mr. Kapil Agarwal Director (DIN 00024378)	ED	10 (10)	Yes	1	Chairman: Nil Member: 1	Nil

Sr. No.	Name, Designation and DIN of the Director	Category[$]	No. of Board Meetings Attended / held during the Financial Year 2021-22	Attendance at AGM held on September 20, 2021	No. of Directorship in other Companies*	No. of Committee positions in Committees of other Companies **	Directorship in other Listed Companies and category [$]
4.	Ms. Lynn de Souza Director (DIN 01419138)	I & NED	10 (10)	Yes	1	Chairperson: Nil Member: 1	Nil
5.	Mr. Raaja Kanwar Director (DIN 00024402)	NED	3 (10)	No	2	Chairman: Nil Member: 1	Nil
6.	Mr. S. Madhavan Director (DIN 06451889)	I & NED	10 (10)	Yes	6	Chairman: 4 Member: 4	HCL Technologies Limited - I & NED Transport Corporation of India Limited - I & NED Sterlite Technologies Limited - I & NED ICICI Bank Limited - I & NED Procter & Gamble Health Limited - I & NED
7.	Mr. Sanjay Gaikwad Director (DIN 01001173)	ED	10(10)	Yes	2	Chairman: Nil Member: Nil	Nil
8.	[#]Mr. Gautam Trivedi Director (DIN 02647162)	NED	3(3)	NA	2	Chairman: Nil Member: Nil	Nil
9.	[#]Mr. Anand Trivedi Director (DIN 02059249)	NED	3(3)	NA	Nil	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 Act.*

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

[#] Mr. Gautam Trivedi and Mr. Anand Trivedi were appointed w.e.f. December 09, 2021.

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 Section 152 of the Act and in terms of Articles of Association of the Company, Mr. Ameya Hete retires by rotation in the forthcoming AGM and is eligible for re-appointment.

Except Mr. Ameya Hete, Mr. Raja Kanwar and Mr. S. Madhavan who hold 2,42,797 (0.64%), 12,500 (0.03%) 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.

Except Mr. Gautam Trivedi and Mr. Anand Trivedi who are brothers, there is no interse 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 General Meeting through Video Conferencing. In compliance with these circulars of the MCA, the Company has conducted all its Board Meetings during the year through Video Conferencing.

During the year under review, the Board met 10 times on the following dates: May 26, 2021; June 01, 2021; July 29, 2021; August 16, 2021; November 03, 2021; November 11, 2021; December 09, 2021; December 17, 2021; January 13, 2022 and February 04, 2022. 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 Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive 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

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 fulfill the criteria of Independence as specified under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

BOARD TRAINING, INDUCTION AND FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Directors including Independent Directors, 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%20Programme_UFO%20FY%202021-22.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, 2022. 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, 2022.

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 THE COMPANY'S 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 competencies 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 of the Company. 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 competencies 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	Gautam Trivedi	Anand Trivedi
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, 2022 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 Financial Year 2021-22
Mr. Sanjeev Aga	Chairman	Non-Executive, Independent Director	5 (6)
Mr. S. Madhavan	Member	Non-Executive, Independent Director	6 (6)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	6 (6)
Mr. Ameya Hete	Member	Non-Executive, Non-Independent Director	5 (6)

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. In addition, the Committee meets separately with the Statutory and Internal Auditors in private, as and when deemed necessary. The Managing Director, Joint Managing Director, Chief Executive Officer and Chief Financial Officer usually attend all the Committee Meetings. The Company Secretary is the Secretary to the Committee.

During the year under review, 6 meetings of the Audit and Risk Management Committee were held on May 26, 2021; July 29, 2021; August 16, 2021; November 11, 2021; February 04, 2022 and March 08, 2022.

B. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178(3) of Act and the Listing Regulations, the scope and terms of reference of the Nomination and Remuneration Committee broadly includes laying down criteria for identifying persons who are qualified to become Directors, Key Managerial Personnels (**'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%20and%20Remuneration%20Policy_F_clean.pdf

The composition of the Nomination and Remuneration Committee as at March 31, 2022 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 Financial Year 2021-22
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	4 (5)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	5 (5)
Mr. Ameya Hete	Member	Non-Executive Non-Independent Director	3 (5)

During the year under review, 5 meetings of the Nomination and Remuneration Committee were held on May 26, 2021; December 09, 2021; December 15, 2021; January 13, 2022 and January 24, 2022.

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 broadly cover the following:

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, 2022 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 Financial Year 2021-22
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, Non-Independent Director	3 (4)

During the year under review, 4 meetings of the Stakeholders' Relationship Committee were held on May 26, 2021; July 29, 2021; November 11, 2021 and February 04, 2022.

Ms. Kavita Thadeshwar, Company Secretary of the Company is the Compliance Officer of the Company.

The number of complaints received, resolved to the satisfaction of shareholders and numbers of complaints pending during the Financial Year ended March 31, 2022 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	16	22*	Nil

** Includes complaints received and pending during 27th to 31st March, 2021 that were subsequently resolved by April 09, 2021.*

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 (**'CSR 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 CSR 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 CSR as at March 31, 2022 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 Financial Year 2021-22
Mr. Sanjay Gaikwad	Chairman	Executive Director	3(3)
Mr. Kapil Agarwal	Member	Executive Director	3(3)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	3(3)
*Mr. S. Madhavan	Member	Non-Executive, Independent Director	2(2)

** Mr. S. Madhavan was appointed w.e.f May 26, 2021.*

During the year under review, 3 meetings of the Corporate Social Responsibility Committee were held on May 26, 2021; July 29, 2021 and February 04, 2022.

The CSR Policy 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 and Sweat Equity) Regulations, 2021 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 the 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, 2015 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 composition of the Compensation Committee as at March 31, 2022 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 Financial Year 2021-22
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	1 (2)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	2 (2)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (2)
Mr. Sanjay Gaikwad	Member	Executive Director	2 (2)

During the year under review, 2 meetings of the Compensation Committee were held on May 26, 2021 and January 24, 2022.

F. FINANCE COMMITTEE

The terms of reference of Finance Committee include matters related to Banking & Finance.

The composition of the Finance Committee as at March 31, 2022 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 Financial Year 2021-22
Mr. Sanjay Gaikwad	Member	Executive Director	6 (6)
Mr. Kapil Agarwal	Member	Executive Director	6 (6)
Mr. Ameya Hete	Member	Non-Executive, Non-Independent Director	4 (6)

During the year under review, 6 meetings of the Finance Committee were held on May 14, 2021; July 16, 2021; August 02, 2021; January 25, 2022; February 23, 2022 and March 25, 2022.

DETAILS OF REMUNERATION TO THE DIRECTORS FOR THE FINANCIAL YEAR 2021 - 22

Remuneration to Executive Directors

The members of the Company at their Annual General Meeting held on August 09, 2018 had re-appointed Mr. Sanjay Gaikwad as the Managing Director of the Company for a period of 5 years from October 17, 2018, and Mr. Kapil Agarwal as the Joint Managing Director of the Company for a period of 5 years from March 01, 2019 and also approved their remuneration.

Details of the remuneration package of Executive Directors are given herein below:

Particulars		Sanjay Gaikwad	Kapil Agarwal
1.	Salary & Perquisites	Upto an amount of ₹ 275 lacs p.a., out of which Salary comprises of ₹ 11 lacs per month.	Upto an amount of ₹ 275 lacs p.a., out of which Salary comprises of ₹ 11 lacs per month.
2.	Special Allowance	Upto an amount of ₹ 35 lacs p.a. payable equally on monthly basis.	Upto an amount of ₹ 35 lacs p.a. payable equally on monthly basis.
3.	Yearly performance incentive	Not exceeding ₹190 lacs, as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee.	Not exceeding ₹190 lacs, as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee.
4.	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.
5.	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 had vide special resolution passed through postal ballot on March 26, 2021, approved the payment of the aforesaid remuneration as minimum remuneration for the three Financial Years from 2020-21 to 2022-23.

Owing to significant impact on the business of the Company due to the resurgence of second wave of COVID – 19, the executive directors had taken a voluntary cut in their entire remuneration in the first quarter of the Financial Year 2021-22.

The financial performance of the Company continued to be affected due to the adverse impact of the COVID-19 pandemic, until the third quarter of the Financial Year 2021-22. The reopening of cinemas by end of October/beginning of November, 2021 led to revival of theatrical revenues. It is expected that the Company's operations and revenue will regain normalcy in due course.

The Nomination and Remuneration Committee, on a continuous basis had assessed the situation and had decided the amount of remuneration to be paid to the Executive Directors for the balance period of the Financial Year 2021-22.

Details of remuneration paid during the Financial Year 2021-22 are as under:

(₹ in lacs)

Sr. no.	Particulars of remuneration	Mr. Sanjay Gaikwad	Mr. Kapil Agarwal [#]
1.	Salary	142.83	142.83
2.	Perquisites	0.29	0.29
3.	Performance Incentive	76.00	76.00
	Total	**219.12**	**219.12**

[#] Mr. Kapil Agarwal was granted 2,60,000 stock options on January 15, 2021 under the Employee Stock Option Scheme 2014, at an exercise price of ₹ 50 per option. 50% of these stock options were vested on January 15, 2022 and balance 50% will be vested on January 15, 2023. The above remuneration of Mr. Kapil Agarwal does not include perquisite value of ₹ 60.81 lacs towards exercise of 50% of vested stock options by him during the Financial Year 202-22.

Remuneration of Non-Executive Directors

The remuneration of the Non-Executive Non- Independent Directors includes sitting fees for attending meetings of the Board and Committees of the Board as well as commission not exceeding one percent of the net profits of the Company for the relevant Financial Year, calculated in accordance with the provisions of Section 198 of the Act.

In the light of the impact of the 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, had agreed to continue taking a reduction in the overall remuneration payable to them. Accordingly, the Nomination and Remuneration Committee had decided to pay 67% of the overall remuneration payable to them for the Financial Year 2021-22. However, in view of losses, the Company was not able to pay any commission to the Independent Directors of the Company.

Section 197 read with Section II of Part II of Schedule V of the Act, enables the Companies to pay remuneration to Non-Executive Directors in the event of absence of profits and/ or inadequacy of profits, in accordance with the limits prescribed therein, which are based on the effective capital of the Company, with the approval of Members of the Company by way of an ordinary resolution.

In view of the valuable services rendered by the existing Independent Directors to the Company, approval of the Members is being sought for payment of remuneration to the Independent Directors of the Company, in accordance with the limits provided under Schedule V to the Act in case of no profits or inadequate profits, in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company, for the Financial Year 2021-22 and their balance tenure in Financial Year 2022-23 (on pro-rata basis). The remuneration to be paid for the Financial Year 2021-22 will be within the aforesaid limit of 67% of the overall remuneration payable to them.

Details of remuneration paid and proposed to be paid to the Non-Executive Directors and Non-Executive Independent Directors including sitting fees for attending the Board and Committee Meetings for the Financial Year 2021-22 is as below:

(₹ in lacs)

Name of Director	Sitting Fees	*Remuneration for Financial Year 2021-22
Mr. Ameya Hete	6.00	NA
Mr. Anand Trivedi**	2.00	NA
Mr. Gautam Trivedi**	2.00	NA
Mr. Raaja Kanwar	1.00	NA
Mr. Sanjeev Aga	21.00	5.67
Ms. Lynn de Souza	16.67	Nil
Mr. S. Madhavan	16.67	Nil
Total	**65.34**	**5.67**

** Remuneration to be paid for the Financial Year 2021-22, post shareholder’s approval.*

*** Appointed w.e.f. December 09, 2021*

The terms and conditions of the appointment of aforesaid independent directors and criteria for making payments to non-executive directors are disclosed on the Company’s website under the weblink:

https://www.ufomoviez.com/sites/default/files/UFO_Investors/Nomination%20and%20Remuneration%20Policy_F_clean.pdf

Further, none of the Non-Executive Directors had any material pecuniary relationship or transaction vis-à-vis the Company during the year under review, other than the details mentioned above.

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 MEETING

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)
2020-21	Through Video Conferencing	September 20, 2021	03:00 p.m.	1. Approval for extending the 'UFO MOVIEZ INDIA LIMITED – EMPLOYEE STOCK OPTION SCHEME – 2014' to the employees of subsidiary companies of the Company 2. Approval for change of Object Clause of the Memorandum of Association of the Company
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

B. Extra-Ordinary General Meeting

Details of the Extra-Ordinary General Meeting of the Company held during the preceding 3 years and special resolutions passed thereat are as follows:

Financial Year	Venue	Date	Time	Special resolutions passed
2021-22	Through Video Conferencing	November 26, 2021	03:00 p.m.	1. To create, offer, issue and allot Equity Shares on Preferential basis by way of private placement to Nepean Focused Investment Fund 2. Approval for change of Articles of Association of the Company

C. Special resolutions passed through Postal Ballot

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

MEANS OF COMMUNICATION

Communication with the Members / Shareholders

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

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

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

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

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are placed on the Company's website under the web link: https://www.ufomoviez.com/investor. 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/Digital Exchange portal.

GENERAL SHAREHOLDER INFORMATION

Day, Date, Time & Venue of the 18th Annual General Meeting	Tuesday, August 23, 2022 at 3.00 PM
Financial Year	April 1 to March 31
Board Meeting for consideration of Accounts for the Financial Year ended March 31, 2022	May 26, 2022
Last date for receipt of Proxy Forms	Not Applicable
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2022; September, 2022 and December, 2022 of the Financial Year 2022-23.	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, 2023	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 allotted to the Company by the Ministry of Corporate Affairs (**"MCA"**) is L22120MH2004PLC285453.

Listing on Stock Exchanges

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

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

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

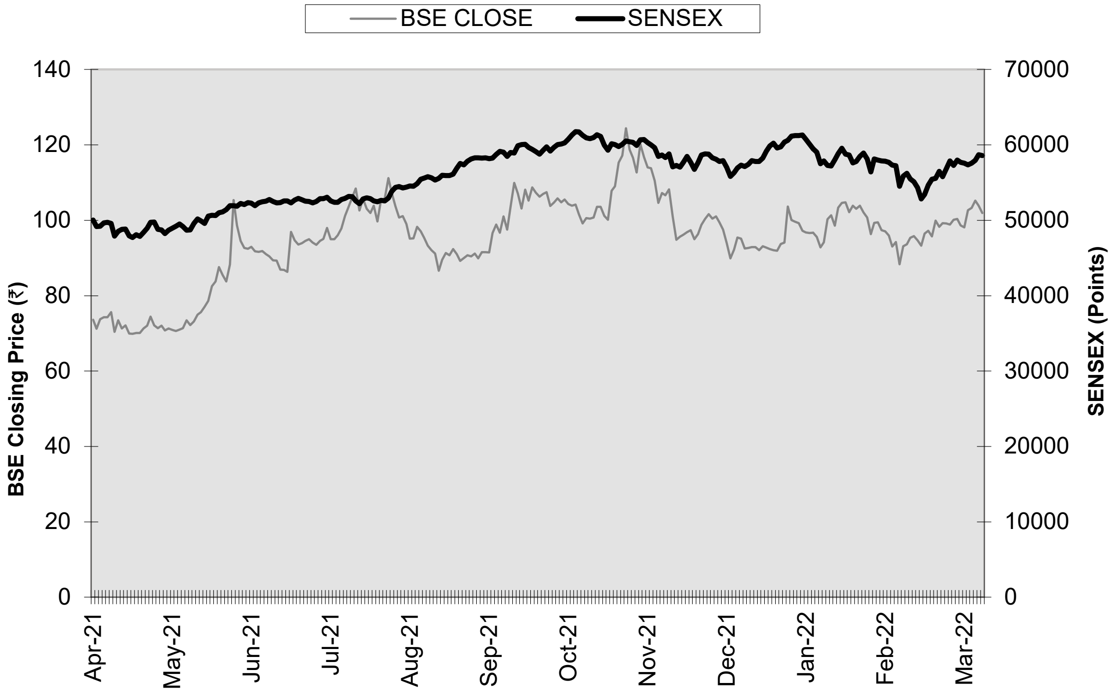
Market Price Data: High, low during each month in last Financial Year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the Financial Year 2021-22 on the BSE and the NSE depicting the liquidity of the Company's Equity Shares for the Financial Year ended March 31, 2022, on the said exchanges is given below:

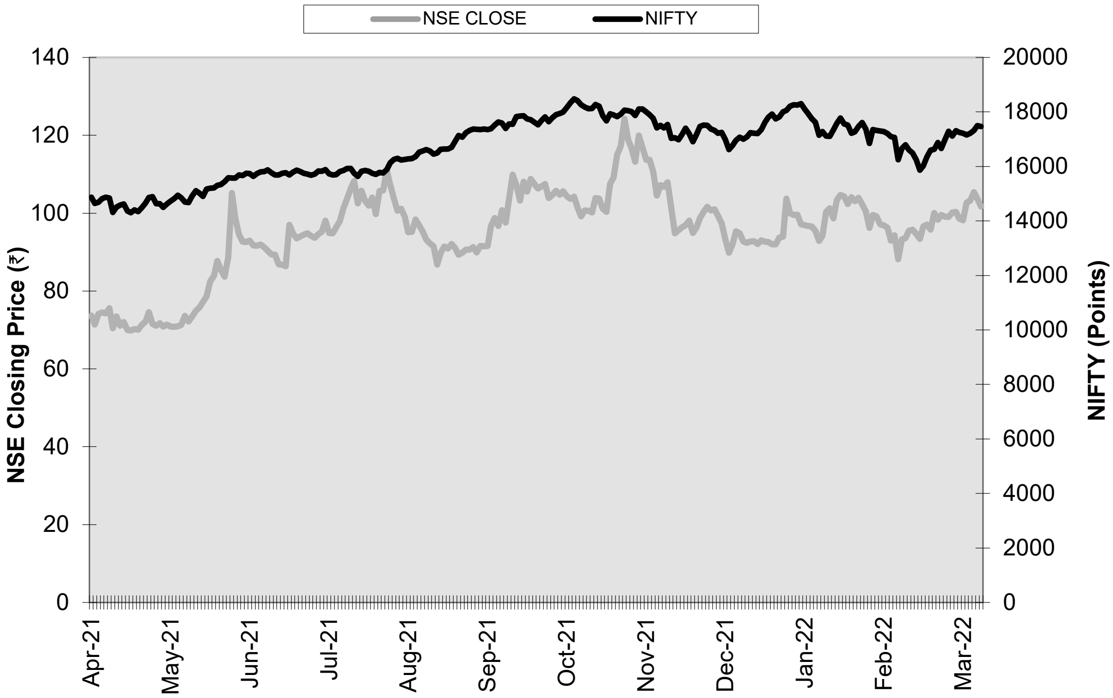
Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹ In lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ In lacs)
Apr-21	77.20	68.75	139.23	77.70	68.40	1,152.29
May-21	91.05	70.00	619.50	91.40	69.85	5,714.48
Jun-21	105.90	84.50	5,247.72	106.50	85.20	40,952.74
Jul-21	110.75	92.75	3,435.73	110.75	93.00	25,285.60
Aug-21	114.30	85.55	1,538.71	114.40	81.60	9,426.70
Sep-21	115.60	88.90	2,647.28	115.65	88.00	18,833.17
Oct-21	110.25	96.35	1,174.18	110.40	96.35	7,497.21
Nov-21	125.45	93.85	2,125.25	125.40	93.50	17,818.24
Dec-21	103.45	88.30	576.59	103.70	88.20	3,888.59
Jan-22	110.65	90.50	1,133.17	110.50	90.40	9,715.47
Feb-22	107.45	86.10	438.25	107.80	87.10	4,655.19
Mar-22	109.00	90.75	886.54	109.30	90.00	6,917.97

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

BSE Sensex:



NSE Nifty:



Share Transfer System and other related matters

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only, while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement with Sub-division/ Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of Company's Registrar and Share Transfer Agent i.e. KFin Technologies Limited under the link at https://karisma.kfintech.com/downloads/Form-ISR-4.pdf. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by the SEBI.

Distribution of shareholding as on March 31, 2022

Range (In ₹) *	No. of equity Shares	Amount (In Rs.)	% to capital	No. of shareholders	% to total shareholder
up to 5000	1,07,38,627	10,73,86,270	28.23	53,763	99.25
5001-10000	16,37,268	1,63,72,680	4.30	220	0.41
10001-20000	15,66,548	1,56,65,480	4.12	110	0.20
20001-30000	7,29,894	72,98,940	1.92	30	0.06
30001-40000	3,29,318	32,93,180	0.87	10	0.02
40001-50000	2,38,870	23,88,700	0.63	5	0.01
50001-100000	3,03,796	30,37,960	0.80	5	0.01
100001 & Above	2,24,96,822	22,49,68,220	59.14	24	0.04
Total	**3,80,41,143**	**38,04,11,430**	**100**	**54,167**	**100**

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

Shareholding Pattern as on March 31, 2022

Category	No. of shares held	Percentage
Promoter and Promoter Group	86,68,540	22.79
Foreign Portfolio Investors	441,244	1.16
Foreign Nationals	87	0.00
Alternative Investment Funds	93,99,933	24.71
Non Resident Indians	2,53,542	0.67
Non Resident Indian Non Repatriable	1,21,810	0.32
Resident Individuals	1,57,85,323	41.50
Others	33,70,664	8.85
Total	**3,80,41,143**	**100.00**

Dematerialization of shares

The Company's shares are tradable compulsorily in the electronic form through KFin Technologies Limited, Registrar & Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited and Central Depository Services (India) Limited. 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, 2022 are as mentioned below:

Particulars	No. of shares	% to Capital
National Securities Depository Limited	1,80,40,273	47.42
Central Depository Services (India) Limited	1,99,51,346	52.45
Total Demat (A)	**3,79,91,619**	**99.87**
Physical (B)	**49,524**	**0.13**
Total (A + B)	**3,80,41,143**	**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 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. Ayush Jain, Manager - Investor Relations, Accounts & Finance
Tel: +91 22 40305060
Email: ayush.jain@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) and [ICRA]A(Negative)/[ICRA]A2+ credit rating for its long term and short-term unallocated bank credit facilities by ICRA 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 does not have any Plant. The Company operates through various locations in India with its corporate and registered office in 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 and no transactions having potential conflict with the interest of the Company. 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%20on%20Related%20Party%20Transactions.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 or by any statutory authority on any matters related to capital markets.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Sections 177(9) and 177(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 2021-22.

Compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations

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) and (t) of Sub Regulation (2) of Regulation 46 of the Listing Regulations.

The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

Demat suspense account / unclaimed suspense account

As on March 31, 2022, there were no outstanding shares which were laying 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) of the Listing Regulations

The Company had allotted 93,99,933 equity shares of ₹ 10 each at a price of ₹ 103.01 per equity share aggregating to ₹ 96.83 crores to Nepean Focused Investment Fund, a scheme of investment of Nepean Investment Trust II, a category II alternative investment fund registered with the SEBI on December 09, 2021. The said funds raised by the Company, have been utilised in accordance with the objects for which funds have been raised. As of March 31, 2022, the utilization of funds against this preferential allotment was ₹ 78.34 crores.

Loans and advances in the nature of loans to firms/companies in which directors are interested

During the year under review, the Company and its subsidiaries have not given any loans and advances in the nature of loans to firms/companies in which directors are interested.

Policy for determination for materiality of event or information

In accordance with 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 ₹ 86.58 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, 2022

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, 2022.

Date: May 26, 2022
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, 2022 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, 2022
Place: Mumbai

Rajesh Mishra
Chief Executive Officer

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
UFO Moviez India Limited
Mumbai

We have examined the compliance of Corporate Governance by UFO Moviez India Limited (**"the Company"**) for the Financial Year ending on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Regulations, 2015"**) basis examination of documents provided in **Annexure I**.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the 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 complied with the conditions of Corporate Governance as stipulated in Regulations, 2015.

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 its affairs.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Senior Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559D000342759
Peer Review Certificate No.: 781/2020

Place: Mumbai
Date: May 18, 2022

ANNEXURE I

LIST OF DOCUMENTS

1. Signed Minutes and Agenda papers of:
    - Board Meetings;
    - Audit Committee Meetings;
    - Nomination and Remuneration Committee Meetings;
    - Stakeholders Relationship Committee Meetings;
    - Compensation Committee;
    - Finance Committee;
    - Annual General Meeting and Extra-Ordinary General Meeting;
2. Policies as available on the website;
3. Annual disclosures received from Directors pursuant to Section 184(1);
4. Declaration by Independent Directors;
5. Omnibus approval granted in Audit Committee Meeting for FY 21-22;
6. Details of remuneration paid to Directors;
7. Terms of reference of the Committees of the Board;
8. Draft CG Report for FY 2021-22;
9. Details of other directorship as reflecting in Director's Master Data on MCA and stock exchange filing for corporate governance.

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, 2022 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
8.	Anand Yogendra Trivedi	02059249	December 09, 2021
9.	Gautam Yogendra Trivedi	02647162	December 09, 2021

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

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

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
ICSI UDIN: F005418D000345417

Place: Mumbai
Date: May 26, 2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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, 2022 ('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 31,2022 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: F007716D000386006
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: May 26, 2022

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.

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: F007716D000386006
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: May 26, 2022

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, 2021 to March 31, 2022
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 1,199 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 -** ₹ 3,804.11 Lacs
2. **Total Turnover -** ₹ 8,999.18 Lacs
3. **Total Loss After Taxes –** minus (-) ₹ 6,886.74 Lacs
4. **Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax –** CSR obligation for FY21-22 stands at Nil as per the provisions of the Companies Act, 2013. However, out of the CSR obligation of ₹105.20 lacs for the previous year FY20-21, the Company had an outstanding CSR obligation of ₹93.63 lacs which is maintained in a separate CSR unspent Bank account. Of these, the Company has spent ₹18.62 lacs on CSR activities during the reporting year.
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:
   - 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.
   - ‘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.

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
- Nova Cinemaz Private Limited (erstwhile Known as 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 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.								
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	Y
8	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
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	Y
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 FY2021-22 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, Nova Cinemaz Private Limited (erstwhile Known as 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, 2022 are as under.

No. of Complaints Received – 16

No. of Complaints Resolved – 22*

No. of Complaints Received Pending – Nil

*Includes complaints received and pending during 27th to 31st March, 2021 that were subsequently resolved by April 09, 2021.

Also, mentioned below are the customer calls logged with the Company's Helpdesk / Customer Care during the financial year ended March 31, 2022

Total customer calls logged – 25,626

No. of customer calls Resolved – 25,522

No. of customer calls Received Pending – 104*

* These calls are open as the Company is awaiting inputs from operations team while few are in the process of getting resolved.

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 of 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 well-being of all employees

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

   474 onroll employees

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

   403 include offroll/Consultant/Trainee/Third party engineer

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

   40 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 – 84.81%

   (b) Permanent Women Employees – 82.50%

   (c) Casual/Temporary/Contractual Employees - Nil

   (d) Employees with Disabilities -100%

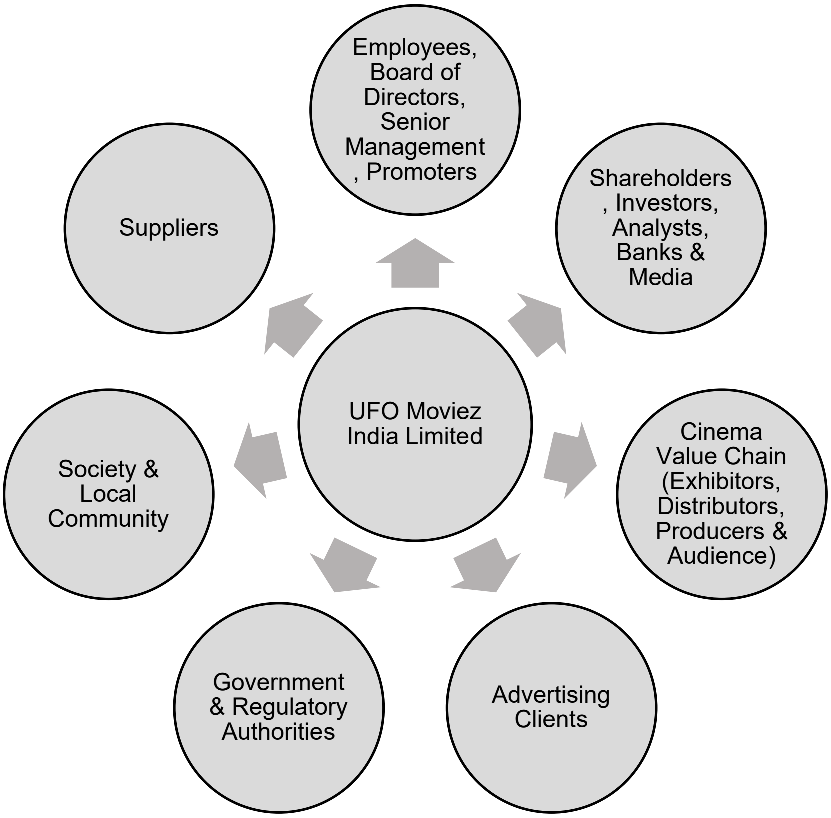
   Safety training

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

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

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

   Yes. Our Key Stakeholders are:



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

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

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

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

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

Principle 5 - Businesses should respect and promote human rights

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

   The policies (*) of the Company relating to human rights cover the Company, its Subsidiaries - Scrabble Entertainment Limited, Nova Cinemaz Private Limited (erstwhile Known as 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 Whistleblower 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 2021-22.

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, Nova Cinemaz Private Limited (erstwhile Known as 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 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?**

   0.40% of the customer complaints filed with the Company’s Helpdesk during the year are pending as at the end of the financial year. These calls are open as the Company is awaiting inputs from operations team while few are in the process of getting resolved. 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 seven years and pending as of the end of the financial year.

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of

UFO Moviez India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as the "Holding Company") 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, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, 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, 2022, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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.

Description of Key Audit Matter

Impact of COVID-19 on Going concern assessment	
The key audit matter	**How the matter was addressed in our audit**
Refer Note 45 to the financial statements The Group is in the business of digital cinema distribution network across India and related activities. With outbreak of COVID-19 pandemic during the previous years, the operations of the Group are severely impacted due to economic uncertainty and disruption created by closure of cinema halls and this necessitates the evaluation of the Group's ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.	Our procedures included: • Obtained management's assessment of use of going concern assumption in preparation of the consolidated financial statements • Discussed with the management and Those charged with Governance regarding the plan for 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 consolidated 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. In particular, we evaluated measures of cost rationalization, managing the liquidity position and availability of funds. • 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, 2022 in the consolidated financial statements of the Group is ₹ 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 key audit matter 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 business projection prepared 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, where applicable; • 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
Revenue Recognition on advertisement, content delivery charges and lease rental income revenue	
The key audit matter	**How the matter was addressed in our audit**
The Group has recognized advertisement revenue, content delivery charges (CDC) and lease rental income of ₹ 7,125.15 lakhs for the year ended March 31, 2022 (Refer Notes 21 and 2.8 (h) to the consolidated financial statements). We identified these revenue streams as a Key Audit Matter considering – • Advertisement revenue has an inherent risk due to fraud and error for arrangements entered into with various types of customers and advertisement agencies. CDC revenue and lease rental income are other revenue streams core to the operations of the Group.	In relation to recognition of revenue from advertisement revenue, content delivery charges (CDC) and lease rental income, we have: • Considered the appropriateness of management's revenue recognition policy in accordance with the requirements of Ind AS 115; • Assessed the reasonableness of the timing and amount of revenue recognized during the year; • Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; • Involved our internal IT specialists, assessed the design, implementation and operating effectiveness of management's key internal IT controls over the scheduling, billing and accounting system;

The key audit matter (Continued)	
• The Group uses its automated front-end system for scheduling, tracking and invoicing revenues. The revenue from these streams is recognised based on automated playback "logs for advertisements" retrieval and rates in the system. Further, processing of advertisement and content with their scheduling are linked to the financial module. Thus, recognition of Holding Company's advertisement revenue is largely dependent on the front-end system and may be susceptible to management override of controls	• tested the financial information contained within the module and billing systems, which included system generated reports, recording of revenue, and accrual of revenue at period end; • Detailed testing of samples selected statistically for sales transactions from origination through to the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value; • For selected samples, we o confirmed our understanding of the process by which revenue is determined by the relevant billing system o verified underlying records such as agreement, sales contracts, release orders, invoices, logs and content displayed during the period. o analyzed / release orders over / under/ unutilized and obtained rationale from management for the same o verified the underlying documents to confirm the existence of the customers

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 auditor's 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 , we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibilities for the Audit of the Consolidated Financial

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the financial statements 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matters

(a) We did not audit the financial statements of seven (7) subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 7,698 lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ 5,951 lakhs and net cash inflows (before consolidation adjustments) of ₹ 133 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 ₹ 230 lakhs for the year ended March 31, 2022, in respect of three (3) 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, 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 reports of the other auditors.

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

Other matters (Continued)

auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial information of four (4) subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 67 lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ Nil lakhs and net cash outflow (before consolidation adjustments) amounting to ₹ 29 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 profit (and other comprehensive income) of ₹ 112 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of four (4) associate, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Holding Company's management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors .

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India 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 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 reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and its associates. Refer Note 35 to the consolidated financial statements.

b) 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, 2022.

c) 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, 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and associate companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and associate companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies and associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and associate companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the subsidiary company incorporated in India is in compliance with Section 123 of the Act. The Holding Company has not declared or paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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 Group 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 Group and associate companies in India 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) of the Act 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: 22103145AJRKGD5976

Mumbai
May 26, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, of the following companies incorporated in India and included in consolidated financial statement, have qualifications given by the respective auditors in its report under Companies (Auditor's Report) Order, 2020 ('CARO'):

Name of the entities	CIN	Holding Company/ Subsidiary/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
UFO Moviez India Limited	L22120MH2004PLC285453	Holding Company	Clause (xvii)
Scrabble Entertainment Limited	U92190MH2008PLC178456	Subsidiary	Clause (xvii)
Nova Cinemaz Private Limited	U72900MH2006PTC163092	Subsidiary	Clause (xvii)
Plexigo Entertainment Private Limited	U92419MH2020PTC343580	Subsidiary	Clause (xvii)
Zinglin Media Private Limited	U74999MH2017PTC300940	Subsidiary	Clause (xvii)
Scrabble Digital Limited	U74999MH2011PLC213170	Subsidiary	Clause (xvii)
Cinestaan Digital Private Limited	U72300DL2013PTC258259	Associate	Clause (xvii)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of the entities	CIN	Type
Mukta VN Films Limited	U74999MH2016PLC287694	Associate
Mumbai Movies Studio Private Limited	U92490MH2020PTC345461	Associate

Annexure B to the Independent Auditors' Report on the Consolidated financial statements of UFO Moviez India Limited for the year ended March 31, 2022

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, 2022, 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, 2022, 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 (5) subsidiary companies and its one (1) associate 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: 22103145AJRKGD5976

Mumbai
May 26, 2022

Consolidated Balance sheet as at March 31, 2022

₹ in lacs

Particulars	Notes	March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3.1	11,192.02	13,876.40
Capital work-in-progress	3.2	904.08	1,826.20
Right-of-use assets	3.3	706.79	858.28
Goodwill	3.4	2,310.88	2,310.88
Other intangible assets	3.5	281.30	301.79
Investments in associates	4	2,225.91	2,467.74
Financial assets			
(i) Loans	5	-	-
(ii) Other financial assets	6	752.01	1,075.78
Income tax assets (net)	7	3,738.07	3,728.43
Deferred tax assets (net)	7A	10,053.93	8,038.69
Other non-current assets	8	163.22	417.18
Total Non-current assets (A)		**32,328.21**	**34,901.37**
Current assets			
Inventories	9	876.68	1,127.14
Financial assets			
(i) Investments	10	2,548.03	4,064.65
(ii) Trade receivables	11	3,431.14	4,018.48
(iii) Cash and cash equivalents	12	1,524.64	1,252.61
(iv) Bank balances other than cash and cash equivalents	12	7,364.38	2,184.51
(v) Loans	5	-	-
(vi) Other financial assets	6	562.26	123.19
Other current assets	8	4,451.44	4,260.84
Total Current assets (B)		**20,758.57**	**17,031.42**
Total Assets (A+B)		**53,086.78**	**51,932.79**
Equity and liabilities			
Equity			
(i) Share capital	13	3,804.11	2,835.08
(ii) Other equity	14	23,765.39	23,636.33
Equity attributable to owners of the Company		**27,569.50**	**26,471.41**
Non-controlling interest		-	-
Total equity (C)		**27,569.50**	**26,471.41**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	5,052.49	6,013.28
(ii) Lease liabilities	31	336.36	520.16
(iii) Other financial liabilities	16	2,959.77	3,351.78
Provisions	17	1,027.39	769.67
Deferred tax liabilities (Net)	7A	530.83	558.27
Other non-current liabilities	18	515.37	445.74
Total non-current liabilities (D)		**10,422.21**	**11,658.90**

₹ in lacs

Particulars	Notes	March 31, 2022	March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	19	3,641.50	3,392.32
(ii) Lease liabilities	31	485.01	468.77
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	20	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	5,671.62	5,974.31
(iv) Others financial liabilities	16	2,115.83	1,802.79
Other current liabilities	18	2,653.66	1,714.99
Provisions	17	527.45	449.30
Total current liabilities (E)		**15,095.07**	**13,802.48**
Total liabilities (D+E) = (F)		**25,517.28**	**25,461.38**
Total equity and liabilities (C+F)		**53,086.78**	**51,932.79**
Significant accounting policies	2		

The accompanying notes 1 to 48 are an integral part of the Consolidated Financial Statements.
As per our report of even date attached.

For B S R & Co. LLP Chartered Accountants Firm's Registration No: 101248W/W-100022	**For and on behalf of the Board of Directors** **of UFO Moviez India Limited** CIN : L22120MH2004PLC285453		
Rajesh Mehra Partner Membership No: 103145	**Sanjay Gaikwad** Managing Director DIN No.: 01001173	**Kapil Agarwal** Joint Managing Director DIN No.: 00024378	
Place : Mumbai Date: May 26, 2022	**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, 2022

₹ in lacs

Particulars	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from operations	21	16,013.79	8,809.38
Other income	22	380.44	411.46
Total income (I)		**16,394.23**	**9,220.84**
Expenses			
Operating direct costs	23	**9,327.29**	**7,635.06**
Cost of consumables and spares consumed		382.28	162.75
Purchases of digital cinema equipment and lamps		4,757.38	3,965.24
Changes in inventories		216.56	364.37
Advertisement revenue share		151.84	14.62
CDC share expenses		861.71	129.39
Other operating direct cost		2,957.52	2,998.69
Employee benefit expenses	24	6,904.52	5,182.33
Other expenses	25	4,881.68	4,770.20
Total expenses (II)		**21,113.49**	**17,587.59**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(4,719.26)**	**(8,366.75)**
Depreciation and amortisation expenses	3	5,577.47	6,300.10
Finance cost	26	1,162.86	1,306.75
Finance income	27	(445.53)	(949.52)
Profit / (Loss) before tax and share of profit from associates		**(11,014.06)**	**(15,024.08)**
Share of Profit / (Loss) from associates (net)		342.13	(71.80)
Profit / (Loss) before tax and after share of profit from associates		**(10,671.93)**	**(15,095.88)**
Tax expenses			
Current tax	7A	27.33	129.96
Deferred tax (credit)	7A	(2,013.78)	(3,465.84)
Total tax expenses		**(1,986.45)**	**(3,335.88)**
Profit / (Loss) for the year		**(8,685.48)**	**(11,760.00)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		(107.69)	50.42
b) Income tax relating to items that will not be reclassified to profit or loss		27.09	(12.35)
(ii) Items that will be reclassified to profit or loss			
a) Exchange differences in translating the financials statements of foreign operations		68.50	(25.14)
b) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income /(Loss) for the year, net of tax		**(8,697.58)**	**(11,747.07)**
Profit / (Loss) for the year attributable to			
a) Owners of the Company		**(8,685.48)**	**(11,760.00)**
b) Non-controlling interests		**-**	**-**
Other comprehensive income attributable to			
a) Owners of the Company		**(12.10)**	**12.93**
b) Non-controlling interests		-	-
Total Comprehensive Income / (Loss) for the year attributable to			
a) Owners of the Company		(8,697.58)	(11,747.07)
b) Non-controlling interests		-	-
Earnings per equity share (Face value of share of ₹ 10 each)	28		
Basic		(27.77)	(41.48)
Diluted		(27.77)	(41.48)
Significant accounting policies	2		

The accompanying notes 1 to 48 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

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, 2022

A. Share capital (refer note 13)

As at March 31, 2022 ₹ in lacs

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
2,835.08	969.03	3,804.11

As at March 31, 2021 ₹ in lacs

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
2,835.08	-	2,835.08

B. Other equity

₹ in lacs

Particulars	Reserve and surplus							Exchange differences on translating the financial statements of a foreign operation	Total	Non Controlling Interest	Total other equity
	Capital Reserve	Securities Premium	Share Based Payment Reserve	Legal Reserve	General Reserve	Other Reserve (on purchase of Non-controlling interest stake)	Retained Earnings				
For the year ended March 31, 2022											
Balance as at Balance at April 1, 2021	1,558.15	29,836.90	68.83	182.93	371.72	(2,183.04)	(6,475.37)	276.21	23,636.33	(0.00)	23,636.33
Loss for the Year	-	-	-	-	-	-	(8,685.48)	-	(8,685.48)	-	(8,685.48)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	68.50	68.50	-	68.50
Share Issued during the year	-	8,546.13	-	-	-	-	-	-	8,546.13	-	8,546.13
Acquisition of additional stake in associate	8.61	-	-	-	-	-	-	-	8.61	-	8.61
Employee Stock Compensation for Options granted	-	-	271.90	-	-	-	-	-	271.90	-	271.90
Transfer to security premium on issuance of esop shares	-	117.42	(117.42)	-	-	-	-	-	-	0.00	0.00
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-	(80.60)	-	(80.60)	-	(80.60)
Closing Balance as at March 31, 2022	**1,566.76**	**38,500.45**	**223.31**	**182.93**	**371.72**	**(2,183.04)**	**(15,241.45)**	**344.71**	**23,765.39**	**-**	**23,765.39**
For the year ended March 31, 2021											
Balance as at Balance at April 1, 2020	**1,525.50**	**29,836.90**	**371.72**	**182.93**	**-**	**(2,183.39)**	**5,251.21**	**301.35**	**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	**32.65**	**-**	**68.83**	**-**	**-**	**0.35**	**(11,726.58)**	**(25.14)**	**(11,649.89)**	**(1.33)**	**(11,651.22)**
Transfer to General Reserve	**-**	**-**	**(371.72)**	**-**	**371.72**	**-**	**-**	**-**	**-**	**-**	**-**
Closing Balance as at March 31, 2021	**1,558.15**	**29,836.90**	**68.83**	**182.93**	**371.72**	**(2,183.04)**	**(6,475.37)**	**276.21**	**23,636.33**	**(0.00)**	**23,636.33**

The accompanying notes 1 to 48 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, 2022

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 Cash Flows for the year ended March 31, 2022

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Cash flow from / (used in) operating activities		
Loss before share of profit / (loss) from associates and tax	**(11,014.06)**	**(15,024.08)**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	5,577.47	6,300.10
Bad debts written off	31.72	103.82
Provision for doubtful debts	20.60	1,081.60
Provision for slow and non moving inventory	10.17	-
Unrealised foreign exchange (gain) / loss (net)	(1.82)	0.82
(Gain) / Loss on sale of property, plant and equipment	(0.12)	(4.63)
Sundry balances written back	(891.05)	(391.60)
Net gain on current investments	(253.37)	(281.61)
ESOP compensation	271.90	68.83
Interest expenses on financial liabilities carried at amortised cost	156.54	136.73
Interest expense on lease liabilities	120.62	188.51
Gain on lease concession and modification	(264.44)	(318.29)
Diminution in value of investments	410.49	-
Finance cost	860.99	951.85
Interest income	(192.15)	(667.59)
Operating loss before working capital changes	**(5,156.51)**	**(7,855.54)**
Movements in working capital		
(Decrease) in trade payables	(230.25)	(2,339.04)
Increase / (Decrease) in other financial liabilities (current and non-current)	10.96	(533.88)
Increase / (Decrease) in other liabilities (current and non-current)	1,700.95	(865.94)
Increase in provisions (current and non-current)	225.98	265.63
Decrease in trade receivables	672.53	8,075.10
(Increase) / Decrease in financials assets (current and non-current)	(37.78)	159.68
(Increase) in other assets (current and non-current)	(28.00)	(548.04)
Decrease in inventories	250.65	307.49
Cash used in operations	**(2,591.47)**	**(3,334.54)**
Direct taxes paid (net of refunds)	23.39	1,732.71
Net cash flow used in operating activities (A)	**(2,568.08)**	**(1,601.83)**
Cash flows from / (used in) investing activities		
Purchase of property, plant and equipments, including capital work in progress	(1,392.63)	(2,471.46)
Proceeds from sale of property, plant and equipments	137.58	88.57
Payment of purchase consideration for purchase of subsidiary shares from non-controlling interest	-	(2.00)
Proceeds from amount invested in associates	94.40	91.55
Payment of purchase consideration for purchase of shares / warrant of associate	(96.70)	(522.84)
Payment of purchase consideration for purchase of preference shares of associate	(262.50)	(337.50)
Purchase of current investments	(15,605.48)	(10,404.58)
Proceeds from sale / redemption of current investments	17,185.04	15,322.87
Proceeds from Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net)	(5,170.28)	(1,172.27)
Interest received	68.11	87.78
Dividends received	664.55	58.66
Net cash flow from investing activities (B)	**(4,377.91)**	**738.78**

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity share capital (including premium)	9,520.18	1.00
(Repayment) of short term borrowings (net)	(59.60)	(667.67)
Shares Issue expenses	(5.01)	(4.65)
Proceeds from long-term borrowings	2,847.16	5,070.36
Repayment of long-term borrowings	(3,499.16)	(1,989.74)
Interest paid	(866.11)	(954.52)
Repayment of Lease liabilities	(710.52)	(686.33)
Net cash flow from / (used in) financing activities (C)	**7,226.94**	**768.45**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**280.95**	**(94.60)**
Unrealised gain on foreign currency cash and cash equivalents	(8.92)	(20.87)
Cash and cash equivalents at the beginning of the year	1,252.61	1,368.08
Cash and cash equivalents at the end of the year	**1,524.64**	**1,252.61**
Components of cash and cash equivalents		
Cash on hand	2.16	4.67
Balance with banks:		
- on current accounts	1,522.48	1,247.94
Cash and cash equivalents (Refer note 12)	**1,524.64**	**1,252.61**

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

₹ in lacs

Particulars	Non-current borrowing*	Current borrowing
Opening balance as on April 1, 2021	9,346.00	59.60
Cash flow during the year		
Proceeds	2,847.16	-
Repayment	3,499.17	59.60
Non cash changes if any	-	-
Closing balance as on March 31, 2022	**8,693.99**	**-**

* 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 "Statement of Cash Flows"

Significant accounting policies **2**

The accompanying notes 1 to 49 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

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, 2022

1. Corporate Information

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

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on May 26, 2022.

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.

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

Notes to consolidated financial statements for the year ended March 31, 2022

(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 (including step down 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 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 (including step down subsidiaries) which are as under:

Sr. no.	Subsidiary Name	Country of Incorporation	UFO's ownership interest as on March 31, 2022	UFO's ownership interest as on March 31, 2021
1	Scrabble Entertainment Limited	India	100%	100%
2	Nova Cinemaz Private Limited (earlier Valuable Digital Screen Private Limited)	India	100%	100%
3	Zinglin Media Private Limited	India	100%	100%
4	United Film Organizers (UFO) Nepal Private Limited *	Nepal	-	100%
5	UFO Lanka Private Limited	Sri Lanka	100%	100%
6	UFO Software Technologies Private Limited	India	100%	100%
7	Plexigo Entertainment Private Limited	India	100%	100%
8	Scrabble Entertainment DMCC	United Arab Emirates	100%	100%
9	Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
10	Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
11	Scrabble Digital Inc	United States of America	100%	100%
12	Scrabble Digital Limited	India	100%	100%

* The Company wound-up during the year

Notes to consolidated financial statements for the year ended March 31, 2022

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

Sr. no.	Associate Name	Country of Incorporation	UFO's ownership interest as on March 31, 2022	UFO's ownership interest as on March 31, 2021
1	Scrabble Digital DMCC	United Arab Emirates	33.33%	33.33%
2	Scrabble Venture LLC	United States of America	49.00%	30.00%
3	Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30.00%	30.00%
4	Mukta V N Films Private Limited	India	48.12%	48.12%
5	Scrabble Audio Visual Equipment Trading LLC	United Arab Emirates	49.00%	49.00%
6	Cinestaan Digital Private Limited	India	33.08% of the Voting Rights	29.97% of the Voting Rights
7	Mumbai Movie Studios Private Limited	India	30.74%	30.74%

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

Sr. no.	Entity Name	Relationship	As at and for the Year ended March 31, 2022	As at and For the Year ended March 31, 2021
1	Scrabble Digital DMCC	Associate	Year ended 31 December 2021	Year ended 31 December 2020
2	Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended 31 December 2021	Year ended 31 December 2020

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, 2022

- **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.

Impairment of goodwill and other intangibles assets refer note 2.8 (c)

2.6 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

Notes to consolidated financial statements for the year ended March 31, 2022

2.7 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the standalone 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.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.8 Summary of significant accounting policies:

(a) Property, Plant and Equipment (PPE):

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

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

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

Notes to consolidated financial statements for the year ended March 31, 2022

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 4 years, whichever is lower.

(c) Goodwill, Intangible assets and amortisation:

(i) Goodwill

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

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

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

(ii) Intangible Assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are amortised over their estimated useful life as follows.

	Useful life (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.

Notes to consolidated financial statements for the year ended March 31, 2022

(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. 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 and liabilities.

acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

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

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.

Notes to consolidated financial statements for the year ended March 31, 2022

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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

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

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

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

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

(e) Impairment of Non-financial assets:

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

(f) Leases:

As a lessee:

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

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.

Notes to consolidated financial statements for the year ended March 31, 2022

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.

Income from services and sale of goods

- Content Delivery charges (CDC) 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.
- 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.
- 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.
- The revenue from script contest has been recognized when the subscribers upload the scripts and pay the subscription fees. Revenue from consultancy income is recognized on accrual basis. The promotion income is recognized on receipt basis. Revenue is recognized when no significant uncertainty as to its determination or realization exists.

Notes to consolidated financial statements for the year ended March 31, 2022

- The Company recognises revenues on sale, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the services are rendered to the customer.
- Lease rental income on equipment is recognised as mentioned in note 2.8(f) above.
- Revenue from distribution of theatrical exhibition rights of films is accounted as per the terms of the assignment of the theatrical exhibition of the films or on the date of agreement to assign the rights, whichever is later. The revenue is recognized on gross basis.
- Revenue from services is recognized, at a point in time or over time, on satisfaction of performance obligation for the services rendered as under:
  - (i) Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time.
  - (ii) Revenue from other Services is recognised over the period of contract or at a point in time, as per contractual terms.
  - (iii) Lease rental income is recognized in the period in which equipment are leased. Technical Support Services and Server Maintenance and Content Licensing Fees is revenue recognized in the period in which services are rendered.

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.

- **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.

Notes to consolidated financial statements for the year ended March 31, 2022

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

(k) Financial Instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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

Notes to consolidated financial statements for the year ended March 31, 2022

the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition of Financial Assets:

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

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.

Notes to consolidated financial statements for the year ended March 31, 2022

The gratuity plan is managed by the Life Insurance Corporation of India to which contributions are made by the Group.

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, 2022

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.

Notes to consolidated financial statements for the year ended March 31, 2022

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								
Cost as At April 1, 2020	**830.90**	**27,797.01**	**488.57**	**318.72**	**72.09**	**38.60**	**2,387.24**	**31,933.13**
Additions	202.46	978.26	36.81	54.22	57.28	-	39.98	1,369.01
Disposals	-	869.65	0.96	23.97	2.45	-	154.07	1,051.10
Cost as At March 31, 2021	**1,033.36**	**27,905.62**	**524.42**	**348.97**	**126.92**	**38.60**	**2,273.15**	**32,251.04**
Additions	52.91	1,739.42	87.61	17.94	1.75	-	207.77	2,107.40
Disposals	-	707.29	46.24	6.74	3.77	-	161.98	926.02
Cost as At March 31, 2022	**1,086.27**	**28,937.75**	**565.79**	**360.17**	**124.90**	**38.60**	**2,318.94**	**33,432.42**
Accumulated Depreciation/ Amortisation								
At April 1, 2020	**687.97**	**11,074.91**	**252.25**	**194.74**	**50.01**	**27.24**	**1,658.05**	**13,945.17**
Charge for the year	121.15	4,705.36	127.06	53.90	16.69	6.19	366.29	5,396.64
On Disposals	-	801.14	0.62	14.45	2.45	-	148.51	967.17
At March 31, 2021	**809.12**	**14,979.13**	**378.69**	**234.19**	**64.25**	**33.43**	**1,875.83**	**18,374.64**
Charge for the year	95.44	4,141.96	113.54	40.71	15.39	4.50	256.82	4,668.36
On Disposals	-	584.22	46.21	6.53	3.65	-	161.99	802.60
At March 31, 2022	**904.56**	**18,536.87**	**446.02**	**268.37**	**75.99**	**37.93**	**1,970.66**	**22,240.40**
Net Carrying amount								
At March 31, 2021	**224.24**	**12,926.49**	**145.73**	**114.78**	**62.67**	**5.17**	**397.32**	**13,876.40**
At March 31, 2022	**181.71**	**10,400.88**	**119.77**	**91.80**	**48.91**	**0.67**	**348.27**	**11,192.02**

Notes :

The Company has not revalued its Property, Plant and Equipment (including Right-of- Use and Intangible Assets)

3.2 Capital Work in Progress

₹ in lacs

Particulars	**March 31, 2022**	**March 31, 2021**
Opening	1,826.20	1,975.94
Add : Purchase	903.71	780.92
Less : Installed	1,571.02	903.41
Less : Sale / Write off	254.81	27.25
Closing	**904.08**	**1,826.20**

Notes to consolidated financial statements for the year ended March 31, 2022

Ageing of CWIP

As at March 31, 2022

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	402.87	2.67	441.60	56.94	904.08
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	210.01	1,518.22	12.34	85.63	1,826.20
Projects temporarily suspended	-	-	-	-	-

Notes :

1) The Company has no projects which have exceeded their cost or have been overdue as at March 31, 2022 and March 31, 2021.

2) The above largely includes projectors which are yet to be deployed/installed in future at theatres

3.3 Right of use assets (For lease liability Refer Note 31)

₹ in lacs

	Right of Use Assets
Cost	
Cost as At March 31, 2020	2,440.25
Additions	8.19
Disposals	(213.99)
Cost as At March 31, 2021	**2,234.45**
Additions	686.78
Disposals	-
Cost as At March 31, 2022	**2,921.23**
Accumulated Depreciation/Amortisation	
At April 1, 2020	578.67
Charge for the year	836.73
On Disposals	(39.23)
At March 31, 2021	**1,376.17**
Charge for the year	838.27
On Disposals	-
At March 31, 2022	**2,214.44**
Net Carrying amount	
At March 31, 2021	**858.28**
At March 31, 2022	**706.79**

The Group’s lease assets primarily consist of leases for Buildings/office preminses.

Notes to consolidated financial statements for the year ended March 31, 2022

3.4 Goodwill

₹ in lacs

	Goodwill
At April 1, 2020	2,310.88
Additions	-
Disposals	-
At March 31, 2021	**2,310.88**
Additions	-
Disposals	-
At March 31, 2022	**2,310.88**

The Group performed its annual impairment test for the year ended March 31, 2022, considering its performance and the overall performance of the media and entertainment industry. Impairment analysis has been performed by considering projections for a period of 5 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 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 8.45%. 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, 2022

3.5 Intangible Assets

₹ in lacs

	Computer software and other Intangible Assets	Network (relationship with studio & exhibitors)	Total
Cost as At April 1, 2020	436.50	790.00	1,226.50
Additions	204.10	-	204.10
Disposals	-	-	-
Cost as At March 31, 2021	**640.60**	**790.00**	**1,430.60**
Additions	48.57	-	48.57
Disposals	-	-	-
Cost as At March 31, 2022	**689.17**	**790.00**	**1,479.17**
Amortisation			
Accumulated as At April 1, 2020	274.38	790.00	1,064.38
Charge for the year	64.43	-	64.43
On Disposals	**-**	**-**	**-**
At March 31, 2021	338.81	790.00	1,128.81
Charge for the year	69.06		69.06
On Disposals	**-**	**-**	**-**
At March 31, 2022	**407.87**	**790.00**	**1,197.87**
Net Carrying amount			
At March 31, 2021	**301.79**	**-**	**301.79**
At March 31, 2022	**281.30**	**-**	**281.30**

The estimated amortisation for the years subsequent to March 31, 2022 is as follows :

₹ in lacs

Year ended March 31,	Amortisation expenses
2023	52.89
2024	49.32
2025	43.62
2026	41.75
Thereafter	93.72
	281.30

Notes to consolidated financial statements for the year ended March 31, 2022

4. Investments

₹ in lacs

	March 31, 2022	March 31, 2021
Unquoted equity instruments (at cost)		
Investment in subsidiaries (under liquidation)		
1 (March 31, 2021: 1) Equity Share of USD 1 each fully paid up in Scrabble Entertainment Israel Limited	-	-
Investment in Associates		
100 (March 31, 2021: 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)	221.78	177.76
3,000 (March 31, 2021: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss)	492.43	148.59
3,060,000 (March 31, 2021: 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)	233.98	265.10
240,000 (March 31, 2021: 240,000) Share Warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
375,000 (March 31, 2021: 375,000) Equity Shares of ₹ 10 each fully paid up in Mumbai Movies Studio Private Limited (Including post - acquisition share of profit or loss)	-	-
2,373,040 (March 31, 2021 : 2,623,880) Share Warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	23.73	26.24
2,668,552 (March 31, 2021 : 2,417,712) Equity Shares of ₹ 38.67 each fully paid up in Cinestaan Digital Private Limited (Including post - acquisition share of profit or loss)	127.99	696.06
147 (March 31, 2021: 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)	612.05	792.49
Unquoted Preference shares (at cost)		
Investment in Associates		
7,500,000 (March 31, 2021 : 7,500,000) Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of ₹ 10 each, paid up of ₹ 8 each (March 31, 2021 ₹ 4.5 each) in Mumbai Movies Studio Private Limited (Including post - acquisition share of profit or loss)	489.95	337.50
	2,225.91	**2,467.74**

₹ in lacs

Other disclosures:	March 31, 2022	March 31, 2021
(i) Aggregate amount of quoted investments (Gross)	-	-
(ii) Market value of quoted investments	-	-
(iii) Aggregate amount of unquoted investments (Gross)	2,636.40	2,467.74
(iv) Aggregate amount of impairment in value of investment	410.49	-

Notes to consolidated financial statements for the year ended March 31, 2022

5. Financial assets - Loans

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured (Considered doubtful)				
Loan to others	-	-	83.43	83.43
Less: Allowance for doubtful balance	-	-	(83.43)	(83.43)
	-	-	-	-

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

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Security deposit to related parties (Refer note 33)	-	359.66	359.66	-
Security deposit to other than related parties	290.88	269.75	77.38	109.13
Interest accrued but not due on fixed deposit	-	-	69.92	9.66
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	461.13	446.37	-	-
Other receivables- Considered good	-	-	55.30	4.40
Unsecured - Doubtful	-	-	58.77	58.76
Less: Allowance for doubtful balance	-	-	(58.77)	(58.76)
	752.01	**1,075.78**	**562.26**	**123.19**

7. Income tax assets

₹ in lacs

	March 31, 2022	March 31, 2021
Income tax assets (net of provision for income tax ₹ 22,616.26 lacs (March 31, 2021 : ₹ 22,701.49 lacs)	3,738.07	3,728.43
	3,738.07	**3,728.43**

7A. Deferred tax assets / (liability)

₹ in lacs

		March 31, 2022	March 31, 2021
a	**Deferred tax assets**		
	Property, Plant and Equipment and Intangible Assets	3,414.36	3,341.17
	Provision for doubtful debts and advances	577.36	644.56
	Others	696.17	504.91
	Deferred tax assets on carry forward losses	5,366.04	3,548.05
	Gross deferred tax assets	**10,053.93**	**8,038.69**
b	**Deferred tax liabilities**		
	Property, Plant and Equipment and Intangible Assets	6.67	4.41
	Undistributed profit of foreign subsidiaries and associates	524.16	553.86
	Gross deferred tax liabilities	**530.83**	**558.27**

Notes to consolidated financial statements for the year ended March 31, 2022

Movement in Deferred tax Assets and Liabilities

₹ 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	3,153.21	183.55	-	3,336.76
Provision for doubtful debt and advances	412.79	231.76	-	644.55
Others	358.11	159.15	(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)	(194.82)	-	(553.86)
Total	**4,007.92**	**3,484.85**	**(12.35)**	**7,480.42**

₹ in lacs

Movement during the year ended March 31, 2022	As at March 31, 2021	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2022
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	3,336.76	70.93	-	3,407.69
Provision for doubtful debt and advances	644.55	(67.21)	-	577.35
Others	504.91	164.17	27.09	696.17
Deferred tax assets on carry forward losses and unabsorbed depreciation	3,548.06	1,818.00		5,366.05
Undistributed profit of foreign subsidiaries and associates	(553.86)	29.70	-	(524.16)
Total	**7,480.42**	**2,015.59**	**27.09**	**9,523.10**

Notes to consolidated financial statements for the year ended March 31, 2022

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

₹ in lacs

		March 31, 2022	March 31, 2021
i)	**Income tax recognised in the Consolidated Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	27.33	29.64
	In respect of prior years	-	100.32
	Deferred tax:		
	In respect of current year	(2,013.78)	(3,465.84)
	Income tax expense recognised in the Statement of Profit and Loss	**(1,986.45)**	**(3,335.88)**

₹ in lacs

		March 31, 2022	March 31, 2021
ii)	**Income tax expense recognised in OCI**		
	Deferred tax:		
	Deferred tax expense on remeasurements of defined benefit plans	27.09	(12.35)
	Income tax expense recognised in OCI	**27.09**	**(12.35)**

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

₹ in lacs

	March 31, 2022	March 31, 2021
Loss before tax	(10,671.93)	(15,095.88)
Income tax expense calculated at Corporate tax rate @ 25.17 % (March 31, 2021: 25.17%)	(2,685.91)	(3,799.33)
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	(29.70)	199.23
ESOP expense offered to tax	93.55	-
Tax of earlier period	-	100.32
Effect of tax on dividend from associates/subsidiaries	502.81	8.80
Effect of results of associates	(86.11)	18.07
Tax on expenses not deductible for tax purpose	110.89	89.48
Tax on income of subsidiary at different tax rate	(32.05)	(29.43)
Tax losses of subsidiaries on which deferred tax assets has not been created	87.88	34.34
Others	25.10	54.99
Total	**(2,013.54)**	**(3,323.53)**
Tax expense as per Statement of Profit and Loss	**(2,013.54)**	**(3,323.53)**

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, 2022

₹ in lacs

Assessment year	Category	Amount of Loss	Amount of Deferred tax Asset	Expiry Date
2022-23	Business loss	764.43	192.39	31-Mar-31
2021-22	Business loss	407.24	102.49	31-Mar-30
2021-22	Unabsorbed Depreciation	81.42	20.49	Not applicable
2020-21	Business loss	23.29	5.86	31-Mar-29
2020-21	Unabsorbed Depreciation	53.09	13.36	Not applicable
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		**1,447.57**	**364.31**	

As at March 31, 2022, deferred tax liability of ₹ 524.16 lacs (March 31, 2021: ₹ 553.86 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.

During the year, The Group has not surrendered or disclosed any income in the tax assessments under Income Tax Act, 1961 (such as search or survey or any other relevant provisions as per Income Tax Act, 1961). Accordingly there are no transactions which are not recorded in the books of accounts.

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

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances	4.44	108.80	-	-
Balances with statutory / government authorities:				
Considered good	32.06	17.75	72.47	58.07
Considered doubtful	10.00	10.00	-	-
Less: Allowance for doubtful receivables	(10.00)	(10.00)	-	-
Deposit with Government bodies and others	94.67	85.37	-	-
Advance to suppliers	-	-	569.14	273.41
Loans and advances to employees	-	-	55.67	40.43
Prepaid expenses	32.05	205.26	456.15	788.46
GST credit receivable	-	-	3,284.95	3,042.20
Others	-	-	13.06	58.27
Balance with statutory / government authorities	14.66	14.66	-	-
Less: Allowance for doubtful balance	(14.66)	(14.66)	-	-
	163.22	**417.18**	**4,451.44**	**4,260.84**

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

₹ in lacs

	March 31, 2022	March 31, 2021
Traded goods (Lamps)	455.55	560.72
Digital Cinema Equipment	61.21	184.55
Consumables and spares	359.83	375.01
Content cost	0.09	6.86
Net of provision of ₹ 58.75 lacs, (March 31, 2021, ₹ 47.19 lacs)	**876.68**	**1,127.14**

Notes to consolidated financial statements for the year ended March 31, 2022

10. Investments - Current

₹ in lacs

	March 31, 2022	March 31, 2021
Unquoted mutual funds - carried at fair value through profit and loss		
Investment in mutual funds	2,548.03	4,064.65
	2,548.03	**4,064.65**

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 ₹ 2,548.03 lacs (March 31, 2021: ₹ 4,064.65 lacs)

11. Trade receivables

₹ in lacs

	March 31, 2022	March 31, 2021
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	3,431.14	4,018.48
Less: Allowance for expected credit loss	-	-
Trade receivables with have significant increase in credit risk	-	-
Trade receivables -Credit impaired	3,148.88	3,340.06
Less: Allowance for doubtful trade receivable	(3,148.88)	(3,340.06)
Total	**3,431.14**	**4,018.48**

For details pertaining to related party receivables refer note 33

Trade Receivables ageing schedule *

As at March 31, 2022 ₹ in lacs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,440.53	93.64	3.08	498.33	-	3,035.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired	0.16	34.90	103.85	813.53	742.62	1,695.06
(iv) Disputed Trade Receivables–considered good	67.86	2.82	1.01	85.10	3.59	160.38
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired	9.86	1.83	3.37	509.47	929.29	1,453.82
Total	**2,518.41**	**133.19**	**111.31**	**1,906.43**	**1,675.50**	**6,344.84**
ADD: Trade Receivables- Unbilled						235.18
Total Trade receivable						**6,580.02**
Less: Allowance for doubtful trade receivable						(3,148.88)
Total Trade receivable (Net of Allowance for doubtful trade receivable)						**3,431.14**

Notes to consolidated financial statements for the year ended March 31, 2022

As at March 31, 2021 ₹ in lacs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,585.05	253.14	1,559.30	77.13	13.72	3,488.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired	0.39	47.98	977.91	422.64	594.12	2,043.04
(iv) Disputed Trade Receivables–considered good	14.01	0.34	307.47	-	-	321.82
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired	0.46	1.07	336.14	412.73	546.62	1,297.02
Total	**1,599.91**	**302.53**	**3,180.82**	**912.50**	**1,154.46**	**7,150.22**
ADD: Trade Receivables- Unbilled						208.32
Total Trade receivable						**7,358.54**
Less: Allowance for doubtful trade receivable						(3,340.06)
Total Trade receivable (Net of Allowance for doubtful trade receivable)						**4,018.48**

* Trade receivables ageing is calculated from the date of invoice

12. Cash and bank balances

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash and cash equivalents				
Balances with banks:				
– In current accounts	-	-	1,522.48	1,247.94
Cash on hand	-	-	2.16	4.67
Total (A)	**-**	**-**	**1,524.64**	**1,252.61**
Other bank balances				
– In unpaid dividend account*	-	-	26.56	27.06
– Deposits with original maturity for less than 12 months	-	-	6,449.48	1,050.35
– Deposits with remaining maturity for more than 12 months	461.13	446.37	-	-
Total (B)	**461.13**	**446.37**	**6,476.04**	**1,077.41**
– Margin money deposit with original maturity for less than 12 months	-	-	888.34	1,107.10
Total (C)	**-**	**-**	**888.34**	**1,107.10**
Amount disclosed under non - current financial assets (Refer note 6)	(461.13)	(446.37)	-	-
Total (B+C)	**-**	**-**	**7,364.38**	**2,184.51**

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, 2022

13. Equity share capital

₹ in lacs

	March 31, 2022	March 31, 2021
Authorised share capital		
53,050,000 (March 31, 2021: 53,050,000) equity shares of ₹ 10/- each	5,305.00	5,305.00
1,565,000 (March 31, 2021: 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		
38,041,143 (March 31, 2021: 28,350,801) equity shares of ₹ 10 each fully paid - up	3,804.11	2,835.08
Total issued, subscribed and fully paid up share capital	**3,804.11**	**2,835.08**

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

₹ in lacs

Equity shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	28,350,801	2,835.08	28,350,801	2,835.08
Issued during the year	9,690,342	969.03	-	-
Outstanding at the end of the year	**38,041,143**	**3,804.11**	**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, 2022		March 31, 2021	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Nepean Focused Investment Fund	9,399,933	24.71%	-	-
P5 Asia Holding Investments (Mauritius) Limited	-	-	5,251,608	18.52%
Apollo International Limited	2,266,417	5.96%	2,266,417	7.99%
Valuable Media Private Limited	2,244,265	5.90%	2,244,265	7.92%
Valuable Technologies Private Limited	2,243,657	5.90%	2,243,657	7.91%

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

Notes to consolidated financial statements for the year ended March 31, 2022

(d) Details of shares held by promoters

As at March 31, 2022

Sr No.	Promoter name	Balance as at April 1, 2021	Change during the year	Balance as at March 31, 2022	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	917,229	-	917,229	2.41%	0%
2	Aruna Narendra Hete	4,000	-	4,000	0.01%	0%
3	Uday Shankar Gaikwad	493	-	493	0.00%	0%
4	Ameya Narendra Hete	242,797	-	242,797	0.64%	0%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0%
6	Advent Fiscal Private Limited	737,182	-	737,182	1.94%	0%
7	Apollo International Limited	2,266,417	-	2,266,417	5.96%	0%
8	Valuable Technologies Private Limited	2,243,657	-	2,243,657	5.90%	0%
9	Valuable Media Private Limited	2,244,265	-	2,244,265	5.90%	0%

As at March 31, 2021

Sr No.	Promoter name	Balance as at April 1, 2020	Change during the year	Balance as at March 31, 2021	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	323,143	594,086	917,229	3.24%	183.85%
2	Aruna Narendra Hete	4,000	-	4,000	0.01%	0.00%
3	Uday Shankar Gaikwad	493	-	493	0.00%	0.00%
4	Ameya Narendra Hete	242,797	-	242,797	0.86%	0.00%
5	Raaja Kanwar	-	12,500	12,500	0.04%	NA
6	Advent Fiscal Private Limited	737,182	-	737,182	2.60%	0.00%
7	Apollo International Limited	2,266,417	-	2,266,417	7.99%	0.00%
8	Nifty Portfolio Services Pvt Ltd	594,086	(594,086)	-	0.00%	-100.00%
9	Valuable Technologies Private Limited	2,243,657	-	2,243,657	7.91%	0.00%
10	Valuable Media Private Limited	2,244,265	-	2,244,265	7.92%	0.00%

(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

Notes to consolidated financial statements for the year ended March 31, 2022

14. Other equity

₹ in lacs

	March 31, 2022	March 31, 2021
Reserve and Surplus		
Other Reserve (on purchase of Non-controlling interest stake)		
Balance as at the beginning of year	(2,183.04)	(2,183.39)
Add: Addition during the year	-	0.35
Balance as at the end of year	**(2,183.04)**	**(2,183.04)**
Securities Premium		
Balance as at the beginning of year	29,836.90	29,836.90
Add: Addition during the year (Net of share issue expenses amounting to ₹ 307.9 lacs)	8,546.13	-
Add: Transferred on issuance of ESOP shares	117.42	-
Balance as at the end of year	**38,500.45**	**29,836.90**
Share based payment reserves		
Balance as at the beginning of year	68.83	371.72
Add : Employee stock option granted during the year	271.90	68.83
Less : Transferred on employee stock options expired/exercised during the year	(117.42)	(371.72)
Balance as at the end of year	**223.31**	**68.83**
General Reserves		
Balance as at the beginning of year	371.72	-
Add : Transfer on employee stock options expired during the year	-	371.72
Balance as at the end of year	**371.72**	**371.72**
Legal Reserve		
Opening and Closing balance	**182.93**	**182.93**
Retained earnings		
Balance as at the beginning of year	(6,475.37)	5,251.21
Add: Loss for the year	(8,685.48)	(11,760.00)
Add: Remeasurement of defined benefit plans	(80.60)	38.07
Share issue expenses	-	(4.65)
Balance as at the end of year	**(15,241.45)**	**(6,475.37)**

Notes to consolidated financial statements for the year ended March 31, 2022

₹ in lacs

	March 31, 2022	March 31, 2021
Capital Reserve		
Balance as at the beginning of year	1,558.15	1,525.50
Add: On acquisition of additional stake in associate	8.61	32.65
Balance as at the end of year	**1,566.76**	**1,558.15**
Foreign Currency Translation Reserve (FCTR)		
Balance as at the beginning of year	276.21	301.35
Add / (less):Exchange differences on translating the financial statements of foreign operations	68.50	(25.14)
Balance as at the end of year	**344.71**	**276.21**
Total	**23,765.39**	**23,636.33**

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. **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.

g **Dividend :** Dividend paid and declared by the Company during the year is ₹ Nil (March 31,2021 : Nil)

Notes to consolidated financial statements for the year ended March 31, 2022

15. Borrowings (at amortised cost-secured)

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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	1,332.49	1,773.61	901.83	697.07
Term loan 2 from HDFC Bank	-	1,539.67	1,539.67	1,383.86
Term loan 3 from Yes Bank	-	-	-	951.79
Term loan 4 from IDFC Bank	1,500.00	2,700.00	1,200.00	300.00
Term loan 5 from HDFC Bank	2,220.00	-	-	-
Sub Total (a)	**5,052.49**	**6,013.28**	**3,641.50**	**3,332.72**
Less :Amount disclosed under the head “Current borrowings” (Refer note 19) (b)	-	-	(3,641.50)	(3,332.72)
Net amount (a) + (b)	**5,052.49**	**6,013.28**	**-**	**-**

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.39% % (March 31, 2021 : 8.91%) p.a. 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.7.91 % (March 31, 2021 : 8.87%) p.a. is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 1 year MCLR i.e. 8.55% (March 31, 2021 : 9.32%) p.a. is repayable in 48 monthly installments starting from July 15, 2017.

Term loan 4 having interest of bank 3 month MCLR plus 160 basis points i.e. 9.45% (March 31, 2021 : 9.70%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 5 having interest of bank 6 Month MCLR plus 65 basis points i.e. 8.00% (March 31, 2021 : Nil) p.a. is repayable in 48 monthly installments starting from Jun 01, 2023.

The Company has satisfied all other debt covenants prescribed in the terms of bank loan.

The Company has not defaulted on any loans payable.

16. Financial liabilities - others

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Other financial liabilities carried at amortised cost				
Interest accrued but not due on borrowings	-	-	42.14	47.27
Deposit from customers	2,868.39	3,012.96	1,175.32	1,211.91
Deposit from related parties (Refer note 33)	4.03	2.87	-	-
Unpaid dividend *	-	-	26.56	27.06
Payables for purchase of property, plant and equipments	87.35	335.95	-	-
Salary and reimbursement payable	-	-	864.30	516.55
Other payables	-	-	7.51	-
	2,959.77	**3,351.78**	**2,115.83**	**1,802.79**

* There is no amount to be transferred to Investor Education and Protection Fund

Notes to consolidated financial statements for the year ended March 31, 2022

17. Provisions

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for Employee Benefits				
Provision for gratuity (Refer note 29)	997.38	749.71	5.30	2.57
Provision for compensated absences (Refer note 29)	30.01	19.96	520.88	444.81
Others				
Provision for warranties (Refer note a)	-	-	1.27	1.92
	1,027.39	**769.67**	**527.45**	**449.30**

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, 2022	March 31, 2021
At the beginning of the year	1.92	2.67
Arising during the year	-	-
Utilized during the year	(0.65)	(0.75)
At the end of the year	**1.27**	**1.92**
Current portion	1.27	1.92
Non-current portion	-	-

18. Other Liabilities

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred revenue	515.37	445.74	254.57	271.66
Advance received from customers	-	-	2,034.54	1,176.42
Statutory dues payable				
Employee related liabilities	-	-	81.08	50.65
Value added tax payable	-	-	4.10	8.22
Tax deducted at source payable	-	-	279.37	208.04
	515.37	**445.74**	**2,653.66**	**1,714.99**

Notes to consolidated financial statements for the year ended March 31, 2022

19. Current borrowings

₹ in lacs

	March 31, 2022	March 31, 2021
Secured		
Cash credit from ICICI Bank Limited	-	59.60
Current maturities of long-term debts (Refer note 15)	3,641.50	3,332.72
	3,641.50	**3,392.32**

20. Trade payables

₹ in lacs

	Current	
	March 31, 2022	March 31, 2021
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	5,671.62	5,974.31
Total	**5,671.62**	**5,974.31**

Trade Payables aging schedule (Outstanding from the Invoice date)

As at March 31, 2022 ₹ in lacs

Particulars		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	3,130.14	766.98	782.63	991.87	5,671.62
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

As at March 31, 2021 ₹ in lacs

Particulars		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	2,928.76	1,528.14	950.72	566.69	5,974.31
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2022

21. Revenue from operations

₹ in lacs

		March 31, 2022	March 31, 2021
Sale of Services			
Advertisement revenue		1,507.75	253.27
Content delivery charges (CDC) - E-Cinema		3,119.95	553.79
Content delivery charges (CDC) -D-Cinema		1,325.14	304.56
Lease rental income - E-Cinema		997.72	324.53
Lease rental income - D-Cinema		174.59	76.58
Digitisation income		838.75	328.19
Maintenance service fee		416.40	1,079.18
Registration fees income		25.80	4.60
Distribution Income		236.33	-
Others		245.07	225.75
	(A)	**8,887.50**	**3,150.45**
Sales of Products			
Lamps		2,397.97	1,928.32
Digital cinema equipments		3,720.08	3,186.58
	(B)	**6,118.05**	**5,114.90**
Other Operating Income			
Sundry balances written back		891.05	391.60
Others		117.19	152.43
	(C)	**1,008.24**	**544.03**
Total	**(A)+(B)+(C)**	**16,013.79**	**8,809.38**

22. Other Income*

₹ in lacs

	March 31, 2022	March 31, 2021
Miscellaneous income**	374.09	406.84
Foreign exchange gain (net)	6.23	-
Others	0.12	4.62
	380.44	**411.46**

* 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 ₹ 264.44 lacs (March 31, 2021 : ₹ 309.76 lacs)

Notes to consolidated financial statements for the year ended March 31, 2022

23. Operating direct costs

₹ in lacs

	March 31, 2022	March 31, 2021
Advertisement revenue share	151.84	14.62
Exhibition equipments repairs	1,556.63	1,857.13
Van operation expenses	32.77	22.18
Technical service fees	192.11	512.29
Bandwidth charges	370.21	233.02
Purchase of digital cinema equipment	2,938.74	2,536.87
Purchase of lamps and spares	1,818.64	1,428.37
Content processing charges	7.41	3.07
CDC share expenses	861.71	129.39
Distribution Expenses	186.31	0.00
Other expenses	612.07	371.00
(Increase) / Decrease in inventories of digital cinema equipments		
Inventories at the beginning of the year	184.55	354.36
Inventories at the end of the year	70.69	184.55
	113.86	**169.81**
(Increase) / Decrease in inventories of lamps		
Inventories at the beginning of the year	607.91	802.47
Inventories at the end of the year	505.21	607.91
	102.70	**194.56**
Content Cost		
Opening Content cost	6.86	24.76
Add : Cost of content aquired during the year	0.29	(0.42)
Less : Closing balance of unamortised content cost	(0.09)	(6.86)
	7.06	**17.48**
Consumables and spares		
Inventories at the beginning of the year	375.01	266.83
Add: Purchases	359.66	253.45
Less: Inventories at the end of the year	(359.44)	(375.01)
	375.23	**145.27**
	9,327.29	**7,635.06**

Notes to consolidated financial statements for the year ended March 31, 2022

24. Employee benefit expense

₹ in lacs

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	5,736.28	4,343.12
Contribution to provident and other funds	313.25	263.22
Gratuity expenses (Refer note 29)	184.38	200.23
Compensated absences (Refer note 29)	115.92	73.60
ESOP compensation cost (Refer note 30)	271.90	68.83
Staff welfare expenses	282.79	233.33
	6,904.52	**5,182.33**

25. Other expenses

₹ in lacs

	March 31, 2022	March 31, 2021
Rent	327.12	272.62
Freight and forwarding charges	319.57	209.84
Legal, professional and consultancy charges	1,687.69	1,215.45
Directors sitting fees including commission	75.38	48.38
Commission on advertisement revenue	212.47	88.90
Commission on other revenue	136.51	243.51
Corporate social responsibility expenses	61.88	216.01
Sales promotion expenses	110.03	152.96
Electricity charges	168.92	136.45
Rates and taxes	37.71	27.90
Payment to Auditors	86.58	65.90
Repairs and maintenance		
- Plant and machinery	-	4.34
- Others	198.26	107.67
Insurance	106.13	121.33
Travelling and conveyance expenses	282.22	133.12
Communication and courier expenses	105.43	102.07
Printing and stationery	28.05	21.81
Bad debts written-off	191.99	200.25
Less: Provision utilised	(160.27)	(95.24)
Provision for doubtful debts	20.60	1,081.60
Provision for slow/non-moving inventory	10.17	-
Provision for diminution in value of investment	410.49	-
Miscellaneous expenses	464.75	410.28
Foreign exchange loss (net)	-	5.05
	4,881.68	**4,770.20**

Notes to consolidated financial statements for the year ended March 31, 2022

Details of CSR expenditure:

₹ in lacs

		March 31, 2022	March 31, 2021
a)	Gross amount required to be spent by the Group during the year	61.88	216.01
b)	Amount approved by the Board to be spent during the year	61.88	216.01

₹ in Lacs

		In cash	Yet to be paid in cash	Total
c)	Amount spent during the year ending on March 31, 2022:			
i)	Construction/acquisition of any asset	17.10	183.69	200.79
ii)	On purposes other than (i) above	22.39	25.59	47.98

₹ in Lacs

		In cash	Yet to be paid in cash	Total
d)	Amount spent during the year ending on March 31, 2021:			
i)	Construction/acquisition of any asset	12.37	153.19	165.56
ii)	On purposes other than (i) above	16.75	33.70	50.45

₹ in Lacs

		March 31, 2022	March 31, 2021
e)	Details related to spent / unspent obligations		
i)	Contribution to Public Trust	39.49	29.12
ii)	Unspent amount in relation to:		
	Ongoing project	209.28	186.89

Details of ongoing project and other than ongoing project
In case of S. 135(6) (Ongoing Project)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Group	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
-	171.95	61.88	5.64	26.48	47.60	154.12

Note: 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:

- The areas of CSR activities are on providing healthcare, education and rehabilitation for underprivileged girls and children from the rural village.
- A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Notes to consolidated financial statements for the year ended March 31, 2022

26. Finance Cost

₹ in lacs

	March 31, 2022	March 31, 2021
Interest on		
- Term loan	859.13	745.95
- Cash credit	1.86	205.91
Interest expenses on lease liabilities	120.62	188.51
Bank charges	24.71	29.65
Interest expenses on financial liabilities carried at amortised cost	156.54	136.73
	1,162.86	**1,306.75**

27. Finance Income

₹ in lacs

	March 31, 2022	March 31, 2021
Interest income on		
- Fixed deposits	131.48	79.05
- Others *	60.68	588.76
Net gain on current investments **	253.37	281.71
	445.53	**949.52**

* Interest on other includes interest received on income tax refund

** Includes revaluation gain of ₹ 151.04 lacs (March 31, 2021 reversal of fair value gain recognised earlier of ₹ 322.43 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, 2022	March 31, 2021
Basic		
Profit /(Loss) attributable to equity holders of parent	(8,685.48)	(11,760.00)
Weighted average number of equity shares in calculating basic EPS	31,279,999	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)	**(27.77)**	**(41.48)**
Diluted		
Profit /(Loss) attributable to equity holders of parent	(8,685.48)	(11,760.00)
Weighted average number of equity shares in calculating basic EPS	31,279,999	28,350,801
Effect of dilutions of stock options granted under ESOP	1,036,437	96,941
Weighted average number of shares outstanding (including dilution)	32,316,436	28,447,742
Earning per share (₹) (Face value of ₹ 10 each)*	**(27.77)**	**(41.48)**

*Since diluted earnings per share is increased when taking the ESOP into account from ₹ (27.77) to ₹ (26.88) due to loss in the current year, the ESOP are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹ (27.77).

Notes to consolidated financial statements for the year ended March 31, 2022

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, 2022	March 31, 2021
Contribution to Provident fund (Government) and other funds	**313.25**	**263.22**

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 company in the form of a qualifying insurance policy.

The following tables summarize 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, 2022

₹ 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, 2021	1,336.28	584.00	752.28
Service Cost	145.65		145.65
Net Interest cost	72.26	-	72.26
Investment Income	-	33.53	(33.53)
Recognised in Statement of profit and loss	**217.91**	**33.53**	**184.38**
Benefit paid	(51.05)	(49.94)	(1.11)
Remeasurement gains / losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(0.10)	0.10
Add on Business Combination		-	-
Actuarial changes arising from Changes in financial assumptions	(78.72)	-	(78.72)
Experience Adjustments	186.31	-	186.31
Net actuarial loss recognized in the year	-	-	-
Recognised in Other comprehensive Income	**107.59**	**(0.10)**	**107.69**
Contribution by employer	-	40.56	(40.56)
As at March 31, 2022	**1,610.73**	**608.05**	**1,002.68**

Notes to consolidated financial statements for the year ended March 31, 2022

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 to 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)	(61.71)	(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) 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**	**584.00**	**752.28**

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

Gratuity	March 31, 2022	March 31, 2021
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

The principal assumptions used in determining gratuity as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.65%	6.25%
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	8.00%	8.00%
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.

Notes to consolidated financial statements for the year ended March 31, 2022

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in lacs

Particulars	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	1,469.74	(1,320.95)	1,222.93	(1,095.61)
Salary Growth (-/+1%)	(1,329.79)	1,457.66	(1,102.11)	1,213.82
Attrition(-0.50/+0.50%)	1,344.41	(1,405.52)	1,133.86	(1,160.80)

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

Particulars	March 31, 2022	March 31, 2021
Within the next 12 months(next annual reporting period)	835.19	662.26
Total	**835.19**	**662.26**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2021: 5 years)

₹ in lacs

Expected future cash flows (valued on undiscounted basis):	March 31, 2022	March 31, 2021
1 Year	308.70	246.85
2 to 5 years	673.34	555.14
6 to 10 years	539.35	427.89
More than 10 years	599.85	501.89

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 ₹ 115.92 lacs (March 31, 2021: ₹ 73.60 lacs) is recognised as an expense in the Statement of profit and loss.

30. Employee stock option plans

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

During previous year, the Compensation Committee of the Board of Directors of the Company at its meeting held on 15 January 2021, granted 10,93,700 Options to the eligible employees of the Company and subsidiary Companies under its Employee Stock Option Scheme 2014 (ESOP 2014).

The Compensation Committee of the Board of Directors of the Company at its meeting held on January 24, 2022 granted 27,300 Options to the eligible employees of the subsidiary companies of the Company under its Employee Stock Option Scheme 2014 (ESOP 2014).

Out of total options granted till March 31, 2022, 2,90,409 options has been exercised by the eligible employees and 47,775 options has been lapsed due to resignation of eligible employees.

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.

Notes to consolidated financial statements for the year ended March 31, 2022

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

	March 31, 2022		March 31, 2021	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	1,090,100	400.00	814,819	400.00
Granted during the year	27,300	50.00	1,093,700	50.00
Exercised during the year	(290,409)	-	-	-
Forfeited/lapsed during the year out of opening	-	-	(814,819)	400.00
Lapsed during the year out of options granted during the year	(44,175)	-	(3,600)	-
Outstanding at the end of the year	**782,816**	**50.00**	**1,090,100**	**50.00**
Exercisable at the end of the year	782,816	50.00	1,090,100	50.00
Weighted average remaining contractual life (in months)	28		40	

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

	March 31, 2022	
	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, 2022 is ₹ 223.31 lacs (March 31, 2021: ₹ 68.83 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 ₹ 271.90 lacs (March 31, 2021 : ₹ 68.83 lacs) is recorded in Statement of Profit and Loss in current year.

31. Leases

Company as lessee

The Group's significant leasing arrangements are in respect of leases taken for Office Premises, Warehouses and Digital equipment. These leases are cancellable lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee.

During the year ended March 31, 2022, 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 ₹ 264.44 lacs (March 31, 21 ₹ 309.76 lacs) has been recognised under 'Other income' (Refer note 22)

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Lease payments recognised in the statement of profit and loss (Short term and low value leases)	327.12	272.62
	327.12	**272.62**

Notes to consolidated financial statements for the year ended March 31, 2022

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Due not later than one year	720.32	37.71
Due later than one year but not later than five years	670.69	201.13
Later than five years	-	-
	1,391.01	**238.84**

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Opening balance	988.93	1,971.65
Finance cost during the period	120.62	188.51
Deletions	-	(183.29)
Rent concessions recognised in the statement of profit and loss	(264.44)	(309.76)
Reversal of lease liabilities	-	(8.27)
Addition	686.78	16.42
Payment for lease liabilities	(710.52)	(686.33)
Balance at the end	**821.37**	**988.93**

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	485.01	468.77
Non-current lease liabilities	336.36	520.16
	821.37	**988.93**

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Due not later than one year	463.73	553.24
Due later than one year but not later than five years	370.52	558.23
Later than five years	22.50	85.47
	856.75	**1,196.94**

Group as lessor

The Company has leased out Digital Cinema Equipment to theatres and franchisees. These leases are cancellable 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, 2022	March 31, 2021
Lease income recognised in Statement of profit and loss	1,172.31	401.11

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Gross carrying amount	27,651.78	27,224.58
Accumulated depreciation	19.268.19	17,120.92
Depreciation recognized in the statement of profit and loss	8,383.59	10,103.66

Notes to consolidated financial statements for the year ended March 31, 2022

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, 2022	March 31, 2021
Revenue by Geographical Market		
- Within India	11,012.82	2,811.74
- Middle east	5,000.97	5,765.35
- Rest of the world	-	79.87

Non-Current Assets (Property Plant and Equipment, Capital work in progress, Goodwill and Intangible Assets)

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
- Within India	15,338.77	19,096.09
- Middle east	56.29	77.48
- Rest of the world	-	-

During the year ended March 31, 2021 and March 31, 2022, no single external customer has generated revenue of 10% or more of the Group's total revenue.

33. Related party disclosure

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 Mumbai Movie Studios Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Media Infotek Park Valuable Media Private Limited Valuable Technologies Private 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 Deco Works LLP S.Madhavan (HUF)

Notes to consolidated financial statements for the year ended March 31, 2022

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 Ms. Kavita Thadeshwar- Company Secretary Mr. Sanjeev Aga - Independent and Non executive director Mr. S. Madhavan - Independent and Non executive director Ms. Lynn de Souza - Independent and Non executive director Mr. Ameya Hete - Non executive director Mr. Anand Yogendra Trivedi - Independent director (w.e.f. December 09, 2021) Mr. Gautam Yogendra Trivedi - Independent director (w.e.f. December 09, 2021)
Relatives of key management personnel	Mr. Narendra Hete Mrs. Aruna Narendra Hete Mr. Uday Shankar Gaikwad Mrs. Mohana Subramanian Mrs. Kamayani Singh Kanwar

2. Details of transactions with related parties during the year

₹ in lacs

Sr. No.		Particulars	March 31, 2022	March 31, 2021
Nature of transaction and Name of the Parties				
1		**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**		
A		**Expenses reimbursed**		
	i)	Valuable Edutainment Private Limited	2.19	-
	ii)	Media Infotek Park	88.88	64.19
B		**Technical and professional services (expense)**		
	i)	Valuable Technologies Private Limited	192.11	512.29
	ii)	Deco Works LLP	4.86	-
C		**Direct Expenses (Licensee fees – Impact)**		
	i)	Impact Media Exchange Limited	36.00	36.00
D		**Licensee fee- Club X (income)**		
	i)	Valuable Media Private Limited	1.94	0.35
E		**Rent paid (expense)**		
	i)	Media Infotek Park	527.32	453.95
F		**Rent income (Miscellaneous receipts)**		
	i)	Valuable Media Private Limited	3.10	2.78
	ii)	Valuable Edutainment Private Limited	1.70	0.98
2		**Associate Enterprises**		
A		**Sale of goods**		
	i)	Scrabble Digital DMCC	35.47	14.56
	ii)	Scrabble Audio Visual Equipment Trading LLC	592.12	602.92
B		**Content Income**		
	i)	Mukta V N Films Limited	4.34	5.51
C		**Rent income (Miscellaneous receipts)**		
	i)	Mumbai Movie Studios Private Limited	-	5.20

Notes to consolidated financial statements for the year ended March 31, 2022

₹ in lacs

Sr. No.	Particulars		March 31, 2022	March 31, 2021
D	**Support service expenses**			
	i)	Mumbai Movie Studios Private Limited	0.08	49.36
E	**Management Service Fees (Miscellaneous receipts)**			
	i)	Mumbai Movie Studios Private Limited	3.64	3.75
F	**Dividend received**			
	i)	Scrabble Digital DMCC	37.45	58.66
	ii)	Scrabble Venture LLC	-	-
G	**Payment for conversion of share warrants into Equity shares**			
	i)	Cinestaan Digital Private Limted	97.00	485.34
H	**Purchase/call amount paid for Optionally convertible preference shares**			
	i)	Mumbai Movies Studio Private Limited	262.50	337.50
I	**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*	219.12	82.03
	ii)	Mr. Kapil Agarwal**	279.92	82.08
	iii)	Mr. Ashish Malushte	68.20	47.07
	iv)	Mr. Rajesh Mishra	86.82	57.26
	v)	Mr. Sameer Chavan	-	13.63
	vi)	Ms. Kavita Thadeshwar ***	45.62	2.01
B	**Directors Sitting Fees and Commission expenses**			
	i)	Mr S. Madhavan	19.17	14.25
	ii)	Ms. Lynn de Souza	18.54	14.13
	iii)	Mr. Sanjeev Aga	26.67	20.00
	iv)	Mr. Ameya Hete	6.00	-
	v)	Mr. Anand Trivedi	2.00	-
	vi)	Mr. Gautam Trivedi	2.00	-
	vii)	Mr. Raaja Kanwar	1.00	-

3. Balance outstanding at the year end.

₹ in lacs

Sr. No.	Particulars		March 31, 2022	March 31, 2021
1	**Enterprises owned or significantly influenced by Key Management Personnel and their relatives**			
A	**Trade Receivables**			
	i)	Valuable Media Private Limited	0.73	0.88
	ii)	Valuable Infotainment Private Limited	0.27	0.27
	iii)	Valuable Edutainment Private Limited	2.58	1.15
B	**Deposit receivable**			
	i)	Media Infotek Park	359.66	359.66
C	**Deposit payable**			
	i)	Valuable Media Private Limited	2.16	2.16
	ii)	Valuable Infotainment Private Limited	0.06	0.06
	iii)	Valuable Edutainment Private Limited	0.64	0.64

Notes to consolidated financial statements for the year ended March 31, 2022

₹ in lacs

Sr. No.	Particulars		March 31, 2022	March 31, 2021
D	**Trade Payable**			
	i)	Impact Media Exchange Limited	6.48	3.32
	ii)	Media Infotek Park	8.31	81.89
	iii)	Valuable Technologies Private Limited	284.40	87.30
2	**Associate enterprise**			
A	**Amount receivable**			
	i)	Mukta V N Films Limited	8.70	6.13
	ii)	Mumbai Movie Studios Private Limited	-	8.95
B	**Amount payable**			
	i)	Mumbai Movie Studios Private Limited	0.89	0.29
	ii)	Scrabble Audio Visual Equipment Trading LLC	-	250.19
	iii)	Scrabble Digital DMCC	0.14	-
	iv)	Mukta V N Films Limited	0.10	-
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****	5.67	3.00
	ii)	Ms. Lynn de Souza	0.00	-
	iii)	Mr S. Madhavan	0.00	-
B	**Payable to key managerial personnel**			
	i)	Mr. Sanjay Gaikwad *	76.00	-
	ii)	Mr. Kapil Agarwal**	76.00	-

* Includes provision of ₹ 76 lacs towards performance incentives during the year ended March 31, 2022.

** Includes perquisite value of ₹ 60.81 lacs towards exercise of Employee Stock Option and provision of ₹ 76 lacs towards performance incentives during the year ended March 31, 2022.

*** Include remuneration of ₹ 0.59 lacs from date of appointment as Company Secretary during the year ended March 31, 2021.

**** Includes remuneration of ₹ 5.67 lacs for the year ended March 31, 2022 to be paid, post shareholder's approval.

Notes:

a) As at March 31, 2022, the Company has provided Corporate guarantee to the bank for an Overdraft facility of ₹ 200 lacs (March 31, 2021: ₹ 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, 2022	March 31, 2021
Remuneration	699.68	284.08

*Key Managerial Personnel and Relatives of promoters who are under the employment of the group are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS -19 Employee Benefits in the financial statements. As these employee benefits are lump-sum amounts provided on the basis of the actuarial valuation, the same is not included above, as they are determined on an actuarial basis for the Group as a whole.

Notes to consolidated financial statements for the year ended March 31, 2022

34. Capital and other commitments

₹ in lacs

Particular	March 31, 2022	March 31, 2021
Capital commitments	1,064.11	143.22
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 46.42 lacs (March 31, 2021 : ₹ 43.68 lacs))		
Other commitments (operating expenses net of advances of ₹ 132.69 lacs (March 31, 2021 : ₹ 9.20 lacs))	223.00	330.53
	1,287.11	**473.75**

35. Contingent liabilities

₹ in lacs

Particular	March 31, 2022	March 31, 2021
Pending litigations/matters		
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	6.27
	82.27	**82.27**

Notes:

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 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 & 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 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.

c) 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.

Notes to consolidated financial statements for the year ended March 31, 2022

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 April16, 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 Hon'ble Supreme Court of India on January 6, 2022 passed an order condoning the delay in filing of appeal by the Revenue Department and in facts of the present case, the Hon'ble Supreme Court of India has on merits dismissed the appeal of the Revenue Department. As per this Hon'ble Supreme Court of India order all pending applications in relation to this matter stand disposed off.

d) 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.

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 measurement hierarchy of the Group's Financial assets and liabilities.

The Carrying value and fair value of financial assets and liabilities by categories as at March 31, 2022 is as follows:

₹ in lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total Carrying amount	Total Fair value
Financial Assets					
Non current Investments	2,225.91			2,225.91	2,225.91
Current Investments	-	2,548.03		2,548.03	2,548.03
Trade Receivables	3,431.14	-	-	3,431.14	3,431.14
Cash and Cash equivalents	1,524.64	-	-	1,524.64	1,524.64
Bank balances other than cash and cash equivalents	7,825.51	-	-	7,825.51	7,825.51
Other Financial Assets	853.14	-	-	853.14	853.14
Total				**18,408.37**	**18,408.37**
Financial Liabilities					
Borrowing	8,693.99	-	-	8,693.99	8,693.99
Lease liabilities	821.37	-	-	821.37	821.37
Trade Payable	5,671.62	-		5,671.62	5,671.62
Other financial liabilities	5,075.60	-	-	5,075.60	5,075.60
Total				**20,262.58**	**20,262.58**

Notes to consolidated financial statements for the year ended March 31, 2022

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
Current Investments	-	4,064.65		4,064.65	4,064.65
Trade Receivables	4,018.48	-	-	4,018.48	4,018.48
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	752.60	-	-	752.60	752.60
Total				**15,186.95**	**15,186.95**
Financial Liabilities					
Borrowing	9,405.60	-	-	9,405.60	9,405.60
Lease liabilities	988.93	-	-	988.93	988.93
Trade Payable	5,974.31	-	-	5,974.31	5,974.31
Other financial liabilities	5,154.57	-	-	5,154.57	5,154.57
Total				**21,523.41**	**21,523.41**

The Carrying value and fair value of financial assets by categories as at March 31, 2022 is as follows:

₹ in lacs

Particulars	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 13
Financial Assets at Fair Value through Profit or Loss					
Investment in mutual funds	2,548.03	2,548.03	-	2,548.03	-
Total	**2,548.03**	**2,548.03**	**-**	**2,548.03**	**-**

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 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 year ending March 31, 2021 and March 31, 2022 there was no transfer between level 1 and level 2 fair value instruments.

Notes to consolidated financial statements for the year ended March 31, 2022

37. Financial Risk Management - Objectives and policies

The Group's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Senior Management oversees the management of these risks. The Group's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Group. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lacs

	Increase effect		Decrease effect	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(86.9)	(94.1)	86.9	94.1

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

Outstanding Foreign Currency Exposure as at	March 31, 2022	March 31, 2021
Trade Receivable	69.42	74.67
In USD (in lacs)	0.92	1.03
Trade Payable	70.92	59.69
In USD (in lacs)	0.94	0.82
Advance to supplier	95.96	129.74
In USD (in lacs)	1.27	1.79
Cash and Bank Balance	0.71	0.69
In USD (in lacs)	0.06	0.06
Advance from Customer	12.69	36.03
In USD (in lacs)	0.17	0.50
Other receivable	5.89	26.07
In USD (in lacs)	0.08	0.36

Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	March 31, 2022	March 31, 2021
1% increase in foreign exchange rate:	0.88	1.35
1% (decrease) in foreign exchange rate:	(0.88)	(1.35)

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 receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets .

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk is ₹ 16,182.49 lacs and ₹ 12,719.25 lacs as at March 31, 2022 and March 31, 2021 respectively as per the table below:

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Other Non current financial assets	752.01	1,075.78
Current Investments	2,548.03	4,064.65
Trade Receivable	3,431.14	4,018.48
Cash and cash equivalents	1,524.64	1,252.61
Bank balances other than cash and cash equivalents	7,364.38	2,184.51
Other current financial assets	562.26	123.19
Total	**16,182.46**	**12,719.22**

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.

Notes to consolidated financial statements for the year ended March 31, 2022

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.

₹ in lacs

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At March 31, 2022					
Non current borrowings	3,641.50	5,052.49	-	8,693.99	8,693.99
Current borrowing	-	-	-	-	-
Lease liabilities	485.01	336.36	-	821.37	821.37
Trade Payables	5,671.62	-	-	5,671.62	5,671.62
Other financial liabilities (current)	2,115.83	-	-	2,115.83	2,115.83
Other financial liabilities (non-current)	-	2,959.77	-	2,959.77	2,959.77
Total				**20,262.58**	**20,262.58**
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		988.93	988.93
Trade Payables	5,974.31	-	-	5,974.31	5,974.31
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				**21,523.41**	**21,523.41**

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, 2022	March 31, 2021
Long term debt including current maturities	8,736.13	9,393.26
Equity attributable to owners of Group	27,569.50	26,471.41
Gearing Ratio	31.69%	35.48%

Notes to consolidated financial statements for the year ended March 31, 2022

39. Investments During the year

(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 up to ₹ 800 lacs in Mumbai Movie Studios Private Limited (MMSPL). Consequently, till the year end March 31, 2021, SEL had made an investment of ₹ 37.50 lacs , subscribing to 3,75,000 number of equity shares of ₹ 10 each and ₹ 337 lacs, subscribing to 75,00,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares (“NCOCRPS”) of ₹ 10 each, the paid up value per share is ₹ 4.5. Post this investment, SEL holds 30.74% stake in MMSPL, which has been treated as an associate for the purpose of accounting.

Further on December 09, 2021, SEL made additional investment of ₹ 262.50 lacs towards the second call of ₹ 3.5 per share.

(B) Acquisition of stake in Cinestaan Digital Private Limited

Out of a total of 38,78,975 share warrants of Cinestaan Digital Private Limited (CDPL), that it held up to year end March 31, 2021, the Company had exercised 12,55,094 share warrants by making payment of ₹ 485.35 lacs @ ₹ 38.67 per share for 12,55,094 equity shares issued against these warrants.

On May 27, 2021, the Company further exercised 2,50,840 warrants of the above company by making payment of ₹ 97 lacs @ 38.67 per share for 2,50,840 equity shares issued against these warrants.

(C) Investment in Zinglin Media Private Limited and Plexigo Entertainment Private Limited

“During the year ended March 31, 2022, the Company had further invested an amount of ₹ 100 lacs by subscribing to 10,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) of Plexigo Entertainment Private Limited (Plexigo) and ₹ 159.91 lacs by subscribing to 15,991 NCOCRPS of Zinglin Media Private Limited (Zinglin). As on March 31, 2022, the Company has invested an aggregate amount of ₹ 251 lacs in Plexigo and ₹ 410.91 lacs in Zinglin.

(D) Investment in Nova Cinemaz Private Limited

On February 04, 2022, the Board of Directors of the Company had approved a further investment of up to ₹ 500 lacs (in one or more tranches) by way of equity shares in Nova Cinemaz Private Limited (erstwhile “”Valuable Digital Screens Private Limited””) , its wholly owned subsidiary, for its NOVA EUC business.

Accordingly, the Company has made an investment of ₹ 125 lacs in Nova Cinemaz Private Limited, subscribing to 12,50,000 equity shares of ₹ 10 each, allotment of which has been approved by the Board of Directors of Nova Cinemaz Private Limited at its meeting held on March 28, 2022.

Investment in the Company-Preferential Allotement

During the year, the Board of Directors of the Company at its meeting held on December 09, 2021 had approved the allotment of 93,99,933 (Ninety Three Lakhs Ninety Nine Thousand Nine Hundred and Thirty Three) equity shares of the Company of face value of ₹ 10 each fully paid-up in dematerialized form by way of preferential allotment for cash consideration to Nepean Focused Investment Fund, a scheme of investment of Nepean Investment Trust II, a category II Alternative Investment Fund registered with the Securities and Exchange Board of India (“Allottee”) at a price of ₹ 103.01 per equity share, aggregating to ₹ 9,682.87 lacs. As on March 31, 2022, the proceeds from such allotment were utilised for the stated purposes in the issue document and there were no deviations.

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 and 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, 2022

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, 2022	March 31, 2021
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

There are no subsequent events post year end March 31, 2022 which require disclosure in or adjustments to these consolidated financial statements.

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, 2022	March 31, 2021
Group's share of Profit / (loss)	342.13	(71.80)
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	342.13	(71.80)

43. Unbilled Receivables and Contract Liabilities

The movement in unbilled receivable and contract liabilities from contracts with customers:

₹ in lacs

Unbilled receivables	March 31, 2022	March 31, 2021
Opening balance April 1, 2021	208.32	280.17
Less: Invoices raised for revenue recognised during the previous year	(208.32)	(280.17)
Add: increase due to invoices not raised for revenue recognised during the year	235.18	208.32
Closing balance March 31, 2022	**235.18**	**208.32**

₹ in lacs

Contract liabilities (Advance or deferred income)	March 31, 2022	March 31, 2021
Opening balance	717.40	870.68
Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(717.40)	(870.68)
Add: invoices raised for which no revenue is recognised during the year	769.94	717.40
Closing balance	**769.94**	**717.40**

Notes to consolidated financial statements for the year ended March 31, 2022

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.

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, 2022	March 31, 2021
Revenue from contracts with customers (as per Statement of Profit and Loss)	16,013.79	8,809.38
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	26.86	(71.85)
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**52.53**	**(153.28)**
Contracted price with the customers	**16,093.18**	**8,584.25**

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

44. Additional regulatory requirement

(i) The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

(ii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) The Group do not have any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(vi) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Group do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group.

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party.

(b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries."

Notes to consolidated financial statements for the year ended March 31, 2022

45. Impact of Covid-19

The uncertainty on account of the Covid- 19 outbreak continued to have an adverse effect across the world including India, in the first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. However, various State Governments only allowed Cinemas to re-open from July-November 2021 in a phased manner with restrictions and Standard Operating Procedures (SOPs) in place. The third wave, which was due to Omicron, a new variant of Covid, was much shorter compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 2022. A majority of the Cinemas were operational during early Q4 (with the exception of Delhi and Haryana, which were shut during January 2022) with various capacity restrictions but with limited or no content. Restrictions on cinema operations started easing from the 1st week of February'22. With the lifting of Covid related occupancy restrictions from mid-March 22 in the major States across India, filmgoers started revisiting cinemas in large numbers, thus giving a big boost to the sentiments of the exhibition industry. Consequently, the theatrical exhibition industry has witnessed recovery and an improved performance by the end of financial year. The Company continued with its strategy of keeping a check on controllable costs and having adequate liquidity.

The management has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects.

Based on the above, the management and the Board of Directors believe that the Group would be able to meet its financial obligations in the foreseeable future. Accordingly, management believes that the long-term drivers of business are intact and does not anticipate any material medium to long-term risks to the business.

46. The Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Indian entities 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 Group 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.

47. Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021:

(a) Security deposits regrouped under 'Other financial assets' (Note 6) which were earlier part of 'Loans' (Note 5)

(b) Current maturities of long term debts regrouped under 'Borrowings'(Note 19) which were earlier part of 'Other financial liabilities' (Note 16)

(c) Unbilled receivables regrouped under 'Trade receivables' (Note 11) which were earlier part of Balance Sheet

Notes to consolidated financial statements for the year ended March 31, 2022

48. 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, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	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	117.35%	32,353.31	79.29%	(6,886.74)	483.66%	(58.54)	79.85%	(6,945.28)
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	17.20%	4,742.91	-16.17%	1,404.66	127.78%	(15.47)	-15.97%	1,389.19
(ii) Nova Cinemaz Private Limited (Erstwhile Valuable Digital Screen Private Limited)	-3.11%	(857.36)	5.91%	(513.29)	0.61%	(0.07)	5.90%	(513.36)
(iii) Zinglin Media Private Limited	-0.99%	(272.08)	2.05%	(178.03)	0.00%	-	2.05%	(178.03)
(iv) UFO Software Technologies Private Limited	0.13%	36.40	-0.01%	0.62	0.00%	-	-0.01%	0.62
(v) Plexigo Entertainment Private Limited	-0.34%	(92.65)	0.73%	(63.83)	0.00%	-	0.73%	(63.83)
(vi) Scrabble Digital Limited	4.51%	1,244.27	0.13%	(11.25)	53.94%	(6.53)	0.20%	(17.78)
II. Foreign		-		-		-		
(vii) United Film Organisers Nepal Private Limited	0.00%	-	0.03%	(2.58)	0.00%	-	0.03%	(2.58)
(viii) UFO Lanka Private Limited	0.06%	15.19	0.00%	-	0.00%	-	0.00%	-
(ix) Scrabble Entertainment DMCC	7.00%	1,929.93	-10.44%	907.20	0.00%	-	-10.43%	907.20
(x) Scrabble Entertainment Mauritius Limited	2.35%	647.46	-10.13%	879.74	0.00%	-	-10.11%	879.74
(xi) Scrabble Entertainment Lebanon Sarl	-0.25%	(70.12)	0.02%	(1.89)	0.00%	-	0.02%	(1.89)
(xii) Scrabble Digital Inc	0.06%	16.74	-1.31%	113.65	0.00%	-	-1.31%	113.65
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	0.94%	257.98	0.36%	(31.12)	0.00%	-	0.36%	(31.12)
(ii) Cinestaan Digital Private Limited	0.55%	151.72	3.09%	(268.25)	0.00%	-	3.08%	(268.25)
(iii) Mumbai Movies Studio Private Limited	1.78%	489.94	1.25%	(109.00)	0.00%	-	1.25%	(109.00)
II. Foreign								
(iv) Scrabble Digital DMCC	0.80%	221.78	-0.94%	81.47	0.00%	-	-0.94%	81.47
(v) Scrabble Ventures LLC	1.79%	492.43	-2.90%	252.07	0.00%	-	-2.90%	252.07
(vi) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%	-
(vii) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E.	2.22%	612.05	-4.80%	416.96	0.00%	-	-4.79%	416.96
Adjustment arising on consolidation	-52.05%	(14,350.40)	53.84%	(4,675.87)	-565.99%	68.51	52.97%	(4,607.37)
Total	**100.00%**	**27,569.50**	**100.00%**	**(8,685.48)**	**100.00%**	**(12.10)**	**100.00%**	**(8,697.58)**

Notes to consolidated financial statements for the year ended March 31, 2022

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	111.47%	29,507.52	95.79%	(11,264.44)	269.46%	34.83	95.59%	(11,229.61)
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	20.22%	5,351.48	5.80%	(682.54)	14.51%	1.88	5.79%	(680.66)
(ii) Nova Cinemaz Private Limited (Erstwhile Valuable Digital Screen Private Limited)	-1.75%	(463.99)	2.77%	(326.21)	1.24%	0.16	2.78%	(326.05)
(iii) Zinglin Media Private Limited	-0.36%	(94.05)	1.19%	(140.52)	-	-	1.20%	(140.52)
(iv) UFO Software Technologies Private Limited	0.14%	35.78	0.00%	0.01	-	-	0.00%	0.01
(v) Plexigo Entertainment Private Limited	-0.11%	(28.81)	0.66%	(77.30)	-	-	0.66%	(77.30)
(v) 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%	0.15	-	-	0.00%	0.15
(vii) UFO Lanka Private Limited	0.08%	21.77	0.00%	-	-	-	-	-
(viii) Scrabble Entertainment DMCC	7.45%	1,971.80	-4.21%	494.58	-	-	-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)	-	-	-	-	-	-
(xi) Scrabble Digital Inc	-0.01%	(2.43)	0.63%	(73.86)	-		0.63%	(73.86)
C. Non Controlling Interest in all subsidiaries	-	-	-	-	-	-	-	-
D. Associates (Investment as per equity method)								
I. Indian								
(i) Mukta V N Films Limited	1.09%	289.10	0.57%	(67.39)	-	-	0.57%	(67.39)
(ii) Cinestaan Digital Private Limited	0.00%	-	2.13%	(250.99)	-		2.14%	(250.99)
(iii) Mumbai Movies Studio Private Limited	0.00%	-	0.33%	(38.56)	-		0.33%	(38.56)
II. Foreign								
(iv) Scrabble Digital DMCC	0.67%	177.76	0.18%	(21.38)	-	-	0.18%	(21.38)
(v) Scrabble Ventures LLC	0.56%	148.59	0.27%	(31.66)	-	-	0.27%	(31.66)
(vi) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	-	-	0.00	-	-	-	-
(vii) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E.	2.99%	792.49	(0.03)	338.19	-	-	-2.88%	338.19
Adjustment arising on consolidation	-50.43%	(13,349.45)	(0.04)	517.50	-182.42%	(23.57)	-4.20%	493.93
Total	**100.00%**	**26,471.41**	**100.00%**	**(11,760.00)**	**100.00%**	**12.93**	**100.00%**	**(11,747.07)**

The accompanying notes 1 to 48 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, 2022

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 containing 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	4,666.07	7,161.97	2,419.06	4,227.71	1,930.58	1,496.05	91.39	1,404.66	-	100	India
2	Scrabble Entertainment DMCC	16-Feb-11	-	20.55	AED	616.63	1,249.57	4,366.31	2,500.11	32.88	5,033.41	924.80	-	924.80	-	100	U.A.E.
3	Scrabble Entertainment Mauritius Limited	11-Jul-11	-	75.51	USD	566.33	81.13	694.59	47.13	555.37	-	906.83	27.21	879.62	-	100	Mauritius
4	Scrabble Digital Inc	22-Mar-13	-	75.51	USD	415.31	75.85	526.33	35.17	429.04	-	26.45	2.27	24.18	-	100	U.S.A.
5	Scrabble Entertainment Lebanon Sarl	13-Mar-12	31-Dec-21	0.05	LBP	2.52	(72.64)	-	70.12	-	-	-	-	-	-	100	Lebanon
6	Scrabble Entertainment Israel Ltd	17-Jun-12	-		ILS	-	-	-	-	-	-	-	-	-	-	100	Israel
7	UFO Software Technologies Private Limited	20-Feb-07	-	1.00	INR	24.82	11.58	38.88	2.48	-	-	0.74	0.12	0.62	-	100	India
8	Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)	6-Jan-15	-	1.00	INR	126.45	(983.81)	673.90	1,531.26	-	83.06	(513.29)	-	(513.29)	-	100	India
9	UFO Lanka Private Limited	31-Jan-08	-	0.25	LKR	70.71	(55.52)	15.19	-	-	-	-	-	-	-	100	SriLanka
10	Zinglin Media Private Limited	11-Nov-17	-	1.00	INR	51.00	(318.99)	257.85	525.84	-	-	(174.66)	2.37	(177.03)	-	100	India
11	Plexigo Entertainment Private Limited	5-Nov-20	-	1.00	INR	51.00	(141.03)	121.80	211.83		0.50	(62.36)	1.70	(64.06)	-	100	India
12	Scrabble Digital Limited	15-Dec-18	-	1.00	INR	59.31	1,184.96	1,512.35	268.08	-	827.62	(11.82)	(0.57)	(11.25)	-	100	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is 31st Dec 2021 and is not audited and is management accounts

2. The exchange rates considered are as at 31st March 2022

3. The accounts of Scrabble Digital Inc ,UFO Lanka Private Limited as at March 31, 2022 are not audited and are Management accounts.

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

5. United Film Organizers Nepal Private Limited has been wound-up during the year

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-22	31-Mar-22	31-Mar-22	31-Dec-21	31-Mar-22	31-Mar-22	31-Mar-22
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	3,060,000	2,668,552	375,000	100	2,500	1,500	147
	Amount of Investment in Associate or Joint Venture	330.00	1,082.34	637.50	12.73	188.78	0.08	30.21
	Extent of Holding (in percentage)	48.12%	33.08%	30.74%	33.33%	50%	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**	245.53	(38.20)	(101.14)	259.25	35.92	(244.60)	336.39
7	**Profit or Loss for the year**	(71.13)	(744.82)	(356.15)	251.92	127.67	(15.83)	434.07
i.	Considered in Consolidation	(31.12)	(268.25)	(109.00)	81.47	61.58	-	416.96
ii.	Not Considered in Consolidation	(40.01)	(476.57)	(247.14)	170.45	66.09	(15.83)	17.12

Notes:

1. The exchange rates considered are at 31 March 2022
2. The reporting period for Scrabble Digital DMCC is 31 December 2021
3. The management accounts of Mumbai Movies Studio Private Limited, Mukta VN Films Limited, Scrabble Ventures LLC and Scrabble Ventures S. de R.L. de C.V, Mexico have been considered as at 31 March 2022
4. The number of shares held include shares held directly or indirectly through subsidiaries.

The accompanying notes 1 to 48 are an integral part of the Consolidated Financial Statements.
As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

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 31 March, 2022, 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 31 March, 2022, 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.

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 47 to the standalone financial statements The company is in the business of digital cinema distribution network across India. With outbreak of COVID-19 pandemic, 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 standalone financial statements. • Discussed with the management and Those charged with Governance regarding the plan on 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 standalone financial statements. • 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 measures taken by the Company's management and Those charged with Governance. In particular, we evaluated measures of fund raising, managing the Company's liquidity position and costs. • We also considered the adequacy of the required disclosure in the standalone financial statements on the going concern assumption
Impairment of investment in and loans to subsidiaries and associates	
The key audit matter	**How the matter was addressed in our audit**
The Company has investments in subsidiaries and associates - carrying amount of investment in subsidiaries and associates is ₹ 12,544.59 Lakhs. Further, the Company has also advanced loans and interest amounting to ₹ 458.97 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 Key audit matter 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.	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/ business projection prepared 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; • We have involved our valuation specialists as appropriate to assess the underlying valuation methodologies and assumptions applied by the Company. • Discussed management's strategic and operational plans for the foreseeable future.
Revenue Recognition on advertisement, content delivery charges and lease rental income revenue	
The key audit matter	**How the matter was addressed in our audit**
The Company has recognized advertisement revenue, content delivery charges (CDC) and lease rental income of ₹ 6,153.90 Lakhs for the year ended 31 March, 2022 (Refer Notes 22 and 2(h) to the standalone financial statements). We identified these revenue stream as a Key AM considering – • Advertisement revenue has an inherent risk due to fraud and error for arrangements entered into with various types of customers and advertisement agencies. CDC revenue and lease rental income are other revenue streams core to the operations of the Company. • The Company uses its automated front-end system for scheduling, tracking and invoicing revenues. The revenue from these streams is recoginsed based on automated playback logs retrieval and rates in the system. Further, processing of advertisement and content with their scheduling are linked to the financial module. Thus, recognition of Company's advertisement revenue is largely dependent on the front-end system and may be susceptible to management override of controls.	In relation to recognition of revenue from advertisement, content delivery charges (CDC) and lease rental income, we have: • Considered the appropriateness of management's revenue recognition policy in accordance with the requirements of Ind AS 115; • Assessed the reasonableness of the timing and amount of revenue recognized during the year; • Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; • Involved our internal IT specialists, assessed the design, implementation and operating effectiveness of management's key internal IT controls over the scheduling, billing and accounting system; • tested the financial information contained within the module and billing systems, which included system generated reports, recording of revenue, and accrual of revenue at period end; • Detailed testing of samples selected statistically for sales transactions from origination through to the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value;

	• On samples selected statistically, we o confirmed our understanding of the process by which revenue is determined by the relevant billing system o verified underlying records such as agreement, sales contracts, release orders, invoices, logs and content displayed o analyzed release orders over / under/ unutilized and obtained rationale from management for the same o verified the underlying documents to confirm the existence of the customers

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, 2020 ("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 31 March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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:

a) The Company has disclosed the impact of pending litigations as at 31 March, 2022 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(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: 22103145AJRJSJ3158

Mumbai
26 May 2022

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 31 March, 2022 , we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment 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 property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) 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 that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Amount in ₹ Lakhs

Particulars	Guarantees	Security	Loans*	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries	-	-	534	-
Balance outstanding as at balance sheet date				
- Subsidiaries	-	-	453	-
- Associates	200	-	-	-

* net of provision for doubtful loans and advances

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, where applicable in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the principal and interest thereon are repayable on demand. As informed to us, the

Company has not demanded repayment of the loan and interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has granted loans or advances in the nature of loans that are repayable on demand to following related parties as defined in Clause (76) of Section 2 the Act.

Amount in ₹ Lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	453	-	453
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	453	-	453
Percentage of loans to the total loans	100%	0%	100%

(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/products traded in by the Company.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST.

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 and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

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 31 March, 2022 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 (₹ in Lakhs)*	Period (Financial year)	Forum where the dispute is pending
Bihar Value Added Tax Act	Value added tax	11	2007-08 to 2008-09 and 2010-11	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value added tax	Value added tax	42	2007-08	Sales Tax Appellate tribunal
Tamil Nadu Sales tax	Sales Tax	2	2014-15 to 2015-16	Joint Commissioner of Sales Tax (Appeals)
Kerala Sales tax	Sales tax	88	2011-13	Joint Commissioner of Sales Tax (Appeal)
Telangana sales tax	Sales tax	6	2014-15	Dy. Commissioner Sales tax

Name of the statute	Nature of dues*	Amount (₹ in Lakhs)*	Period (Financial year)	Forum where the dispute is pending
West Bengal – Central sales tax	Sales tax	91	2013-14 to 2017-18	Sr. Joint Commissioner of sales tax
Goa – VAT act 2005 and CST act 1956	Sales tax	11	2015-16	Appellate Authority
Gujarat VAT Act 2003	Sales tax	11	2014-18	Deputy Commissioner (Appeals)
Kerala VAT act 2003	Sales tax	4	2011-12	Deputy Commissioner (Appeals)
Telangana sales tax	Sales tax	9	2015-16	Dy. Commissioner Sales tax

*Includes interest payable under relevant provisions of the respective Acts and amounts are net of amounts paid/ deposited under protest of ₹ 30 Lakhs.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate companies (as defined under the Act).

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) 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.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(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. Accordingly, clause 3(xii) of the Order is not applicable.

(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 applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(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) (a) (b) 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) (a) and (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable

(xvii) The Company has incurred cash losses of ₹ 3,953 Lakhs in the current financial year and ₹ 9,093 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company in the current year. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Rajesh Mehra
Partner
Membership Number: 103145
ICAI UDIN: 22103145AJRJSJ3158

Mumbai
May 26, 2022

Annexure B to the Independent Auditors’ Report on the standalone financial statements of UFO Moviez India Limited for the year ended 31 March, 2022

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of UFO Moviez India Limited (“the Company”) as of 31 March, 2022 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 31 March, 2022 , 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: 22103145AJRJSJ3158

Mumbai

May 26, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in lacs

Particulars	Notes	March 31, 2022	March 31, 2021
Assets			
Non-current Assets			
Property, plant and equipment	3.1	10,509.27	13,062.38
Capital work-in-progress	3.1	904.09	1,765.38
Right of use assets	3.2	509.71	556.86
Goodwill	3.3	340.17	340.17
Other intangible assets	3.4	76.85	105.42
Financial assets			
(i) Investment in subsidiaries and associates	4	12,544.59	12,502.44
(ii) Loans receivables	5	-	-
(iii) Other financial assets	6	652.85	978.42
Income tax assets (net)	7	3,282.38	3,271.86
Deferred tax assets (net)	8	9,197.40	7,098.75
Other non-current assets	9	136.24	366.59
Total Non-current Assets (A)		**38,153.55**	**40,048.27**
Current Assets			
Inventories	10	548.80	672.53
Financial assets			
(i) Investments	11	2,044.14	2,543.04
(ii) Trade receivables	12	2,139.46	1,482.34
(iii) Cash and cash equivalents	13	334.66	242.53
(iv) Bank balances other than cash and cash equivalents	13	5,254.87	1,200.84
(v) Loans	5	453.85	68.43
(vi) Other financial assets	6	518.20	232.94
Other current assets	9	3,379.61	3,481.14
Total Current Assets (B)		**14,673.59**	**9,923.79**
Total Assets (A+B)		**52,827.14**	**49,972.06**
Equity And Liabilities			
Equity			
(i) Share capital	14	3,804.11	2,835.08
(ii) Other equity	15	28,550.20	26,672.44
Total Equity (C)		**32,354.31**	**29,507.52**
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	16	5,052.49	6,013.28
(ii) Lease liabilities	32	218.53	280.39
(iii) Other financial liabilities	17	3,002.31	3,320.58
Provisions	18	751.24	580.41
Other non-current liabilities	19	461.15	378.93
Total Non-current Liabilities (D)		**9,485.72**	**10,573.59**

₹ in lacs

Particulars	**Notes**	**March 31, 2022**	**March 31, 2021**
Current Liabilities			
Financial liabilities			
(i) Borrowings	20	3,641.50	3,332.72
(ii) Lease liabilities	32	348.70	349.95
(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		3,603.68	3,497.31
(iv) Other financial liabilities	17	1,690.10	1,367.19
Provisions	18	483.56	419.96
Other current liabilities	19	1,219.57	923.82
Total Current Liabilities (E)		**10,987.11**	**9,890.95**
Total Liabilities (D+E)		**20,472.83**	**20,464.54**
Total Equity And Liabilities (C+D+E)		**52,827.14**	**49,972.06**
Significant accounting policies	2		

The accompanying notes 1 to 49 are an integral part of the Standalone Financial Statements.
As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of profit and loss for the year ended March 31, 2022

₹ in lacs

Particulars	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from operations	22	8,666.38	1,778.78
Other income	23	332.80	333.39
Total Income (I)		**8,999.18**	**2,112.17**
Expenses			
Operating direct cost	24	**4,364.37**	**2,481.32**
Cost of consumables and spares consumed		312.39	150.34
Purchases of digital cinema equipment and lamps		904.95	189.48
Changes in inventories		97.11	(24.65)
Advertisement revenue share		151.84	14.62
Virtual print fees sharing		481.51	33.53
Other operating direct cost		2,416.57	2,118.00
Employee benefits expenses	25	5,613.02	4,152.28
Other expenses	26	4,106.12	4,123.76
Total Expenses (II)		**14,083.51**	**10,757.36**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(5,084.33)**	**(8,645.19)**
Depreciation and amortisation expenses	3	5,115.59	5,674.34
Finance cost	27	1,120.17	1,230.44
Finance income	28	(2,354.38)	(967.49)
Loss before tax		**(8,965.71)**	**(14,582.48)**
Tax Expense:			
- Current tax	8	-	99.58
- Deferred tax credit	8	(2,078.97)	(3,417.62)
Total Tax Expense		**(2,078.97)**	**(3,318.04)**
Loss for the year		**(6,886.74)**	**(11,264.44)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefits plans		(78.23)	46.55
(ii) Income tax related to items that will not be reclassified to profit or loss		19.69	(11.72)
Total Comprehensive Loss for the year		**(6,945.28)**	**(11,229.61)**
Earnings per equity share (Face value of share of ₹ 10 each)			
(1) Basic	29	(22.02)	(39.73)
(2) Diluted	29	(22.02)	(39.73)
Significant accounting policies	2		

The accompanying notes 1 to 49 are an integral part of the Standalone Financial Statements.
As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of changes in Equity for the year ended March 31, 2022

A. Share capital (refer note 14)

As at March 31, 2022 ₹ in lacs

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2022
2,835.08	-	969.03	3,804.11

As at March 31, 2021 ₹ in lacs

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2021
2,835.08	-	-	2,835.08

B. Other equity (refer note 15)

₹ in lacs

Particulars	Attributable to owners of the Company					Total Equity
	Reserve and surplus					
	Securities premium	Capital reserve	Employee Stock Options (ESOP) Outstanding	General reserve	Retained earnings	
As at April 1, 2020	**29,540.60**	**1,865.67**	**371.72**	**-**	**6,055.23**	**37,833.22**
Profit / (Loss) for the year	-	-	-	-	(11,264.44)	(11,264.44)
Other comprehensive income for the year	-	-	-	-	34.83	34.83
	29,540.60	**1,865.67**	**371.72**	**-**	**(5,174.38)**	**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**	**68.83**	**371.72**	**(5,174.38)**	**26,672.44**
Profit / (Loss) for the year	-	-	-	-	(6,886.74)	(6,886.74)
Other comprehensive income for the year	-	-	-	-	(58.54)	(58.54)
	29,540.60	**1,865.67**	**68.83**	**371.72**	**(12,119.66)**	**19,727.16**
Employee stock option plans cost	-	-	271.90	-	-	271.90
Share issuance during the year	8,859.04	-	-	-	-	8,859.04
Share issuance expenses	(307.90)	-	-	-	-	(307.90)
Transfer on employee stock options exercised during the year	117.42	-	(117.42)	-	-	-
As at March 31, 2022	**38,209.16**	**1,865.67**	**223.31**	**371.72**	**(12,119.66)**	**28,550.20**

The accompanying notes 1 to 49 are an integral part of the Standalone 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

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Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of Cash Flows for the year ended March 31, 2022

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Loss before tax	(8,965.71)	(14,582.48)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation and amortisation expense	5,115.59	5,674.34
Provision for doubtful debts	-	742.10
Provision for doubtful loans and advances	182.00	776.00
Sundry balances written back	(557.29)	(141.02)
Unrealised foreign exchange loss (net)	(0.78)	1.08
(Profit) / Loss on sale and write off of fixed assets	2.17	-
Bad debts written-off	31.72	44.28
Net gain on current investments	(70.71)	(242.12)
Interest expenses on financial liabilities carried at amortised cost	156.54	134.78
ESOP compensation	252.97	63.77
Diminution in value of investment	410.49	-
Dividend income from subsidiaries	(1,997.81)	-
Gain on lease concession	(257.30)	(251.42)
Interest on fixed deposits	(121.31)	(59.64)
Interest on loan to related party	(104.32)	(77.40)
Interest on income tax refund	(60.23)	(588.33)
Interest on term loan	859.13	745.95
Interest on cash credit	-	194.33
Interest expense on lease liabilities	84.31	131.42
Operating (loss) before working capital changes	**(5,040.54)**	**(7,434.36)**
Movement in working capital :		
Increase / (decrease) in trade payables	106.37	(746.06)
Increase in long-term provisions	92.60	131.73
Increase in Short-term provisions	63.61	12.38
Increase / (decrease) in other non-current liabilities	82.22	(130.46)
Increase in non current other financial liabilities	4.46	11.32
Increase / (decrease) in other current liabilities	767.82	(325.65)
Increase / (decrease) in current other financial liabilities	172.32	(404.95)
Decrease / (Increase) in other current assets	101.52	(781.37)
Decrease / (increase) in trade receivables	(688.84)	5,988.02
Decrease / (Increase) in inventories	123.73	(115.38)
Decrease in other non current assets	169.00	248.68
Decrease / (Increase)in current other financial assets	(237.08)	38.89
Decrease in non current other financial assets	337.97	24.08
Cash used in operations	**(3,944.84)**	**(3,483.13)**
Net direct taxes refund / (paid)	49.64	1,822.92
Net cash flow used in operating activities (A)	**(3,895.20)**	**(1,660.21)**
Cash flow from / (used in) investing activities		
Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances	(1,169.97)	(2,126.30)
Proceeds from sale of property, plant and equipment including capital work in progress	44.09	80.35
Payment of purchase consideration for purchase of shares / warrants of associates	(96.99)	(485.35)
Payment of purchase consideration for purchase of preference shares of a subsidiary	(259.91)	(300.00)
Payment of purchase consideration for purchase of shares of a subsidiary	(125.00)	(101.00)
Payment for acquisition of non-controlling stake of a subsidiary	-	(1.00)
Repatriation of Investment from subsidiary	48.20	-
Purchase of current investments	(13,468.98)	(8,709.72)
Proceeds from sale/redemption of current investments	14,038.59	13,002.25
Interest on fixed deposits	60.68	69.49
Interest on loan to related party	8.36	5.48
Dividend received from subsidiary	1,997.81	-
Loan to related party (given) / received (net)	(459.00)	2.00
Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net)	(4,066.44)	(678.49)
Net cash flow from / (used in) investing activities (B)	**(3,448.56)**	**757.71**

Standalone Statement of Cash Flows for the year ended March 31, 2022

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Cash flow from / (used in) financing activities		
Proceeds from issuance of share capital (including premium)	9,520.19	-
Proceeds from long term borrowings	2,847.16	5,070.36
Repayment of long term borrowings	(3,499.16)	(1,989.74)
Availment / (Repayment) of short term borrowings (net)	-	(727.26)
Repayment of lease liabilities	(568.00)	(574.59)
Interest on term loan	(864.30)	(748.62)
Interest on cash credit	-	(194.33)
Net cash flow from financing activities (C)	**7,435.89**	**835.82**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**92.13**	**(66.68)**
Cash and cash equivalents at the beginning of the year	242.53	309.21
Cash and cash equivalents at the end of the year	**334.66**	**242.53**
Components of cash and cash equivalents		
Cash on hand	0.70	1.52
Balance with banks:		
- in current accounts	333.96	241.01
Cash and cash equivalents (refer note 13)	**334.66**	**242.53**

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, 2021	9,346.00	6,265.38
Cash flow during the year:		
-Proceeds	2,847.16	5,070.36
-Repayments	3,499.16	1,989.74
Non cash changes if any	-	-
Closing balance as at March 31, 2022	**8,694.00**	**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 "Statement of cash flows"

Significant accounting policies 2

The accompanying notes 1 to 49 are an integral part of the Standalone Financial Statements.
As per our report of even date attached.

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

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

Rajesh Mehra
Partner
Membership No: 103145

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Place : Mumbai
Date: May 26, 2022

Rajesh Mishra
President and Group CEO

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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, 2022.

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 as at and for the year ended March 31, 2022

- **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.

- Impairment of goodwill, other intangibles assets and investment in and loans to subsidiaries and associates refer note 2.6. (c) and (j).

- **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 as at and for the year ended March 31, 2022

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective April 1, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Amendments to Schedule III of the Companies Act, 2013

Amendments to Schedule III of the Companies Act, 2013 Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021 and applied to the standalone financial statements:

a. Lease liabilities separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

b. Certain additional disclosures in the standalone 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.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

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 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.

(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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

(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.

(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.

(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

- Content Delivery Charges (CDC/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 from distribution of theatrical exhibition rights of films is accounted as per the terms of the assignment of the theatrical exhibition of the films or on the date of agreement to assign the rights, whichever is later. The revenue is recognized on gross basis.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits and price concessions, 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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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.

(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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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.

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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

De-recognition of Financial Liabilities

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Derivative Financial Instruments

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends and on an equity instrument measured at FVOCI, are 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

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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.

(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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(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.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. 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 as at and for the year ended March 31, 2022

(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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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, 2020	507.33	25,367.02	357.89	264.58	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**
Additions	1.13	1,581.28	48.42	15.72	1.26	-	207.32	1,855.13
Disposals	-	401.52	-	0.24	-	-	92.30	494.06
At March 31, 2022	**667.31**	**27,061.90**	**439.20**	**291.14**	**94.21**	**38.60**	**2,036.25**	**30,628.61**
Accumulated Depreciation/ Amortisation								
As at April 1, 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**
Charge for the year	69.17	3,931.62	78.56	31.92	11.18	4.50	235.04	4,361.99
On disposals	-	355.36	-	0.15	-	-	92.30	447.81
At March 31, 2022	**570.51**	**17,113.88**	**365.68**	**221.71**	**58.03**	**37.93**	**1,751.60**	**20,119.34**
Net Block								
At March 31, 2021	**164.84**	**12,344.52**	**103.66**	**85.72**	**46.10**	**5.17**	**312.37**	**13,062.38**
At March 31, 2022	**96.80**	**9,948.02**	**73.52**	**69.43**	**36.18**	**0.67**	**284.65**	**10,509.27**

Notes :

The Company has not revalued its Property, Plant and Equipment (including Right-of- Use and Intangible Assets)

3.1 Capital Work in Progress ₹ in lacs

Particulars	**March 31, 2022**	**March 31, 2021**
Opening	1,765.38	1,941.00
Add : Purchase	893.53	742.33
Less : Installed	1,556.88	890.70
Less : Sale / Write off	197.94	27.25
Closing	**904.09**	**1,765.38**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

CWIP aging schedule

As at March 31, 2022

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	402.87	2.67	441.60	56.95	904.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	189.01	1,478.41	12.34	85.62	1,765.38
Projects temporarily suspended	-	-	-	-	-

Notes :

1) The Company has no projects which have exceeded their cost or have been overdue as at March 31, 2022 and March 31, 2021.

2) The above largely includes projectors which are yet to be deployed/installed in future at theatres.

3.2 Right of Use Assets (refer note 32)

₹ in lacs

	Right of Use Assets
Cost	
As at April 1, 2020	1,701.37
Additions	14.09
Disposals	-
At March 31, 2021	**1,715.46**
Additions	677.89
Disposals	-
At March 31, 2022	**2,393.35**
Accumulated Depreciation/Amortisation	
As at April 1, 2020	451.76
Charge for the year	706.84
On disposals	-
At March 31, 2021	**1,158.60**
Charge for the year	725.04
On disposals	-
At March 31, 2022	**1,883.64**
Net Block	
At March 31, 2021	**556.86**
At March 31, 2022	**509.71**

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 as at and for the year ended March 31, 2022

3.3 Goodwill ₹ in lacs

	Goodwill
Cost	
As at April 1, 2020	340.17
Additions	-
Disposals	-
At March 31, 2021	**340.17**
Additions	-
Disposals	-
At March 31, 2022	**340.17**
Accumulated Depreciation/Amortisation	
As at April 1, 2020	-
Charge for the year	-
On disposals	-
At March 31, 2021	**-**
Charge for the year	-
On disposals	-
At March 31, 2022	**-**
Net Block	
At March 31, 2021	**340.17**
At March 31, 2022	**340.17**

3.4 Other Intangible assets ₹ in lacs

	Computer software *
Cost	
As at April 1, 2020	378.62
Additions	4.31
Disposals	-
At March 31, 2021	**382.93**
Additions	-
Disposals	-
At March 31, 2022	**382.93**
Accumulated Depreciation/Amortisation	
As at April 1, 2020	221.28
Charge for the year	56.23
On disposals	-
At March 31, 2021	**277.51**
Charge for the year	28.57
On disposals	-
At March 31, 2022	**306.08**
Net Block	
At March 31, 2021	**105.42**
At March 31, 2022	**76.85**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

a) The Company is principally engaged in the business of exhibition of digital cinema. The carrying amount of Goodwill as at March 31, 2022 is ₹ 340.17 lacs (March 31, 2021 : ₹ 340.17 lacs)

b) The Company performed its annual impairment test for the year ended March 31, 2022, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 5 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 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 8.45%. 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.

** The estimated amortisation for the years subsequent to March 31, 2022 is as follows :

₹ in lacs

Year ended 31,	**Amortisation expenses**
2023	9.73
2024	6.17
2025	1.35
2026	0.77
Thereafter	58.83
	76.85

Notes to Standalone financial statements as at and for the year ended March 31, 2022

4. Investment in subsidiaries and associates ₹ in lacs

	March 31, 2022	March 31, 2021
Unquoted equity instruments (at cost)		
Investment in subsidiaries		
12,64,475 (March 31, 2021 : 14,475) ordinary shares of ₹ 10 each fully paid in Nova Cinemaz Private Limited (formerly known as Valuable Digital Screens Private Limited)	425.00	300.00
Add : ESOP issued to employees of subsidiary	1.01	-
768,317 (March 31, 2021 : 768,317) ordinary shares of ₹ 10 each fully paid in Scrabble Entertainment Limited, India.	10,371.93	10,371.93
Add : ESOP issued to employees of subsidiary	15.19	3.48
Add : ESOP issued to employees of step down subsidiary	7.80	1.58
Nil (March 31, 2021 : 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited	-	62.25
Less : provision for diminution of investment	-	(50.00)
248,239 (March 31, 2021 : 248,239) equity share of 10 each at par fully paid in UFO Software Technologies Private Limited	37.15	37.15
2,775,950 (March 31, 2021 : 2,775,950) ordinary shares of SLR 10 each fully paid in UFO Lanka Private Limited	166.26	166.26
Less : provision for diminution of investment	(145.00)	(145.00)
510,000 (March 31, 2021 : 510,000) ordinary shares of ₹ 10 each at par, fully paid, Plexigo Entertainment Private Limited	51.00	51.00
510,000 (March 31, 2021 : 510,000) ordinary shares of ₹ 10 each at par, fully paid, Zinglin Media Private Limited	51.00	51.00
Investment in Associates		
3,060,000 (March 31, 2021 : 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, 2021 : 240,000) share warrant of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
2,373,041 (March 31, 2021 : 2,623,880) share warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	23.73	26.24
2,668,552 (March 31, 2021 : 2,417,712) equity shares of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	1,058.61	959.11
Less : provision for diminution of investment	(409.00)	-
Unquoted Preference shares (at cost)		
Investment in subsidiaries		
Nil (March 31, 2021 : 59,900) ordinary preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited, Nepal	-	37.44
20,000 (March 31, 2021 : 10,000) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Plexigo Entertainment Private Limited	200.00	100.00
35,991 (March 31, 2021 : 20,000) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Zinglin Media Private Limited	359.91	200.00
Total	**12,544.59**	**12,502.44**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	13,098.59	12,697.44
Aggregate amount of impairment in value of investments	554.00	195.00

Notes to Standalone financial statements as at and for the year ended March 31, 2022

5. Loans

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans to related party (refer note 43)			453.85	68.43
Unsecured - Doubtful				
Loans to related party (refer note 43)			689.58	616.00
Less : Allowance for doubtful balances			(689.58)	(616.00)
	-	**-**	**453.85**	**68.43**

Loans or Advances in the nature of loans are granted to the related parties (as defined under Companies Act, 2013).

	March 31, 2022		March 31, 2021	
Type of Borrower	**Amount of loan or advance in the nature of loan outstanding**	**% to the total Loans and Advances in the nature of loans**	**Amount of loan or advance in the nature of loan outstanding**	**% to the total Loans and Advances in the nature of loans**
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related Parties	1,143.43	100%	684.43	100%

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

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured - Considered good				
Security deposit - other than to related party	231.55	210.15	64.30	83.33
Security deposit to related parties (refer note 33)	-	359.37	359.37	-
Interest accrued but not due on fixed deposit			67.89	7.26
Interest accrued on loan to related parties (refer note 33)			5.12	17.57
Other receivables			21.52	124.78
Fixed deposit with remaining maturity more than 12 month (refer note 13)	421.30	408.90		
Unsecured - Doubtful				
Interest accrued on loan to related parties (refer note 33)			268.42	160.00
Less : Allowance for doubtful balances			(268.42)	(160.00)
	652.85	**978.42**	**518.20**	**232.94**

7. Income tax assets

₹ in lacs

	March 31, 2022	March 31, 2021
Income tax assets (net of provision for income tax ₹ 14,536.88 lacs (March 31, 2021 : ₹ 14,675.17 lacs)	3,282.38	3,271.86
	3,282.38	**3,271.86**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

8. Deferred tax assets (net)

₹ in lacs

		March 31, 2022	March 31, 2021
A)	**Deferred tax asset**		
	Property, Plant and Equipment and Intangible Assets	2,946.80	2,823.65
	Provision for doubtful debts and advances	424.30	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	310.78	251.77
	Deferred tax assets on Ind AS 116 accounting	14.48	18.49
	Deferred tax assets on carry forward losses and Unabsorbed Depreciation	5,321.66	3,548.04
	Others	183.87	15.17
	Total deferred tax assets	**9,201.89**	**7,107.32**
B)	**Deferred tax liabilities**		
	Fair value of investment	(4.48)	(8.57)
	Total deferred tax liabilities	**(4.48)**	**(8.57)**
	Deferred taxes assets (net)	**9,197.41**	**7,098.75**

Movement in Deferred tax Assets and Liabilities

₹ 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	2,666.87	156.78	-	2,823.65
Provision for doubtful debts 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 and Unabsorbed Depreciation	442.85	3,105.19	-	3,548.04
Others	63.21	(56.61)	-	6.60
Total	**3,692.85**	**3,417.62**	**(11.72)**	**7,098.75**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

₹ in lacs

Movement during the year ended March 31, 2022	As at March 31, 2021	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2022
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	2,823.65	123.15	-	2,946.80
Provision for Doubtful Debt and advances	450.20	(25.90)	-	424.30
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	39.32	19.69	310.78
Deferred tax assets on Ind AS 116 accounting	18.49	(4.01)	-	14.48
Deferred tax assets on carry forward losses and Unabsorbed Depreciation	3,548.04	1,773.62	-	5,321.66
Others	6.60	172.79	-	179.39
Total	**7,098.75**	**2,078.97**	**19.69**	**9,197.41**

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

₹ in lacs

		March 31, 2022	March 31, 2021
i)	**Income tax recognised in the Standalone Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	-	-
	In respect of prior year	-	99.58
	Deferred tax		
	In respect of current year	(2,078.97)	(3,417.62)
	Income tax expense recognised in the Statement of Profit and Loss	**(2,078.97)**	**(3,318.04)**

₹ in lacs

		March 31, 2022	March 31, 2021
ii)	**Income tax expense recognised in OCI**		
	Deferred tax :		
	Deferred tax expense on remeasurements of defined benefit plans	19.69	(11.72)
	Income tax expense recognised in OCI	**19.69**	**(11.72)**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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

	March 31, 2022	March 31, 2021
(Loss) before tax	(8,965.71)	(14,582.48)
Income tax expense calculated at Corporate tax rate	25.17%	25.17%
Computed tax expenses	(2,256.49)	(3,670.12)
Impact on account of:		
Income exempt from tax	-	-
Expenses not deductible for tax purpose	420.07	491.18
Impact on account of difference in tax rate	-	-
Tax impact on account of carry forward losses adjusted with taxable profit	1,836.42	3,178.94
Tax in respect of prior year	-	99.58
Tax expense as per Statement of profit and loss	**-**	**99.58**

During the year, The Company has not surrendered or disclosed any income in the tax assessments under Income Tax Act, 1961 (such as search or survey or any other relevant provisions as per Income Tax Act, 1961). Accordingly there are no transactions which are not recorded in the books of accounts.

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

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Advances to vendors	-	-	197.84	160.31
Balance with statutory / government authorities	5.47	16.16	25.51	25.51
Deposit with government bodies	94.67	85.37	-	-
Capital advances	4.44	65.79	-	-
Loans and advances to employees	-	-	46.37	30.26
Prepaid expenses	31.66	199.27	347.59	705.43
Goods and Service Tax (GST) credit receivable	-	-	2,762.30	2,559.63
Balance with statutory / government authorities	14.66	14.66	-	-
Less : Allowance for doubtful balances	(14.66)	(14.66)	-	-
	136.24	**366.59**	**3,379.61**	**3,481.14**

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

₹ in lacs

	March 31, 2022	March 31, 2021
Traded goods (Lamps) and spares	238.40	335.51
Consumables	310.31	330.16
Content cost	0.09	6.86
	548.80	**672.53**

11. Current investments

₹ in lacs

	March 31, 2022	March 31, 2021
Carried at FVTPL		
Unquoted mutual funds		
Investment in mutual funds	2,044.14	2,543.04
	2,044.14	**2,543.04**
Aggregate amount of unquoted investments	**2,044.14**	**2,543.04**
NAV of unquoted investments	**2,044.14**	**2,543.04**
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 ₹ 2,044.14 lacs (March 31, 2021 : ₹ 2,543.04 lacs)

Notes to Standalone financial statements as at and for the year ended March 31, 2022

12. Trade receivables

₹ in lacs

	March 31, 2022	March 31, 2021
Trade receivables considered good -Secured	-	-
Trade receivables considered good -unsecured	2,139.46	1,482.34
Less: Allowance for expected credit loss	-	-
Trade receivables with have significant increase in credit risk	-	-
Trade receivables -Credit impaired	**1,685.88**	**1,788.78**
Less: Allowance for credit impairment	(1,685.88)	(1,788.78)
Total	**2,139.46**	**1,482.34**

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

Trade Receivables ageing schedule *

As at March 31, 2022

₹ in lacs

	Particulars	**Outstanding for following periods from due date of payment**					
		Less than 6 months	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i)	Undisputed Trade receivables – considered good	1,689.65	80.26	4.68	13.03	-	1,787.62
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	0.16	26.66	70.80	403.95	215.37	716.94
(iv)	Disputed Trade Receivables–considered good	67.86	2.82	1.01	85.10	3.59	160.38
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	1.17	1.41	1.55	341.69	623.11	968.93
Total		**1,758.84**	**111.15**	**78.04**	**843.77**	**842.07**	**3,633.87**
Add : Trade receivables - Unbilled							191.47
Trade receivables							**3,825.34**
Less : Allowance for doubtful trade receivable							(1,685.88)
Trade receivables (Net of allowance for doubtful trade receivable)							**2,139.46**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

As at March 31, 2021 ₹ in lacs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	558.41	61.87	432.42	-	-	1,052.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.39	31.50	625.97	110.71	179.24	947.81
(iv) Disputed Trade Receivables–considered good	14.01	0.34	307.47	-	-	321.82
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	0.46	1.07	192.21	306.64	340.60	840.98
Total	**573.27**	**94.78**	**1,558.07**	**417.35**	**519.84**	**3,163.31**
Add : Trade receivables - Unbilled						107.81
Trade receivables						**3,271.12**
Less : Allowance for doubtful trade receivable						(1,788.78)
Trade receivables (Net of allowance for doubtful trade receivable)						**1,482.34**

* Trade receivables ageing is calculated from the date of invoice

13. Cash and bank balances

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash and cash equivalents				
Balances with banks :				
– In current accounts			333.96	241.01
Cash on hand			0.70	1.52
	-	-	**334.66**	**242.53**
Other bank balances				
– In unpaid dividend account*			26.56	27.06
– Deposits with original maturity more than 3 month and less than 12 months			4,341.97	154.76
– Deposits with remaining maturity for more than 12 months	-		-	-
	-	-	**4,368.53**	**181.82**
– Margin money deposit with original maturity for less than 12 months			886.34	1,019.02
– Margin money deposit with remaining maturity for more than 12 months	421.30	408.90	-	-
	421.30	**408.90**	**5,254.87**	**1,200.84**
Amount disclosed under non-current financial assets (refer note 6)	(421.30)	(408.90)		
	-	-	**5,589.53**	**1,443.37**

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 as at and for the year ended March 31, 2022

14. Equity share capital

₹ in lacs

	March 31, 2022	March 31, 2021
Authorised share capital*		
53,050,000 (March 31, 2021 : 53,050,000) equity shares of ₹ 10 each	5,305.00	5,305.00
1,565,000 (March 31, 2021 : 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		
38,041,143 (March 31, 2021: 28,350,801) equity shares of ₹ 10 each fully paid-up	3,804.11	2,835.08
Total issued, subscribed and fully paid up share capital	**3,804.11**	**2,835.08**

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

₹ in lacs

Equity shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	28,350,801	2,835.08	28,350,801	2,835.08
Issued during the year	9,690,342	969.03	-	-
Outstanding at the end of the year	**38,041,143**	**3,804.11**	**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

₹ in lacs

Name of the shareholder	March 31, 2022		March 31, 2021	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Nepean Focused Investment Fund	9,399,933	24.71	-	-
P5 Asia Holding Investments (Mauritius) Limited	-	-	5,251,608	18.52
Apollo International Limited	2,266,417	5.96	2,266,417	7.99
Valuable Media Private Limited	2,244,265	5.90	2,244,265	7.92
Valuable Technologies Private Limited	2,243,657	5.90	2,243,657	7.91

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

Notes to Standalone financial statements as at and for the year ended March 31, 2022

(d) Details of shares held by promoters

As at March 31, 2022 ₹ in lacs

Sr No.	Promoter name	Balance as at April 1, 2021	Change during the year	Balance as at March 31, 2022	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	9,17,229	-	9,17,229	2.41%	0.00%
2	Aruna Narendra Hete	4,000	-	4,000	0.01%	0.00%
3	Uday Shankar Gaikwad	493	-	493	0.00%	0.00%
4	Ameya Narendra Hete	2,42,797	-	2,42,797	0.64%	0.00%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0.00%
6	Advent Fiscal Private Limited	7,37,182	-	7,37,182	1.94%	0.00%
7	Apollo International Limited	22,66,417	-	22,66,417	5.96%	0.00%
8	Valuable Technologies Private Limited	22,43,657	-	22,43,657	5.90%	0.00%
9	Valuable Media Private Limited	22,44,265	-	22,44,265	5.90%	0.00%

As at March 31, 2021 ₹ in lacs

Sr No.	Promoter name	Balance as at April 1, 2020	Change during the year	Balance as at March 31, 2021	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	3,23,143	5,94,086	9,17,229	3.24%	183.85%
2	Aruna Narendra Hete	4,000	-	4,000	0.01%	0.00%
3	Uday Shankar Gaikwad	493	-	493	0.00%	0.00%
4	Ameya Narendra Hete	2,42,797	-	2,42,797	0.86%	0.00%
5	Raaja Kanwar	-	12,500	12,500	0.04%	0.00%
6	Advent Fiscal Private Limited	7,37,182	-	7,37,182	2.60%	0.00%
7	Apollo International Limited	22,66,417	-	22,66,417	7.99%	0.00%
8	Nifty Portfolio Services Pvt Ltd	5,94,086	(5,94,086)	-	0.00%	-100.00%
9	Valuable Technologies Private Limited	22,43,657	-	22,43,657	7.91%	0.00%
10	Valuable Media Private Limited	22,44,265	-	22,44,265	7.92%	0.00%

(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

Notes to Standalone financial statements as at and for the year ended March 31, 2022

15. Other equity

₹ in lacs

	March 31, 2022	March 31, 2021
Securities premium		
Balance as at beginning of the year	29,540.60	29,540.60
Add: Share issuance during the year	8,859.04	-
Less: Share issuance expenses	(307.90)	-
Add : Transferred on ESOP shares	117.42	-
Balance as at end of the year	**38,209.16**	**29,540.60**
Capital reserve		
Balance as at beginning of the year	1,865.67	1,865.67
Closing balance	**1,865.67**	**1,865.67**
General reserve		
Balance as at beginning of the year	371.72	-
Add : Transferred on employee stock options expired during the year	-	371.72
Closing balance	**371.72**	**371.72**
Employee stock options outstanding		
Balance as at beginning of the year	68.83	371.72
Add : Employee stock option granted during the year	271.90	68.83
Less : Transferred on employee stock options expired / exercised during the year	(117.42)	(371.72)
Closing balance	**223.31**	**68.83**
Surplus in the statement of profit and loss		
Balance as at beginning of the year	(5,174.38)	6,055.23
(Loss) for the year	(6,945.28)	(11,229.61)
Closing balance	**(12,119.66)**	**(5,174.38)**
Total other equity	**28,550.20**	**26,672.44**

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) **Retained Earnings :** Retained earning are the profit that the Company has earned till date, less any dividends or other distribution paid to the shareholders.

d) **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.

e) **Dividend :** Dividend paid and declared by the Company during the year is ₹ Nil (March 31,2021 : Nil)

Notes to Standalone financial statements as at and for the year ended March 31, 2022

16. Borrowings (Secured)

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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	1,332.49	1,773.61	901.83	697.07
Term loan 2 from HDFC Bank	-	1,539.67	1,539.67	1,383.86
Term loan 3 from Yes Bank	-	-	-	951.79
Term loan 4 from IDFC Bank	1,500.00	2,700.00	1,200.00	300.00
Term loan 5 from HDFC Bank	2,220.00	-	-	-
Total	**5,052.49**	**6,013.28**	**3,641.50**	**3,332.72**
Amount disclosed under “Other financial liabilities” (refer note 20)	-	-	(3,641.50)	(3,332.72)
Net amount	**5,052.49**	**6,013.28**	**-**	**-**

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.39% % (March 31, 2021 : 8.91%) p.a. 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.7.91 % (March 31, 2021 : 8.87%) p.a. is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 1 year MCLR i.e. 8.55% (March 31, 2021 : 9.32%) p.a. is repayable in 48 monthly installments starting from July 15, 2017.

Term loan 4 having interest of bank 3 month MCLR plus 160 basis points i.e. 9.45% (March 31, 2021 : 9.70%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 5 having interest of bank 6 Month MCLR plus 65 basis point i.e. 8.00% (March 31, 2021 : Nil) p.a. is repayable in 48 monthly installments starting from June 1, 2023.

The Company has satisfied all other debt covenants prescribed in the terms of bank loan.

The Company has not defaulted on any loans payable.

17. Other financial liabilities

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities at amortised cost				
Interest accrued but not due on borrowings			42.10	47.27
Unclaimed dividend			26.56	27.06
Deposit from theatres and regional dealers	2,560.56	2,640.57	640.14	660.14
Deposit from related parties (refer note 33)	354.40	355.16		
Other security deposit			120.24	123.94
Other payables				
Payables for purchase of property, plant and equipment	87.35	324.85	-	-
Salary and reimbursement payable			861.06	508.78
	3,002.31	**3,320.58**	**1,690.10**	**1,367.19**

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022. (March 31, 2021 : ₹ Nil)

Notes to Standalone financial statements as at and for the year ended March 31, 2022

18. Provisions

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for gratuity (refer note 30)	751.24	580.41		
Provision for compensated absences (refer note 30)			483.56	419.96
	751.24	**580.41**	**483.56**	**419.96**

19. Other Liabilities

₹ in lacs

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred advertisement income			181.60	149.09
Deferred lease rental income	461.15	378.93	13.48	18.30
Advance from customers			719.35	540.65
Statutory dues *			305.14	215.78
	461.15	**378.93**	**1,219.57**	**923.82**
* Statutory dues payable includes				
ESIC			1.44	1.24
Professional tax			1.71	1.18
Provident fund			66.97	41.78
Tax deducted at source			235.02	171.58
			305.14	**215.78**

20. Borrowings (Secured)

₹ in lacs

	Current	
	March 31, 2022	March 31, 2021
Financial liabilities at amortised cost		
Current maturities of long term debts (refer note 16)	3,641.50	3,332.72
	3,641.50	**3,332.72**

21. Trade payables

₹ in lacs

	Current	
	March 31, 2022	March 31, 2021
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 *	3,603.68	3,497.31
	3,603.68	**3,497.31**

* For details pertaining to related party payable refer note 33

Notes to Standalone financial statements as at and for the year ended March 31, 2022

Trade Payables aging schedule (Outstanding from invoice date)

As at March 31, 2022 ₹ in lacs

Particulars		**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	MSME	-	-	-	-	-
(ii)	Others	2,157.49	734.32	612.63	99.24	3,603.68
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
Total		**2,157.49**	**734.32**	**612.63**	**99.24**	**3,603.68**

As at March 31, 2021 ₹ in lacs

Particulars		**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	MSME	-	-	-	-	-
(ii)	Others	1,847.41	1,238.67	357.21	54.02	3,497.31
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
Total		**1,847.41**	**1,238.67**	**357.21**	**54.02**	**3,497.31**

22. Revenue from operations

₹ in lacs

	March 31, 2022	**March 31, 2021**
Sale of services		
Advertisement revenue	1,507.75	253.27
Content delivery charges (CDC/VPF) - E - Cinema	3,119.95	553.79
Content delivery charges (CDC/VPF) - D - Cinema	443.11	14.17
Lease rental income - E - Cinema	1,009.98	331.21
Lease rental income - D - Cinema	73.11	15.71
Digitisation income	175.76	58.57
Registration fees income	25.80	4.60
Distribution income	236.33	-
Other revenue	194.65	129.73
	6,786.44	**1,361.05**
Sale of products		
Lamp and spares sale	881.78	106.04
Sale of digital cinema equipments	440.87	170.67
	1,322.65	**276.71**
Other operating income		
Sundry balances written back	557.29	141.02
	557.29	**141.02**
	8,666.38	**1,778.78**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

23. Other Income*

₹ in lacs

	March 31, 2022	March 31, 2021
Miscellaneous income **	330.23	333.39
Foreign exchange gain (net)	2.57	-
	332.80	**333.39**

* 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 ₹ 257.30 lacs (March 31, 2021 : ₹ 251.42 lacs)

24. Operating direct costs

₹ in lacs

	March 31, 2022	March 31, 2021
Advertisement revenue share	151.84	14.62
Exhibition equipments repairs	1,346.97	1,233.60
Technical service fees	192.11	512.29
Bandwidth charges	370.21	233.02
Purchase of digital cinema equipment	264.47	59.46
Purchase of lamps & spares	640.49	130.02
Content processing charges	143.95	77.56
Virtual print fees sharing	481.51	33.53
Van operating cost	32.77	22.18
Distribution expenses	220.25	-
Other expenses	110.30	39.35
	3,954.87	**2,355.63**
(Increase) / decrease in inventories of traded goods (lamps)		
Inventories at the beginning of the year	335.51	310.86
Less : Inventories at the end of the year	(238.40)	(335.51)
	97.11	**(24.65)**
Content cost		
Opening content cost	6.86	24.76
Add : Cost of content acquired during the year	0.29	(0.42)
Less : Closing balance of unamortised content cost	(0.09)	(6.86)
	7.06	**17.48**
Consumables and spares		
Opening stock	330.16	221.53
Add : Purchases	285.48	241.49
Less : Closing stock	(310.31)	(330.16)
	305.33	**132.86**
	4,364.37	**2,481.32**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

25. Employee benefit expense

₹ in lacs

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	4,722.32	3,537.01
Contribution to provident and other funds	270.41	227.93
Gratuity expenses (refer note 30)	132.53	156.56
Compensated absences (refer note 30)	86.78	55.73
Employee stock compensation expenses (refer note 31)	252.97	63.77
Staff welfare expenses	148.01	111.28
	5,613.02	**4,152.28**

26. Other expenses

₹ in lacs

		March 31, 2022	March 31, 2021
Rent		280.48	201.08
Freight and forwarding charges		267.72	122.75
Legal, professional and consultancy charges		1,419.57	1,020.52
Directors' sitting fees		71.00	45.00
Commission on advertisement revenue		212.47	88.90
Commission on other revenue		6.67	3.25
Corporate social responsibility expenses (refer note 42)		-	105.20
Sales promotion expenses		76.78	91.33
Electricity charges		144.17	111.00
Rates and taxes		19.52	19.01
Payment to auditor (refer (i) below)		78.08	58.60
Repairs and maintenance			
- Plant and machinery		-	4.34
- Furniture and fixtures		1.37	-
- Others		144.86	80.46
Insurance		89.21	85.00
Travelling and conveyance expenses		231.84	117.89
Communication and courier expenses		70.62	67.56
Printing and stationery		22.74	17.48
Bad debts written-off	134.62		99.39
Less: Provision utilised	(102.90)	31.72	(55.12)
Loss on sale and write off of fixed assets (net)		2.17	-
Provision for doubtful debts		-	742.10
Provision for doubtful loans and advances		182.00	776.00
Provision for diminution in value of investment		410.49	-
Foreign exchange loss (net)		-	9.14
Miscellaneous expenses		342.64	312.88
		4,106.12	**4,123.76**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

(i) Payment to auditor

₹ in lacs

	March 31, 2022	March 31, 2021
Statutory auditor		
Statutory audit	38.50	32.50
Tax audit	3.50	3.50
Limited review	19.00	17.00
Reimbursement of expenses	4.08	2.60
In other capacity		
Other services (certification fees)	13.00	3.00
	78.08	**58.60**

27. Finance Cost

₹ in lacs

	March 31, 2022	March 31, 2021
Interest on		
- Term loan	859.13	745.95
- Cash credit	-	194.33
Interest expenses on lease liabilities	84.31	131.42
Interest expenses on financial liabilities carried at amortised cost	156.54	134.78
Bank charges	20.19	23.96
	1,120.17	**1,230.44**

28. Finance Income

₹ in lacs

	March 31, 2022	March 31, 2021
Interest on:		
- Fixed deposits	121.31	59.64
- Loan to related party (refer note 33)	104.32	77.40
- Other *	60.23	588.33
Net gain on current investments **	70.71	242.12
Dividend income from subsidiaries (refer note 33)	1,997.81	-
	2,354.38	**967.49**

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

** Includes fair value loss of ₹ 16.22 lacs (March 31, 2021 : ₹ 68.17 lacs)

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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, 2022	March 31, 2021
Basic		
Net profit after tax as per the statement of profit and loss	(6,886.74)	(11,264.44)
Net profit for calculation of basic EPS	**(6,886.74)**	**(11,264.44)**
Weighted average number of equity shares in calculating basic EPS	31,279,999	28,350,801
Earning per share (₹) (Face value of ₹ 10 each)	**(22.02)**	**(39.73)**
Diluted		
Net profit for calculation of basic EPS	(6,886.74)	(11,264.44)
Weighted average number of equity shares in calculating basic EPS	31,279,999	28,350,801
Effect of dilutions for share warrants/stock options granted under ESOP	1,036,437	96,941
Weighted average number of shares outstanding (including dilution)	32,316,436	28,447,742
Earning per share (₹) (Face value of ₹ 10 each)	**(22.02)**	**(39.73)**

*Since diluted earnings per share is increased when taking the ESOP into account (from ₹ (22.02) to ₹ (21.31)) due to loss in the current year, the ESOP are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is ₹ (22.02)

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, 2022	March 31, 2021
Contribution to provident fund	247.47	208.55
Administration charge - provident fund	14.36	13.12
Contribution to ESIC - employer share	8.58	6.26
	270.41	**227.93**

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 summarize 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 as at and for the year ended March 31, 2022

Change in the defined benefit obligation (“DBO”) and fair value of plan assets as at March 31, 2022 ₹ in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit) / Liability
Gratuity cost charged to statment of profit and loss			
As at April 1, 2021	1,115.99	535.58	580.41
Service cost	96.28		96.28
Net interest expense	67.27		67.27
Investment income		31.02	(31.02)
Recognised in the statement of profit and loss	**163.55**	**31.02**	**132.53**
Benefit paid	**(49.07)**	**(49.07)**	**-**
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	-		-
Actuarial changes arising from changes in financial assumptions	(84.99)		(84.99)
Experience adjustments	163.22		163.22
Net actuarial (gain) / loss recognized in the year	-		-
Recognised in other comprehensive income	**78.23**	**-**	**78.23**
Contribution by employer	**-**	**39.93**	**(39.93)**
As at March 31, 2022	**1,308.70**	**557.46**	**751.25**

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	1,041.01	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 recognized 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**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

The principal assumptions used in determining gratuity are as shown below: ₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.65%	6.25%
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	8.00%	8.00%
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, 2022	March 31, 2021
Discount rate (-1%)	1,338.91	1,137.75
Discount rate (+1%)	(1,207.06)	(1,022.18)
Salary growth rate (-1%)	(1,215.39)	(1,028.69)
Salary growth rate (+1%)	1,327.56	1,128.91
Attrition rate (-0.5%)	1,234.78	1,060.29
Attrition rate (+0.5%)	(1,289.93)	(1,086.56)

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, 2022	March 31, 2021
Within the next 12 months(next annual reporting period)	835.19	657.44
Total	**835.19**	**657.44**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2021: 5 years)

₹ in lacs

Expected cash flows over the next (valued on undiscounted basis):	March 31, 2022	March 31, 2021
1 year	291.16	237.74
2 to 5 years	620.12	522.34
6 to 10 years	484.92	395.86
More than 10 years	507.81	436.90

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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, 2022	March 31, 2021
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 ₹ 86.78 lacs (March 31, 2021: ₹ 55.73 lacs) is recognised as an expense in the Statement of profit and loss.

31. Employee stock option plans

During the year ended March 31, 2022, the Company's equity-settled ESOP Scheme viz., ESOP Scheme 2014 was in existence.

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

During previous year, the Compensation Committee of the Board of Directors of the Company at its meeting held on 15 January 2021, granted 1,093,700 Options to the eligible employees of the Company and subsidiary Companies under its Employee Stock Option Scheme 2014 (ESOP 2014).

Further, the Compensation Committee of the Board of Directors of the Company at its meeting held on January 24, 2022 granted 27,300 Options to the eligible employees of wholly owned subsidiaries under its Employee Stock Option Scheme 2014 (ESOP 2014).

Out of total options granted till March 31, 2022, 290,409 options has been exercised by the eligible employees and 47,775 options has been lapsed due to resignation of eligible employees.

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

	March 31, 2022		March 31, 2021	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year * (refer note above)	1,090,100	400	814,819	400
Granted during the year due to scheme modification	27,300	50	1,093,700	50
Exercised during the year	(290,409)	-	-	-
Lapsed during the year out of opening	(44,175)	400	(814,819)	400
Lapsed during the year out of option granted during year	-	50	(3,600)	50
Outstanding at the end of the year	**782,816**	**50**	**1,090,100**	**50**
Exercisable at the end of the year	782,816	50	1,090,100	50
Weighted average remaining contractual life (in months)	28	-	40	-

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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

	March 31, 2022	
	Vest 1	**Vest 2**
Expected volatility	56.84%	56.84%
Risk - Free interest rate	4.24%	4.24%
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	2.00

The Carrying amount of Employee stock option reserve as at March 31, 2022 is ₹ 252.97 lacs (March 31, 2021 : ₹ 68.83 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.

32. Leases

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 lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee.

During the year ended March 31, 2022, 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 ₹ 257.30 lacs has been recognised under 'Other income' (refer note 23)

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Lease payment recognised in Statement of profit and loss (Short term and low value leases)	280.48	201.08
	280.48	**201.08**

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Due not later than one year	578.65	151.60
Due later than one year but not later than five years	632.13	203.87
Later than five years	-	-
	1,210.78	**355.47**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Opening balance	630.34	1,310.84
Addition on account of lease liabilities	677.89	14.09
Finance cost during the period	84.31	131.42
Deletions	-	-
Rent concessions recognised in the statement of profit and loss	(257.31)	(251.42)
Payment for lease liabilities	(568.00)	(574.59)
Balance at the end	**567.23**	**630.34**

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

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	348.70	349.95
Non-current lease liabilities	218.53	280.39
	567.23	**630.34**

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows : ₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Due not later than one year	300.85	408.83
Due later than one year but not later than five years	235.04	289.94
Later than five years	22.50	60.00
	558.39	**758.77**

Company as lessor

The Company has leased out Digital Cinema Equipment to theatres, franchisees. These leases are cancellable 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, 2022	March 31, 2021
Lease income recognised in Statement of profit and loss	1,083.08	346.92
	1,083.08	**346.92**

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Gross carrying amount	25,694.76	25,160.89
Accumulated depreciation	17,285.83	15,107.70
Depreciation recognized in the statement of profit and loss	8,368.93	10,053.19

Notes to Standalone financial statements as at and for the year ended March 31, 2022

33. Related party disclosure

1. Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiaries	Scrabble Entertainment Limited
	Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)
	United Film Organisers Nepal Private Limited, Nepal (till March 3, 2022)
	Zinglin Media Private Limited
	Plexigo Entertainment Private Limited
	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
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

* 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
	Ms. Kavita Thadeshwar- Company Secretary
	Mr. Sanjeev Aga - Independent and Non-executive director
	Mr. S. Madhavan - Independent and Non-executive director
	Ms. Lynn de Souza-Independent and Non-executive director
	Mr. Ameya Hete - Non-executive director
	Mr. Anand Yogendra Trivedi - Independent director (w.e.f. December 9, 2021)
	Mr. Gautam Yogendra Trivedi - Independent director (w.e.f. December 9, 2021)
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 as at and for the year ended March 31, 2022

Enterprises owned or significantly influenced by key management personnel or their relatives	Media Infotek Park Shree Enterprises Valuable Media Private Limited Valuable Technologies Private 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, 2022	March 31, 2021
Nature of transaction and Name of the Parties				
1	**Subsidiary companies**			
A	Content delivery charges (CDC/VPF) (Income)			
	i)	Scrabble Entertainment Limited	110.41	13.99
B	Lease rental income			
	i)	Scrabble Entertainment Limited	33.05	7.55
C	Unsecured loan given			
	i)	Nova Cinemaz Private Limited	420.00	Nil
	ii)	Zinglin Media Private Limited	114.00	25.00
	iii)	Plexigo Entertainment Private Limited	Nil	10.00
D	Repayment received against unsecured loan			
	i)	Zinglin Media Private Limited	Nil	27.00
	ii)	Plexigo Entertainment Private Limited	Nil	10.00
	iii)	Nova Cinemaz Private Limited	75.00	Nil
E	Interest income on loans			
	i)	Nova Cinemaz Private Limited	98.91	76.93
	ii)	Zinglin Media Private Limited	5.42	0.38
	iii)	Plexigo Entertainment Private Limited	Nil	0.10
F	Rent income (Miscellaneous receipts)			
	i)	Scrabble Entertainment Limited	12.76	6.19
	ii)	Nova Cinemaz Private Limited	6.29	2.43
G	Recovery of reimbursable expenses			
	i)	Scrabble Entertainment Limited	0.53	0.30
	ii)	Nova Cinemaz Private Limited	0.14	Nil
	iii)	Zinglin Media Private Limited	29.75	78.00
	iv)	UFO Software Technologies Private Limited	Nil	12.68
	v)	Plexigo Entertainment Private Limited	2.28	30.22
	vi)	Scrabble Digital Ltd	0.44	Nil
H	Rent paid			
	i)	Scrabble Entertainment Limited	9.27	4.64
I	Virtual print fee sharing (expenses)			
	i)	Scrabble Entertainment Limited	193.89	29.15

Notes to Standalone financial statements as at and for the year ended March 31, 2022

₹ in lacs

Sr. No.	Particulars	March 31, 2022	March 31, 2021
J	Lease rental expenses		
	i) Scrabble Entertainment Limited	19.94	2.25
K	Content provisioning charges		
	i) Nova Cinemaz Private Limited	10.63	1.10
L	Franchisee fees charges		
	i) Nova Cinemaz Private Limited	0.75	0.02
M	Interest received on unsecured loan		
	i) Nova Cinemaz Private Limited	0.69	Nil
N	Security deposit received		
	i) Scrabble Entertainment Limited	Nil	1.75
	ii) Nova Cinemaz Private Limited	0.13	Nil
O	Sale of equipments and lamps		
	i) Nova Cinemaz Private Limited	Nil	0.22
	ii) Zinglin Media Private Limited	Nil	6.00
P	Dividend income		
	i) Scrabble Entertainment Limited	1,997.81	Nil
Q	Content income		
	i) Nova Cinemaz Private Limited	0.96	1.47
R	Advertisement income		
	i) Zinglin Media Private Limited	Nil	1.13
S	Purchase of equity shares		
	i) Zinglin Media Private Limited	Nil	50.00
	ii) Plexigo Entertainment Private Limited	Nil	51.00
	iii) UFO Software Technologies Private Limited	Nil	1.00
	vi) Nova Cinemaz Private Limited	125.00	Nil
T	Purchase of preference shares (NCOCRPS)		
	i) Zinglin Media Private Limited	159.91	200.00
	ii) Plexigo Entertainment Private Limited	100.00	100.00
U	Repatriation of Investment		
	i) United Film Organisers Nepal Private Limited	48.20	Nil
2	**Step-down subsidiaries**		
A	Sale of assets		
	i) Scrabble Entertainment DMCC, Dubai	0.29	28.02
B	Virtual print fee sharing (expenses)		
	i) Scrabble Digital Limited	Nil	8.24
C	Rent income (Miscellaneous receipts)		
	i) Scrabble Digital Limited	9.95	1.76
D	Security deposit received		
	i) Scrabble Digital Limited	1.15	Nil
E	Content processing charges		
	i) Scrabble Digital Limited	149.43	73.37
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**		
A	Expenses reimbursed		
	i) Media Infotek Park	88.88	64.19
	ii) Valuable Edutainment Private Limited	2.19	Nil

Notes to Standalone financial statements as at and for the year ended March 31, 2022

₹ in lacs

Sr. No.	Particulars	March 31, 2022	March 31, 2021
B	Technical services fees (expense)		
	i) Valuable Technologies Private Limited	192.11	512.29
C	Operating direct expenses (Licensee fees – Impact)		
	i) Impact Media Exchange Limited	36.00	36.00
D	Licensee fee- (income)		
	i) Valuable Media Private Limited	1.94	0.35
E	Rent paid (Expense)		
	i) Media Infotek Park	525.93	452.56
F	Rent income (Miscellaneous receipts)		
	i) Valuable Media Private Limited	2.44	2.45
	ii) Valuable Edutainment Private Limited	1.70	0.98
4	**Associates of Company**		
A	Purchase of equity shares		
	i) Cinestaan Digital Private Limited	97.00	485.34
B	Film realisation income		
	i) Mukta VN Films Limited	4.34	5.50
5	**Associates of subsidiary**		
A	Support service expenses		
	i) Mumbai Movie Studios Private Limited	0.08	49.36
B	Rent income (Miscellaneous receipts)		
	i) Mumbai Movie Studios Private Limited	Nil	5.20
C	Management service fees (Miscellaneous receipts)		
	i) Mumbai Movie Studios Private Limited	Nil	3.75
D	Film realisation expenses		
	i) Mumbai Movie Studios Private Limited	3.64	Nil
6	**Key managerial personnel and their relatives**		
A	Remuneration to key managerial personnel		
	i) Mr. Sanjay Gaikwad *	219.12	82.03
	ii) Mr. Kapil Agarwal **	279.92	82.08
	iii) Mr. Ashish Malushte	68.20	47.07
	iv) Mr. Rajesh Mishra	86.82	57.26
	v) Mr. Sameer Chavan	Nil	13.63
	vi) Ms. Kavita Thadeshwar***	45.62	2.01
B	Directors sitting fee		
	i) Mr. S. Madhavan	16.67	12.50
	ii) Ms. Lynn de Souza	16.67	12.50
	iii) Mr. Sanjeev Aga #	26.67	20.00
	iv) Mr. Ameya Hete	6.00	Nil
	v) Mr. Anand Trivedi	2.00	Nil
	vi) Mr. Gautam Trivedi	2.00	Nil
	vii) Mr. Raaja Kanwar	1.00	Nil

Notes to Standalone financial statements as at and for the year ended March 31, 2022

3. Balance outstanding at the year end.

₹ in lacs

Sr. No.	Particulars		March 31, 2022	March 31, 2021
1	**Subsidiaries companies**			
A	Unsecured loan			
	i)	Nova Cinemaz Private Limited	1,029.43	684.43
	ii)	Zinglin Media Private Limited	114.00	Nil
B	Interest accrued on loans			
	i)	Nova Cinemaz Private Limited	268.42	177.57
	ii)	Zinglin Media Private Limited	5.12	Nil
C	Trade receivables			
	i)	Nova Cinemaz Private Limited	Nil	1.64
	ii)	Scrabble Entertainment Limited	50.91	Nil
D	Trade payable			
	i)	Scrabble Entertainment Limited	Nil	4.26
E	Deposit receivable			
	i)	Scrabble Entertainment Limited	1.65	1.65
F	Deposit payable			
	i)	Nova Cinemaz Private Limited	1.54	1.41
	ii)	Scrabble Entertainment Limited	349.38	349.38
G	Unbilled revenue			
	i)	Scrabble Entertainment Limited	1.75	8.01
	ii)	Nova Cinemaz Private Limited	0.31	Nil
H	Unbilled expenses			
	i)	Scrabble Entertainment Limited	49.26	9.48
I	Other receivables			
	i)	Nova Cinemaz Private Limited	Nil	89.78
	ii)	Zinglin Media Private Limited	16.16	22.32
	iii)	UFO Software Technologies Private Limited	Nil	14.84
	iv)	Plexigo Entertainment Private Limited	0.60	1.82
2	**Step-down subsidiaries**			
A	Trade receivables			
	i)	Scrabble Digital Limited	Nil	Nil
	ii)	Scrabble Entertainment DMCC, Dubai	Nil	0.87
B	Amount payable			
	i)	Scrabble Digital Limited	338.17	144.59
C	Deposit payable			
	i)	Scrabble Digital Limited	2.76	1.61
D	Unbilled expenses			
	i)	Scrabble Digital Limited	18.11	54.83
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**			
A	Amount receivable			
	i)	Valuable Media Private Limited	0.73	0.82
	ii)	Valuable Infotainment Private Limited	0.27	0.27
	iii)	Valuable Edutainment Private Limited	2.58	1.15
B	Deposit receivable			
	i)	Media Infotek Park	357.72	357.72

Notes to Standalone financial statements as at and for the year ended March 31, 2022

₹ in lacs

Sr. No.	Particulars		March 31, 2022	March 31, 2021
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)	Valuable Technologies Private Limited	217.49	83.46
	ii)	Media Infotek Park	Nil	81.62
E	Trade payable			
	i)	Impact Media Exchange Limited	6.48	3.32
	ii)	Media Infotek Park	8.31	Nil
	iii)	Valuable Technologies Private Limited	66.93	3.85
4	**Key management personnel**			
A	Remuneration payable to key managerial personnel			
	i)	Mr. Sanjay Gaikwad *	76.00	Nil
	ii)	Mr. Kapil Agarwal **	76.00	Nil
B	Payable to Independent and Non-executive director			
	i)	Mr. Sanjeev Aga #	5.67	3.00
5	**Associates of company**			
A	Corporate guarantee given to bank for borrowing (please refer (a) below)			
	i)	Mukta VN Films Limited	200.00	200.00
B	Trade receivable			
	i)	Mukta VN Films Limited	8.70	6.13
C	Trade payable			
	i)	Mukta VN Films Limited	0.10	Nil
6	**Associates of subsidiary**			
A	Trade payable			
	i)	Mumbai Movie Studios Private Limited	0.89	0.29
B	Trade receivable			
	i)	Mumbai Movie Studios Private Limited	Nil	8.95

* Includes provision of ₹ 76 lacs towards performance incentives during the year ended March 31, 2022.

** Includes perquisite value of ₹ 60.81 lacs towards exercise of Employee Stock Option and provision of ₹ 76 lacs towards performance incentives during the year ended March 31, 2022.

*** Include remuneration of ₹ 0.59 lacs from date of appointment as Company Secretary during the year ended March 31, 2021.

Includes remuneration of ₹ 5.67 lacs for the year ended March 31, 2022 to be paid, post shareholder’s approval.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

Compensation of key management personnel of the Company: ₹ in lacs

Particular	March 31, 2022	March 31, 2021
Remuneration	699.68	284.09

*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

Particular	March 31, 2022	March 31, 2021
Capital commitments	1,064.11	143.22
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 46.42 lacs (March 31, 2021 : ₹ 43.68 lacs)))		
Other commitments (Operating expenses net of advances of ₹ 132.69 lacs (March 31, 2021 : ₹ 9.20 lacs))	429.04	301.23
	1,493.15	**444.45**

35. Contingent liabilities

₹ in lacs

Particular	March 31, 2022	March 31, 2021
Pending litigations / matters		
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 revision of

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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.

c) 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 Hon'ble Supreme Court of India on January 6, 2022 passed an order condoning the delay in filing of appeal by the Revenue Department and in facts of the present case, the Hon'ble Supreme Court of India has on merits dismissed the appeal of the Revenue Department. As per this Hon'ble Supreme Court of India order all pending applications in relation to this matter stand disposed off.

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, 2022	March 31, 2021
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Notes to Standalone financial statements as at and for the year ended March 31, 2022

37. Financial instruments - Accounting classifications and fair value measurement

The fair value of the financial assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value measurement 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, 2022 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	12,544.59	-	-	12,544.59	
Loans receivables	453.85	-	-	453.85	
Investments	-	-	2,044.14	2,044.14	Level 2
Trade receivables	2,139.46	-	-	2,139.46	
Cash and cash equivalents	334.66	-	-	334.66	
Bank balances other than cash and cash equivalents	5,254.87	-	-	5,254.87	
Other financial assets	1,171.05	-	-	1,171.05	
Total	**21,898.48**	**-**	**2,044.14**	**23,942.62**	
Financial Liabilities					
Borrowings	8,693.99	-	-	8,693.99	
Lease liabilities	567.23	-	-	567.23	
Trade payables	3,603.68	-	-	3,603.68	
Other financial liabilities	4,692.42	-	-	4,692.42	
Total	**17,557.32**	**-**	**-**	**17,557.32**	

Details for the year ended March 31, 2021 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	12,502.44	-	-	12,502.44	
Loans receivables	68.43	-	-	68.43	
Investments	-	-	2,543.04	2,543.04	Level 2
Trade receivables	1,482.34	-	-	1,482.34	
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	1,211.36	-	-	1,211.36	
Total	**16,707.94**	**-**	**2,543.04**	**19,250.98**	
Financial Liabilities					
Borrowings	9,346.00	-	-	9,346.00	
Lease liabilities	630.33	-	-	630.33	
Trade payables	3,497.31	-	-	3,497.31	
Other financial liabilities	4,687.76	-	-	4,687.76	
Total	**18,161.40**	**-**	**-**	**18,161.40**	

* 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, 2022 and March 31, 2021

Notes to Standalone financial statements as at and for the year ended March 31, 2022

38. Financial risk management / objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade payables, other payables and Corporate guarantees. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks. The Company's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible.

The following table demonstrates the sensitivity to a reasonably possible change in 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

Particulars	Increase effect		Decrease effect	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Effect on profit of increase / decrease in floating interest rate by 100 basis points (1%) for term loans	(123.35)	(126.79)	123.35	126.79

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, 2022	March 31, 2021
Payable for property, plant and equipment	70.92	0.55
USD	0.94	0.01
Advance to vendor	57.82	129.74
USD	0.77	1.79
Other receivable	5.89	26.07
USD	0.08	0.36

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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, 2022	March 31, 2021
1% increase in foreign exchange rate :	(0.07)	1.55
1% (decrease) in foreign exchange rate:	0.07	(1.55)

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, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was ₹ 10,685.37 lacs and ₹ 6,082.00 lacs as at March 31 2022 and March 31, 2021 respectively as per the table below.

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Investments	2,044.14	2,543.04
Trade receivables	2,139.46	1,482.34
Balance with banks including bank fixed deposits	5,983.57	1,823.68
Other financial assets	518.20	232.94
Total	**10,685.37**	**6,082.00**

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. 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.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

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.

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, 2022				
Borrowing	3,641.50	5,052.49	-	8,693.99
Lease liabilities	348.70	218.53		567.23
Trade payables	3,603.68	-	-	3,603.68
Other financial liabilities	1,690.10	3,002.31	-	4,692.41
At March 31, 2021				
Borrowing	3,332.72	6,013.28	-	9,346.00
Lease liabilities	349.95	280.39	-	630.34
Trade payables	3,497.31	-	-	3,497.31
Other financial liabilities	1,367.19	3,320.58	-	4,687.77

39. Unbilled receivables and Contract liabilities

The movement in unbilled receivables and contract liabilities from contracts with customers:

₹ in lacs

Unbilled receivables	March 31, 2022	March 31, 2021
Opening balance	107.81	143.05
Less: Invoices raised for revenue recognised during the previous year	(107.81)	(143.05)
Add: Revenue recognised but invoices not raised during the year	191.47	107.81
Closing balance	**191.47**	**107.81**

₹ in lacs

Contract liabilities (Advance or deferred income)	March 31, 2022	March 31, 2021
Opening balance	205.59	195.56
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(52.56)	(4.92)
Add: Invoices raised for which no revenue is recognised during the year	85.08	14.95
Closing balance	**238.11**	**205.59**

Notes to Standalone financial statements as at and for the year ended March 31, 2022

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price ₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Revenue from contracts with customers (as per Statement of Profit and Loss)	8,666.38	1,778.78
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Add / (Less): Unbilled revenue adjustments	(83.66)	35.24
Add / (Less): Deferred revenue adjustments	32.52	10.03
Contracted price with the customers	**8,615.24**	**1,824.05**

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

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Company .

₹ in lacs

Particulars	March 31, 2022	March 31, 2021
Long term debt including current maturities	8,693.99	9,346.00
Total equity	32,354.31	29,507.52
Gearing ratio	26.87%	31.67%

41. Events subsequent to Balance Sheet date

There are no events subsequent to Balance Sheet date which require adjustment to or disclosure in the Standalone Financial Statement.

42. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibilities expenditures are as follows:

The areas of CSR activities are on providing healthcare, education and rehabilitation for underprivileged girls and children from the rural village.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Details of CSR expenditure: ₹ in lacs

Particulars		March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year		-	105.20
b) Amount approved by the Board to be spent during the year		-	105.20
c) Amount spent during the year ending on March 31, 2022:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction / acquisition of any asset	13.59	69.98	83.58
ii) On purposes other than (i) above	5.03	5.03	10.05
d) Amount spent during the year ending on March 31, 2021:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction / acquisition of any asset	6.54	83.58	90.12
ii) On purposes other than (i) above	5.03	10.05	15.08
			₹ in Lacs
e) Details related to spent / unspent obligations		**March 31, 2022**	**March 31, 2021**
i) Contribution to Public Trust		18.62	11.57
ii) Contribution to Charitable Trust			
iii) Unspent amount in relation to:			
Ongoing project		75.01	93.63
Other than ongoing project		-	-

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project) ₹ in lacs

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	93.63	-	-	18.62	-	75.01

In case of S. 135(5) (Other than ongoing project) ₹ in lacs

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

Notes to Standalone financial statements as at and for the year ended March 31, 2022

43. Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013.

Investment made are given under the respective head. (refer notes 4 & 44)

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, 2021	Given during the year	Repayment during the year	March 31, 2022
1	Nova Cinemaz Private Limited	9.50% to 12.00%	684.43	420.00	75.00	1,029.43
2	Zinglin Media Private Limited	9.50% & 9.70%	-	114.00	-	114.00
Total			**684.43**	**534.00**	**75.00**	**1,143.43**

The loan given to the above mentioned subsidiaries is repayable on demand for purpose of working capital requirement and capital expenditure for the business.

44. Investments during the year

Investment by the Company

Investment in Cinestaan Digital Private Limited (CDPL) :

Out of a total of 3,878,975 share warrants of Cinestaan Digital Private Limited (CDPL), that it held up to year ended March 31, 2021, the Company had exercised 1,255,094 share warrants by making payment of ₹ 485.35 lacs @ ₹ 38.67 per share for 1,255,094 equity shares issued against these warrants.On May 27, 2021, the Company further exercised 250,840 warrants of the above company by making payment of ₹ 97 lacs @ 38.67 per share for 250,840 equity shares issued against these warrants. Post these conversions, the Company holds 33.08% of the voting rights in CDPL.

Investment in Plexigo Entertainment Private Limited (Plexigo) :

During the year ended March 31, 2022, the Company had further invested an amount of ₹ 100 lacs by subscribing to 10,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) of Plexigo Entertainment Private Limited (Plexigo). As on March 31, 2022, the Company has invested an aggregate amount of ₹ 251 lacs in Plexigo.

Investment in Zinglin Media Private Limited (Zinglin) :

During the year ended March 31, 2022, the Company had further invested an amount of ₹ 159.91 lacs by subscribing to 15,991 NCOCRPS of Zinglin Media Private Limited (Zinglin). As on March 31, 2022, the Company has invested an aggregate amount of ₹ 410.91 lacs in Zinglin.

Investment in Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited) (Nova Cinemaz): On February 04, 2022, the Board of Directors of the Company had approved a further investment of up to ₹ 500 lacs (in one or more tranches) by way of equity shares in Nova Cinemaz Private Limited (erstwhile Valuable Digital Screens Private Limited), its wholly owned subsidiary, for its NOVA EUC business.

Accordingly, the Company has made an investment of ₹ 125 lacs in Nova Cinemaz Private Limited, subscribing to 1,250,000 equity shares of ₹ 10 each, allotment of which has been approved by the Board of Directors of Nova Cinemaz Private Limited at its meeting held on March 28, 2022.

Investment in the Company - Preferential allotment

During the year, the Board of Directors of the Company at its meeting held on December 09, 2021 had approved the allotment of 9,399,933 (Ninety Three Lakhs Ninety Nine Thousand Nine Hundred and Thirty Three) equity shares of the Company of face value of ₹ 10 each fully paid-up by way of preferential allotment for cash consideration to Nepean Focused Investment Fund, a scheme of investment of Nepean Investment Trust II, a category II Alternative Investment Fund registered with the Securities and Exchange Board of India ("Allottee") at a price of ₹ 103.01 per equity share, aggregating to ₹ 9,682.87 lacs.

As on March 31, 2022, the proceeds from such allotment were utilised for the stated purposes in the issue document and there were no deviations.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

45. Ratio Analysis and its elements

₹ in lacs

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.34	1.00	33%	Improvement in liquidity position led to an improvement in the ratio.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.27	0.32	-15%	Not required to be disclosed.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(0.24)	(1.23)	-81%	Decline in losses and improvement in liquidity position led to an improvement in the ratio.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.06)	(0.08)	-31%	Decline in net loss and increase in share capital during the year improved the ratio.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.41	0.07	512%	Growth in revenue and inventory optimisation improved the ratio.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.20	0.09	1210%	Revenue growth along with higher efficiency on realisation resulted in an improvement in the ratio.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.60	0.43	40%	Increase is primarily on account of increase in purchases.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.35	54.17	-96%	Operation of the Company was impacted due to covid (refer Impact of Covid-19 note 46)
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0.79)	(6.33)	-87%	Improvement is primarily on account of increase in sales and decline in net loss.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.20)	(0.40)	-50%	Improvement is primarily on account of reduction in loss.
Return on Investment	Interest (Finance Income)	Investment	0.16	0.06	151%	Improvement is due to increase in investments and dividend received from subsidiary.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

46. Additional Regulatory Information

(i) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) The Company do not have any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party

(b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries."

47. Impact of Covid-19

The uncertainty on account of the Covid- 19 outbreak continued to have an adverse effect across the world including India, in the first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. However, various State Governments only allowed Cinemas to re-open from July-November 2021 in a phased manner with restrictions and Standard Operating Procedures (SOPs) in place. The third wave, which was due to Omicron, a new variant of Covid, was much shorter compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 2022. A majority of the Cinemas were operational during early Q4 (with the exception of Delhi and Haryana, which were shut during January 2022) with various capacity restrictions but with limited or no content. Restrictions on cinema operations started easing from the 1st week of February'22. With the lifting of Covid related occupancy restrictions from mid-March 22 in the major States across India, filmgoers started revisiting cinemas in large numbers, thus giving a big boost to the sentiments of the exhibition industry. Consequently, the theatrical exhibition industry has witnessed recovery and an improved performance by the end of financial year. The Company continued with its strategy of keeping a check on controllable costs and having adequate liquidity.

The management has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects. Based on the above, the management and the Board of Directors believe that the Company would be able to meet its financial obligations in the foreseeable future. Accordingly, management believes that the long-term drivers of business are intact and does not anticipate any material medium to long-term risks to the business.

Notes to Standalone financial statements as at and for the year ended March 31, 2022

48. 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.

49. Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021:

(a) Security deposits regrouped under 'Other financial assets' (Note 6) which were earlier part of 'Loans'

(b) Current maturities of long term debts regrouped under 'Borrowings'(Note 20) which were earlier part of 'Other financial liabilities'.

(c) Unbilled receivables regrouped under 'Trade receivables' (Note 12).

The accompanying notes 1 to 49 are an integral part of the Standalone 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, 2022

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

If Undelivered, please return to

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