CINE MEDIA NETWORK

ANNUAL REPORT 2022–23

ROAD TO RECOVERY

UFO MOVIEZ INDIA LIMITED

Annual Report 2022 - 23

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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 1.7 billion viewers annually through 3,348 screens comprising of 2,073 screens in the PRIME channel and 1,275 screens in the POPULAR channel across 1,175 cities, leading directly into the hearts of India's Urban Heartland.

OUR VISION

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

LETTER TO SHAREHOLDERS

Dear Shareholders,

The financial year 2023 marked the completion of the first full year of uninterrupted operations after a challenging pandemic period. The year began on a positive note, with the consistent release of movies in various languages. Southern and regional films were not only successful in their respective markets but also made an impact in the Hindi-speaking markets. However, some highly anticipated Hindi movies featuring popular stars underperformed. This reflects a change in the audience's preference for films of different languages and also highlighted the importance of content quality for box office success.

While the success of Southern and Regional movies played a crucial role in the rapid recovery of theatrical revenues during the financial year 2023, the advertisement revenue fell short of expectations due to the underperformance of some Hindi releases. It is important to note that the epicentre of the advertisement industry is primarily non-south, i.e., Mumbai and Delhi, making the consistent success of Hindi movies essential for advertisers to have regular allocations towards in-cinema advertising.

During the fourth quarter of the financial year under review, several big-budget Hindi movies performed well alongside films in other languages, culminating in the strongest quarter in terms of advertisement revenue for the company, post-pandemic. Amongst these films, the standout performance of 'Pathaan' not only restored advertisers' confidence in big-budget Hindi movies and in-cinema advertisement medium but also reaffirmed the timeless allure of cinema.

While the recovery in the key revenue streams of in-cinema advertisement was tepid, to further strengthen our financial position, we have implemented certain cost optimization strategies. These measures enabled us to maintain a lower level of SG&A costs, enhancing the company's resilience and positioning us well for recovery and future growth. Though the journey towards recovery has been bumpier and longer than expected, we remain optimistic that the successful release of diverse content across languages, the success of forthcoming Hindi films, and the increasing acceptance of Southern cinema in Pan-India markets will lead to an increase in footfalls, driving significant business growth. We are hopeful that the company will soon be able to regain its pre-pandemic financial levels and continue its upward trajectory.

We extend sincere gratitude to all our shareholders, employees, customers, and other stakeholders for their unwavering support. Your trust has been instrumental in our road to recovery, and we remain committed to delivering value and growth in the coming years.

Thank you for your continued commitment and investment in our company.

Warm Regards,

Sanjay Gaikwad

Founder and Managing Director

UFO
CINE MEDIA NETWORK

CORPORATE INFORMATION

Board of Directors

Sanjeev Aga	Chairman & Independent Director (upto November 19, 2022)
Kanwar Bir Singh Anand	Chairman & Independent Director (appointed as Chairman w.e.f. November 20, 2022)
Anand Trivedi	Non-Executive Director
Ameya Hete	Non-Executive Director
Gautam Trivedi	Non-Executive Director
Kapil Agarwal	Non-Executive Director (upto April 26, 2023)
Lynn de Souza	Independent Director (upto November 19, 2022)
Raaja Kanwar	Non-Executive Director
Rajesh Mishra	Executive Director & Group CEO
Rajiv Batra	Independent Director
S. Madhavan	Independent Director (upto November 19, 2022)
Sanjay Gaikwad	Managing Director
Swati Mohan	Independent Director

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, September 12, 2023
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, September 05, 2023
Remote e-voting start date and time	Thursday, September 07, 2023 at 9:00 a.m. IST
Remote e-voting end date and time	Monday, September 11, 2023 at 5:00 p.m. IST

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of UFO Moviez India Limited **('the Company')** will be held on **Tuesday, 12th day of September, 2023 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, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint Mr. Anand Trivedi (DIN: 02059249), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

3. **Re-appointment of Statutory Auditors 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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 **('the Act')** [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Audit and Risk Management Committee and the Board of Directors of the Company, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of five (5) consecutive years, from the conclusion of Nineteenth (19th) Annual General Meeting **('AGM')** till the conclusion of the Twenty-Fourth (24th) AGM of the Company, to examine and audit the accounts of the Company, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

   RESOLVED FURTHER THAT the Board of Directors of the Company and/or the duly appointed Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.**"**

SPECIAL BUSINESS:

4. **Payment of remuneration to Mr. Sanjay Gaikwad (DIN: 01001173), Managing Director, for the balance term of his appointment i.e. April 01, 2023 to October 16, 2023**

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**), Rules framed thereunder, Regulation 17(6)(e) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), in accordance with the Articles of Association of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, the Audit and Risk Management Committee and the Board of Directors of the Company and subject to such other approvals as may be necessary, in modification of the special resolution passed at the Fourteenth Annual General Meeting **('AGM')** of the Company held on August 09, 2018 and further to the special resolution passed on March 26, 2021 vide postal ballot, the approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Sanjay Gaikwad (DIN: 01001173), Managing Director, for the balance term of his appointment i.e. April 01, 2023 to October 16, 2023, on the terms and conditions including perquisites as set out in the explanatory statement of this Resolution, as minimum remuneration, notwithstanding loss or inadequacy of profits.

   RESOLVED FURTHER THAT except as modified by the aforesaid, the special resolution approved and passed at the Fourteenth AGM with respect to the re-appointment of Mr. Sanjay Gaikwad, as Managing Director of the Company shall continue to remain in full force and effect.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Sanjay Gaikwad as Managing Director within the overall limits under the Act and aforesaid approval of the members.

   RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to the Board to do and perform all such acts, deeds, matters and things, as may be necessary, including making the necessary filings and applications with the concerned statutory authorities, to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient, to take all such decisions from powers herein conferred and delegate all or any of the powers herein conferred to any director, company secretary or any other officer / authorised representative of the Company, in relation to the above resolution.**"**

5. **Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director**

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 recommendation of the Nomination and Remuneration Committee, the Audit and Risk Management 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 re - appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director of the Company for a further period of three years w.e.f. October 17, 2023 to October 16, 2026, 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. Sanjay Gaikwad within the limits set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to the Board to do and perform all such acts, deeds, matters and things, as may be necessary, including making the necessary filings and applications with the concerned statutory authorities, to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient, to take all such decisions from powers herein conferred and delegate all or any of the powers herein conferred to any director, company secretary or any other officer / authorised representative of the Company, in relation to the above resolution.**"**

6. **Revision in terms of remuneration payable to Mr. Rajesh Mishra (DIN: 00103157), 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 Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, Audit and Risk Management Committee and the Board of Directors of the Company and subject to such other approvals as may be necessary, in partial modification of the special resolution passed at the Eighteenth Annual General Meeting of the Company held on August 23, 2022, for appointment of Mr. Rajesh Mishra as Executive Director and Group CEO for a period of three years w.e.f. June 18, 2022, approval of the Members be and is hereby accorded for amending clause 4 of the terms of remuneration mentioned in the explanatory statement forming part of the said Resolution, to the effect that Contribution to Superannuation Fund, Annuity Fund and Gratuity shall be as per policy / rules of the Company.

RESOLVED FURTHER THAT except as the aforesaid modification, the Special Resolution approved and passed at the Eighteenth Annual General Meeting with respect to the appointment of Mr. Rajesh Mishra, as Executive Director and Group CEO of the Company shall continue to remain in full force and effect.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to the Board to do and perform all such acts, deeds, matters and things, as may be necessary, including making the necessary filings and applications with the concerned statutory authorities, to settle any question or difficulty which may arise in regard thereto in such manner as it may deem expedient, to take all such decisions from powers herein conferred and delegate all or any of the powers herein conferred to any director, company secretary or any other officer / authorised representative of the Company, in relation to the above resolution.**"**

By order of the Board of Directors

Kavita Thadeshwar
Company Secretary
Membership no. A18651

Date: July 31, 2023
Place: Mumbai

Notes:

1. The Ministry of Corporate Affairs, Government of India **('MCA')** vide its General Circular Nos. 20/2020 and 10/2022 dated May 05, 2020 and December 28, 2022, respectively, and other circulars issued in this respect **('MCA Circulars')** allowed, inter-alia, conduct of Annual General Meetings **('AGMs')** through Video Conferencing/ Other Audio-Visual Means **('VC/ OAVM')** facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India **('SEBI')** also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 **('SEBI Circular')** has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('Listing Regulations').** In compliance with these Circulars, provisions of the Companies Act, 2013 **('the Act')** and the Listing Regulations, the **19th AGM** of the Company is being conducted through VC/ OAVM facility, on **Tuesday, September 12, 2023 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 6** of the Notice is annexed hereto.

   The relevant details pursuant to Regulation 36(3) of the 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 re-appointment at this AGM are also annexed to this Notice.

4. In line with the MCA Circulars and SEBI Circular, the Notice of the AGM along with the Annual Report 2022-23 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 19th 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) 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 two working days of the conclusion of the AGM. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

8. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 01, 2023. Shareholders are requested to submit their PAN, KYC and nomination details in the prescribed forms to the Company's RTA, 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 latest by October 01, 2023. 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 RTA, 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

9. 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 or ISR-5 as the case may be. The said forms can be downloaded from the website of the Company and RTA, as available on the website of Company's RTA, KFintech.

10. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members

holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs for completing the nomination formalities.

11. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **('IEPF Rules')** read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven consecutive years from the due date is required to be transferred to the Investor Education and Protection Fund **('IEPF')**, constituted by the Central Government. Further, all shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority **('IEPF Account')** within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

    The Company had, accordingly transferred unpaid or unclaimed dividend amounts of ₹ 74,745/- pertaining to Interim Dividend for the financial year 2015-16 in April 2023 to the IEPF. Also, 5,353 equity shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred to the IEPF Account in April 2023.

    The Company has been sending reminders to members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company https://www.ufomoviez.com/investor. Members who have not encashed Final Dividend for the financial year 2015-16 or any subsequent dividend(s) declared by the Company, are advised to make their claims to the Company's RTA, KFintech.

12. 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, September 05, 2023**, 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, September 07, 2023 at 09:00 a.m. (IST)** onwards and ends on **Monday, September 11, 2023 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 evoting icon. III. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. IV. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” V. 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 point 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/myeasinew/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/myeasinew/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td></td><td>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.</td></tr>
<tr><td>Individual Shareholder login through their demat accounts / Website of Depository Participant</td><td>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.</td></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td>Login type</td><td>Helpdesk details</td></tr>
<tr><td>Securities held with NSDL</td><td>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</td></tr>
<tr><td>Securities held with CDSL</td><td>Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 333</td></tr>
</table>

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 7519, 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 to register their email address:

i. 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.

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

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 September 10, 2023 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 **Friday, September 08, 2023 to Sunday, September 10, 2023.** 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 **Friday, September 08, 2023 to Sunday, September 10, 2023.**

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, September 05, 2023,** 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.

ANNEXURE TO THE NOTICE

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

Item no. 3

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')**. However, the same is strictly not required as per Section 102 of the Companies Act, 2013 **('the Act').**

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 14th Annual General Meeting **('AGM')** held on August 09, 2018, appointed B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) **('B S R & Co.')** as the Statutory Auditors of the Company for a first term of five (5) consecutive years from the conclusion of the 14th AGM till the conclusion of the 19th AGM of the Company.

Pursuant to the provisions of Section 139 of the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years. Accordingly, B S R & Co. is eligible to be re-appointed as the Statutory Auditor of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on May 25, 2023, on the recommendation of the Audit and Risk Management Committee **('ARC Committee'),** after considering and evaluating various factors such as independence, competence, technical capability, overall audit approach and understanding of the Company & its business has recommended the re-appointment of B S R & Co. as the Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of 19th AGM till the conclusion of the 24th AGM of the Company, to examine and audit the accounts of the Company.

The Board of Directors has approved a remuneration of ₹ 64.50 lacs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses at actuals. The remuneration during the tenure of the re – appointment of the Auditor shall be fixed by the Board of Directors in consultation with the ARC Committee, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

B S R & Co. is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India **('ICAI')** based in Mumbai, having Firm Registration No. 101248W/W-100022. B S R & Co. is a member entity of B S R & Affiliates, a network registered with ICAI. As required under the SEBI Listing Regulations, B S R & Co. holds a valid certificate issued by the Peer Review Board of ICAI.

B S R & Co. has consented to its re-appointment as Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder.

Based on the recommendation of the ARC Committee, the Board recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel **('KMP')** of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the accompanying Notice.

Item no. 4

The members of the Company at the Fourteenth Annual General Meeting held on August 09, 2018 **('14th AGM'),** approved the re-appointment of Mr. Sanjay Gaikwad as the Managing Director and fixed the terms of his remuneration for the period of 5 (five) years with effect from October 17, 2018. At the time of recommending and approving the terms of remuneration of Mr. Sanjay Gaikwad, the COVID-19 pandemic and its adverse impact on the Company's profitability were not anticipated.

As per Schedule V of the Companies Act, 2013 **('the Act')**, the companies having no profit or inadequate profits can pay remuneration, in excess of ceilings provided under Section II (A) of Part II for a period not exceeding 3 (three) years, by obtaining consent of shareholders by way of a special resolution.

Due to the inadequacy of profits during FY 2020-21, the shareholders vide special resolution dated March 26, 2021 had approved payment of remuneration on the existing terms and conditions at the time of re-appointment of Mr. Gaikwad at the 14th AGM, as the minimum remuneration under Schedule V of the Act, for the period of three financial years viz. 2020 – 21, 2021 – 22 and 2022 - 23. This approval is valid upto March 31, 2023. However, the term of Mr. Gaikwad as Managing Director of the Company is upto October 16, 2023.

Under the leadership and guidance of Mr. Gaikwad, the Company could fight through the most difficult Covid times which adversely impacted Cinema industry the most. The recovery as anticipated has been slow and the Company has on a consolidated level turned EBIDTA positive during FY23, however, the net profits for the financial year 2022 – 23 are not adequate for payment of remuneration to Mr. Gaikwad during his balance term of appointment i.e. from April 01, 2023 to October 16, 2023.

Considering the strategic role played by Mr. Gaikwad, the Board on recommendation of the Nomination and Remuneration Committee and the Audit and Risk Management Committee, at its meeting held on February 06, 2023, has subject to the approval of the Members, approved payment of remuneration on the terms and conditions fixed at the time of his re-appointment at the 14th AGM, as minimum remuneration under Schedule V, for the balance tenure of appointment, as per the details mentioned below.

Details of remuneration proposed to be paid pro – rata for the period April 01, 2023 to October 16, 2023, as per the terms and conditions of re-appointment at the 14th AGM:

1) **Salary:**

   ₹ 11,00,000/- per month

2) **Perquisites:**

   a. Company's contribution to provident fund and superannuation fund as per Company rules

   b. Gratuity as per the policy / rules of the Company

   c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof

   d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement

   e. Provision of Company maintained car, reimbursement of driver's salary & petrol and vehicle maintenance expenses for the official use

   f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use

   g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category

   h. Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide

3) The total remuneration as per point (1) and (2) above shall be restricted to an amount of ₹ 2,75,00,000/- p.a.

4) Mr. Sanjay Gaikwad will also be entitled to a Special Allowance of ₹ 35,00,000/- p.a. payable equally on monthly basis.

5) In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Sanjay Gaikwad will also be entitled for an annual performance incentive not exceeding ₹ 1,90,00,000/-.

6) **Valuation of perquisites:**

   Perquisites/Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

The statement containing additional information as required under Schedule V to the Act, with reference to Special Resolution at Item No. 4 is annexed to the Notice.

Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

Except Mr. Sanjay Gaikwad, 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. 4.

Item no. 5

Mr. Sanjay Gaikwad, Managing Director, has been the innovator and envisioner of the Company. His contribution has been immense and his strategic and techno-commercial guidance is the bedrock upon which the plans and market offerings of the Company and its subsidiaries are developed. He has contributed significantly to key strategic initiatives of the Company.

Under the leadership and guidance of Mr. Gaikwad the Company could fight through the most difficult Covid times which adversely impacted Cinema industry the most. Post Covid, the Cinema industry (especially Hindi language films) continues to remain volatile and is yet to see a complete recovery. This has adversely affected the full recovery in Company's revenues to its pre – covid level, especially from in-cinema advertisements since it is linked to the performance of the films at the box office.

To overcome the difficult situation, the Company has under the guidance of Mr. Gaikwad, undertaken various measures and is constantly exploring avenues for increasing its revenues and bringing it back to pre – Covid level. The Company has on a consolidated level turned EBIDTA positive in FY23, and is soon expected to become PAT positive.

The members of the Company at the Annual General Meeting of the Company held on August 09, 2018, had approved the re-appointment of Mr. Sanjay Gaikwad as the Managing Director of the Company for a period of five years and the terms of remuneration payable to him for the period from October 17, 2018 to October 16, 2023. In this ongoing period of business recovery and thereafter it is important that the Company continues to draw on his expertise, knowledge and experience.

Accordingly, the Board at its meeting held on May 25, 2023, based on recommendation of the Nomination and Remuneration Committee and Audit and Risk Management Committee and subject to the approval of Members, on expiry of his current term of appointment, has approved the re – appointment of Mr. Sanjay Gaikwad as Managing Director of the Company for a further period of 3 years from the expiry of his present term of office, i.e. with effect from October 17, 2023 till October 16, 2026 on the terms of remuneration set out herein below:

Proposed Remuneration:

1. **Salary**

   ₹ 11,00,000/- per month

2. **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.

3. The total remuneration as per point (1) and (2) above shall be restricted to an amount of ₹ 2,75,00,000/- p.a.

   In addition to the perquisites and allowances listed out in serial no. 2 above, the following facilities will also be provided or expenses reimbursed, which will not be included in the computation of ceiling mentioned at sr. no. (3) above:

   i. Contribution to Superannuation Fund, Annuity Fund and Gratuity as per the policy / rules of the Company.

   ii. Provision of medical and accident insurance; company maintained cars, 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.

4. **Special Allowance**

   In addition to the above, Special Allowance of ₹ 35,00,000/- p.a. payable equally on monthly basis.

5. **Annual Performance Incentive**

   Subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Gaikwad will also be entitled for an annual performance incentive not exceeding ₹ 3,00,00,000/-.

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. Gaikwad, 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 Companies Act, 2013 or under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, with reference to Special Resolution at Item No. 5 is annexed to the Notice.

The Company has received from Mr. Gaikwad, 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.

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

Except Mr. Sanjay Gaikwad 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

The Members of the Company had at the Eighteenth Annual General Meeting of the Company held on August 23, 2022 **('18th AGM Resolution')**, had approved the appointment and fixed the terms of remuneration of Mr. Rajesh Mishra as Executive Director and Group CEO for a period of three years w.e.f. June 18, 2022 as specified in the notice and explanatory statement annexed thereto. The details of remuneration can be accessed at https://www.ufomoviez.com/sites/default/files/UFO_Investors/Financials/FY_22/SEIntimationAnnualReport2022.pdf

Clause 4 of the terms of remuneration mentioned in the explanatory statement forming part of the 18th AGM Resolution states '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'.

It is proposed to **modify** the said clause 4 as ***'Contribution to Superannuation Fund, Annuity Fund and Gratuity as per the policy / rules of the Company',*** for the reasons explained hereinafter.

The Company has recently undertaken strategic implementation of cost optimization measures to strengthen the Company's financial performance. One of such measures involved major salary restructuring of employee's salaries effective April 01, 2023, wherein a significant portion of the fixed component of salaries of employees has been converted into the Company's EBIDTA linked Variable Pay.

On the backdrop of the restructuring, the Company has revised its Gratuity Policy for all the employees by removing the upper ceiling on the maximum payout of the gratuity. This is expected to boost the morale of the employees and encourage and reward their long standing relationship with the Company.

While the Company has revised its gratuity policy for all employees, in case of Mr. Rajesh Mishra, the gratuity provisions applicable to him were as per the Members' approval dated August 23, 2022 sought for his appointment where the gratuity has been capped as per Income Tax limits. Hence, in order to make the new amended gratuity policy applicable to him, it is necessary to seek approval of the Members for the above amendment. The Board on recommendation of the Nomination and Remuneration Committee and the Audit and Risk Management Committee, at its meeting held on July 31, 2023, subject to the approval of the Members, has approved the change in terms of remuneration of Mr. Rajesh Mishra, to the extent of the change mentioned above at clause 4 of the 18th AGM resolution.

Except the aforesaid modification, 18th AGM resolution, with respect to the appointment of Mr. Rajesh Mishra, as Executive Director and Group CEO and his terms of remuneration shall continue to remain in full force and effect.

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

Except Mr. Rajesh Mishra, 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.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT W.R.T. ITEM NO. 4 & 5

<table>
<tr><td>I.</td><td>General Information</td><td></td></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>2020-21</th><th>2021-22</th><th>2022-23</th></tr>
<tr><td>Turnover</td><td>8,809.38</td><td>16,013.79</td><td>39,591.92</td></tr>
<tr><td>PBT</td><td>(15,095.88)</td><td>(10,671.93)</td><td>(1,447.20)</td></tr>
<tr><td>PAT</td><td>(11,760.00)</td><td>(8,685.48)</td><td>(1,320.81)</td></tr>
</table>
Standalone (₹ in lacs)
<table>
<tr><th>Title</th><th>2020-21</th><th>2021-22</th><th>2022-23</th></tr>
<tr><td>Turnover</td><td>1,778.78</td><td>8,666.38</td><td>27,937.61</td></tr>
<tr><td>PBT</td><td>(14,582.48)</td><td>(8,965.71)</td><td>(3,712.47)</td></tr>
<tr><td>PAT</td><td>(11,264.44)</td><td>(6,886.74)</td><td>(3,009.12)</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any.</td><td>As at March 31, 2023, FII / FVCI / Foreign Bodies Corporates, NRI, etc. holds 7,20,769 (1.89%) equity shares of the Company.</td></tr>
<tr><td>II.</td><td>Information about the appointee</td><td></td></tr>
<tr><td>1.</td><td>Background details, Job profile, their suitability, recognition and awards</td><td>Mr. Sanjay Gaikwad holds a Bachelor's Degree in Chemical Engineering and a Master's Degree in Management Studies from the University of Mumbai. Prior to setting up our Company, he was associated with leading media houses of India such as Zee Group and Indian Express Group. He is a recipient of the Maxell – Maharashtra Corporate Excellence Awards, 2014 for Excellence in Innovation.</td></tr>
<tr><td>2.</td><td>Past remuneration (In ₹ lacs)</td><td>₹ 310.29 lacs during the FY 2022 – 23.</td></tr>
</table>

3.	Remuneration proposed	As per details provided in the explanatory statement with respect to agenda item 4 & 5.
4.	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)	Mr. Sanjay Gaikwad devotes his substantial time in overseeing the operations of the Company. The proposed remuneration is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company.
5.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Apart from receiving directors' remuneration, Mr. Sanjay Gaikwad does not have any direct pecuniary relationship with the Company. There are certain transactions between the Company and companies in which Mr. Sanjay Gaikwad is a director /shareholder. Details of such related party transactions are disclosed in the financial statements of the Company. Mr. Sanjay Gaikwad does not have any direct or indirect pecuniary relationship with the managerial personnel or any other director.
III.	**Other information**	
1.	Reasons of loss or inadequate profits	As per details provided in explanatory statement with respect to agenda item no. 5
2.	Steps taken or proposed to be taken for improvement	As per details provided in explanatory statement with respect to agenda item no. 5
3.	Expected increase in productivity and profits in measurable terms	As per details provided in explanatory statement with respect to agenda item no. 5
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 re-appointment in the forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given hereunder:

Name of Director	**Mr. Sanjay Gaikwad**	**Mr. Anand Trivedi**
Date of Birth and Age	July 26, 1965 57 years	March 23, 1969 54 years
Date of Initial Appointment	October 17, 2008	December 09, 2021
Qualification	Bachelor's degree in Chemical Engineering and a Master's degree in Management Studies from the University of Mumbai.	MBA from Columbia Business School, Bachelor's degree of Law and Bachelor's degree in Commerce from the Mumbai University.
Brief Resume and Experience and Expertise	More than three decades of experience in the field of technology, finance, strategy, 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
No. of meetings of the Board attended during the FY 2022 - 23	8 out of 8	8 out of 8

Directorship held in other Companies (excluding foreign companies)	• Scrabble Entertainment Limited • Nifty Portfolio Services Pvt. Ltd. • Valuable Media Pvt. Ltd. • Impact Media Exchange Pvt. Ltd. • Valuable Technologies Pvt. Ltd. • Qwik Entertainment India Pvt. Ltd. • Valuable Destinations Pvt. Ltd. • Capital Flash Fintech Private Limited • Goldencrest Financial Services Pvt. Ltd. • Nisarg Building Art & Technology Pvt. Ltd. • M5 Media Investments Pvt. Ltd.	• Ge Strategic Investments India (Pvt. Co.With Ultd Liability) • Extramarks Education India Private Limited • Collective Artists Network India Private Limited • Maddock Films Private Limited
List of Membership / Chairmanship of Board Committees in other companies	Scrabble Entertainment Limited • Corporate Social Responsibility Committee - Chairman	Nil
Other Listed entities from which the Director has resigned in the past three years	Nil	Nil
Shareholding in the Company as on date	917,229 (2.40%) equity shares. He is part of Promoter & Promoter Group of the Company which in aggregate holds 44,87,922 (11.76%) equity shares in the Company.	Nil
Relationship with other directors, manager and Key Managerial Personnel of the Company	No relation	Brother of Mr. Gautam Trivedi, Non-Executive 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	Managing Director for a period of three consecutive years. Details of remuneration proposed to be paid are provided in the explanatory statement at item no. 5.	Non-executive, Non-Independent Director, liable to retire by rotation. He is entitled to sitting fees for attending Board Meetings.

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the nineteenth report on the business and operations of your Company for the Financial Year ended March 31, 2023.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the Financial Year ended March 31, 2023 is summarized below:

(₹ in Lacs)

Particulars	Standalone			Consolidated		
	FY23	FY22	Growth	FY23	FY22	Growth
Revenue from Operations	27,752.63	8,109.08	242%	38,407.53	15,005.55	156%
Other Operating Income	184.98	557.29	-67%	1,184.39	1,008.24	17%
Other Income	118.94	332.80	-64%	183.40	380.44	-52%
Total Income	**28,056.55**	**8,999.17**	**212%**	**39,775.32**	**16,394.23**	**143%**
Total Expenses	**28,332.92**	**14,083.51**	**101%**	**36,387.23**	**21,113.49**	**72%**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**(276.37)**	**(5,084.34)**	**-95%**	**3,388.09**	**(4,719.26)**	**-172%**
EBITDA Margin	-1.0%	-56.5%	-98%	8.5%	-28.8%	-130%
Depreciation and Amortisation	4,418.55	5,115.59	-14%	4,952.52	5,577.47	-11%
Earnings before Interest and Tax (EBIT)	**(4,694.92)**	**(10,199.93)**	**-54%**	**(1,564.43)**	**(10,296.73)**	**-85%**
Finance Cost	1,079.46	1,120.17	-4%	1,113.03	1,162.86	-4%
Finance Income	(2,061.91)	(2,354.38)	-12%	(489.66)	(445.53)	10%
Profit before Tax and share of profit from associates	**(3,712.47)**	**(8,965.72)**	**-59%**	**(2,187.80)**	**(11,014.06)**	**-80%**
Share of profit from associates (net)	-	-		740.60	342.13	116%
Profit before tax and after shares of profit from associates	**(3,712.47)**	**(8,965.72)**	**-59%**	**(1,447.20)**	**(10,671.93)**	**-86%**
Tax	(703.35)	(2,078.97)	-66%	(126.39)	(1,986.45)	-94%
Profit after Tax (PAT)	**(3,009.12)**	**(6,886.75)**	**-56%**	**(1,320.81)**	**(8,685.48)**	**-85%**
Other Comprehensive Income	187.41	(58.54)	-420%	443.70	(12.10)	-3765%
Total comprehensive income for the year, net of tax	**(2,821.71)**	**(6,945.29)**	**-59%**	**(877.11)**	**(8,697.58)**	**-90%**
Profit for the year attributable to equity shareholder	-	-	-	(1,320.81)	(8,685.48)	-85%
Profit for the year attributable to Non-controlling interests	-	-	-	-	-	-
Other comprehensive income attributable to equity Shareholder	-	-	-	(877.11)	(8,697.58)	-90%
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

The Board of Directors of the Company, keeping in view the current financial position, has decided not to recommend any dividend for the Financial Year 2022-23.

TRANSFER TO RESERVES

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

SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2023 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 1,35,087 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, 2023 stands ₹ 3,817.62 lacs divided into 3,81,76,230 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, 2023, 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 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. 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, 2023 and the loss including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2023.

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 2022-23.

DIRECTORS' RESPONSIBILITY STATEMENT 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 2022-23.

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, 2023, 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, 2023 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 Act 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.

RELATED PARTY TRANSACTIONS

Pursuant to amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('Listing Regulations'),** the Company has adopted Policy on Related Party Transactions, which includes the materiality threshold and the manner of dealing with Related Party Transactions, which is available on the Company's website at https://www.ufomoviez.com/sites/default/files/UFO_Investors/Policy%20on%20Related%20Party%20Transactions.pdf

All related party transactions including subsequent material modifications, if any, to such related party transactions are placed before the Audit and Risk Management Committee for approval as required under Section 177 of the Act, Regulations 18 and 23 of 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 year were on an arm's length basis and were in the ordinary course of business.

Further, during the year under review, the Company had not entered into any related party transaction which could be considered material in accordance with the threshold specified in the policy. Accordingly, the disclosure of material related party transactions which is required to be reported as per terms of Section 134(3)(h) of the Act, in Form No. AOC-2 is not applicable.

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, 2023, 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.

In terms of provisions of Listing Regulations, Scrabble Entertainment Limited and Scrabble Entertainment DMCC were the material subsidiaries of the Company.

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, 2023, 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. Kanwar Singh Anand, an Independent Director is the Chairman of the Board of Directors. The Board periodically evaluates the need for change in its composition and size.

Mr. Kapil Agarwal resigned as a Director of the Company with effective from April 26, 2023. Post his resignation, the Board consisted of eight members.

APPOINTMENT, RE-APPOINTMENT, RETIREMENT AND RESIGNATIONS OF DIRECTORS

- **Appointment of Directors:**

  During the year under review, following Directors were appointed on the Board:

  - Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director of the Company for a period of three years from May 26, 2022 upto May 25, 2025
  - Mr. Rajesh Mishra (DIN: 00103157) as an Executive Director of the Company for a period of three years from June 18, 2022 upto June 17, 2025
  - Mr. Rajiv Batra (DIN: 00082866) and Ms. Swati Mohan (06377656) as Independent Directors of the Company for a period of three years from June 15, 2022 upto June 14, 2025

- **Re-Appointment of Directors:**

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

  The Board of Directors of the Company in its meeting held on May 25, 2023, upon recommendations received from the Nomination and Remuneration Committee and subject to approval of members of the Company, has approved re-appointment of Mr. Sanjay Gaikwad as Managing Director of the Company for a further period of three years from the expiry of his present term of office, i.e. with effect from October 17, 2023 till October 16, 2026.

  Brief resume, nature of expertise, details of directorships held in other Companies and other relevant information of Mr. Anand Trivedi and Mr. Sanjay Gaikwad who are proposed to be 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.

- **Retirement of Directors:**

  Mr. Sanjeev Aga (DIN: 00022065), Ms. Lynn de Souza (DIN: 01419138) and Mr. S. Madhavan (DIN: 06451889) were appointed w.e.f. November 20, 2014 for a period of three years, in their first term of appointment as Independent Directors of the Company. They were re-appointed for their second term of five years upto November 19, 2022. Upon completion of two terms of appointment as Independent Directors of the Company, Mr. Sanjeev Aga, Ms. Lynn de Souza and Mr. S. Madhavan retired as Independent Directors of the Company, w.e.f. close of business hours on November 19, 2022. The Board of Director places on record its appreciation for the contribution made by these Independent Directors of the Company.

- **Resignation of Directors:**

  - Mr. Raaja Kanwar, Non-Executive Director (DIN: 00024402) of the Company resigned from the position of Director of the Company with effect from November 15, 2022, due to his pre-occupation.
  - Mr. Kapil Agarwal (DIN: 00024378) stepped down as Joint Managing Director of the Company with effect from June 17, 2022 and was designated as a Non-Executive Director of the Company immediately thereafter. Due to his pre-occupation, he resigned as a Director of the Company with effect from April 26, 2023.

    The Board of Director places on record its appreciation for the contribution made by these Non-executive Directors of the Company.

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.

Further, the Board members are satisfied with regard to integrity, expertise, experience and proficiency of the Independent Directors of the Company.

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 2022-23 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 of the performance of the Chairman, Board, its committees and of individual directors shall be made. 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 Chairman of the Company, 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

During the financial year 2022 - 23, 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 and Stakeholders' Relationship Committee. Finance Committee is constituted for administrative convenience.

A detailed update on the Board and Committees, its composition, meetings held during the Financial Year 2022-23 and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company has incurred losses during the last three Financial Years. In view of the same, the Company was not required to spend towards corporate social activities during the Financial Year 2022-23, as per the provisions of Section 135 of the Act.

The CSR Committee of the Board of Directors is in place in terms of Section 135 of the Act. The details of CSR Committee including composition, terms of reference etc. are provided in the Report on Corporate Governance, which forms part of this Annual Report. In terms of the Act and Rules framed thereunder, the CSR Policy formulated by the CSR Committee and approved by the Board can be assecced at https://www.ufomoviez.com/sites/default/files/UFO_Investors/CSR_Policy_2021.pdf

Brief details on the CSR activities undertaken by the Company and the Annual Report on CSR activities, as per the format prescribed under the provisions of the Act and Rules framed thereunder, 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/1%20Whistle%20Blower%20Policy.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, 2023 as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of the Listing Regulations, the applicability of reporting of the Business Responsibility and Sustainability Report for the Financial Year ended March 31, 2023 is not applicable to the Company. The Company continues to conduct its business activities in a responsible and sustainable manner towards environment and society.

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

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration no.: 101248W/W-100022) were appointed as the Statutory Auditors of the Company at the 14th Annual General Meeting **('AGM')** of the shareholders of the Company held on August 09, 2018, to hold office for a consecutive term of five years, until conclusion of the 19th AGM. Consequently, M/s. B S R & Co. LLP, Chartered Accountants will complete their first term of five consecutive years as the Statutory Auditors of the Company at the conclusion of 19th AGM.

Pursuant to Section 139 of the Act, the Company can appoint auditors' firm for a second term of five consecutive years. M/s. B S R & Co. LLP, Chartered Accountants, have provided their consent and eligibility certificate mentioning that, their re-appointment, if made, would be in compliance with the applicable laws.

The Board of Directors of the Company in its meeting held on May 25, 2023 upon recommendation received from the Audit and Risk Management Committee, has approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for their second term of five consecutive years commencing from the conclusion of 19th AGM till the conclusion of 24th AGM, subject to approval of members of the Company.

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 2022-23, as required under Section 204 of the Act and Rules framed thereunder. The Secretarial Audit Report for the Financial Year 2022-23 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 2022-23, 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_UFO%202023%20website.pdf

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 74,745/- pertaining to Interim Dividend for the Financial Year 2015 – 16 in April, 2023 to the Investor Education and Protection Fund **('Fund')** established by the Central Government, in compliance with the Act. The said amount represents unpaid/unclaimed dividend which was laying with the Company for a period of seven consecutive years.

Further, the Company has transferred 5,353 equity shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years to the IEPF Authority in compliance with the Act in April, 2023. Any shareholder whose shares or unclaimed dividend have been transferred to the Fund, may claim the shares under provision to Section 124(6) or apply for refund under Section 125(3) or under proviso to Section 125(3) of the Act, as the case may be, to the Authority by making an application in Web Form IEPF - 5 available on website at www.iepf.gov.in.

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 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 June 20, 2022 granted 75,000 stock options at an exercise price of ₹ 50 per option, to the eligible employees of the Company under its ESOP Scheme 2014.

The details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report for the FY 2022-23 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%20Reg%2014%20Disclosure_31.03.2023_clean.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 **('said Act')** 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 2022-23.

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	**Rajesh Mishra**
Place: Mumbai	Managing Director	Executive Director & Group CEO
Date: May 25, 2023	DIN: 01001173	DIN: 00103157

Annexure-1

CORPORATE SOCIAL RESPONSIBILITY 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.

The Company alongwith its subsidiaries is implementing its CSR activities through its brand name **'UFO FOR YOU'.**

Due to losses incurred by the Company on account of covid-19 pandemic, the Company did not have CSR obligations during the financial years 2021-22 and 2022-23. During the financial year 2020-21, the Company had undertaken ongoing CSR projects under the two identified focus areas viz, promotion of education and healthcare for carrying out its CSR activities. Gist on the Ongoing CSR Projects undertaken by the Company are as follows:

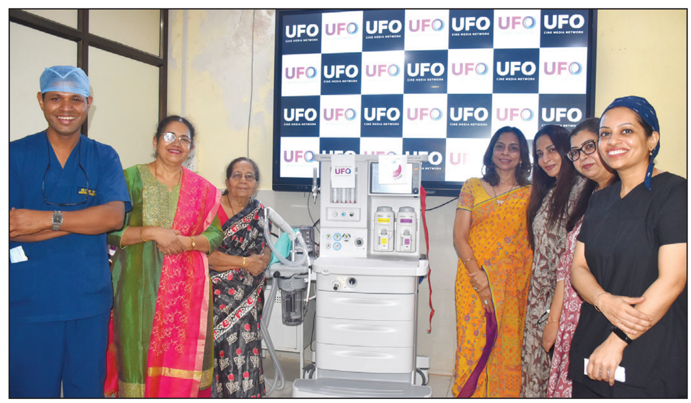
Empowering Girl Child Education

The Company strongly believes that education is the cornerstone of the organization's goal to alleviate poverty and create a fair and gender-just society. The Project - Empowering Girl Child Education was undertaken by the Company in the financial year 2020-21 as an ongoing project through the implementing agency - Pardada Pardadi Educational Society **('PPES')** for educating girls from poor sections of the society in villages of Anupshahar (in Bulandshahr district of Uttar Pradesh).

The prime objective of PPES is to provide value based education to the rural girls from socially and economically backward class of the society and make them financially independent.

Through PPES, the Company is sponsoring education of 15 girl children for their three academic years i.e. 2021-22, 2022-23 and 2023-24.

UFO CSR HealthCare Project 2020 - 21



Anaesthesia Workstation

Health infrastructure of our vast country necessitates high degree of private sector involvement to supplement healthcare efforts of Government agencies. There are many areas where

Ambulance

X-ray Machine

private sector can make a meaningful contribution to improve the healthcare facilities mainly at grass-root level.

The objectives of UFO CSR HealthCare Project 2020-21 are to make a meaningful contribution to health care facilities of smaller hospitals and medical centres **('Beneficiaries')** catering to needy population primarily in rural or semi urban areas, supporting the beneficiaries financially to augment their medical infrasctucture

facilities by supplying free of cost (or through provision of grants) diagnostic, testing equipment, ambulances and such other requisite capital assets and funding of related facility construction

Neonatal Ventilator

costs to such beneficiaries and ensuring that its benefits are duly passed on to the needy population and also supporting medical treatment, promoting awareness for preventive healthcare by undertaking health check-up campaigns, fulfilling the nutrition needs of the patients and pregnant women, new born baby care and expenses on patient care including expenses of their attendants.

As on the date of this report, the Company has supported various beneficiaries by providing medical equipment such as x-ray machine alongwith providing financial support for infrasctue cost of the x-ray room and manpower cost, Anaesthesia Workstation, Haematology Analyzer Machine, neonatal ventilator, etc.

Under the said project, the Company is also supporting patients and their attendants who are admitted in Charitable and Municipal Hospitals by providing home cooked meals to them.

ANNUAL REPORT ON CSR ACTIVITIES

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 their tenure
1.	Mr. Sanjay Gaikwad	Designation - Chairman of the Committee Nature of Directorship – Executive Director	4	3 of 4
2.	Mr. Sanjeev Aga *(Upto November 19, 2022)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	4	2 of 2
3.	Mr. S. Madhavan *(Upto November 19, 2022)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	4	2 of 2
4.	Mr. Kapil Agarwal *	Designation - Member of the Committee Nature of Directorship – Non Executive Director	4	4 of 4
5.	Mr. Kanwar Bir Singh Anand *(Appointed as a Member w.e.f. November 02, 2022)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	4	2 of 2
6.	Mr. Rajiv Batra *(Appointed as a Member w.e.f. November 02, 2022)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	4	2 of 2
7.	Ms. Swati Mohan *(Appointed as a Member w.e.f. November 02, 2022)*	Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director	4	2 of 2

** Mr. Kapil Agarwal ceased to be a Member of CSR Committee of the Company effective from April 26, 2023 on account of his resignation as a Director of the Company.*

3. Provide the web-link(s) where 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_July%202023.pdf

For CSR Projects approved by the Board:

https://www.ufomoviez.com/csr

4. **Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable :** Not Applicable

5. (a) **Average net profit of the Company as per sub-section (5) of Section 135:** ₹ (78,58,26,235)/-

   (b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** Nil

   (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil

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

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Nil

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Not Applicable

   (b) **Amount spent in Administrative overheads:** Not Applicable

   (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Nil

   (e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
Not Applicable					

   (f) **Excess amount for set-off, if any:** Nil

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years*:**

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (In ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (In ₹)	Amount spent in the Financial Year (In ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (In ₹)	Deficiency, if any
					Amount (In ₹)	Date of Transfer		
1.	FY 2020-21	93,62,500[@]	75,00,608[^]	46,22,139	NA	NA	28,78,469	Nil
2.	FY 2021-22*	NA	NA	NA	NA	NA	NA	NA

[@] Amount transferred to the unspent account on April 26, 2021

^ Balance amount is as on April 01, 2022, after considering amount of ₹ 18,61,892/- spent during the financial year 2021-22.

** The Company did not have CSR obligations for the financial year 2021-22.*

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**

   Yes ~~/ No~~

   If Yes, enter the number of capital assets created / acquired

Furnish the details relating to such asset(s) so created / acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short Particulars of the property or asset(s)	Pincode of the property / asset(s) (Including complete address and location of the property)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner
1.	Haematology Analyzer Machine (2 in nos.)	**Shree Mahalaxmi Hospital** Opp. Ram Mandir, Arnala, Taluka – Vasai, District – Palghar, Maharashtra – 401 302	March 29, 2023	₹ 6,13,600	**Arnala Health Trust** C/o. Manish G. Dabholkar, Shree Financial Services, B - 103 A, Raghunath Krupa, Walawalkar Wadi, Aarey Road, Goregaon (East), Mumbai - 400 063, Maharashtra
2.	Neonatal Ventilator	**Rotary Ambala Cancer and General Hospital** Opp. Dusshera Ground, Mill Road, Ambala Cantt, Haryana – 133 001	January 04, 2023	₹ 21,33,600	**Rotary Ambala Cancer Detection And Welfare Society** 20, Industrial Area, Ambala Cantt, Haryana – 133 001

For and on behalf of the Board of Directors

Sanjay Gaikwad
Chairman of CSR Committee
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

Place: Mumbai
Date: May 25, 2023

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 ₹ 8.57 lacs and the foreign exchange outflow is ₹ 1,231.36 lacs.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Rajesh Mishra**
Place: Mumbai	Managing Director	Executive Director & Group CEO
Date: May 25, 2023	DIN: 01001173	DIN: 00103157

Annexure-3

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the Financial year ended 31 March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 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 31 March 2023, 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 31 March 2023 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 Non-Convertible Securities) Regulations, 2021; **(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;

- Pursuant to Employee Stock Option Scheme 2014, 1,35,087 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.

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

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
ICSI UDIN: F005418E000341732
Peer Review Certificate No.: 1187/2021

Place: Mumbai
Date: 25 May 2023

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.

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

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

Place: Mumbai
Date: 25 May 2023

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

A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 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 *(appointed w.e.f. 09.12.2021)*	Non-Executive Director	N.A. *(refer note i)*	1.18:1
Mr. Gautam Trivedi *(appointed w.e.f. 09.12.2021)*	Non-Executive Director	N.A. *(refer note i)*	1.03:1
Mr. Kanwar Bir Singh Anand *(appointed w.e.f. 26.05.2022)*	Independent Director	N.A. *(refer note i)*	4.37:1
Mr. Rajiv Batra *(appointed w.e.f. 15.06.2022)*	Independent Director	N.A. *(refer note i)*	2.92:1
Ms. Swati Mohan *(appointed w.e.f. 15.06.2022)*	Independent Director	N.A. *(refer note i)*	2.45:1
Mr. Raaja Kanwar *(resigned w.e.f. 15.11.2022)*	Non-Executive Director	N.A. *(refer note i)*	-
Mr. Sanjeev Aga *(retired w.e.f.19.11.2022)*	Independent Director	N.A. *(refer note i)*	3.77:1
Mr. S. Madhavan *(retired w.e.f.19.11.2022)*	Independent Director	N.A. *(refer note i)*	2.36:1
Ms. Lynn de Souza *(retired w.e.f.19.11.2022)*	Independent Director	N.A. *(refer note i)*	2.36:1
Mr. Ameya Hete	Non-Executive Director	N.A. *(refer note i)*	2.14:1
Mr. Kapil Agarwal	Joint Managing Director	N.A. *(refer note ii)*	15.99:1
Mr. Kapil Agarwal	Non-Executive Director	N.A. (refer note ii)	1.40:1
Mr. Rajesh Mishra	President and Group CEO	N.A. *(refer note iii)*	N.A.
Mr. Rajesh Mishra	Executive Director and Group CEO	N.A. *(refer note iii)*	25.01:1
Mr. Sanjay Gaikwad	Managing Director	41.61 *(refer note iv)*	45.80:1
Mr. Ashish Malushte	Chief Financial Officer	130.79 *(refer note v)*	N.A.
Ms. Kavita Thadeshwar	Company Secretary	6.31	N.A.

Notes:

i. *Since the remuneration paid during the previous Financial Year 2021-22 or current Financial Year 2022-23, as the case may be, is only for the part of the year, the percentage increase in remuneration is not reported.*

The Remuneration of Non-Executive Non–Independent Directors includes sitting fees for attending Board and Committee meetings.

The Remuneration of Non-Executive Independent Directors includes sitting fees for attending Board and Committee meetings and remuneration under Schedule V of the Companies Act, 2013.

ii. Stepped down as Joint Managing Director with effect from June 17, 2022 and was appointed as a Non-Executive Director immediately thereafter. Thus, the percentage increase in remuneration is not reported.

iii. Appointed as an Executive Director and Group CEO, with effect from June 18, 2022. Since the remuneration in both the roles were for part of the year, the percentage increase in remuneration is not reported.

iv. The increase in percentage of remuneration is due to restoration of remuneration to the pre-covid levels i.e. (FY 2019-20). However, there was no increase in the overall remuneration during the Financial Year 2022 - 23.

v. The increase in percentage of remuneration is partly due to restoration of remuneration to the pre-covid levels i.e. (FY 2019-20) and partly due to revision in remuneration during the Financial Year 2022-23.

B. The percentage increase in median remuneration of employees in Financial Year 2022-23: 39.39%

C. Number of permanent employees on the rolls of the Company as at March 31, 2023: 498

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 2022-23 was 0.70%.
- 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, 2023 and the outlook for the Financial Year 2023-24. UFO Moviez India Limited and its subsidiaries have been collectively referred to as "UFO/ Company".

I. Overview of the Indian Economy

As the Global economy began to recover from the impact of the pandemic, it faced a new challenge before the start of the financial year 2023 as the conflict in Ukraine escalated, which resulted in higher crude oil prices and surge in inflation, affecting various industries and sectors across the world. In order to curb the inflation, central banks across the economies implemented synchronized policy rate hikes. All these factors resulted in uncertainties in global markets.

Amidst the challenging global economic conditions, the Indian economy continued to show resilience and outperformed many economies underpinned by strong investment activity supported by the Government's capex push, buoyant private consumption and narrowing Current Account Deficit (CAD) on the back of strong growth in service exports.

The International Monetary Fund (IMF) estimated India to be one of the fastest growing economies with the Real Gross Domestic Product (GDP) growth of 6.8% in FY23. Despite the International Monetary Fund forecasting a decline in global growth from 3.2% in 2022 to 2.8% in 2023 and 3.0% in 2024, India is projected to maintain a growth rate of 5.9% in FY24 and is expected to contribute ~15% of the global growth during the year. Besides IMF, the Asian Development Bank (ADB) and the Organisation for Economic Cooperation and Development (OECD) have forecasted India's GDP growth to be 6.4% and 5.7% respectively for FY24. These estimates reflect the global confidence in India's consumption story which will lead to increase in production activity and higher capital expenditure.

Additionally, the Indian economy is poised for growth in the upcoming years, owing to solid domestic demand, pickup in capital investment, improving tax collections and recent development in foreign trade policy front.

Sources: IMF Report, Economic Survey 2023.

II. Overview of the Indian Film Exhibition Industry

In CY22, the Indian Film Industry recorded a revenue of ₹ 17,200 Crore, compared to ₹ 9,300 crore in CY21 and recovered to ~90% of the CY19 revenue levels. Domestic theatrical revenue, amounting to ₹ 10,500 Crore, was the largest contributor to the Indian Film Industry. Out of this, Southern films generated box office revenue of ₹5,300 crore, a ~32.5% increase compared to the CY19 revenue of ₹4,000 crore. The Bollywood box office revenue stood at ₹ 3,500 crore, which is ~32% lower than CY19 revenue of ₹ 5,200 crore, as many big-budget Hindi movies like Samrat Prithviraj (starring Akshay Kumar), Jayeshbhai Jordar (starring Ranveer Singh), Jersey (starring Shahid Kapoor), Attack (starring John Abraham), Shamshera (starring Ranbir Kapoor), Laal Singh Chaddha (starring Amir Khan) and Raksha Bandhan (starring Akshay Kumar) failed to make a mark on the box office. During the year, a total of 1623 movies were released, including 943 movies in Southern languages, 194 movies in Hindi, and 486 movies in other languages. Among these releases, 22 movies crossed box office collection of ₹100 crore in CY22, out of which 11 were South Indian films while 8 were Hindi language movies.

During the pandemic, many movies released on Over the Top (OTT) directly as theatres were not operational. Despite the availability of various 'At Home' entertainment avenues such as Cable TV, VHS, CD, VCD, DVD, and now OTT streaming services, cinema theaters have always remained the preferred choice for movie viewing. While 'At Home' options like OTT provide a more personalized movie viewing experience, cinema theaters offers uninterrupted and larger-than-life immersive movie viewing experience. Theatrical release helps in establishing the value of the movie, thereby creating equity which results in better revenue monetization of rights such as satellite, music, digital, etc. Recognizing this, OTT platforms are now insisting for theatrical release of a movie before buying the OTT rights and have also started to explore the possibilities of releasing their movies in theatres prior to releasing on their platform. In fact, a large international OTT player has recently committed a sizable sum towards producing content for theatrical releases. Such symbiotic relationship between theatrical releases and digital platforms indicates that both will complement each other, presenting new opportunities for the industry's future growth and innovation.

Sources: FICCI Frames 2023

III. Overview of the Indian Advertisement Industry

The Indian advertising industry in CY22 grew 19% over CY21 crossing ₹ 1 Lac Crore for the first time. Advertising spends across all media stood at ₹1,04,900 crore in CY22 as compared to ₹88,300 crore in CY21. Traditional media which includes Television, Print, Radio, Cinema, and Out of Home contributed 52% of total advertising spends, while digital media contributed 48%.

The performance of Advertising Industry is directly linked to the performance of the Indian Economy. With the expected growth in India's real GDP, Advertising Industry is also likely to grow in the coming years. The industry is expected to grow by 12% in CY23 and at a CAGR of 11% till CY25, primarily driven by increased consumption due to growth in India's per capita income, reduction of income inequalities, rural growth and growing middle class.

The In-cinema advertising revenues increased to ₹450 crore in CY22 from ₹100 crore in CY21 and has recovered ~58% of the CY19 revenue of ₹800 crore. Revenue growth was primarily due to increase in footfalls and a strong content pipeline in the beginning of the year. However, growth was muted in the latter part of the year as some of the big releases did not perform at the box office.

The in-cinema advertising revenues are expected to grow from current levels to ₹900 crore by CY25 on the back of increase in footfalls and steady slate of theatrical releases.

Sources: FICCI Frames 2023

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 significantly lower as compared to major multiplex chains. By improving the inventory utilization and realization levels, the company can expand its in-cinema advertising revenues. With the return of audiences to movie theaters and steady flow of content, the demand for cinema advertising is expected to increase.

Screen Growth

India has ~9,300 screens for a population of over 140 Crore people. Despite producing the largest number of films globally in more than 20 languages, the screen density in India is significantly lower than in other countries, with only 7 screens per million population, compared to 132 per million in the USA and 57 per million in China. Only ~38 crore Indians have access to cinemas. Currently, over 16,800 PIN Codes in India have no cinema screens, which presents a great opportunity to add new cinema screens and make cinemas more accessible to a larger population across the country.

UFO is trying to bridge this gap and has developed a unique concept through its wholly owned subsidiary Nova Cinemaz Private Limited (NOVA), which aims to create entertainment and utility centers in rural and semi-urban areas of India. These centers will feature cinema screens, retail, cafeterias, digital utilities and other services, all under one roof.

Distribution Business

The Indian film industry is one of the largest and most diverse in the world with over 1800 films produced and released each year in more than 20 languages. Until March 2020, nearly all South and other regional movies were mainly released in their home territory or selected circuits, with the exception of a few big-budget movies or big star cast movies. However, with the growing acceptance of regional films, more and more movies are seeking a pan-India release and Hindi movies are also striving to reach more screens in the Southern states.

Being in the business of cinema for over 18 years, UFO has played a role of a partner for all the stakeholders in the cinema value chain, 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, thereby providing steady flow of content to the screens especially in Non-South markets. UFO's Pan-India presence through its 24 regional offices and large network of screens, makes easier to identify potential pockets for such movies and get a wider release. UFO has distributed over 90 movies till March 2023 including movies like Rocketry (Hindi and Southern languages), Karthikeya 2 (Telugu and Hindi), 777 Charlie (Kannada, Tamil, and Hindi), Sher Shivraj (Marathi), Beast (Tamil, Telugu and Hindi), etc. in various circuits.

Operating Performance

In-Cinema Advertising Business

UFO is a leading provider of in-cinema advertising having advertising rights in 3,348 screens as of March 31, 2023 across India. Its high-impact advertising platform offers advertisers an opportunity to connect with a captive audience in both Premium and Mass Market segments.

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.

In addition to the benefits of being a high 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
- Remote capability - allows for last minute scheduling and content changes
- Advanced technology - enables multi-lingual support and subtitling,

Thereby making it a highly effective means of marketing.

As of March 31, 2023, UFO's advertisement network had 3,348 high impact advertisement screens comprising of 2,073 PRIME Screens (multiplexes and Hollywood release centers) and 1,275 POPULAR Screens (standalone screens and mass appeal screens) with presence across 1,175 cities and towns. UFO's in-cinema advertising network has the power to impact up to 1.7 billion viewers annually and is the only network to reach the urban heartland audience with high flexibility and control over the advertising process. With these channels and insightful business intelligence, advertisers can carry out large screen high impact advertising.

In FY23, UFO generated advertisement revenue of ₹ 7549.97 Lacs, as compared to the previous year's revenue of ₹ 1,507.75 Lacs and ₹ 15,469.80 Lacs in FY20. The cinema advertising market initially recaptured advertisers' attention with a promising start to the year, driven by a strong content pipeline and increased consumer footfalls. However, this initial momentum couldn't be sustained due to content-related issues and the underperformance of Hindi movies during H1FY23. Despite a steady release of movies, advertisement revenues remained below pre-COVID levels due to the cautious approach of advertisers. However, in the latter part of the year, the situation improved with the mix of successful Hindi and Regional movies such as Drishyam 2, Kantara, Pathaan, Varisu, Tu Jhoothi Main Makkar, etc. and the advertisers started to increase their spends towards in-cinema advertisement, which led to a subsequent improvement in advertisement revenues during H2FY23. The Corporate segment experienced a recovery of 58% in advertisement revenues compared to FY20. However, on the government advertisement revenue front, the central government revenue continues to be a challenge due to reduced central government spending across the mediums. Though the state governments and PSUs have started allocating budgets towards in-cinema advertising.

Looking ahead, the successful release of diverse content across languages and the growing acceptance of Southern cinema in Pan-India markets are expected to drive significant business growth.

Theatrical Business

The year 2022 commenced with occupancy restrictions due to the third wave of Covid-19. However, there was a rapid improvement, and by March 2022, all occupancy restrictions were lifted. Movies like KGF- Chapter 2, Bhool Bhulaiyaa 2, and RRR (released on 25th March) provided a strong start for the business recovery in FY23. Additionally, films like Karthikeya 2, Sita Raman, Brahmastra- Part One, Vikram Vedha, and PS-1 performed well in the first half of FY23. However, at the same time, as mentioned earlier, many big-budget Hindi movies struggled at the box office.

In order to promote a theatrical experience to moviegoers and celebrate the successful reopening of the cinemas, the industry organized National Cinema Day on September 23, 2022. During this event, audiences could watch movies for as low as ₹75 per ticket, which led to higher footfalls and better box office collections.

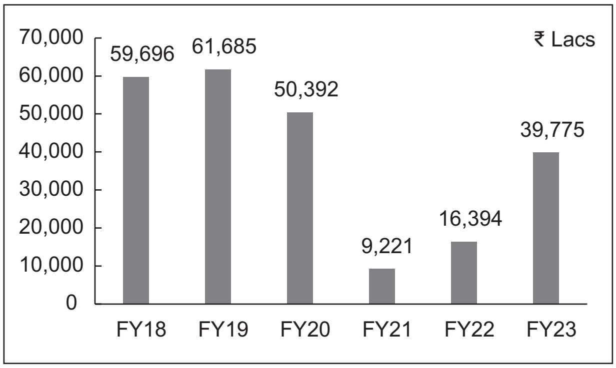
The third quarter of FY23 witnessed a positive response to releases like Kantara and Drishyam 2, and the last quarter saw the release of movies such as Pathaan, Varisu, Waltair Veerayya, and Tu Jhoothi Main Makkar, which contributed to a strong recovery for FY23. Throughout the year, there was a surge in dubbed and sub-titled theatrical releases in India, catering to diverse audiences across state and language boundaries. This increase in Pan-India releases across languages benefited UFO's theatrical business. The company has already experienced ~82% recovery in Theatrical revenues, including Contant Delivery Charges (CDC) and Virtual Print Fees (VPF),as compared to FY20 levels. As of March 2023, Theatrical revenues (CDC+VPF) stood at ₹ 11,224.27 Lacs, compared to ₹4,445.09 Lacs in FY22 and ₹13,554.05 Lacs in FY20.

Overall, FY23 witnessed recovery in the theatrical business, driven by a diverse content pipeline, growing acceptance of non-Hindi content at a pan-India level, and consistent audience engagement through regular releases. These positive trends indicate a favorable prospect for the theatrical business going forward.

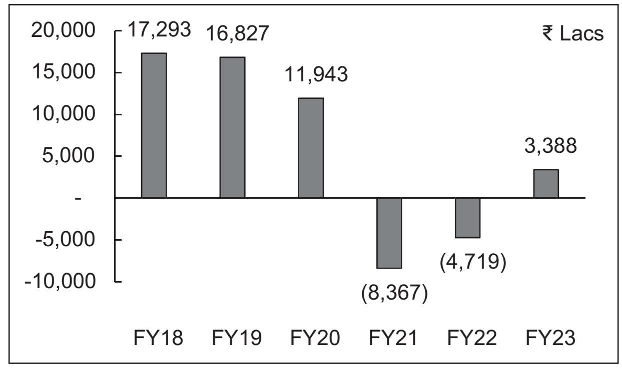
V. Financial Performance (Consolidated)

Performance Overview (FY18 - 23)

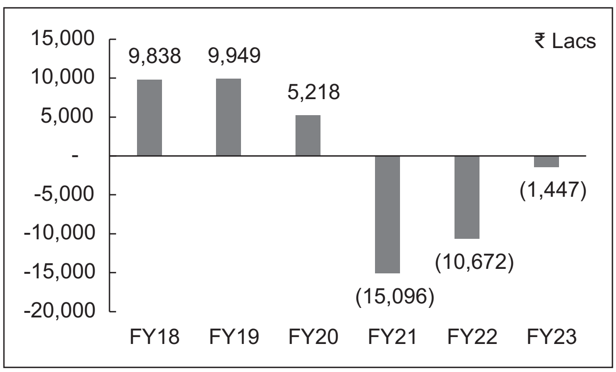
Revenue



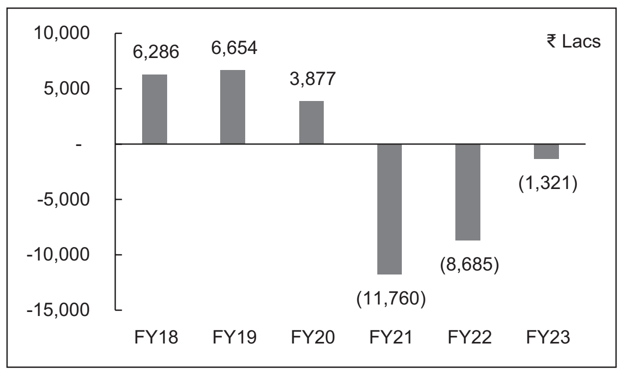
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



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-23 ₹ in Lacs	31-Mar-22 ₹ in Lacs	Growth ₹ in Lacs	% Growth
A.		**Revenue from operations**				
	I.	**Advertisement revenue**	**7,549.97**	**1,507.75**	**6,042.22**	**400.74%**
	II.	**Revenue from Content Owners**	**13,312.84**	**5,283.84**	**8,029.00**	**151.95%**
		Content Delivery Charges (CDC)	8,794.92	3,342.80	5,452.12	163.10%
		VPF Service Revenue	2,429.35	1,102.29	1.327.06	120.39%
		Digitisation Income	2,088.57	838.75	1,249.82	149.01%
	III.	**Revenue from Exhibitors**	**14,419.24**	**7,290.36**	**7,128.88**	**97.79%**
		Lease rental income	5,468.95	1,172.31	4,296.64	366.51%
		Sale of Products	8,950.29	6,118.05	2,832.23	46.29%
	IV.	**Other Operating Revenue**	**4,309.87**	**1,931.84**	**2,378.03**	**123.10%**
A.		**Revenue from operations (I to IV)**	**39,591.92**	**16,013.79**	**23,578.13**	**147.24%**
B.		**Other income**	**183.40**	**380.44**	**-197.04**	**-51.79%**
		Total Income (A+B)	**39,775.32**	**16,394.23**	**23,381.09**	**142.62%**

Expense Details

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

	31-Mar-23	31-Mar-22	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
Operating direct costs	18,826.63	9,327.29	9,499.34	101.84%
Employee benefit expenses	9,843.83	6,904.52	2,939.31	42.57%
Other expenses	7,716.77	4,881.68	2,835.09	58.08%
Total Expenses	**39,387.23**	**21,113.49**	**15,273.74**	**72.34%**

Operating direct costs

Operating direct costs in financial year ended March 31, 2023 increased by ₹ 9,499.34 Lacs to ₹ 18,826.63 Lacs from ₹ 9,327.29 Lacs in financial year ended March 31, 2022 primarily on account of (i) advertisement revenue share paid to exhibitors was higher by ₹ 4,298.55 Lacs from ₹ 151.84 Lacs during the financial year ended March 31, 2022 to ₹ 4450.39 Lacs during the financial year ended March 31, 2023, (ii) increase in purchase of digital cinema equipment by ₹ 1,689.09 Lacs from ₹ 2,938.7 Lacs during the financial year ended March 31, 2022 to ₹ 4,627.83 Lacs during the financial year ended March 31, 2023, (iii) increase in purchases of lamps and Spares by ₹ 792.26 Lacs from ₹ 1,818.64 Lacs during the financial year ended March 31, 2022 to ₹ 2,610.91 Lacs during the financial year ended March 31, 2023, (iv) increase in distribution expenses by ₹ 1,054.57 Lacs from ₹ 186.31 Lacs during the financial year ended March 31, 2022 to ₹ 1,240.88 Lacs during the financial year ended March 31, 2023, (v) content delivery charges (CDC/VPF) sharing was higher by ₹ 823.38 Lacs from ₹ 861.71 Lacs during the financial year ended March 31, 2022 to ₹ 1,685.09 Lacs during the financial year ended March 31, 2023, (vi) increase in repairs and maintenance by ₹ 639.82 Lacs from ₹ 1,556.63 Lacs during the financial year ended March 31, 2022 to ₹ 2,196.45 Lacs during the financial year ended March 31, 2023. The operating direct cost during the year was significant 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, 2023 was higher by ₹ 2,939.31 Lacs to ₹ 9,843.83 Lacs in financial year ended March 31, 2023 from ₹6,904.52 Lacs in financial year ended March 31, 2022.

Other expenses

Other expenses in financial year ended March 31, 2023 were higher by ₹ 2,835.09 Lacs to ₹ 7,716.77 Lacs from ₹ 4,881.68 Lacs in financial year ended March 31, 2022 primarily on account of (I) increase in legal, professional and consultancy charges by ₹ 835.99 Lacs from ₹ 1,687.69 Lacs during the financial year ended March 31, 2022 to ₹ 2,523.68 Lacs during the financial year ended March 31, 2023, (ii) commission on advertisement revenue was higher by ₹ 645.47 Lacs from ₹ 212.47 Lacs during the financial year ended March 31, 2022 to ₹ 857.94 Lacs during the financial year ended March 31, 2023, (iii) increase in freight and forwarding charges by ₹ 434.78 Lacs from ₹ 319.57 Lacs during the financial year ended March 31, 2022 to ₹ 754.35 Lacs during the financial year ended March 31, 2023, (iv) higher travelling and conveyance expenses by ₹ 309.44 Lacs from ₹ 282.22 Lacs during the financial year ended March 31, 2022 to ₹ 591.65 Lacs during the financial year ended March 31, 2023, (v) onetime expenses of ₹ 266.34 Lacs related to loan write off during the financial year ended March 31, 2023 contributed to other expenses.

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

Consolidated EBITDA stood at ₹ 3,388.08 Lacs in the financial year ended March 31, 2023 compared to loss of ₹ (4,719.26) Lacs in the financial year ended March 31, 2022.

Profit/ (Loss) before tax

Consolidated profit/ (loss) before tax stood at ₹ (1,447.20) Lacs in the financial year ended March 31, 2023 compared to ₹ (10,671.93) Lacs in the financial year ended March 31, 2022.

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 ₹ (1,320.81) Lacs in the financial year ended March 31, 2023 compared to ₹ (8,685.48) Lacs in the financial year ended March 31, 2022.

Key Financial Ratios

Particulars (Consolidated)	Unit	31-Mar-23	31-Mar-22
Debt Equity Ratio	Times (x)	0.30	0.32
EBITDA Margin	Percentage (%)	8.50	(28.79)
Net Profit Margin	Percentage (%)	(3.30)	(52.98)
Interest Coverage Ratio	Times (x)	(2.15)	(11.97)
Inventory Turnover Ratio	Days	43.68	59.77
Debtors Turnover Ratio	Days	46.24	84.91
Current Ratio	Times (x)	1.03	1.38

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.

Explanation for ratios where there has been a change of 25% or more from March 31, 2022 to March 31, 2023:

The EBITDA Margin, Net Profit Margin, Interest Coverage Ratio and Inventory Turnover Ratio have improved primarily due to the recovery of business post the COVID-19 pandemic, which has led to increase in revenues, improved profitability at EBITDA level and reduction in post-tax losses.

Debtors Turnover Ratio has improved primarily on the account of efficiency in collections in-spite of increase in revenues.

The decrease in Current Ratio is primarily on account of lower GST credit receivable (current assets) which has resulted from higher revenues and increase in the current maturity of long-term borrowing.

The Company's consolidated Return on Net Worth stood at (4.92%) in the financial year ended March 31, 2023 compared to (31.51%) in the financial year ended March 31, 2022. Return on Net Worth is calculated as Net Profit divided by Total Equity.

VI. Outlook

The cinema industry is poised for growth after delivering a year of uninterrupted operational recovery following the pandemic. A consistent flow of content to theaters will play a crucial role in engaging audiences and driving footfalls and box office collections, particularly for the Hindi film Industry. Hindi films need to evolve by incorporating engaging mass storytelling techniques and embracing technologies like VFX to enhance the movie-going experience. Furthermore, the increasing acceptance of non-Hindi content across India will contribute to the growth of theatrical revenues.

As the audience base expands and content achieves pan-India success across languages, advertisers are expected to increase their spending on cinema advertising. The in-cinema advertising industry has recovered to ~63% of pre-pandemic levels and is projected to reach ₹700 Crore of revenue in CY23. This positive trend in cinema advertising will have a beneficial impact on the advertising business of UFO Moviez India Limited.

Overall, the Company's performance is expected to improve as both the theatrical and advertising business revenues are expected to experience healthy growth. Moreover, in pursuit of new revenue streams, UFO Moviez India Limited is actively exploring opportunities in the distribution business as well as other potential revenue areas, which will further strengthen its position in the industry and contribute to its continued success.

VII. Threats / Risks and Concerns

Reoccurrence of COVID-19 or any similar events in future may have a material adverse impact on company's operating performance and financial position.

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

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

VIII. Risk Management

Similar to any other business, UFO is exposed to various risks that can affect its operating performance, cash flows, financial performance and sustainability. In order to mitigate these risks and maintain a smooth flow of operations while complying with strict regulations, UFO has established a robust risk management framework that involves identifying, assessing, monitoring, and mitigating potential risks. The implementation of an effective risk management strategy is crucial to ensuring the creation, protection, and enhancement of value for stakeholders and shareholders of the company.

Additionally, UFO's risk management framework is regularly reviewed and updated to address emerging risks and changing market conditions, demonstrating the company's commitment to maintaining a sustainable business model.

IX. Internal Controls

The Company has in place adequate controls, procedures and policies that ensure orderly and efficient conduct of its business, including adherence to its policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. Our internal control system is commensurate with the size, scale, and complexity of its operations. During the year, such controls were assessed and no reportable material weakness in the design or operations were observed.

UFO has engaged RSM 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.

The Audit and Risk Management Committee reviews reports submitted by internal and statutory auditors and meets the auditors to ascertain, their views on the adequacy of the internal control system and apprises the Board of Directors from time to time.

Based on the recommendation of the Audit and Risk Management Committee, the Board of Directors have concluded that as of March 31, 2023, its internal financial controls were adequate and operating effectively. The same is also confirmed by auditors through their report on Internal Financial Control.

X. Human Resources and Industrial Relations

Taking cognizance of the after-effects of the pandemic on the industry, the focus of Human Resources in FY23 was to stay relevant and to ensure all-around sustenance. To achieve this, efforts were centered based on key pillars, such as wellbeing, development, and employee connect & engagement.

To prioritize the physical and mental health of our employees, 'Wellness Express' was launched to build and emphasize on well-being. As part of this initiative, Health Check-up and Eye Check-up camp were set up across Mumbai and Bhiwandi offices. Blood donation drive was also organized at Mumbai office, which received overwhelming participation. In addition to this initiatives, focused group sessions such as 'Let's connect' were conducted time-to-time to improve the work environment, which helped to evaluate areas that needed bridging and enabled us in identifying solutions as well as development recommendations. Apart from this, also launched an engagement & fun platform 'Unwind', to bring employees from various departments and zones together to participate in individual and team-level fun activities ranging from flavours of festivals, to creativity in food, to celebrate diversity.

This year was about providing different methods & means to learn. From podcasts to activity-based learning sessions; from customized workshops to professional coaching sessions, 716 participants were covered through various learning interventions. With the pillars being constant, the objective for the coming year is to ensure 'Enhanced Positive Experiences' and to work towards digitizing processes & augmenting output at optimized costs.

The total employee strength including the group Companies stood at 601 as on March 31, 2023.

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, 2023, 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, 2023.

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, 2023 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, 2023 are as follows:

Sr. no.	Name, Designation and DIN of the Director	Category$	No. of Board Meetings Attended / (no. of meetings held during the tenure)	Attendance at AGM held on August 23, 2022	No. of Directorship in other Companies*	No. of Committee positions in Committees of other Companies **	Directorship in other Listed Companies and category$
1.	# Mr. Kanwar Bir Singh Anand Chairman (DIN 03518282)	I & NED	5 (6)	Yes	5	Chairman: 1 Member: 2	Tata Chemicals Limited - I & NED Lupin Limited - I & NED Borosil Limited - I & NED Bharat Forge Limited - I & NED Galaxy Surfactants Limited - I & NED
2.	Mr. Ameya Hete Director (DIN 01645102)	NED	6 (8)	No	Nil	Chairman: Nil Member: Nil	Nil
3.	Mr. Anand Trivedi Director (DIN 02059249)	NED	8 (8)	No	Nil	Chairman: Nil Member: Nil	Nil

Sr. no.	Name, Designation and DIN of the Director	Category$	No. of Board Meetings Attended / (no. of meetings held during the tenure)	Attendance at AGM held on August 23, 2022	No. of Directorship in other Companies*	No. of Committee positions in Committees of other Companies **	Directorship in other Listed Companies and category$
4.	Mr. Gautam Trivedi Director (DIN 02647162)	NED	7 (8)	Yes	2	Chairman: 1 Member: 1	Landmark Cars Limited - I & NED
5.	+ Mr. Kapil Agarwal Director (DIN 00024378)	NED	8 (8)	Yes	Nil	Chairman: Nil Member: Nil	Nil
6.	^ Mr. Rajesh Mishra Executive Director and Group CEO (DIN 00103157)	ED	5 (5)	Yes	3	Chairman: Nil Member: Nil	Nil
7.	## Mr. Rajiv Batra Director (DIN 00082866)	I & NED	6 (6)	Yes	2	Chairman: 1 Member: 1	The Hi-Tech Gears Limited - I & NED UNO Minda Limited – I & NED
8.	Mr. Sanjay Gaikwad Managing Director (DIN 01001173)	ED	8 (8)	Yes	1	Chairman: Nil Member: Nil	Nil
9.	## Ms. Swati Mohan Director (DIN 06377656)	I & NED	6 (6)	Yes	Nil	Chairman: Nil Member: Nil	Nil
10.	@ Ms. Lynn de Souza Director (DIN 01419138)	I & NED	7 (7)	Yes	@ Not Applicable		
11.	^^ Mr. Raaja Kanwar Director (DIN 00024402)	NED	Nil	No	^^ Not Applicable		
12.	@ Mr. S. Madhavan Director (DIN 06451889)	I & NED	7 (7)	Yes	@ Not Applicable		
13.	@ Mr. Sanjeev Aga Chairman (DIN 00022065)	I & NED	7 (7)	Yes	@ Not Applicable		

$ *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. Kanwar Bir Singh Anand was appointed as Director w.e.f. May 26, 2022 and Chairman w.e.f. November 20, 2022.

Mr. Rajiv Batra and Ms. Swati Mohan were appointed w.e.f. June 15, 2022.

+ *Mr. Kapil Agarwal stepped down from his role as Joint Managing Director and further designated as a Non – Executive Director w.e.f. June 17, 2022. He ceased to be a Director w.e.f. April 26, 2023.*

^ *Mr. Rajesh Mishra was appointed w.e.f. June 18, 2022.*

^^ *Mr. Raaja Kanwar ceased to be a Director w.e.f. November 15, 2022.*

@ *Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza retired on completion of their second term of appointment w.e.f. November 19, 2022.*

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. Anand Trivedi retires by rotation in the forthcoming AGM and is eligible for re-appointment.

Except Mr. Ameya Hete and Mr. Kapil Agarwal who hold 2,42,797 (0.64%) and 4,91,843 (1.29%) equity shares of the Company respectively in their own name, none of the non-executive directors were holding any equity shares of the Company as on March 31, 2023.

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 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.

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 some of its Board Meetings during the year through Video Conferencing.

During the year under review, the Board met 8 times on the following dates: April 16, 2022; May 26, 2022; June 15, 2022; August 03, 2022; August 18, 2022; September 02, 2022; November 02, 2022 and February 06, 2023. 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. 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 Executive Director and Group 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 OF INDEPENDENT DIRECTORS

Based on the annual confirmations received from the Independent Directors, in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that the Independent Directors fulfil 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 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%202022-23.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 and the Chairman of the Company, 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 competence to make effective contribution to the growth of the Company as well as on the various business and governance matters discussed in the Board and Committee meetings. The Board members are committed to ensuring that the Company is in compliance with the requisite standards of corporate governance. The Board has identified below mentioned expertise which the directors of the Company require in the context of the business:

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

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

Expertise	Kanwar Bir Singh Anand	Ameya Hete	Kapil Agarwal	Swati Mohan	Rajesh Mishra	Rajiv Batra	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, 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.

During the year under review, 7 meetings of the Audit and Risk Management Committee were held on May 16, 2022; May 26, 2022; August 03, 2022; September 02, 2022; November 02, 2022; February 06, 2023 and March 24, 2023.

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

Name of the member	Position in the committee	Designation	No. of meetings attended during the year 2022-23/ (no. of meetings held during the tenure)
*Mr. Rajiv Batra	Chairman&	Non-Executive, Independent Director	2 (2)
*Mr. Kanwar Bir Singh Anand	Member	Non-Executive, Independent Director	2 (2)
*Ms. Swati Mohan	Member	Non-Executive, Independent Director	2 (2)
Mr. Ameya Hete	Member	Non-Executive Director	6 (7)
#Mr. Sanjeev Aga	Chairman&	Non-Executive, Independent Director	5 (5)
#Mr. S. Madhavan	Member	Non-Executive, Independent Director	5 (5)
#Ms. Lynn de Souza	Member	Non-Executive, Independent Director	5 (5)

** Mr. Rajiv Batra, Mr. Kanwar Bir Singh Anand and Ms. Swati Mohan were appointed as Members of the Committee w.e.f. November 02, 2022.*

 # Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza retired as Directors on completion of their second term of appointment and thus ceased to be members of the Committee w.e.f. November 19, 2022.

& Mr. Sanjeev Aga was the Chairman of the Committee upto November 19, 2022. Post his retirement, Mr. Rajiv Batra was appointed as the Chairman of the Committee w.e.f. November 20, 2022.

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 without the presence of Management, as and when deemed necessary. The Managing Director, Chief Executive Officer and Chief Financial Officer usually attend all the Audit and Risk Management Committee Meetings. The Company Secretary is the Secretary to the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178(3) of the Act and the Listing Regulations, the scope and terms of reference of the Nomination and Remuneration Committee amongst other matters broadly includes laying down criteria for identifying persons who are qualified to become Directors, Key Managerial Personnels **('KMPs')**, Senior Management Personnel 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 Committee of the Board of Directors is designated as the Compensation Committee for administration of the Employee Stock Option Schemes with effect from November 02, 2022 in pursuance to the SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021.

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

During the year under review, 4 meetings of the Nomination and Remuneration Committee were held on May 26, 2022; June 15, 2022; November 02, 2022 and February 06, 2023.

The composition of the Nomination and Remuneration Committee and the details of members' participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2022-23/ (no. of meetings held during the tenure)
*Mr. Rajiv Batra	Chairman&	Non-Executive, Independent Director	1 (1)
*Mr. Kanwar Bir Singh Anand	Member	Non-Executive, Independent Director	1 (1)
Mr. Ameya Hete	Member	Non-Executive Director	4 (4)
#Mr. S. Madhavan	Chairman&	Non-Executive, Independent Director	3 (3)
#Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	3 (3)

* *Mr. Rajiv Batra and Mr. Kanwar Bir Singh Anand were appointed as Members of the Committee w.e.f. November 02, 2022.*

\# *Mr. Sanjeev Aga and Mr. S. Madhavan retired as Directors on completion of their second term of appointment and thus ceased to be members of the Committee w.e.f. November 19, 2022.*

& *Mr. S Madhavan was the Chairman of the Committee upto November 19, 2022. Post his retirement, Mr. Rajiv Batra was appointed as the Chairman of the Committee w.e.f. November 20, 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.

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on May 26, 2022.

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

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2022-23/ (no. of meetings held during the tenure)
*Ms. Swati Mohan	Chairperson&	Non-Executive, Independent Director	Nil (Nil)
Mr. Sanjay Gaikwad	Member	Executive Director	1 (1)
$Mr. Kapil Agarwal	Member	Executive Director	1 (1)
Mr. Ameya Hete	Member	Non-Executive, Non-Independent Director	1 (1)
#Ms. Lynn de Souza	Chairperson&	Non-Executive, Independent Director	1 (1)

* *Ms. Swati Mohan was appointed as Member of the Committee w.e.f. November 02, 2022.*

\# *Ms. Lynn de Souza retired as Director on completion of her second term of appointment and thus ceased to be member of the Committee w.e.f. November 19, 2022.*

& *Ms. Lynn de Souza was the Chairperson of the Committee upto November 19, 2022. Post her retirement, Ms. Swati Mohan was appointed as the Chairperson of the Committee w.e.f. November 20, 2022.*

$ *Mr. Kapil Agarwal ceased to be a Director and thus ceased to be a Member of the Committee w.e.f. April 26, 2023.*

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 number of complaints pending during the Financial Year ended March 31, 2023 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	2	2	Nil

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.

During the year under review, 4 meetings of the Corporate Social Responsibility Committee were held on May 26, 2022; October 27, 2022; February 06, 2023 and March 24, 2023.

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

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2022-23/ (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	4 (3)
$Mr. Kapil Agarwal	Member	Executive Director	4 (4)
*Mr. Kanwar Bir Singh Anand	Member	Non-Executive, Independent Director	2 (2)
*Mr. Rajiv Batra	Member	Non-Executive, Independent Director	2 (2)
*Ms. Swati Mohan	Member	Non-Executive, Independent Director	2 (2)
#Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	2 (2)
#Mr. S. Madhavan	Member	Non-Executive, Independent Director	2 (2)

* *Mr. Rajiv Batra, Mr. Kanwar Bir Singh Anand and Ms. Swati Mohan were appointed as Members of the Committee w.e.f. November 02, 2022.*

\# *Mr. Sanjeev Aga and Mr. S. Madhavan retired as Directors on completion of their second term of appointment and thus ceased to be members of the Committee w.e.f. November 19, 2022.*

$ *Mr. Kapil Agarwal ceased to be a Director and thus ceased to be a Member of the Committee w.e.f. April 26, 2023.*

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

E. COMPENSATION COMMITTEE

The scope and terms of reference of Compensation Committee is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits 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 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.

However, the SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021, provides for designating the Nomination and Remuneration Committee **('NRC')** as its Compensation Committee for administration of its Employee Stock Option Schemes. Accordingly, the NRC of the Board of Directors is designated as the Compensation Committee and the existing Compensation Committee is dissolved with effect from November 02, 2022.

During the year under review, one meeting of the Compensation Committee was held on June 20, 2022.

The composition of the Compensation Committee (up to November 02, 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 year 2022-23/ (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	1 (1)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	1 (1)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (1)
Mr. Sanjay Gaikwad	Member	Executive Director	Nil (1)

F. FINANCE COMMITTEE

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

During the year under review, eight meetings of the Finance Committee were held on April 22, 2022; May 27, 2022; June 24, 2022; August 03, 2022; November 09, 2022; December 16, 2022; February 14, 2023 and March 14, 2023.

The composition of the Finance Committee and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2022-23/ (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Member	Executive Director	7 (8)
#Mr. Kapil Agarwal	Member	Non-Executive, Non-Independent Director	8 (8)
Mr. Ameya Hete	Member	Non-Executive, Non-Independent Director	6 (8)
*Mr. Rajesh Mishra	Member	Executive Director and Group CEO	4 (4)

* *Mr. Rajesh Mishra was appointed as member of the committee w.e.f. November 02, 2022.*

Mr. Kapil Agarwal ceased to be a Director and thus ceased to be a Member of the Committee w.e.f. April 26, 2023.

DETAILS OF REMUNERATION TO THE DIRECTORS FOR THE FINANCIAL YEAR 2022 - 23

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 approved their terms of appointment including remuneration.

Mr. Kapil Agarwal stepped down from his role as Joint Managing Director of the Company with effect from June 17, 2022 and immediately thereafter was designated as a Non – Executive Director of the Company.

The members of the Company at their Annual General Meeting held on August 23, 2022 had appointed Mr. Rajesh Mishra as the Executive Director and Group CEO of the Company for a period of 3 years from June 18, 2022 and approved their terms of appointment including remuneration.

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

Particulars	Sanjay Gaikwad	Kapil Agarwal	Rajesh Mishra
1. Salary & Perquisites	Upto ₹ 275 lacs p.a., out of which Salary comprises of ₹ 11 lacs per month.	Upto ₹ 275 lacs p.a., out of which Salary comprises of ₹ 11 lacs per month.	In the scale of ₹ 215 to 250 lacs p.a., out of which Salary comprises a scale of ₹ 108 to 125 lacs p.a.
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.	Nil
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.	Not exceeding ₹ 100 lacs, as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee.

Particulars	Sanjay Gaikwad	Kapil Agarwal	Rajesh Mishra
4. Valuation of perquisites	Perquisites/Allowance 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/Allowance 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/Allowance 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 Option/ Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits	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.	Employee Stock Option / Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits as per the schemes framed by the Company may be granted from time to time. The perquisite value of Employee Stock Option / Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits (being the difference between the market price on the date of exercise and the exercise price of Employee Stock Option /Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits arising on exercise of Employee Stock Option /Restricted Stock Units/ Stock Appreciation Rights or other such share based benefits 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 to Mr. Sanjay Gaikwad and Mr. Kapil Agarwal as minimum remuneration for the three Financial Years from 2020-21 to 2022-23.

Due to the adverse impact of COVID-19 pandemic, the Cinema industry (especially Hindi language films) continues to remain volatile and is yet to see a complete recovery. This has adversely affected the Company's revenues, especially from in-cinema advertisements since it is directly linked to the performance of the films at the box office. 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.

Details of remuneration paid to the Executive Directors during the Financial Year 2022 – 23 are as under:

(₹ in lacs)

Sr. no.	Particulars of remuneration	Mr. Sanjay Gaikwad	Mr. Kapil Agarwal # (Upto June 17, 2022)	Mr. Rajesh Mishra * (From June 18, 2022)
1.	Salary	310.00	108.31	169.01
2.	Perquisites	0.29	0.06	0.45
3.	Performance Incentive	Nil	Nil	Nil
	Total	**310.29**	**108.37**	**169.46**

#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 each of these Options were vested on January 15, 2022 and January 15, 2023 respectively. The above remuneration of Mr. Kapil Agarwal includes ₹ 42 lacs towards retiral benefits.

**Post appointment as Executive Director & CEO, Mr. Rajesh Mishra was granted 40,000 stock options on June 20, 2022 under the Employee Stock Option Scheme 2014, at an exercise price of ₹ 50 per option. 50% of each of the options granted on June 20, 2022 will be vested on June 20, 2023 and June 20, 2024 respectively.*

Remuneration to 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.

The Independent Directors were also entitled to payment of remuneration in accordance with the limits prescribed under Section 197 read with Section II of Part II of Schedule V of the Act, in case of losses or inadequacy of profits, within the overall remuneration payable to them, in such manner and proportion as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee.

However, due to inadequacy of profits during the financial year 2022–23, the Company was not able to pay any commission to the Independent Directors of the Company. In view of the valuable services rendered by the Independent Directors, remuneration was paid to the Independent Directors of the Company, in accordance with the limits provided under Schedule V to the Act for the Financial Year 2022-23, on pro-rata basis.

Details of remuneration 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 2022-23 is as below:

(₹ in lacs)

Name of Director	Sitting Fees	*Remuneration for Financial Year 2022- 23
# Mr. Kanwar Bir Singh Anand	10.00	19.63
Mr. Ameya Hete	14.50	NA
Mr. Anand Trivedi	8.00	NA
Mr. Gautam Trivedi	7.00	NA
+ Mr. Kapil Agarwal	9.50	NA
## Mr. Rajiv Batra	11.00	8.79
## Ms. Swati Mohan	10.00	6.63
^^ Mr. Raaja Kanwar	Nil	NA
@ Mr. Sanjeev Aga	12.50	13.03
@ Ms. Lynn de Souza	10.50	5.46
@ Mr. S. Madhavan	12.50	3.46
Total	**105.50**	**57.00**

 # Mr. Kanwar Bir Singh Anand was appointed as Director of the Company w.e.f. May 26, 2022.

Mr. Rajiv Batra and Ms. Swati Mohan were appointed as Directors of the Company w.e.f. June 15, 2022.

+ Mr. Kapil Agarwal stepped down from his role as Joint Managing Director and further designated as a Non–Executive Director w.e.f. June 17, 2022. He ceased to be a Director w.e.f. April 26, 2023.

^^ *Mr. Raaja Kanwar ceased to be a Director w.e.f. November 15, 2022.*

@ *Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza retired on completion of their second term of appointment as Independent Director w.e.f. November 19, 2022.*

* *Remuneration payable as per Schedule V of the Act based on the effective capital of the Company, on a pro rata basis.*

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.

SUBSIDIARIES INCLUDING MATERIAL SUBSIDIARIES

During the year under review, the Company had material subsidiaries viz. Scrabble Entertainment Limited and Scrabble Entertainment DMCC, as per the Listing Regulations.

Particulars	Scrabble Entertainment Limited	Scrabble Entertainment DMCC
Date of Incorporation	February 01, 2008	July 11, 2011
Place of Incorporation	Mumbai, Maharashtra, India	Dubai, United Arab Emirates
Name of Statutory Auditors	B S R & Co. LLP	Parker Russell Obaid Auditing
Date of appointment of Statutory Auditors	August 09, 2018	April 10, 2023

The Board of Directors of the Company has approved a policy for determining material subsidiaries of the Company and the same is disclosed on the website of the Company under the web link: https://www.ufomoviez.com/sites/default/files/UFO_Investors/policy_on_material.pdf

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

GENERAL BODY MEETINGS

A. Annual General Meetings

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

Financial Year	Venue	Date	Time	Special resolutions passed at last three Annual General Meetings (AGM)
2021-22	Through Video Conferencing	August 23, 2022	03:00 p.m.	1. Appointment of Mr. Kanwar Bir Singh Anand (DIN 03518282) as an Independent Director of the Company 2. Appointment of Mr. Rajiv Batra (DIN 00082866) as an Independent Director of the Company 3. Appointment of Ms. Swati Mohan (DIN 06377656) as an Independent Director of the Company 4. Appointment of Mr. Rajesh Mishra (DIN 00103157) as an Executive Director and Group CEO of the Company
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

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. Postal Ballot

During the year under review, there were no special resolutions passed through Postal Ballot. There are no special resolutions proposed to be 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 the 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 19th Annual General Meeting	Tuesday, September 12, 2023 at 03:00 PM
Financial Year	April 1 to March 31
Board Meeting for consideration of Accounts for the Financial Year ended March 31, 2023	May 25, 2023
Last date for receipt of Proxy Forms	Not Applicable
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2023; September, 2023 and December, 2023 of the Financial Year 2023-24	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, 2024	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 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.

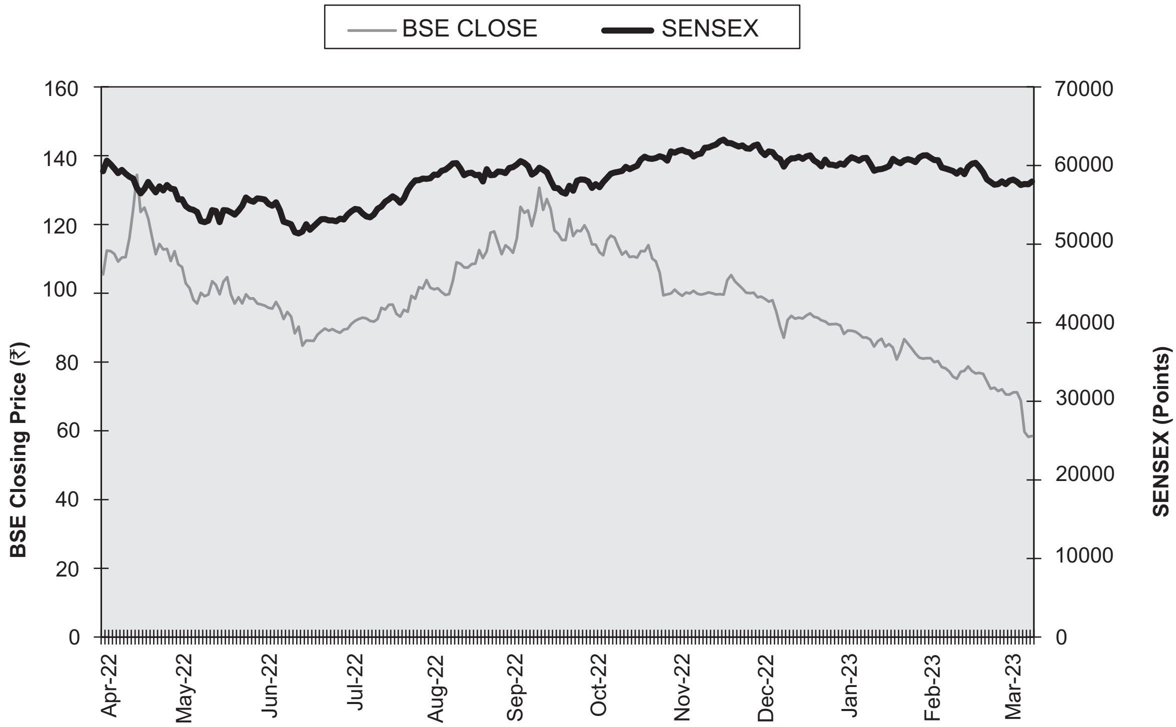
Market Price Data: High, low during each month in last Financial Year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

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 2022-23 on the BSE and the NSE depicting the liquidity of the Company's Equity Shares for the Financial Year ended March 31, 2023, on the said exchanges is given below:

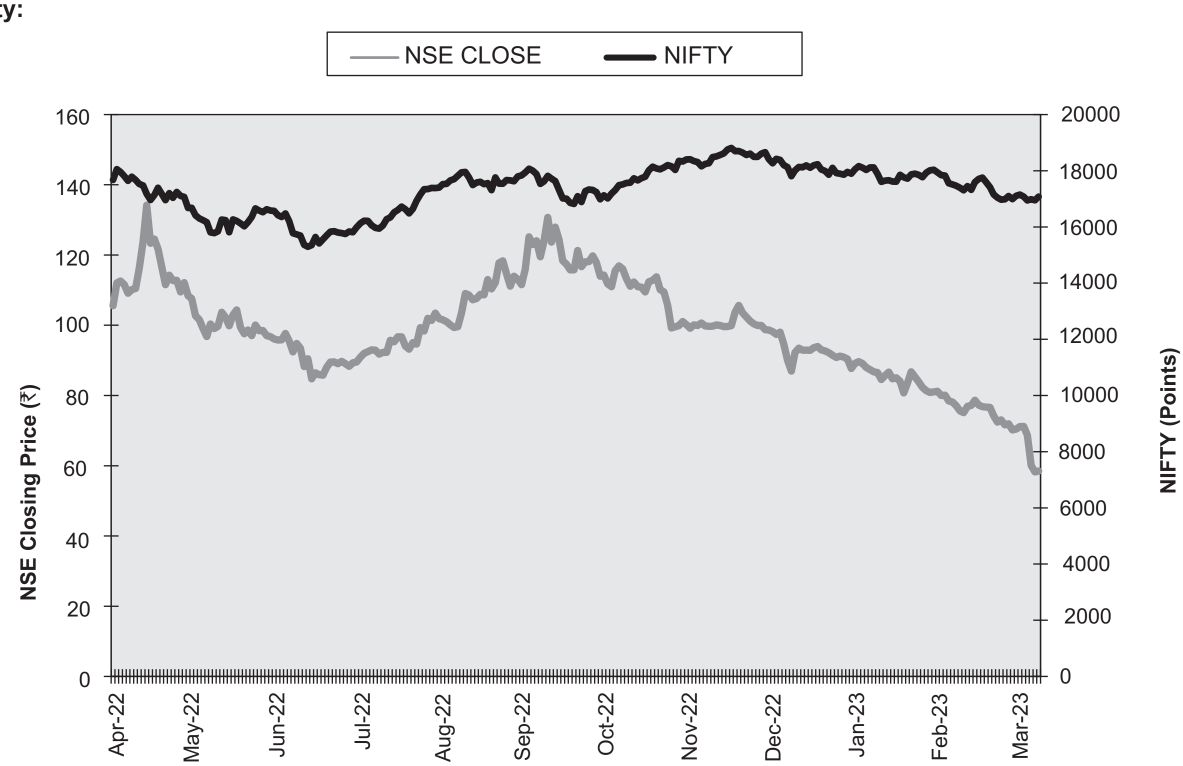
Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹ In lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ In lacs)
Apr-22	138.70	103.15	2,585.17	138.70	102.30	22,453.78
May-22	115.85	93.10	411.39	115.60	93.70	2,834.31
Jun-22	100.35	83.45	186.30	100.50	83.25	1,772.82
Jul-22	103.70	88.00	179.43	103.85	87.90	1,852.38
Aug-22	115.30	97.40	445.63	115.60	97.35	5,395.81
Sep-22	133.00	109.55	1,262.00	133.10	109.55	13,046.25
Oct-22	121.70	108.00	266.29	121.90	108.55	3,025.15
Nov-22	116.80	98.00	357.13	116.80	95.90	2,804.38
Dec-22	106.90	86.00	244.49	106.60	86.50	2,354.48
Jan-23	95.20	83.65	124.86	95.40	83.75	1,200.77
Feb-23	88.50	73.95	145.96	88.95	74.25	1,293.47
Mar-23	80.95	57.30	245.26	81.00	57.20	2,280.28

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

BSE Sensex:



NSE Nifty:



Share Transfer System and other related matters

In addition to the past communication to the holders of physical securities pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, the Company has again 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-PoD-1/P/CIR/2023/37 dated March 16, 2023.

The Company has also issued intimations, either by emails or by SMSes to all the Members holding shares of the Company in physical form for generating awareness on the availability of Dispute Resolution Mechanism at Stock Exchanges against the Company/Registrar to an Issue and Share Transfer Agents (RTAs) pursuant to the SEBI Circular No. SEBI/HO/OIAE/2023/03391 dated January 27, 2023.

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; 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 Company's website under the link at https://www.ufomoviez.com/sites/default/files/communication-to-the-holders-of-physical-shares-of-the-company.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 SEBI.

Distribution of shareholding as on March 31, 2023

Range (In ₹)*	No. of equity Shares	Amount (₹)	% to capital	No. of shareholders	% to total shareholders
up to 5000	36,56,084	3,65,60,840	9.58	41,134	90.53
5001-10000	16,78,594	1,67,85,940	4.40	2,082	4.58
10001-20000	15,98,599	1,59,85,990	4.19	1,064	2.34
20001-30000	10,51,406	1,05,14,060	2.75	406	0.89
30001-40000	6,34,959	63,49,590	1.66	176	0.39
40001-50000	8,00,661	80,06,610	2.10	169	0.37
50001-100000	14,92,187	1,49,21,870	3.91	203	0.45
100001 & Above	2,72,63,740	27,26,37,400	71.42	205	0.45
Total	**3,81,76,230**	**38,17,62,300**	**100.00**	**45,439**	**100.00**

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

Shareholding Pattern as on March 31, 2023

Category	No. of equity shares held	Percentage
Promoter and Promoter Group	86,68,540	22.71
Foreign Portfolio Investors	4,08,333	1.07
Foreign Nationals	87	0.00
Alternative Investment Funds	93,99,933	24.62
Non Resident Indians	1,84,850	0.48
Non Resident Indian Non Repatriable	1,27,499	0.33
Resident Individuals	1,58,81,048	41.60
Others	35,05,940	9.19
Total	**3,81,76,230**	**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, 2023 are as mentioned below:

Particulars	No. of equity shares	% to Capital
National Securities Depository Limited	1,75,88,688	46.07
Central Depository Services (India) Limited	2,05,67,018	53.87
Total Demat (A)	**3,81,55,706**	**99.95**
Physical (B)	**20,524**	**0.05**
Total (A + B)	**3,81,76,230**	**100.00**

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

Address: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032
Toll Free/ Phone Number: 1800 309 4001
WhatsApp Number: (91) 910 009 4099
Email: einward.ris@kfintech.com

For Investor correspondence and queries relating to financial statements

Ms. Ami Mehta, Assistant Manager - Investor Relations, Accounts & Finance
Tel: +91 22 40305060
Email: ami.mehta@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(Stable) and [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_on_Related_Party_Transactions.pdf

Strictures and penalties

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

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 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 2022-23.

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, 2023, there were no outstanding shares which were lying in the suspense account.

Prevention of Insider trading

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

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) 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 fully utilised during the year in accordance with the objects for which funds had been raised. The Company has not raised any funds through preferential allotment or qualified institutions placement during the year.

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 ₹ 79.24 lacs.

For and on behalf of the Board of Directors

	Sanjay Gaikwad	**Rajesh Mishra**
Place: Mumbai	Managing Director	Executive Director & Group CEO
Date: May 25, 2023	DIN: 01001173	DIN: 00103157

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, 2023.

Date: May 25, 2023
Place: Mumbai

Rajesh Mishra
Executive Director and Group 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, 2023 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 25, 2023
Place: Mumbai

Rajesh Mishra
Executive Director and
Group Chief Executive Officer

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERANCE

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, 2023, 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 ('Listing Regulations') 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: F010559E000333607
Peer Review Certificate No.: 781/2020

Place: Mumbai
Date: May 18, 2023

ANNEXURE I

LIST OF DOCUMENTS

1. Final draft of signed Minutes of:
    - Board Meetings;
    - Audit and Risk Management Committee Meetings;
    - Nomination and Remuneration Committee Meetings;
    - Stakeholders Relationship Committee Meetings;
    - Annual 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 22-23;
6. Details of remuneration paid to Directors;
7. Terms of reference of the Committees of the Board;
8. Draft CG Report for FY 2022-23;
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 31 March 2023 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.	Kanwar Bir Singh Anand	03518282	26 May 2022
2.	Ameya Hete	01645102	17 October 2008
3.	[1]Kapil Agarwal	00024378	17 October 2008
4.	Rajesh Mishra	00103157	18 June 2022
5.	Rajiv Batra	00082866	15 June 2022
6.	Swati Mohan	06377656	15 June 2022
7.	Sanjay Gaikwad	01001173	21 November 2008
8.	Anand Yogendra Trivedi	02059249	09 December 2021
9.	Gautam Yogendra Trivedi	02647162	09 December 2021

[1]Kapil Agarwal resigned w.e.f. 26 April 2023.

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: F005418E000341765

Place: Mumbai
Date: 25 May 2023

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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, 2023 **('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, 2023 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, 2018 - **Not Applicable;**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable;**

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **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, 2021 - **Not Applicable;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **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. 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.

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: F007716E000371354
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: 24th May, 2023

Note:-
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 400 093

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: F007716E000371354
Peer Review Certificate No. 1245/2021
ICSI Unique Code: S2012MH183100

Place: Mumbai
Date: 24th May, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of

UFO Moviez India Limited

Report on the Audit of the Consolidated Financial Statementss

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 31 March 2023, 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 the other auditors on separate financial statements of such subsidiaries 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 31 March 2023, 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.

Revenue Recognition on advertisement, content delivery charges and lease rental income revenue	
See Note 20 and 2(h) to consolidated financial statements	
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 Rs. 24,243.18 lakhs for the year ended 31 March 2023 (Refer Notes 20 and 2(h) to the consolidated financial statements). We identified these revenue stream as a KAM considering – • Advertisement revenue has an inherent risk due to fraud 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. • 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 retrieval and rates in the system. Further, processing of advertisement and content with their scheduling are linked to the financial module. Thus, recognition of Group's advertisement revenue is largely dependent on the front-end system and may be susceptible to override of controls.	In relation to recognition of revenue from advertisement revenue, content delivery charges (CDC) and lease rental income, we have: • Assessed the Group's accounting policies relating to revenue recognition by comparing them to applicable accounting standard; • Assessed the accuracy of amount and timing of revenue recognised during the year; • Assessed the design, implementation and operating effectiveness of Group's key internal controls over revenue recognition; • Involving our internal IT specialists, assessed the design, implementation and operating effectiveness of Group's key internal IT controls over the scheduling and billing; • 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 ascertain revenue recognised was complete and was recorded in the correct period and at correct value; On samples selected statistically, we • gathered understanding of the process by which revenue is determined by the relevant billing system • verified underlying records such as agreement, sales contracts, release orders, invoices, logs for advertisements and content displayed • analyzed release orders over / under/ unutilized and obtained rationale from Group for the same • verified the underlying documents for the existence of the customers
Impairment of Goodwill	
See Note 3.2 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The carrying value of goodwill as at 31 March 2023 in the consolidated financials statements of the Group is Rs. 2,310.88 lakhs (refer note 3.2 of the consolidated financial statements). The goodwill has been allocated to the respective cash-generating units. Management has performed impairment assessment based on the future business plans with the underluying 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 i.ndividually or in aggregate, could impact the analysis; • Discussed management's strategic and operational plans for the foreseeable future; and • Assessed the appropriateness of the Group's disclosures in respect of impainnent assessment of goodwill in accordance with the accounting standards

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ 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 the 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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 statements/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/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 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 entity 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 Matter

a. We did not audit the financial statements of seven (7) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 7,469.76 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 10,342.10 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 59.53 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 677.28 lakhs for the year ended 31 March 2023, in respect of one (1) associate, whose financial statements has 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 associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

b. 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/financial information 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 auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

c. The financial information of three (3) subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 35.96 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. Nil and net cash outflows (before consolidation adjustments) amounting to Rs. 24.65 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 Rs. 63.31 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of seven (7) associates, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to 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, 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 31 March 2023 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 31 March 2023 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associates. Refer Note XX 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 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the Note XX to the consolidated financial statements, 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 any of such subsidiary companies and associate companies to or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary companies and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the Note XX to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and associate companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The dividend declared and paid by the subsidiary company during the year and until the date of this audit report is in accordance with Section 123 of the Act. The Holding Company has not declared or paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies and associate companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. In our opinion and according to the information and explanation 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 by the Group and associates companies to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director by the Holding Company is as per limit laid down under Section 197 read with Schedule V of the Act and as approved by the shareholder's through special resolution in the Annual General Meeting held on 23 August 2022. 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: 23103145BGXWWQ9205

Place: Mumbai
Date: 25 May 2023

Annexure A to the Independent Auditors' Report

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of UFO Moviez India Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	UFO Moviez India Limited	L22120MH2004 PLC285453	Holding Company	Clause (iii)(c), (vii)(b) and (xvii)
2.	Scrabble Entertainment Limited	U92190MH200 8PLC178456	Subsidiary	Clause (vii)(b)
3.	Nova Cinemaz Private Limited	U72900MH200 6PTC163092	Subsidiary	Clause (iii(c), (iv), (xvii) and (xix)
4.	Plexigo Entertainment Private Limited	U92419MH202 0PTC343580	Subsidiary	Clause (xvii)
5.	Zinglin Media Private Limited	U74999MH201 7PTC300940	Subsidiary	Clause (xvii) and (xix)
6.	Scrabble Digital Limited	U74999MH201 1PLC213170	Subsidiary	Clause (vii)(b)
7.	UFO Software Technologies Private Limited	U74899MH200 5PTC284653	Subsidiary	Clause (vii)(b)

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	Subsidiary/ JV/ Associate
Mukta V N Films Limited	U74120MH2013PLC24422 0	Associate
Mumbai Movie Studios Private Limited	U92490MH2020PTC345461	Associate
Cinestaan Digital Private Limited	U72300DL2013PTC258259	Associate

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWQ9205

Place: Mumbai
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of UFO Moviez India Limited for the year ended 31 March 2023

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 Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities 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 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

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 financial statements insofar as it relates to five (5) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to three (3) associate companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate companies are not material to the Holding Company.

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

Rajesh Mehra
Partner
Membership Number: 103145
ICAI UDIN: 23103145BGXWWQ9205

Place: Mumbai
Date: 25 May 2023

Consolidated Balance Sheet as at March 31, 2023

₹ in lacs

Particulars	Notes	March 31, 2023	March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3.1	9,833.88	11,192.02
Capital work-in-progress	3.2	1,145.75	904.08
Right-of-use assets	3.3	2,313.21	706.79
Goodwill	3.4	2,310.88	2,310.88
Other intangible assets	3.5	124.70	281.30
Investments accounted for using the equity method	4	2,807.67	2,225.91
Financial assets			
(i) Loans	5	-	-
(ii) Other financial assets	6	1,861.50	752.01
Deferred tax assets (net)	7	10,433.46	10,053.93
Income tax assets (net)	7A	4,375.59	3,738.07
Other non-current assets	8	206.22	163.22
Total Non-current assets (A)		**35,412.86**	**32,328.21**
Current assets			
Inventories	9	1,265.60	876.68
Financial assets			
(i) Investments	10	52.48	2,548.03
(ii) Trade receivables	11	6,604.06	3,431.14
(iii) Cash and cash equivalents	12	1,431.65	1,524.64
(iv) Bank balances other than cash and cash equivalents	12	5,343.99	7,364.38
(v) Loans	5	59.32	-
(vi) Other financial assets	6	231.06	562.26
Other current assets	8	2,717.55	4,451.44
Total Current assets (B)		**17,705.71**	**20,758.57**
Total Assets (A+B)		**53,118.57**	**53,086.78**
Equity and liabilities			
Equity			
(i) Share capital	13	3,817.62	3,804.11
(ii) Other equity	14	23,047.69	23,765.39
Total equity (C)		**26,865.31**	**27,569.50**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	2,219.58	5,052.49
(ii) Lease liabilities	31	1,988.25	336.36
(iii) Other financial liabilities	16	2,319.43	2,872.42
Provisions	17	838.24	1,027.39
Deferred tax liabilities (Net)	7	723.54	530.83
Other non-current liabilities	18	889.54	515.37
Total non-current liabilities (D)		**8,978.58**	**10,334.86**

₹ in lacs

Particulars	Notes	March 31, 2023	March 31, 2022
Current liabilities			
Financial liabilities			
(i) Borrowings	19	5,834.30	3,641.50
(ii) Lease liabilities	31	464.77	485.01
(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	5,927.35	5,671.62
(iv) Others financial liabilities	16	1,947.24	2,203.18
Other current liabilities	18	2,690.92	2,653.66
Provisions	17	410.10	527.45
Total current liabilities (E)		**17,274.68**	**15,182.42**
Total liabilities (D+E) = (F)		**26,253.26**	**25,517.28**
Total equity and liabilities (C+F)		**53,118.57**	**53,086.78**
Significant accounting policies	2		

The accompanying notes 1 to 47 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

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place:Mumbai
Date: May 25, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ in lacs

Particulars	Notes	March 31, 2023	March 31, 2022
Income			
Revenue from operations	21	39,591.92	16,013.79
Other income	22	183.40	380.44
Total income (I)		**39,775.32**	**16,394.23**
Expenses			
Operating direct costs	23	**18,826.64**	**9,327.29**
Cost of consumables and spares consumed		473.18	382.29
Purchases of digital cinema equipment and lamps		7,238.74	4,757.38
Changes in inventories		(150.12)	216.56
Advertisement revenue share		4,450.39	151.84
CDC share expenses		1,685.09	861.71
Other operating direct cost		5,129.36	2,957.51
Employee benefit expenses	24	9,843.83	6,904.52
Other expenses	25	7,716.77	4,881.68
Total expenses (II)		**36,387.23**	**21,113.49**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**3,388.09**	**(4,719.26)**
Depreciation and amortisation expenses	3	4,952.52	5,577.47
Finance cost	26	1,113.03	1,162.86
Finance income	27	(489.66)	(445.53)
Profit / (Loss) before tax and share of profit from associates		**(2,187.80)**	**(11,014.06)**
Share of Profit / (Loss) from associates (net of tax)		740.60	342.13
Profit / (Loss) before tax and after share of profit from associates		**(1,447.20)**	**(10,671.93)**
Tax expenses			
Current tax	7A	131.56	27.33
Deferred tax (credit)	7A	(257.95)	(2,013.78)
Total tax expenses		**(126.39)**	**(1,986.45)**
Profit / (Loss) for the year		**(1,320.81)**	**(8,685.48)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		280.85	(107.69)
b) Income tax relating to items that will not be reclassified to profit or loss		(69.32)	27.09
(ii) Items that will be reclassified to profit or loss			
a) Exchange differences in translating the financials statements of foreign operations		232.17	68.50
b) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income /(Loss) for the year, net of tax		**(877.11)**	**(8,697.58)**
Profit / (Loss) for the year attributable to			
a) Owners of the Company		**(1,320.81)**	**(8,685.48)**
b) Non-controlling interests		-	-
Other comprehensive income attributable to			
a) Owners of the Company		**443.70**	**(12.10)**
b) Non-controlling interests		-	-
Total Comprehensive Income / (Loss) for the year attributable to			
a) Owners of the Company		**(877.11)**	**(8,697.58)**
b) Non-controlling interests		-	-
Earnings per equity share (Face value of share of ` 10 each)	28		
Basic		(3.47)	(27.77)
Diluted		(3.47)	(27.77)
Significant accounting policies	2		

The accompanying notes 1 to 47 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 25, 2023

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

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital (refer note 13)

For the year ended March 31, 2023

₹ in lacs

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
3,804.11	13.51	3,817.62

For the year ended 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

B. Other equity

₹ in lacs

Particulars	Reserves 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, 2023											
Balance as at April 1, 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**
Loss for the Year	-	-	-	-	-	-	(1,320.81)	-	(1,320.81)	-	(1,320.81)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	232.17	232.17	-	232.17
Employee Stock Compensation for Options granted	-	-	105.38	-	-	-	-	-	105.38	-	105.38
Transfer to securities premium on issuance of ESOP shares	-	108.65	(54.62)	-	-	-	-	-	54.03	-	54.03
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-	211.53	-	211.53	-	211.53
Closing Balance as at March 31, 2023	**1,566.76**	**38,609.10**	**274.07**	**182.93**	**371.72**	**(2,183.04)**	**(16,350.73)**	**576.88**	**23,047.69**	**-**	**23,047.69**

₹ in lacs

Particulars	Reserves 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 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)	-	-	-	-	-	-	-	-
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**

The accompanying notes 1 to 47 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

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place:Mumbai
Date: May 25, 2023

Consolidated Statement of Cash Flows for the year ended March 31, 2023

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Cash flow from / (used in) operating activities		
Loss before share of profit / (loss) from associates and tax	**(2,187.80)**	**(11,014.06)**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	4,952.52	5,577.47
Bad debts written off	105.22	31.72
Loan written off	266.34	-
Provision for doubtful debts	47.41	20.60
Provision for slow and non moving inventory	15.90	10.17
Unrealised foreign exchange (gain) / loss (net)	(0.27)	(1.82)
(Gain) / loss on sale of property, plant and equipment	9.83	(0.12)
Sundry balances written back	(861.71)	(891.05)
Net gain on current investments	(36.50)	(253.37)
ESOP compensation	105.38	271.90
Interest expenses on financial liabilities carried at amortised cost	144.46	156.54
Interest expense on lease liabilities	196.57	120.62
Gain on lease concession and modification	(34.45)	(264.44)
Diminution in value of investments	30.90	410.49
Finance cost	730.56	860.99
Interest income	(453.16)	(192.15)
Operating Profit / (loss) before working capital changes	**3,031.20**	**(5,156.51)**
Movements in working capital		
Increase / (Decrease) in trade payables	155.26	(230.25)
Increase / (Decrease) in other financial liabilities (current and non-current)	(1,167.80)	10.96
Increase / (Decrease) in other liabilities (current and non-current)	1,163.80	1,700.95
Increase / (Decrease) in provisions (current and non-current)	(36.53)	225.98
(Increase) / Decrease in trade receivables	(3,249.28)	672.53
(Increase) / Decrease in financials assets (current and non-current)	4.48	(37.78)
(Increase) / Decrease in other assets (current and non-current)	1,747.06	(28.00)
(Increase) / Decrease in inventories	(365.32)	250.65
Cash generated from (used in) operations	**1,282.87**	**(2,591.47)**
Direct taxes paid (net of refunds)	(676.66)	23.39
Net cash flow generated from / (used in) operating activities (A)	**606.21**	**(2,568.08)**
Cash flows from / (used in) investing activities		
Purchase of property, plant and equipments, including capital work in progress	(2,848.20)	(1,392.63)
Proceeds from sale of property, plant and equipments	158.65	137.58
Loan given/proceeds from amount invested in associates	(309.32)	94.40
Payment of purchase consideration for purchase of shares / warrant of associate	(15.66)	(96.70)
Payment of purchase consideration for purchase of preference shares of associate	-	(262.50)
Purchase of current investments	(5,314.00)	(15,605.48)
Proceeds from sale / redemption of current investments	7,846.05	17,185.04
Proceeds from maturity of / (investment in) bank deposits (with original maturity for more than 3 months) (net)	1,426.46	(5,170.28)
Interest received	297.82	68.11
Dividends received	222.02	664.55
Net cash flow generated from (used in) investing activities (B)	**1,463.82**	**(4,377.91)**

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity share capital (including premium)	67.54	9,520.18
(Repayment) / proceeds from short term borrowing	803.00	(59.60)
Shares issue expenses	-	(5.01)
Proceeds from long-term borrowings	2,201.80	2,847.16
Repayment of long-term borrowings	(3,644.91)	(3,499.16)
Interest paid	(743.47)	(866.11)
Repayment of lease liabilities	(895.34)	(710.52)
Net cash flow from / (used in) financing activities (C)	**(2,211.38)**	**7,226.94**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**(141.35)**	**280.95**
Unrealised gain on foreign currency cash and cash equivalents	48.00	(8.92)
Cash and cash equivalents at the beginning of the year	1,525.00	1,252.61
Cash and cash equivalents at the end of the year	**1,431.65**	**1,524.64**
Components of cash and cash equivalents		
Cash on hand	3.73	2.16
Balance with banks:		
- on current accounts	1,427.92	1,522.48
Cash and cash equivalents (refer note 12)	**1,431.65**	**1,524.64**
Reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activties is as follows:		
Particluars	**Non-current borrowing***	**Current borrowing**
Opening balance as on April 1, 2022	8,693.99	-
Cash flow during the year		
Proceeds	2,201.80	19,392.92
Repayment	3,644.91	18,589.92
Non cash changes if any	-	-
Closing balance as on March 31, 2023	7,250.88	803.00

* Includes current maturities of non-current borrowing

Notes:

1. The above consolidated 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 47 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

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place:Mumbai
Date: May 25, 2023

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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 25, 2023.

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.

Current and non-current

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months

Basis of measurement

Items Basis	Measurement
Debt and equity securities at FVOCI	Fair Value
Contingent consideration assumed in a business combination	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less the present value of the defined benefit obligation, limited as explained in note no.29
Non derivative financial instruments at FVTPL	Fair Value

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.

(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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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, 2023	UFO's ownership interest as on March 31, 2022
1.	Scrabble Entertainment Limited	India	100%	100%
2.	Nova Cinemaz Private Limited	India	100%	100%
3.	Zinglin Media Private Limited	India	100%	100%
4.	UFO Lanka Private Limited	Sri Lanka	100%	100%
5.	UFO Software Technologies Private Limited	India	100%	100%
6.	Plexigo Entertainment Private Limited	India	100%	100%
7.	Scrabble Entertainment DMCC	United Arab Emirates	100%	100%
8.	Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
9.	Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
10.	Scrabble Digital Inc	United States of America	100%	100%
11.	Scrabble Digital Limited	India	100%	100%

(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, 2023	UFO's ownership interest as on March 31, 2022
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	33.08% of the Voting Rights
7.	Mumbai Movie Studios Private Limited	India	30.74%	30.74%
8.	Scrabble Digital Services DMCC	United Arab Emirates	18.518%	NIL

Notes to consolidated financial statements as at and for the year ended 31 March 2023

(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 31 March 2023	As at and For the Year ended 31 March 2022
1.	Scrabble Digital DMCC	Associate	Year ended 31 December 2022	Year ended 31 December 2021
2.	Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended 31 December 2022	Year ended 31 December 2021

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.

- **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 (p) below.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

- **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 2.6 (c)

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 of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. 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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

depreciates them separately based on their specific useful lives. Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off)

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

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

Assets	Useful lives (years)	Useful lives (years) as per the schedule ii of the Companies Act, 2013
Exhibition Equipment	7 – 10	13
Plant and Machinery	4 – 7	13
Computer	3	3
Furniture and Fixtures	6	10
Office Equipment	5-6	5
Vehicles	3-5	8

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 lives (years)
Computer Software	2 – 6

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

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

(d) Business Combination:

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

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

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

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

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

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

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

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

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

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

(e) Impairment of Non-financial assets:

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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

(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.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.
- 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(j) Fair Value Measurement:

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the CFS are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities, that are recognised in the CFS on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(k) Financial Instruments:

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

Cash and cash equivalents

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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net of direct issue cost.

Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivables. The Group calculates the expected credit losses on trade receivables, using a provision matrix on the basis of its historical credit loss experience.

Financial guarantee contracts:

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition of Financial Assets:

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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

De-recognition of Financial Liabilities:

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Derivative Financial Instruments:

The Group enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

(l) Employee benefits:

Defined contribution plans

The Indian entities make contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. In case of provident fund, both the employee and the company make monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contribution payable is charged to the Statement of profit and loss as incurred.

Defined benefit plans

The Group provides for gratuity using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance sheet date, based on legislations as enacted as at the Balance sheet date. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance sheet date.

The Group recognizes the net obligation of a defined benefit plan in its Balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effects of any plan amendments are recognized in Statement of profit and loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The gratuity obligation recognized in the Balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The gratuity plan is managed by the Life Insurance Corporation of India to which contributions are made by the Group.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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) Share Capital

Equity share

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12

(p) Provisions and Contingent liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are 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.

Contingent Asset

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

(q) 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.

(r) 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.

(s) 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.

(t) 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 as at and for the year ended 31 March 2023

3.1 Property, plant and equipment(Refer note no. 2.5 (a) and (b))

₹ in lacs

	Leasehold Improve-ments	Plant and Machinery (refer note 31 for assets given on lease)	Computer Systems	Computer Systems	Furniture and Fixtures	Electrical Equipments and Installations	Vehicles	Total
Cost as at April 1, 2021	**1,033.05**	**27,884.75**	**524.26**	**348.90**	**126.50**	**38.60**	**2,271.32**	**32,227.39**
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
Exchange gain (loss)	0.31	20.86	0.16	0.07	0.42	-	1.83	23.66
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**
Additions	15.30	2,473.01	217.53	42.04	5.46	-	91.65	2,844.99
Disposals	25.41	2,516.41	55.32	45.40	3.85	0.24	300.06	2,946.68
Exchange gain (loss)	0.91	61.08	0.50	0.17	0.95	-	5.35	68.95
Cost as at March 31, 2023	**1,077.07**	**28,955.43**	**728.50**	**356.98**	**127.46**	**38.36**	**2,115.88**	**33,399.68**
Accumulated Depreciation/ Amortisation								
At April 1, 2021	**808.95**	**14,959.85**	**378.61**	**234.15**	**64.07**	**33.43**	**1,874.34**	**18,353.39**
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
Exchange gain (loss)	(0.18)	(19.28)	(0.09)	(0.04)	(0.18)	-	(1.49)	(21.25)
At March 31, 2022	**904.56**	**18,536.87**	**446.02**	**268.37**	**75.99**	**37.93**	**1,970.66**	**22,240.40**
Charge for the year	89.92	3,652.79	104.92	39.88	15.15	0.61	136.33	4,039.61
On disposals	25.41	2,396.22	54.55	43.95	3.85	0.24	253.98	2,778.20
Exchange gain (loss)	(0.82)	(57.49)	(0.22)	(0.10)	(0.38)	-	(4.98)	(64.00)
At March 31, 2023	**969.89**	**19,850.93**	**496.61**	**264.40**	**87.68**	**38.30**	**1,857.99**	**23,565.80**
Net carrying amount								
At March 31, 2022	**181.71**	**10,400.88**	**119.77**	**91.80**	**48.91**	**0.67**	**348.28**	**11,192.02**
At March 31, 2023	**107.17**	**9,104.51**	**231.90**	**92.58**	**39.78**	**0.06**	**257.89**	**9,833.88**

Note: The Company has not revalued its Property, Plant and Equipment (including Right-of- Use and Intangible Assets)
Note: The group does not have any immovable properties other than properties where the respective entity is the lessee and lease agreement are duly executed in favour of the lessee.

3.2 Capital work in progress

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Opening	904.08	1,826.20
Add : Purchase	3,215.54	903.71
Less : Installed	2,275.47	1,571.02
Less : Sale / Write off	698.40	254.81
Closing	**1,145.75**	**904.08**

Note: Security: At 31 March 2023, properties (including CWIP) with a carrying amount of INR 10,396.68 lacs (31 March 2022: INR 11,413.35 lacs) are subject to first charge to secure bank loans (see Note 15)

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Ageing of CWIP

As at March 31, 2023

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,056.66	34.31	0.00	54.78	1,145.75
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Notes:

1) The Company has no projects which have exceeded their cost or have been overdue as at March 31, 2023 and March 31, 2022.

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
Cost as at March 31, 2021	**2,234.45**
Additions	686.78
Disposals	-
Cost as at March 31, 2022	**2,921.23**
Additions	2,429.08
Disposals	(119.70)
Cost as at March 31, 2023	**5,230.61**
Accumulated depreciation/amortisation	
At April 1, 2021	**1,376.17**
Charge for the year	838.27
On disposals	-
At March 31, 2022	**2,214.44**
Charge for the year	758.47
On disposals	(55.51)
At March 31, 2023	**2,917.40**
Net Carrying amount	
At March 31, 2022	**706.79**
At March 31, 2023	**2,313.21**

The Group's leased assets primarily consist of leases for buildings/office preminses.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

3.4 Goodwill

	₹ in lacs
At April 1, 2021	**2,310.88**
Additions	-
Disposals	-
At March 31, 2022	**2,310.88**
Additions	-
Disposals	-
At March 31, 2023	**2,310.88**

“The Group performed its annual impairment test for the year ended March 31, 2023, 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 11.62%. 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 as at and for the year ended 31 March 2023

3.5 Intangible Assets

₹ in lacs

	Computer software	Network (relationship with studio and exhibitors)	Total
Cost as at April 1, 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**
Additions	2.53	-	2.53
Disposals	4.69	-	4.69
Cost as at March 31, 2023	**687.01**	**790.00**	**1,477.01**
Accumulated amortisation			
Accumulated as at April 1, 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**
Charge for the year	154.44		154.44
On disposals	-	-	-
At March 31, 2023	**562.31**	**790.00**	**1,352.31**
Net carrying amount			
At March 31, 2022	**281.30**	**-**	**281.30**
At March 31, 2023	**124.70**	**-**	**124.70**

The estimated amorisation for the years subsequent to March 31, 2023 is as follows

₹ in lacs

Year ended March 31,	Amortisation expenses
2024	22.74
2025	16.99
2026	15.32
2027	10.88
Thereafter	58.77
	124.70

Notes to consolidated financial statements as at and for the year ended 31 March 2023

4. Investments

₹ in lacs

	March 31, 2023	March 31, 2022
Unquoted equity instruments (at cost)		
Investment in subsidiaries (under liquidation)		
1 (March 31, 2022: 1) Equity Share of USD 1 each fully paid up in Scrabble Entertainment Israel Limited	-	-
Investment in Associates		
100 (March 31, 2022: 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)	206.21	221.78
3,000 (March 31, 2022: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss)	474.69	492.43
3,060,000 (March 31, 2022: 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)	255.99	233.98
240,000 (March 31, 2022: 240,000) Share Warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
375,000 (March 31, 2022: 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, 2022 : 2,373,040) Share Warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	-	23.73
2,668,552 (March 31, 2022 : 2,668,552) Equity Shares of ₹ 38.67 each fully paid up in Cinestaan Digital Private Limited (Including post - acquisition share of profit or loss)	-	127.99
147 (March 31, 2022: 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)	1,292.00	612.05
70 (March 31, 2022: Nil) Shares of AED 1,000 each at par fully paid up of Scrabble Digital Services DMCC (including post-acquisition share of profit or loss)	68.97	-
Unquoted Preference shares (at cost)		
Investment in Associates		
7,500,000 (March 31, 2022 : 7,500,000) Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of ₹ 10 each, paid up of ₹ 8 each (March 31, 2022 ₹ 8 each) in Mumbai Movies Studio Private Limited (Including post - acquisition share of profit or loss)	485.81	489.95
	2,807.67	**2,225.91**

Other disclosures:		₹ in lacs
(i) Aggregate amount of quoted investments (Gross)	-	-
(ii) Market value of quoted investments	-	-
(iii) Aggregate amount of unquoted investments (Gross)	2,838.70	2,636.40
(iv) Aggregate amount of impairment in value of investment	31.03	410.49

Notes to consolidated financial statements as at and for the year ended 31 March 2023

5. Financial assets - Loans

₹ in lacs

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unsecured (Considered doubtful)				
Loan to related party (Refer note no. 33)	-	-	59.32	-
Loan to others *	-	-	83.43	83.43
Less: Allowance for doubtful balance	-	-	(83.43)	(83.43)
	-	**-**	**59.32**	**-**
* Loans are repayable on demand				

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

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security deposit to related parties (Refer note 33)	357.72	-	1.94	359.66
Security deposit to other than related parties	265.71	290.88	103.18	77.38
Interest accrued but not due on fixed deposit	-	-	121.84	69.92
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	1,238.07	461.13	-	-
Other receivables- Considered good	-	-	4.10	55.30
Unsecured - Doubtful	-	-	52.94	58.77
Less: Allowance for doubtful balance	-	-	(52.94)	(58.77)
	1,861.50	**752.01**	**231.06**	**562.26**

7. Deferred tax assets / (liability)

₹ in lacs

		March 31, 2023	March 31, 2022
a	**Deferred tax assets**		
	Property, Plant and Equipment and Intangible Assets	3,385.75	3,414.36
	Provision for doubtful debts and advances	427.27	577.36
	Others	539.19	696.17
	Deferred tax assets on carry forward losses	6,081.25	5,366.04
	Gross deferred tax assets	**10,433.46**	**10,053.93**
b	**Deferred tax liabilities**		
	Property, Plant and Equipment and Intangible Assets	2.78	6.67
	Undistributed profit of foreign subsidiaries and associates	720.76	524.16
	Gross deferred tax liabilities	**723.54**	**530.83**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Movement in Deferred tax Assets and Liabilities

₹ 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 of losses	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**

₹ in lacs

Movement during the year ended March 31, 2023	As at March 31, 2022	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	3,407.69	(24.72)	-	3,382.97
Provision for doubtful debt and advances	577.35	(150.09)	-	427.26
Others	696.17	(87.66)	(69.32)	539.19
Deferred tax assets on carry forward losses and unabsorbed depreciation	5,366.05	715.21		6,081.26
Undistributed profit of foreign subsidiaries and associates	(524.16)	(196.60)	-	(720.76)
Total	**9,523.10**	**256.14**	**(69.32)**	**9,709.92**

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

₹ in lacs

		March 31, 2023	March 31, 2022
i)	**Income tax recognised in the Consolidated Statement of Profit and Loss Current tax:**		
	In respect of current year	131.56	27.33
	In respect of prior years	-	-
	Deferred tax:		
	In respect of current year- (Credit)/ Charged	(257.95)	(2,013.78)
	Income tax expense recognised in the Statement of Profit and Loss	**(126.39)**	**(1,986.45)**
ii)	**Income tax expense recognised in OCI**		
	Deferred tax:		
	Deferred tax expense on remeasurements of defined benefit plans	(69.32)	27.09
	Income tax expense recognised in OCI	**(69.32)**	**27.09**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

7. Deferred tax assets / (liability): (Continued)

₹ in lacs

	March 31, 2023	March 31, 2022
Reconciliation of tax expense and the accounting profit for the year is as under:		
Loss before tax	(1,447.20)	(10,671.93)
Income tax expense calculated at Corporate tax rate @ 25.17 % (March 31, 2022: 25.17%)	(364.23)	(2,685.91)
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	196.60	(29.70)
ESOP expense offered to tax	-	93.55
Effect of tax on dividend from associates/subsidiaries	377.10	502.81
Effect of results of associates	(186.39)	(86.11)
Tax on expenses not deductible for tax purpose	389.14	110.89
Tax on income of subsidiary at different tax rate	(625.31)	(32.05)
Tax losses of subsidiaries on which deferred tax assets has not been created	158.97	87.88
Change in loss of AY 2022-23 after filing of return	(67.97)	-
Others	(4.30)	52.19
Total	**(126.39)**	**(1,986.45)**
Tax expense as per Statement of Profit and Loss	**(126.39)**	**(1,986.45)**

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.

₹ in lacs

Assessment year	Category	Amount of Loss	Amount of Deferred tax Asset	Expiry Date
2023-24	Business loss	631.64	158.97	31-Mar-32
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		**2,079.21**	**523.28**	

As at March 31, 2023, deferred tax liability of ₹ 720.76 lacs (March 31, 2022: ₹ 524.16 lacs) in respect of temporary difference related to investment in all associates and foreign subsidiaries has been recognised where the Group does not control the dividend policy of the associates and foreign subsidiaries. Deferred tax liability on temporary differences, associated with remaining investments in subsidiaries and associates, has not been recognised, as it is the intention of the Group to reinvest the earnings of these subsidiaries and associates for the foreseeable future.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.

7A. Income tax assets

₹ in lacs

	March 31, 2023	March 31, 2022
Income tax assets (net of provision for income tax ₹ 22,747.82 lacs (March 31, 2022 : ₹ 22,616.26 lacs)	4,375.59	3,738.07
	4,375.59	**3,738.07**

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

₹ in lacs

	Non-current		Non-current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Capital advances	-	4.44	-	-
Balances with statutory / government authorities:				
Considered good	31.34	32.06	94.80	72.47
Considered doubtful	10.00	10.00	-	-
Less: Allowance for doubtful receivables	(10.00)	(10.00)	-	-
Deposit with Government bodies and others	82.02	94.67	-	-
Advance to suppliers	-	-	349.32	569.14
Loans and advances to employees	-	-	91.22	55.67
Prepaid expenses	81.68	32.05	378.33	456.15
GST credit receivable	-	-	1,803.26	3,284.95
Others	11.18	-	0.62	13.06
Balance with statutory / government authorities	-	14.66	-	-
Less: Allowance for doubtful balance	-	(14.66)	-	-
	206.22	**163.22**	**2,717.55**	**4,451.44**

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

₹ in lacs

	March 31, 2023	March 31, 2022
Traded goods (Lamps)	537.90	455.55
Digital Cinema Equipment	107.87	61.21
Consumables and spares	618.87	359.83
Content cost	0.96	0.09
	1,265.60	**876.68**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

10. Investments - Current

₹ in lacs

	March 31, 2023	March 31, 2022
Unquoted mutual funds - carried at fair value through profit and loss		
Investment in mutual funds	52.48	2,548.03
	52.48	**2,548.03**

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 ₹ 52.48 lacs (March 31, 2022: ₹.2,548.03 lacs)

11. Trade receivables

₹ in lacs

	March 31, 2023	March 31, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	6,604.06	3,431.14
Less: Loss allowance	-	-
Trade receivables with have significant increase in credit risk	-	-
Trade receivables -Credit impaired	2,532.04	3,148.88
Less: Loss allowance	(2,532.04)	(3,148.88)
Total	**6,604.06**	**3,431.14**

For details pertaining to related party receivables refer note 33

Trade Receivables ageing schedule*

As at March 31, 2023

₹ 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	5,876.43	354.09	36.40	7.81	1.00	6,275.72
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	125.21	184.16	50.98	55.64	918.43	1,334.42
(iv)	Disputed Trade Receivables– considered good	15.53	34.54	1.27	0.30	1.47	53.12
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	2.21	52.01	13.81	51.17	1,078.42	1,197.62
Total		**6,019.38**	**624.80**	**102.46**	**114.92**	**1,999.32**	**8,860.88**
ADD: Trade Receivables- Unbilled (Undispited not due)							275.22
Total Trade receivable							**9,136.10**
Less: Loss allowance							(2,532.04)
Total Trade receivable (Net of Allowance for doubtful trade receivable)							**6,604.06**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

As at March 31, 2022

₹ in lacs

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(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 (Undispited not due)						235.18
Total Trade receivable						**6,580.02**
Less: Loss allowance						(3,148.88)
Total Trade receivable (Net of Allowance for doubtful trade receivable)						**3,431.14**

*Trade receivables ageing is calculated from the date of invoice.

12. Cash and bank balances

₹ in lacs

	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Cash and cash equivalents				
Balances with banks:				
- In current accounts	-	-	1,427.92	1,522.48
Cash on hand	-	-	3.73	2.16
Total (A)	**-**	**-**	**1,431.65**	**1,524.64**
Other bank balances				
- In unpaid dividend account*	-	-	26.50	26.56
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	4,444.44	6,449.48
- Deposits with remaining maturity for more than 12 months	461.13	461.13	199.00	-
Total (B)	**461.13**	**461.13**	**4,669.94**	**6,476.04**
- Margin money deposit with original maturity for less than 12 months	-	-	664.25	888.34
- Margin money deposit with remaining maturity for more than 12 months	-	-	9.80	-
Total (C)	**-**	**-**	**674.05**	**888.34**
Amount disclosed under non - current financial assets (Refer note 6)	(461.13)	(461.13)	-	-
Total (B+C)	**-**	**-**	**5,343.99**	**7,364.38**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.

13. Share capital

₹ in lacs

	March 31, 2023	March 31, 2022
Authorised share capital		
53,050,000 (March 31, 2022: 53,050,000) equity shares of ₹ 10/- each	5,305.00	5,305.00
1,565,000 (March 31, 2022: 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		
38,176,230 (March 31, 2022: 38,041,143) equity shares of ₹10 each fully paid-up	3,817.62	3,804.11
Total issued, subscribed and fully paid up share capital	**3,817.62**	**3,804.11**

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

₹ in lacs

Equity shares	March 31, 2023		March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	3,80,41,143	3,804.11	28,350,801	2,835.08
Issued during the year	1,35,087	13.51	9,690,342	969.03
Outstanding at the end of the year	**3,81,76,230**	**3,817.62**	**3,80,41,143**	**3,804.11**

(b) Terms/ rights attached to equity shares

Voting Rights

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares having a par value of ₹ 10 per equity share is entitled to one vote per equity share.

Rights to Dividend

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The Company declares and pays dividend in Indian Rupees.

Rights pertaining to repayment of capital

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

Name of the shareholder	March 31, 2023		March 31, 2022	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10 each fully paid				
Nepean Focused Investment Fund	9,399,933	24.62%	9,399,933	24.71%
Apollo International Limited	2,266,417	5.94%	2,266,417	5.96%
Valuable Media Private Limited	2,244,265	5.88%	2,244,265	5.90%
Valuable Technologies Private Limited	2,243,657	5.88%	2,243,657	5.90%

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

(d) Details of shares held by promoters

As at March 31, 2023

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	917,229	-	917,229	2.40%	-0.01%
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	0.64%	0.00%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0.00%
6	Advent Fiscal Private Limited	737,182	-	737,182	1.93%	-0.01%
7	Apollo International Limited	2,266,417	-	2,266,417	5.94%	-0.02%
8	Valuable Technologies Private Limited	2,243,657	-	2,243,657	5.88%	-0.02%
9	Valuable Media Private Limited	2,244,265	-	2,244,265	5.88%	-0.02%

As at March 31, 2022

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	917,229	-	917,229	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	242,797	-	242,797	0.64%	0.00%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0.00%
6	Advent Fiscal Private Limited	737,182	-	737,182	1.94%	0.00%
7	Apollo International Limited	2,266,417	-	2,266,417	5.96%	0.00%
8	Valuable Technologies Private Limited	2,243,657	-	2,243,657	5.90%	0.00%
9	Valuable Media Private Limited	2,244,265	-	2,244,265	5.90%	0.00%

Notes to consolidated financial statements as at and for the year ended 31 March 2023

(e) Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 30

14. Other equity

₹ in lacs

	March 31, 2023	March 31, 2022
Reserve and Surplus		
Other Reserve (on purchase of Non-controlling interest stake)		
Balance as at the beginning of year	(2,183.04)	(2,183.04)
Add: Addition during the year	-	-
Balance as at the end of year	**(2,183.04)**	**(2,183.04)**
Securities Premium		
Balance as at the beginning of year	38,500.45	29,836.90
Add: Addition during the year (Net of share issue expenses- Current year -Nil and Last year ₹ 307.9 lacs)	54.03	8,546.13
Add: Transferred on issuance of ESOP shares	54.62	117.42
Balance as at the end of year	**38,609.10**	**38,500.45**
Share based payment reserves		
Balance as at the beginning of year	223.31	68.83
Add : Employee stock option granted during the year	105.38	271.90
Less : Transferred on employee stock options expired/exercised during the year	(54.62)	(117.42)
Balance as at the end of year	**274.07**	**223.31**
General Reserves		
Balance as at the beginning of year	371.72	371.72
Add : Transfer on employee stock options expired during the year	-	-
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	(15,241.45)	(6,475.37)
Add: Profit / (Loss) for the year	(1,320.81)	(8,685.48)
Add: Remeasurement of defined benefit plans (Net)	211.53	(80.60)
Balance as at the end of year	**(16,350.73)**	**(15,241.45)**
Capital Reserve		
Balance as at the beginning of year	1,566.76	1,558.15
Add: On acquisition of additional stake in associate	-	8.61
Balance as at the end of year	**1,566.76**	**1,566.76**
Foreign Currency Translation Reserve (FCTR)		
Balance as at the beginning of year	344.71	276.21
Add / (less):Exchange differences on translating the financial statements of foreign operations	232.17	68.50
Balance as at the end of year	**576.88**	**344.71**
Total	**23,047.69**	**23,765.39**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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. **Capital Reserves:** Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

15. Borrowings (at amortised cost-secured)

₹ in lacs

	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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	430.66	1,332.49	901.83	901.83
Term loan 2 from HDFC Bank	-	-	-	1,539.67
Term loan 3 from HDFC Bank	1,757.50	2,220.00	462.50	-
Term loan 4 from IDFC First Bank	-	1,500.00	1,500.00	1,200.00
Term loan 5 from IDFC First Bank	-	-	2,156.80	-
Sub total	**2,188.16**	**5,052.49**	**5,021.13**	**3,641.50**
Other Loans				
Vehicle finance from banks and financials institutions (secured against hypothecation of vehicles)				
Vehicle Loan 1 from Axis Bank Ltd. (ROI 8.45%, repayable in 48 monthly installments)	31.42	-	10.17	-
	31.42	**-**	**10.17**	**-**
	2,219.58	**5,052.49**	**5,031.30**	**3,641.50**
Less :Amount disclosed under the head "Current borrowings" (Refer note 19)	-	-	(5,031.30)	(3,641.50)
Net amount	**2,219.58**	**5,052.49**	**-**	**-**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.69% (March 31, 2022 : 8.39%) p.a. is repayable in 48 monthly installments starting from 31 July 2020.

Term loan 2 having interest of bank 1 year MCLR plus 85 basis points i.e.7.96 % (March 31, 2022 : 7.91%) p.a. is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 6 Month MCLR plus 65 basis i.e. 8.64% (31 March 2022 : 8.00%) p.a. is repayable in 48 monthly installments starting from Jun 01, 2023.

Term loan 4 having interest of bank 3 month MCLR plus 160 basis points i.e. 9.94% (March 31, 2022 : 9.45%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 5 having interest of bank 3 month MCLR plus 160 basis points i.e. 10.06% (31 March, 2022 : Nil) p.a. is repayable in 18 quarterly installments starting from May 22, 2023.

16. Financial liabilities - others

₹ in lacs

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other financial liabilities carried at amortised cost				
Interest accrued but not due on borrowings	-	-	29.19	42.14
Deposit from customers	2,315.40	2,868.39	840.55	1,175.32
Deposit from related parties (Refer note 33)	4.03	4.03	-	-
Unpaid dividend *	-	-	26.50	26.56
Payables for purchase of property, plant and equipments	-	-	319.21	87.35
Salary and reimbursement payable	-	-	692.10	864.30
Other payables	-	-	39.69	7.51
	2,319.43	**2,872.42**	**1,947.24**	**2,203.18**

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

17. Provisions

₹ in lacs

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for Employee Benefits				
Provision for gratuity (refer note 29)	818.43	997.38	4.12	5.30
Provision for compensated absences (refer note 29)	19.81	30.01	405.20	520.88
Others				
Provision for warranties (refer note a below)	-	-	0.78	1.27
	838.24	**1,027.39**	**410.10**	**527.45**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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, 2023	March 31, 2022
At the beginning of the year	1.27	1.92
Arising during the year	-	-
Utilized during the year	(0.49)	(0.65)
At the end of the year	**0.78**	**1.27**
Current portion	0.78	1.27
Non-current portion	-	-

18. Other Liabilities

₹ in lacs

	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred revenue (Refer note no. 43)	889.54	515.37	634.13	254.57
Advance received from customers	-	-	1,668.88	2,034.54
Statutory dues payable				
Employee related liabilities	-	-	88.33	81.08
Value added tax payable	-	-	2.63	4.10
Tax deducted at source payable	-	-	296.95	279.37
	889.54	**515.37**	**2,690.92**	**2,653.66**

19. Current Borrowings

₹ in lacs

	March 31, 2023	March 31, 2022
Secured		
Cash credit from IDFC First Bank	803.00	-
Current maturities of long-term debts (refer note 15)	5,031.30	3,641.50
	5,834.30	**3,641.50**

Cash credit from IDFC First Bank Limited is secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.95% per annum (March 31, 2022 : Nil).

20. Trade payables

₹ in lacs

	March 31, 2023	March 31, 2022
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	5,927.35	5,671.62
Total	**5,927.35**	**5,671.62**

For details pertaining to related party payables refer note 33

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Trade Payables ageing schedule (Outstanding from the Invoice date)

As at March 31, 2023

₹ in lacs

Particulars		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	3,770.77	840.65	605.64	710.29	5,927.35
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

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	-	-	-	-	-

21. Revenue from operations

₹ in lacs

	March 31, 2023	March 31, 2022
Sale of Services		
Advertisement revenue	7,549.97	1,507.75
Content delivery charges	8,794.92	3,342.80
VPF service revenue	2,429.35	1,102.29
Lease rental income	5,468.95	1,172.31
Digitisation income	2,088.57	838.75
Maintenance service fee	1,085.57	416.40
Registration fees income	40.34	25.80
Distribution Income	1,620.88	236.33
Others	378.69	245.07
(A)	**29,457.24**	**8,887.50**
Sales of Products		
Lamps	3,166.85	2,397.97
Digital cinema equipments	5,783.44	3,720.08
(B)	**8,950.29**	**6,118.05**
Other Operating Income		
Sundry balances written back	861.70	891.05
Freight income	322.69	117.19
(C)	**1,184.39**	**1,008.24**
Total A+B+C	**39,591.92**	**16,013.79**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

22. Other Income*

₹ in lacs

	March 31, 2023	March 31, 2022
Miscellaneous income	159.52	374.09
Foreign exchange gain (net)	5.41	6.23
Profit on sale of fixed assets	18.47	-
Others	-	0.12
	183.40	**380.44**

*Other income excludes income earned by way of interest, dividend, gain on sale of current investments, which has been disclosed under the head Finance income (refer note 27)

23. Operating direct costs

₹ in lacs

	March 31, 2023	March 31, 2022
Advertisement revenue share	4,450.39	151.84
Exhibition equipments repairs	2,196.45	1,556.63
Van operation expenses	92.36	32.77
Technical service fees	-	192.11
Bandwidth charges	429.00	370.21
Purchase of digital cinema equipment	4,627.83	2,938.74
Purchase of lamps and spares	2,610.91	1,818.64
Content processing charges	80.10	7.41
CDC share expenses	1,685.09	861.71
Distribution Expenses	1,240.88	186.31
Other expenses	1,090.56	612.07
(Increase) / Decrease in inventories of digital cinema equipments		
Inventories at the beginning of the year	70.69	184.55
Inventories at the end of the year	131.20	70.69
	(60.51)	**113.86**
(Increase) / Decrease in inventories of lamps		
Inventories at the beginning of the year	505.21	607.91
Inventories at the end of the year	594.82	505.21
	(89.61)	**102.70**
Content Cost		
Opening Content cost	0.09	6.86
Add : Cost of content aquired during the year	6.74	0.29
Less : Closing balance of unamortised content cost	(0.96)	(0.09)
	5.87	**7.06**
Consumables and spares		
Inventories at the beginning of the year	359.44	375.01
Add: Purchases	726.62	359.66
Less: Inventories at the end of the year	(618.75)	(359.44)
	467.31	**375.23**
	18,826.63	**9,327.29**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

24. Employee benefit expense

₹ in lacs

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	8,721.06	5,736.28
Contribution to provident and other funds	473.69	313.25
Gratuity expenses (Refer note 29)	185.85	184.38
Compensated absences (Refer note 29)	-	115.92
ESOP compensation cost (Refer note 30)	105.38	271.90
Staff welfare expenses	357.85	282.79
	9,843.83	**6,904.52**

25. Other expenses

₹ in lacs

	March 31, 2023	March 31, 2022
Rent (Refer note no. 31)	439.78	327.12
Freight and forwarding charges	754.35	319.57
Legal, professional and consultancy charges	2,523.68	1,687.69
Directors sitting fees including commission	164.75	75.38
Commission on advertisement revenue	857.94	212.47
Commission on other revenue	152.26	136.51
Corporate social responsibility expenses	40.71	61.88
Sales promotion expenses	257.31	110.03
Electricity charges	257.59	168.92
Rates and taxes	38.10	37.71
Payment to Auditors	75.49	86.58
Repairs and maintenance	-	
- Plant and machinery	-	-
- Others	272.96	198.26
Insurance	94.03	106.13
Travelling and conveyance expenses	591.65	282.22
Communication and courier expenses	127.51	105.43
Printing and stationery	47.52	28.05
Bad debts written-off	286.11	191.99
Less: Provision utilised	(181.27)	(160.27)
Writeoff of loan	266.34	-
Provision for doubtful debts	47.41	20.60
Provision for slow/non-moving inventory	15.77	10.17
Provision for diminution in value of investment	31.03	410.49
Miscellaneous expenses	523.24	464.75
Loss on sale of Fixed assets	28.29	-
Foreign exchange loss (net)	4.22	-
	7,716.77	**4,881.68**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Details of CSR expenditure:

₹ in lacs

		March 31, 2023	March 31, 2022
a)	Gross amount required to be spent by the Group during the year	40.71	61.88
b)	Amount approved by the Board to be spent during the year	40.71	61.88

₹ in lacs

		In cash	Yet to be paid in cash	Total
c)	Amount spent during the year ended on 31 March 2023:			
	i) Construction/acquisition of any asset	86.77	119.25	206.03
	ii) On purposes other than (i) above	43.98	-	27.76

₹ in lacs

		In cash	Yet to be paid in cash	Total
d)	Amount spent during the year ended on 31 March 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

		March 31, 2023	March 31, 2022
e)	Details related to spent / unspent obligations		
	i) Contribution to Charitable Trust	130.75	39.49
	ii) Unspent amount in relation to: Ongoing project	119.25	209.28

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 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
47.60	154.12	40.71	17.19	113.56	23.52	88.16

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 as at and for the year ended 31 March 2023

26. Finance Cost

₹ in lacs

	March 31, 2023	March 31, 2022
Interest on		
- Term loan	716.94	859.13
- Cash credit	13.62	1.86
Interest expenses on lease liabilities	196.57	120.62
Bank charges	43.64	24.71
Interest expenses on financial liabilities carried at amortised cost	142.26	156.54
	1,113.03	**1,162.86**

27. Finance Income

₹ in lacs

	March 31, 2023	March 31, 2022
Interest income on		
- Fixed deposits	333.35	131.48
- Others*	119.81	60.68
Net gain on current investments**	36.50	253.37
	489.66	**445.53**

* Interest on other includes interest received on income tax refund

** Includes revaluation gain of ₹ Nil (March 31, 2022 reversal of fair value gain recognised earlier of ₹ 151.04 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, 2023	March 31, 2022
Basic		
Profit /(Loss) attributable to equity holders of parent (₹ in lacs)	(1,320.81)	(8,685.48)
Weighted average number of equity shares in calculating basic EPS	3,80,78,230	31,279,999
Earning per share (`) (Face value of ₹ 10 each)	**(3.47)**	**(27.77)**
Diluted		
Profit /(Loss) attributable to equity holders of parent (₹ in lacs)	(1,320.81)	(8,685.48)
Weighted average number of equity shares in calculating basic EPS	3,80,78,230	31,279,999
Effect of dilutions of stock options granted under ESOP	3,10,038	1,036,437
Weighted average number of shares outstanding (including dilution)	**3,83,88,268**	**3,23,16,436**
Earning per share (₹) (Face value of ₹ 10 each)*	**(3.47)**	**(27.77)**

*Since diluted earnings per share is increased when taking the ESOP into account from ₹ (3.47) to ₹ (3.44) 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 ₹ (3.47).

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

	March 31, 2023	March 31, 2022
Contribution to Provident fund (Government) and other funds	473.69	313.25

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, 2023

₹ in lacs

	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to Statement of Profit and Loss			
As at April 1, 2022	**1,610.73**	**608.05**	**1,002.68**
Service Cost	130.38		130.38
Net Interest cost	92.66	-	92.66
Investment Income	-	37.19	(37.19)
Recognised in Statement of profit and loss	**223.04**	**37.19**	**185.85**
Benefit paid	(60.56)	(56.83)	(3.73)
Remeasurement gains / losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(3.17)	3.17
Actuarial changes arising from changes in demographic assumptions	(17.61)		(17.61)
Actuarial changes arising from Changes in financial assumptions	(111.36)	-	(111.36)
Experience Adjustments	(155.04)	-	(155.04)
Net actuarial loss recognized in the year	-	-	-
Recognised in Other comprehensive Income	**(284.01)**	**(3.17)**	**(280.84)**
Contribution by employer	-	92.59	(92.59)
As at March 31, 2023	**1,489.20**	**677.83**	**811.37**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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
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**

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

₹ in lacs

	March 31, 2023	March 31, 2022
Gratuity		
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

The principal assumptions used in determining gratuity as shown below:

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.65%
Salary Growth	NIL for the first year and 6% thereafter	NIL for the first year and 6% thereafter
Employee turnover	10.00%	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 as at and for the year ended 31 March 2023

29. Gratuity and other post-employment benefit plans (Continued)

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in lacs

	March 31, 2023		March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	1,319.20	980.20	1,469.74	(1,320.95)
Salary Growth (-/+1%)	986.94	1,308.48	(1,329.79)	1,457.66
Attrition(-0.50/+0.50%)	1,191.60	1,065.20	1,344.41	(1,405.52)

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. These sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in lacs

	March 31, 2023	March 31, 2022
Within the next 12 months(next annual reporting period)	638.69	835.19

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2022: 5 years)

₹ in lacs

	March 31, 2023	March 31, 2022
Expected future cash flows (valued on undiscounted basis):		
1 Year	272.17	308.70
2 to 5 years	536.37	673.34
6 to 10 years	537.31	539.35
More than 10 years	742.51	599.85

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 ₹ Nil (March 31, 2022: ₹ 115.92 lacs) is recognised as an expense in the Statement of profit and loss.

30. Employee stock option plans

Employee Stock Option Scheme 2014 (ESOP 2014):

Till the previous year ended March 31, 2022, the Compensation Committee of the Board of Directors of the Company has granted 11,21,000 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 June 20, 2022, granted 75,000 Options to the eligible employees of the Company under its Employee Stock Option Scheme 2014 (ESOP 2014).

Out of the total options granted, 4,25,496 options have been exercised by the eligible employees and 54,125 options have lapsed due to the 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 as at and for the year ended 31 March 2023

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

	March 31, 2023		March 31, 2022	
	Number of Options	Weighted Average Exercise Price (`)	Number of Options	Weighted Average Exercise Price (`)
Outstanding at the beginning of the year*(refer note above)	**782,816**	**50.00**	**1,090,100**	**50.00**
Granted during the year	75,000	50.00	27,300	50.00
Exercised during the year	(135,087)	50.00	(290,409)	50.00
Forfeited/lapsed during the year out of opening	(6,350)	50.00	-	-
Lapsed during the year out of options granted during the year	-	-	(44,175)	50.00
Outstanding at the end of the year	**716,379**	**50.00**	**782,816**	**50.00**
Exercisable at the end of the year	**716,379**	**50.00**	**782,816**	**50.00**
Weighted average remaining contractual life (in months)	21		28	

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

	March 31, 2023	
	Vest 1	Vest 2
Expected Volatility	56.84%	56.84%
Risk -Free interest rate	4.24%	4.24%
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	2.00

The Carrying amount of Employee stock option reserve as at March 31, 2023 is ₹ 274.08 lacs (March 31, 2022: ₹ 223.31 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 ₹ 105.37 lacs (March 31, 2022 : ₹ 271.90 lacs) is recorded in Statement of Profit and Loss in current year.

31. Leases

Group 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, 2023, 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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

lease payment due to rent concession has not been treated as lease modification. Rent concession amounting to ₹ 9 lacs (March 31, 22 ₹ 264.44 lacs) has been recognised under 'Other income' (Refer note 22)

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Lease payments recognised in the statement of profit and loss (Short term and low value leases) Refer note no. 25	439.78	327.12
	439.78	**327.12**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Due not later than one year	317.61	720.32
Due later than one year but not later than five years	324.55	670.69
Later than five years	-	-
	642.16	**1,391.01**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Opening balance	821.37	988.93
Finance cost during the period	196.57	120.62
Deletions	(87.73)	-
Rent concessions recognised in the statement of profit and loss	(9.00)	(264.44)
Reversal of lease liabilities	-	-
Addition	2,427.15	686.78
Payment of lease liabilities	(895.34)	(710.52)
Balance at the end	**2,453.02**	**821.37**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Current lease liabilities	464.77	485.01
Non-current lease liabilities	1,988.25	336.36
	2,453.02	**821.37**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Due not later than one year	708.92	463.73
Due later than one year but not later than five years	2391.41	370.52
Later than five years	3.00	22.50
	3,103.33	**856.75**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Group as lessor

The Group 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 Group 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

	March 31, 2023	March 31, 2022
Lease income recognised in Statement of profit and loss	5,468.95	1,172.31

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

	March 31, 2023	March 31, 2022
Revenue by Geographical Market		
- Within India	31,323.47	11,012.82
- Middle east	8,268.45	5,000.97
- Rest of the world	-	-

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

₹ in lacs

	March 31, 2023	March 31, 2022
Revenue by Geographical Market		
- Within India	15,621.41	15,338.77
- Middle east	107.01	56.29
- Rest of the world	-	-

During the year ended March 31, 2022 and March 31, 2023, no single external customer has generated revenue of 10% or more of the Group's total revenue.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

33. Related party disclosures

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

Associate Enterprises	Scrabble Digital DMCC Scrabble Venture LLC Mukta V N Films Limited Scrabble Audio Visual Equipment Trading LLC Cinestaan Digital Private Limted Mumbai Movie Studios Private Limited Scrabble Digital Servcies DMCC
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 Jeevangani Films IPSAA Holding Private Limited The Simple Brew
Key management personnel	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director (up to June 17, 2022) Mr. Kapil Agarwal - Non executive director (w.e.f June 17, 2022 up to April 26, 2023) Mr. Ashish Malushte - Chief Financial Officer Mr. Rajesh Mishra - Chief Executive Officer - Indian Operations(up to June 17, 2022) Mr. Rajesh Mishra - Executive Director and Group CEO (w.e.f June 18, 2022) Ms. Kavita Thadeshwar- Company Secretary Mr. Sanjeev Aga - Independent and Non executive director (up to November 18, 2022) Mr. S. Madhavan - Independent and Non executive director (up to November 18, 2022) Ms. Lynn de Souza - Independent and Non executive director (up to November 18, 2022) Mr. Ameya Hete - Non executive director Mr. Anand Yogendra Trivedi - Independent director Mr. Gautam Yogendra Trivedi - Independent director Mr. Kannwar Bir Singh Anand- Independent and Non executive director (w.e.f. May 26, 2022) Ms. Swati Mohan-Independent and Non executive director (w.e.f. June 15, 2022) Mr. Rajiv Batra - Independent and Non executive director(w.e.f. June 15, 2022) Mr. Raaja Kanwar - Non executive director (up to November 15, 2022)
Relatives of Key management personnel	Mr. Narendra Hete Mrs. Aruna Narendra Hete Mr. Uday Shankar Gaikwad

Notes to consolidated financial statements as at and for the year ended 31 March 2023

2. Details of transactions with related parties during the year

₹ in lacs

Sr. No.	Particulars	March 31, 2023	March 31, 2022
	Nature of transaction/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	2.12	2.19
	ii) Media Infotek Park	91.96	88.88
B	**Technical and professional services (expense)**		
	i) Valuable Technologies Private Limited	0.00	192.11
	ii) Deco Works LLP	6.61	4.86
C	**Direct Expenses (Licensee fees)**		
	i) Impact Media Exchange Limited	36.00	36.00
D	**Licensee fee- Club X (income)**		
	i) Valuable Media Private Limited	2.56	1.94
E	**Rent paid (expense)**		
	i) Media Infotek Park	624.99	527.32
F	**Rent income (Miscellaneous receipts)**		
	i) Valuable Media Private Limited	0.66	3.10
	ii) Valuable Edutainment Private Limited	0.00	1.70
G	**Advertisement revenue Censor**		
	i) Jeevangani Films	0.05	-
	ii) IPSAA Holding Private Limited	2.95	-
H	**Purchase of product**		
	i) The Simple Brew	1.70	-
I	**Sales of Spare (Income)**		
	i) Valuable Media Private Limited	56.08	-
2	**Associate Enterprises**		
A	**Sale of goods**		
	i) Scrabble Digital DMCC	-	35.47
	ii) Scrabble Audio Visual Equipment Trading LLC	510.63	592.12
B	**Content Income**		
	i) Mukta V N Films Limited	82.53	4.34
C	**Content provisioning income**		
	i) Mumbai Movie Studios Private Limited	14.16	-
D	**Support service expenses**		
	i) Mumbai Movie Studios Private Limited	-	0.08
E	**Management Service Fees (Miscellaneous receipts)**		
	i) Mumbai Movie Studios Private Limited	307.67	3.64

Notes to consolidated financial statements as at and for the year ended 31 March 2023

₹ in lacs

Sr. No.	Particulars	March 31, 2023	March 31, 2022
F	**Dividend received**		
	i) Scrabble Digital DMCC	223.28	37.45
	ii) Scrabble Venture LLC	-	-
G	**Payment for conversion of share warrants into Equity shares**		
	i) Cinestaan Digital Private Limted	-	97.00
H	**Purchase/call amount paid for Optionally convertible preference shares**		
	i) Mumbai Movies Studio Private Limited	-	262.50
I	**Purchase of equity shares**		
	i) Mumbai Movies Studio Private Limited	-	-
J	**Unsecured loan given**		
	i) Cinestaan Digital Private Limited	285.00	-
	ii) Scrabble Digital Services DMCC, Dubai	59.32	-
K	**Interest income on loans**		
	i) Cinestaan Digital Private Limited	19.17	-
L	**Unsecured loan repayment received**		
	i) Cinestaan Digital Private Limited	35.00	-
M	**Service Income**		
	i) Mumbai Movies Studio Private Limited	4.84	-
3	**Key Managerial Personnel and their relatives**		
A	**Remuneration to key managerial personnel**		
	i) Mr. Sanjay Gaikwad	310.29	219.12
	ii) Mr. Kapil Agarwal	108.37	279.92
	iii) Mr. Ashish Malushte	157.40	68.20
	iv) Mr. Rajesh Mishra (President and Group CEO Till June 17, 2022)	58.48	86.82
	v) Mr. Rajesh Mishra (Executive Director & Group CEO From June 18, 2022)	169.46	-
	vi) Ms. Kavita Thadeshwar	48.50	45.62
B	**Directors Sitting Fees and Commission expenses**		
	i) Mr S. Madhavan	17.21	19.17
	ii) Ms. Lynn de Souza	16.96	18.54
	iii) Mr. Sanjeev Aga	25.53	26.67
	iv) Mr. Ameya Hete	14.50	6.00
	v) Mr. Anand Trivedi	8.00	2.00
	vi) Mr. Gautam Trivedi	7.00	2.00
	vii) Mr. Raaja Kanwar	-	1.00
	viii) Ms. Swati Mohan	16.63	-
	ix) Mr. Kapil Agarwal	9.50	-
	x) Mr. Kanwar Bir Singh Annad	29.63	-
	xi) Mr.Rajiv Batra	19.79	-
C	**Sale of Motor Car**		
	i) Mr. Kapil Agarwal	69.38	-

Notes to consolidated financial statements as at and for the year ended 31 March 2023

33. Related party disclosures

Balance outstanding as at

₹ in lacs

Sr. No.	Particulars		March 31, 2023	March 31, 2022
1	**Enterprises owned or significantly influenced by Key Management Personnel and their relatives**			
A	**Trade Receivables**			
	i)	Valuable Media Private Limited	1.14	0.73
	ii)	Valuable Infotainment Private Limited	0.27	0.27
	iii)	Valuable Edutainment Private Limited	2.50	2.58
B	**Deposit receivable**			
	i)	Media Infotek Park	359.66	359.66
C	**Deposit payable**			
	i)	Valuable Media Private Limited	0.12	2.16
	ii)	Valuable Infotainment Private Limited	0.06	0.06
	iii)	Valuable Edutainment Private Limited	0.64	0.64
D	**Trade Payable**			
	i)	Impact Media Exchange Limited	12.48	6.48
	ii)	Media Infotek Park	0.00	8.31
	iii)	IPSAA Holding Pvt Ltd	0.05	-
	iv)	Valuable Technologies Limited	0.00	284.40
2	**Associate enterprise**			
A	**Amount receivable**			
	i)	Mukta V N Films Limited	18.01	8.70
	ii)	Mumbai Movie Studios Private Limited	-	-
B	**Amount payable**			
	i)	Mumbai Movie Studios Private Limited	0.66	0.89
	ii)	Scrabble Audio Visual Equipment Trading LLC	-	-
	iii)	Scrabble Digital DMCC	1.33	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
D	**Unsecured loan**			
	i)	Scrabble Digital Services DMCC, Dubai	59.32	-
3	**Key managerial personnel**			
A	**Payable to Independent and Non executive directors**			
	i)	Mr. Sanjeev Aga	0.00	5.67
	ii)	Mr. Ravi Batra	8.79	-
	iii)	Mr. Kanwar Bir Singh Annad	19.63	-
	iv)	Swati Mohan	6.63	-
B	**Payable to key managerial personnel**			
	i)	Mr. Sanjay Gaikwad	-	76.00
	ii)	Mr. Kapil Agarwal	-	76.00

Notes:

a) As at March 31, 2023, the Company has provided Corporate guarantee to the bank for an Overdraft facility of ₹ 200 lacs (March 31, 2022: ₹ 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Compensation of key management personnel of the Company:

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Remuneration	852.49	699.68

34. Capital and other commitments

₹ in lacs

	March 31, 2023	March 31, 2022
Capital commitments	245.30	1,064.11
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 149.93 lacs (March 31, 2022: ₹ 46.42 lacs))		
Other commitments (operating expenses net of advances of ₹ 19.04 lacs (March 31, 2022 : ₹ 132.69 lacs))	313.40	223.00
	558.70	**1,287.11**

35. Contingent liabilities

₹ in lacs

	March 31, 2023	March 31, 2022
Pending litigations/matters		
In respect of Indirect tax matters		
VAT and Sevice tax matters (Refer note (b))	35.00	76.00
Maharashtra sales tax (FY 2014-15)	-	6.27
	35.00	**82.27**

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) 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 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.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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 hierarchy as at March 31, 2023 is as follows:

₹ in lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total Carrying amount	Total Fair value
Financial Assets					
Non current Investments	2,807.67	-	-	2,807.67	2,807.67
Current Investments	-	52.48	-	52.48	52.48
Trade Receivables	6,604.06	-	-	6,604.06	6,604.06
Cash and Cash equivalents	1,431.65	-	-	1,431.65	1,431.65
Bank balances other than cash and cash equivalents	6,582.06	-	-	6,582.06	6,582.06
Other Financial Assets	854.49	-	-	854.49	854.49
Total				**18,332.41**	**18,332.41**
Financial Liabilities					
Borrowing	8,053.88	-	-	8,053.88	8,053.88
Lease liabilities	2,453.02	-	-	2,453.02	2,453.02
Trade Payable	5,927.35	-	-	5,927.35	5,927.35
Other financial liabilities	4,266.67	-	-	4,266.67	4,266.67
Total				**20,700.92**	**20,700.92**

The Carrying value and fair value of financial assets and liability by hierarchy 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 as at and for the year ended 31 March 2023

The Carrying value and fair value of financial assets by hierarchy as at March 31, 2023 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	52.48	52.48	-	52.48	-
Total	**52.48**	**52.48**	**-**	**52.48**	**-**

The Carrying value and fair value of financial assets by hierarchy as at March 31, 2022 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	2,548.03	2,548.03	-	2,548.03	-
Total	**2,548.03**	**2,548.03**	**-**	**2,548.03**	**-**

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, 2023 and March 31, 2022 there was no transfer between level 1 and level 2 fair value instruments.

37. Financial Risk Management - Objectives and policies

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

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

1. Market Risk

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

a) Interest Rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

Particulars	Increase effect on profit		Decrease effect on profit	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(80.5)	(86.9)	80.5	86.9

b) Currency Risk:

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The Majority of the Group's revenue and expense are in Indian Rupees, with the remainder denominated in 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, 2023	March 31, 2022
Trade Receivable	44.33	69.42
In USD (in lacs)	0.54	0.92
Trade Payable	6.22	70.92
In USD (in lacs)	0.08	0.94
Advance to supplier	9.11	95.96
In USD (in lacs)	0.11	1.27
Cash and Bank Balance	0.76	0.71
In USD (in lacs)	0.06	0.06
Advance from Customer	13.80	12.69
In USD (in lacs)	0.17	0.17
Other receivable	3.13	5.89
In USD (in lacs)	0.04	0.08

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 Group's profit before tax due to changes in the fair value of monetary assets and liabilities:

₹ in lacs

	March 31, 2023	March 31, 2022
	Impact on Profit - Increase/ (Decrease)	Impact on Profit - Increase/ (Decrease)
1% increase in foreign exchange rate:	0.37	0.88
1% (decrease) in foreign exchange rate:	(0.37)	(0.88)

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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 ₹ 15,584.06 lacs and ₹ 16,182.49 lacs as at March 31, 2023 and March 31, 2022 respectively as per the table below:

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Other Non current financial assets	1,861.50	752.01
Current Investments	52.48	2,548.03
Trade Receivable	6,604.06	3,431.14
Cash and cash equivalents	1,431.65	1,524.64
Bank balances other than cash and cash equivalents	5,343.99	7,364.38
Other current financial assets	290.38	562.26
Total	**15,584.06**	**16,182.46**

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 has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing risk pertaining to financial assets. The Group continues to believe that there is no impact on such assets.

3. Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium-term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At March 31, 2023					
Non current borrowings (Including current maturity)	5,031.30	2,219.58	-	7,250.88	7,250.88
Short term borrowing	803.00	-	-	803.00	803.00
Lease liabilities	464.77	1,988.25	-	2,453.02	2,453.02
Trade Payables	5,927.35	-	-	5,927.35	5,927.35
Other financial liabilities (current)	1,947.24	-	-	1,947.24	1,947.24
Other financial liabilities (non-current)	-	2,319.43	-	2,319.43	2,319.43
Total				**20,700.92**	**20,700.92**
At March 31, 2022					
Non current borrowings (Including current maturity)	3,641.50	5,052.49	-	8,693.99	8,693.99
Short term 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**

38. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, Securities premium 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, 2023	March 31, 2022
Long term debt including current maturities	7,250.88	8,693.99
Equity attributable to owners of Group	26,865.31	27,569.50
Gearing Ratio	26.99%	31.53%

39. Investments During the year

Investment in Plexigo Entertainment Private Limited (Plexigo):

During the year ended March 31, 2023, the Company had further invested an amount of ₹ 25 lacs by subscribing to 2,500 Non-Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) of Plexigo Entertainment Private Limited (Plexigo). As on March 31, 2023, the Company has invested an aggregate amount of ₹ 276 lacs in Plexigo.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Investment in Zinglin Media Private Limited (Zinglin) :

During the previous 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, 2023, the Company has invested an aggregate amount of ₹ 410.91 lacs in Zinglin.

Investment in Nova Cinemaz Private Limited.

During the previous year ended March 31, 2022, 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. During the year ended March 31, 2023, the Company has made an investment of ₹ 300 lacs in Nova Cinemaz Private Limited, subscribing to 30,00,000 equity shares of ₹ 10 each, its wholly owned subsidiary, for its NOVA EUC business.

Investment in the Company-Preferential Allotement

During the previous 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.

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, 2023	March 31, 2022
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 sevents subsequent March 31, 2023 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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

Non Material Associate:

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

₹ in lacs

Particular	March 31, 2023	March 31, 2022
Group's share of Profit / (loss)	740.60	342.13
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	740.60	342.13

43. Unbilled Receivables and Contract Liabilities

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Unbilled Receivables		
Opening balance April 1, 2022	**235.18**	**208.32**
Less: Invoices raised for revenue recognised during the previous year	(235.18)	(208.32)
Add: increase due to invoices not raised for revenue recognised during the year	275.23	235.18
Closing balance March 31, 2023	**275.23**	**235.18**

Particulars	March 31, 2023	March 31, 2022
Contract Liabilities (Advance or deferred income)		
Opening balance	**769.94**	**717.40**
Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(769.94)	(717.40)
Add: invoices raised for which no revenue is recognised during the year	1,523.67	769.94
Closing balance	**1,523.67**	**769.94**

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, 2023	March 31, 2022
Revenue from contracts with customers (as per Statement of Profit and Loss)	39,591.92	16,013.79
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	40.05	26.86
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	753.73	52.53
Contracted price with the customers	**40,385.70**	**16,093.18**
The Group does not have revenue from individual customer exceeding 10% of total revenue.		

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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.

45. Business outlook post COVID 19

Post lifting of Covid related occupancy restrictions late last year and the reopening of cinemas, filmgoers have started revisiting Cinemas, thus giving boost to the sentiments of the exhibition industry. The theatrical exhibition industry has witnessed recovery and an improved performance during the year. The Company has continued with its strategy of keeping a check on controllable costs and having adequate liquidity. As per the management, the Company is expected to generate sufficient funds from its operating activities and will have sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure. Management believes that the long-term drivers of the business are intact and does not anticipate any risks to the business or its ability to meet its financial obligations in the foreseeable futuree.

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 released draft rules for the Code on Social Security, 2020 on November 13, 2020, and 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

47. Disclosure of Additional Information, as required under Schedule III to the Companies Act, 2013.

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, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
	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
A. UFO Moviez India Limited	110.57%	29,706.00	227.81%	(3,009.00)	42.24%	187.41	321.69%	(2,821.59)
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	18.73%	5,032.33	-106.35%	1,404.66	-3.49%	(15.47)	-158.38%	1,389.19
(ii) Nova Cinemaz Private Limited	-3.96%	(1,062.90)	38.68%	(510.93)	1.22%	5.41	57.63%	(505.52)
(iii) Zinglin Media Private Limited	-1.66%	(447.24)	13.26%	(175.16)	0.00%	-	19.97%	(175.16)
(iv) UFO Software Technologies Private Limited	0.14%	37.88	-0.11%	1.49	0.00%	-	-0.17%	1.49
(v) Plexigo Entertainment Private Limited	-0.50%	(134.68)	3.18%	(42.04)	0.00%	-	4.79%	(42.04)
(vi) Scrabble Digital Limited	6.28%	1,687.71	-32.98%	435.65	1.75%	7.77	-50.55%	443.42
II. Foreign		-		-		-		
(vii) United Film Organisers Nepal Private Limited	0.00%	-	0.20%	(2.58)	0.00%	-	0.29%	(2.58)
(viii) UFO Lanka Private Limited	0.06%	14.87	0.00%	-	0.00%	-	0.00%	-
(ix) Scrabble Entertainment DMCC	7.74%	2,080.26	-97.21%	1,284.01	0.00%	-	-146.39%	1,284.01
(x) Scrabble Entertainment Mauritius Limited	2.55%	685.04	-83.13%	1,097.98	0.00%	-	-125.18%	1,097.98
(xi) Scrabble Entertainment Lebanon Sarl	-0.03%	(7.62)	0.14%	(1.89)	0.00%	-	0.22%	(1.89)
(xii) Scrabble Digital Inc	0.01%	1.43	1.26%	(16.69)	0.00%	-	1.90%	(16.69)
C. Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D. Associates (Investment as per equity method)						-		
I. Indian						-		
(i) Mukta V N Films Limited	1.04%	279.99	-1.67%	22.01	0.00%	-	-2.51%	22.01
(ii) Cinestaan Digital Private Limited	0.00%	(0.00)	9.15%	(120.82)	0.00%	-	13.77%	(120.82)
(iii) Mumbai Movies Studio Private Limited	1.81%	485.81	0.31%	(4.13)	0.00%	-	0.47%	(4.13)
II. Foreign								
(iv) Scrabble Digital DMCC	0.77%	206.21	-9.59%	126.68	0.00%	-	-14.44%	126.68
(v) Scrabble Ventures LLC	1.77%	474.69	1.04%	(13.75)	0.00%	-	1.57%	(13.75)
(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.	4.81%	1,292.00	-51.28%	677.28	0.00%	-	-77.22%	677.28
(viii) Scrabble Digital Services DMCC	0.26%	68.97	-4.04%	53.32	0.00%		-6.08%	53.32
Adjustment arising on consolidation	-50.38%	(13,535.45)	191.31%	(2,526.90)	58.28%	258.57	258.61%	(2,268.34)
Total	**100.00%**	**26,865.31**	**100.00%**	**(1,320.81)**	**100.00%**	**443.70**	**100.00%**	**(877.11)**

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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, 2023	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
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	-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%	-

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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, 2023	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
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)**

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 25, 2023

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

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

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	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Sharehold-ing	Country
1	Scrabble Entertainment Limited	15-Feb-11	-	1.00	INR	76.84	4,955.50	6,494.28	1,461.95	4,227.71	2,792.79	1,976.35	199.46	1,776.89	14,983.55	100	India
2	Scrabble Entertainment DMCC	16-Feb-11	-	22.36	AED	670.94	1,339.98	4,064.65	2,053.73	48.63	8,274.32	1,255.20	-	1,255.20	1,118.51	100	U.A.E.
3	Scrabble Entertainment Mauritius Limited	11-Jul-11	-	82.15	USD	616.15	68.89	742.82	57.78	604.23	20.09	1,138.98	36.52	1,102.46	1,117.37	100	Mauritius
4	Scrabble Digital Inc	22-Mar-13	-	82.15	USD	451.84	52.01	523.50	19.65	453.04	-	30.53	-	30.53	-	100	U.S.A.
5	Scrabble Entertainment Lebanon Sarl	13-Mar-12	31-Dec-22	0.01	LBP	0.27	(7.89)	-	7.62	-	-	-	-	-	-	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	13.06	38.13	0.25	-	-	1.99	0.50	1.49	-	100	India
8	Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)	06-Jan-15	-	1.00	INR	426.45	(1,489.34)	460.03	1,522.93	-	196.75	(510.93)	-	(510.93)	-	100	India
9	UFO Lanka Private Limited	31-Jan-08	-	0.25	LKR	69.22	(55.52)	14.87	1.18	-	-	-	-	-	-	100	SriLanka
10	Zinglin Media Private Limited	11-Nov-17	-	1.00	INR	51.00	(498.24)	68.67	515.90	-	-	(180.93)	(5.77)	(175.16)	-	100	India
11	Plexigo Entertainment Private Limited	05-Nov-20	-	1.00	INR	51.00	(185.68)	93.95	228.63		0.80	(41.97)	0.07	(42.04)	-	100	India
12	Scrabble Digital Limited	15-Dec-18	-	1.00	INR	59.31	1,628.39	1,971.11	283.40	-	1,912.43	(11.82)	(0.57)	(11.25)	-	100	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2022 and is not audited and is management accounts
2. The exchange rates considered are as at March 31, 2023
3. The accounts of Scrabble Digital Inc ,UFO Lanka Private Limited as at March 31, 2023 are not audited and are Management accounts.
4. Scrabble Entertainment Israel Ltd is under the process of being Liquidated, hence not consolidated.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART B - Associates and Joint Ventures

₹ In lacs

Sr. No.	Name of Associates or Joint Ventures	Mukta VN Films Limited	Cinestaan Digital Private Limited	Mumbai Movies Studio Private Limited	Scrabble Digital DMCC	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico	Scrabble Digital Services DMCC	Scrabble Audio Visual Equipment Trading LLC-Dubai,U.A.E.
1	**Latest Audited Balance Sheet**	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
2	**Date on which the Associate or Joint Venture was associated or acquired**	10-Jun-13	20-Dec-19	04-Dec-20	16-Feb-11	01-Apr-13	16-Aug-13	29-Nov-22	25-Nov-18
3	**Shares of Associate or Joint Venture held by the Company on the year end**								
	Number of shares held	30,60,000	26,68,552	3,75,000	100	2,500	1,500	1,000	147
	Amount of Investment in Associate or Joint Venture	330.00	1,082.34	637.50	12.73	205.38	0.08	15.66	30.21
	Extent of Holding (in percentage)	48.12%	33.08%	30.74%	33.33%	50%	30%	19%	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	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**	255.99	(65.07)	(105.75)	272.28	25.33	(292.93)	64.83	701.22
7	**Profit or Loss for the year**	16.64	(104.98)	(83.66)	380.09	(27.50)	(13.07)	287.91	684.12
	i. Considered in Consolidation	22.01	(120.82)	(4.13)	126.68	(13.75)	-	53.32	677.28
	ii. Not Considered in Consolidation	(5.36)	15.84	(79.53)	253.40	(13.75)	(13.07)	234.60	6.84

Notes:

1. The exchange rates considered are at March 31, 2023
2. The reporting period for Scrabble Digital DMCC is December 31, 2022
3. Except Scrabble Audio Visual Equipment Trading LLC-Dubai,U.A.E. which is audited, all others financials of associates are management approved
4. The number of shares held include shares held directly or indirectly through subsidiaries.

As per our report of even date attached.

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

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

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place:Mumbai
Date: May 25, 2023

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 2023, 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 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 2023, and 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 Auditor's 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.

Revenue Recognition relating to advertisement, content delivery charges and lease rental income	
See Note 22 and 2(h) to standalone financial statements	
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 Rs. 22,885.98 lakhs for the year ended 31 March 2023 (Refer Notes 22 and 2(h) to the standalone financial statements). We identified these revenue streams as a KAM considering – • Advertisement revenue has an inherent risk due to fraud 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 recognised 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 override of controls.	In relation to recognition of revenue from advertisement revenue, content delivery charges (CDC) and lease rental income, we have: • Assessed the Company's accounting policies relating to revenue recognition by comparing them to applicable accounting standard; • Assessed the accuracy of amount and timing of revenue recognised during the year; • Assessed the design, implementation and operating effectiveness of Company's key internal controls over revenue recognition; • Involving our internal IT specialists, assessed the design, implementation and operating effectiveness of Company's key internal IT controls over the scheduling and billing; • 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 ascertain revenue recognised was complete and was recorded in the correct period and at correct value;

	• On samples selected statistically, we gathered understanding of the process by which revenue is determined by the relevant billing system verified underlying records such as agreement, sales contracts, release orders, invoices, logs for advertisements and content displayed analyzed release orders over / under/ unutilized and obtained rationale from Company for the same verified the underlying documents for the existence of the customers
Impairment of investment in and loans to subsidiaries and associates	
See Note 5 and 6 to standalone financial statements	
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 Rs. 11,562.29 lakhs. Further, the Company has also advanced loans amounting to Rs. 446.32 lakhs (refer note 5 and 6 to the standalone financial statements). Management has performed an impairment assessment, in case of any triggers, based on the future business plans of the respective entity with underlying assumptions using the discounted free cash flow model. We identified this as a KAM considering the significant risk that these investments and loans may not be recoverable. The annual impairment testing involves significant judgment in evaluating appropriateness of model used and underlying assumptions such as growth rate, terminal value, discount rate and others.	Our audit procedures included, amongst others, the following: • evaluating the Company's process for identifying indicators of impairment of its investment in subsidiaries and associate and /or recoverability of loans by assessing management's review of the financial performance of each subsidiary and associate; • assessed the recoverable amount based on the valuation carried out by the Company using discounted cash flow model. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements; • reconciled input data to approved budgets and tested mathematical accuracy; • performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in the aggregate, could impact the analysis; • obtain clearance from internal expert on the valuation, where applicable; and • discussed management's strategic and operational plans for the foreseeable future.

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 financial statements and auditor's 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' Responsibilities 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 the 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 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 standalone 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 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 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.

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, 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 46(ix) to the standalone financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 46(ix) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 explanation 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 read with Schedule V of the Act. The remuneration paid to any director is as per limit laid down under Section 197 read with Schedule V of the Act and as approved by the shareholders through special resolution in the Annual General Meeting held on 23 August 2022. 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: 23103145BGXWWP5476

Place: Mumbai
Date: 25 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of UFO Moviez India Limited for the year ended 31 March 2023

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

(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.

(i) (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 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 accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable 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 the 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 and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks 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 or financial institutions 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) 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 in respect of which the requisite information is as below:

Amount in ₹ Lakhs

Particulars	**Guarantees**	**Security**	**Loans***	**Advances in nature of loans**
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	250.00	-
Others	-	-	-	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-		1,143.43	-
Joint ventures*	-		-	-
Associates*	200.00		250.00	-
Others*	-		-	-

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, 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, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loans of Rs. 1,029.43 lakhs given to Nova Cinemaz Private Limited, Rs. 114.00 lakhs given to Zinglin Media Private Limited and Rs. 250.00 lakhs given to Cinestaan Digital Private Limited which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. 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 overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) 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.

(f) 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 not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (“the Act”):.

Amount in ₹ Lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	1,393.43	-	1,393.43
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	1,393.43	-	1,393.43
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided / products traded by it. Accordingly, clause 3(vi) of the Order is not applicable.

(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 1 July 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, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State

Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues*	Amount (₹ in Lakhs)*	Period (Financial year)	Forum where the dispute is pending	Forum where the dispute is pending
Bihar Value Added Tax Act	Value added Tax	10.80	2007-08 to 2008-09 and 2010-11	Joint Commissioner of Sales Tax (Appeals)	
Kerala Sales tax	Sales tax	58.70	2011-12 to 2012-13	Joint Commissioner of Sales Tax (Appeal)	Rs. 14.55 paid under protest
Telangana sales tax	Sales tax	9.32	2015-16	Deputy Commissioner (Appeals)	Rs. 1.33 paid under protest
Gujarat Sales Tax	Sales tax	1.52	2015-16 to 2017-18	Deputy Commissioner (Appeals)	Rs. 0.04 paid under protest
Tamil Nadu Sales Tax	Sales tax	1.74	2014-15 to 2015-16	Deputy Commissioner (Appeals)	

(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 associate 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 or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). 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 preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the 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) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(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 not incurred cash losses in the current financial year and has incurred cash losses of Rs. 1,178.86 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. 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: 23103145BGXWWP5476

Place: Mumbai
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of UFO Moviez India Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(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 financial statements of UFO Moviez India Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Rajesh Mehra
Partner
Membership Number: 103145
ICAI UDIN: 23103145BGXWWP5476

Place: Mumbai
Date: 25 May 2023

Standalone Balance Sheet as at March 31, 2023

₹ in lacs

Particulars	Note	March 31, 2023	March 31, 2022
Assets			
Non-current Assets			
Property, plant and equipment	3.1	9,238.73	10,509.27
Capital work-in-progress	3.1	1,132.96	904.09
Right of use assets	3.2	2,232.08	509.71
Goodwill	3.3	340.17	340.17
Other intangible assets	3.4	67.12	76.86
Financial assets			
(i) Investment in subsidiaries and associates	4	11,562.29	12,544.59
(ii) Loans receivables	5	-	-
(iii) Other financial assets	6	1,813.29	652.85
Deferred tax assets (net)	7	9,837.73	9,197.41
Income tax assets (net)	8	3,866.48	3,282.38
Other non-current assets	9	169.17	136.24
Total Non-current Assets (A)		**40,260.02**	**38,153.57**
Current Assets			
Inventories	10	811.23	548.80
Financial assets			
(i) Investments	11	-	2,044.14
(ii) Trade receivables	12	4,897.77	2,139.46
(iii) Cash and cash equivalents	13	361.03	334.66
(iv) Bank balances other than cash and cash equivalents	13	3,937.87	5,254.87
(v) Loans	5	339.85	453.85
(vi) Other financial assets	6	305.14	518.20
Other current assets	9	1,878.26	3,379.61
Total Current Assets (B)		**12,531.15**	**14,673.59**
Total Assets (A+B)		**52,791.17**	**52,827.16**
Equity And Liabilities			
Equity			
(i) Share capital	14	3,817.62	3,804.11
(ii) Other equity	15	25,887.89	28,550.19
Total Equity (C)		**29,705.51**	**32,354.30**

Standalone Balance Sheet as at March 31, 2023

₹ in lacs

Particulars	Note	March 31, 2023	March 31, 2022
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	16	2,219.58	5,052.49
(ii) Lease liabilities	32	1,918.05	218.56
(iii) Other financial liabilities	17	2,332.65	2,914.96
Provisions	18	560.65	751.24
Other non-current liabilities	19	888.35	461.15
Total Non-current Liabilities (D)		**7,919.28**	**9,398.40**
Current Liabilities			
Financial liabilities			
(i) Borrowings	20	5,834.30	3,641.50
(ii) Lease liabilities	32	450.58	348.70
(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		4,678.13	3,603.68
(iv) Other financial liabilities	17	1,791.53	1,777.45
Provisions	18	371.91	483.56
Other current liabilities	19	2,039.93	1,219.57
Total Current Liabilities (E)		**15,166.38**	**11,074.46**
Total Liabilities (D+E)		**23,085.66**	**20,472.86**
Total Equity And Liabilities (C+D+E)		**52,791.17**	**52,827.16**
Significant accounting policies	2		

The accompanying notes 1 to 48 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

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place : Mumbai
Date : May 25, 2023

Standalone Statement of profit and loss for the year ended March 31, 2023

₹ in lacs

Particulars	Note	March 31, 2023	March 31, 2022
Income			
Revenue from operations	22	27,937.61	8,666.37
Other income	23	118.94	332.80
Total Income (I)		**28,056.55**	**8,999.17**
Expenses			
Operating direct cost	24	**12,578.96**	**4,364.37**
Cost of consumables and spares consumed		279.43	312.39
Purchases of digital cinema equipment and lamps		1,874.08	904.95
Changes in inventories		0.67	97.11
Advertisement revenue share		4,451.96	151.84
Virtual print fees sharing		1,845.76	481.51
Other operating direct cost		4,127.06	2,416.57
Employee benefits expenses	25	8,132.14	5,613.02
Other expenses	26	7,621.82	4,106.12
Total Expenses (II)		**28,332.92**	**14,083.51**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(276.37)**	**(5,084.34)**
Depreciation and amortisation expenses	3	4,418.55	5,115.59
Finance cost	27	1,079.46	1,120.17
Finance income	28	(2,061.91)	(2,354.38)
Loss before tax		**(3,712.47)**	**(8,965.72)**
Tax Expense:			
- Current tax	8	-	-
- Deferred tax credit	8	(703.35)	(2,078.97)
Total Tax Expense		**(703.35)**	**(2,078.97)**
Loss for the year		**(3,009.12)**	**(6,886.75)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefits plans		250.44	(78.23)
(ii) Income tax related to items that will not be reclassified to profit or loss		(63.03)	19.69
Total Comprehensive Loss for the year		**(2,821.71)**	**(6,945.29)**
Earnings per equity share (Face value of share of ₹ 10 each)			
(1) Basic	29	(7.90)	(22.02)
(2) Diluted	29	(7.90)	(22.02)
Significant accounting policies	2		

The accompanying notes 1 to 48 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 25, 2023

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

Sanjay Gaikwad
Managing Director
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Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of changes in Equity for the year ended March 31, 2023

A. Share capital (refer note 14)

As at March 31, 2023 ₹ in lacs

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2023
3,804.11	-	13.51	3,817.62

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

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, 2021	**29,540.60**	**1,865.67**	**68.83**	**371.72**	**(5,174.38)**	**26,672.44**
Profit / (Loss) for the year	-	-	-	-	(6,886.75)	(6,886.75)
Other comprehensive income for the year	-	-	-	-	(58.54)	(58.54)
	29,540.60	**1,865.67**	**68.83**	**371.72**	**(12,119.67)**	**19,727.15**
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**	**(12,119.67)**	**28,550.19**
Profit / (Loss) for the year	-	-	-	-	(3,009.12)	(3,009.12)
Other comprehensive income for the year	-	-	-	-	187.41	187.41
	38,209.16	**1,865.67**	**223.31**	**371.72**	**(14,941.38)**	**25,728.48**
Employee stock option plans cost	-	-	105.38	-	-	105.38
Share issuance during the year	54.03	-	-	-	-	54.03
Share issuance expenses	-	-	-	-	-	-
Transfer on employee stock options exercised during the year	54.62	-	(54.62)	-	-	-
As at March 31, 2023	**38,317.81**	**1,865.67**	**274.07**	**371.72**	**(14,941.38)**	**25,887.89**

The accompanying notes 1 to 48 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 25, 2023

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

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of Cash Flows for the year ended March 31, 2023

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Cash flow from operating activities		
Loss before tax	(3,712.47)	(8,965.72)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation and amortisation expense	4,418.55	5,115.59
Provision for doubtful debts	22.00	-
Provision for doubtful loans and advances	129.74	182.00
Sundry balances written back	(184.98)	(557.29)
Unrealised foreign exchange loss (net)	(0.29)	(0.78)
(Profit) / Loss on sale and write off of fixed assets	13.75	2.17
Bad debts written-off	104.84	31.72
Loan written-off	266.34	-
Net gain on current investments	(16.19)	(70.71)
Interest expenses on financial liabilities carried at amortised cost	142.20	156.54
ESOP compensation	93.43	252.97
Diminution in value of investment	1,319.25	410.49
Dividend income from subsidiaries	(1,498.35)	(1,997.81)
Gain on lease concession	(9.00)	(257.30)
Interest on fixed deposits	(308.93)	(121.31)
Interest on loan to related party	(140.81)	(104.32)
Interest on income tax refund	(97.63)	(60.23)
Interest on term loan	716.94	859.13
Interest on cash credit	13.27	-
Interest expense on lease liabilities	171.81	84.31
Operating (loss) before working capital changes	**1,443.47**	**(5,040.55)**
Movement in working capital :		
Increase in trade payables	1,074.45	106.37
Increase in long-term provisions	59.85	92.60
(Decrease) / Increase in Short-term provisions	(111.65)	63.61
(Decrease) / Increase in other non-current liabilities	427.20	82.22
Increase in non current other financial liabilities	(582.31)	4.46
Increase in other current liabilities	1,005.32	767.82
(Decrease) / Increase in current other financial liabilities	(346.79)	172.32
Decrease in other current assets	1,501.36	101.52
(Increase) in trade receivables	(2,885.15)	(688.84)
(Increase) / Decrease in inventories	(262.43)	123.73
(Increase) / Decrease in other non current assets	(37.37)	169.00
Decrease / (Increase) in current other financial assets	353.45	(237.08)
(Increase) / Decrease in non current other financial assets	(378.74)	337.97
Cash generated / (used) in operations	**1,260.66**	**(3,944.85)**
Net direct taxes refund / (paid)	(486.46)	49.65
Net cash flow generated / (used) in operating activities (A)	**774.20**	**(3,895.20)**
Cash flow from / (used in) investing activities		
Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances	(2,629.99)	(1,169.97)
Proceeds from sale of property, plant and equipment including capital work in progress	119.61	44.09
Payment of purchase consideration for purchase of shares / warrants of associates	-	(96.99)
Payment of purchase consideration for purchase of preference shares of a subsidiary	-	(259.91)
Payment of purchase consideration for purchase of shares of a subsidiary	(325.00)	(125.00)
Repatriation of Investment from subsidiary	-	48.20
Purchase of current investments	(3,100.00)	(13,468.98)
Proceeds from sale/redemption of current investments	5,160.33	14,038.59
Interest on fixed deposits	269.89	60.68
Interest on loan to related party	7.38	8.36
Dividend received from subsidiary	1,498.35	1,997.81
Loan to related party (given) / received (net)	(250.00)	(459.00)
Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net)	535.30	(4,066.44)
Net cash flow from / (used in) investing activities (B)	**1,285.87**	**(3,448.56)**

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Cash flow from / (used in) financing activities		
Proceeds from issuance of share capital (including premium)	67.54	9,520.19
Proceeds from long term borrowings	2,201.80	2,847.16
Repayment of long term borrowings	(3,644.91)	(3,499.16)
Availment / (Repayment) of short term borrowings (net)	803.00	-
Repayment of lease liabilities	(718.02)	(568.00)
Interest on term loan	(729.84)	(864.30)
Interest on cash credit	(13.27)	-
Net cash flow from / (used in) financing activities (C)	**(2,033.70)**	**7,435.89**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**26.37**	**92.13**
Cash and cash equivalents at the beginning of the year	334.66	242.53
Cash and cash equivalents at the end of the year	**361.03**	**334.66**
Components of cash and cash equivalents		
Cash on hand	0.59	0.70
Balance with banks:		
- in current accounts	360.44	333.96
Cash and cash equivalents (refer note 13)	**361.03**	**334.66**

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

Particulars	Non-current borrowings*	Current borrowings
Opening balance as at April 1, 2022	8,693.99	-
Cash flow during the year:		
- Proceeds	2,201.80	19,392.92
- Repayments	3,644.91	18,589.92
Non cash changes if any	-	-
Closing balance as at March 31, 2023	**7,250.88**	**803.00**

* 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 48 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 25, 2023

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

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

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, 2023

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 25, 2023.

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.

Current and non-current

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group’s normal operating cycle is twelve months

Basis of measurement

These standalone financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Non derivative financial instruments at FVTPL	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less the present value of the defined benefit obligation, limited as explained in Note no. 30

Notes to standalone financial statements as at and for the year ended March 31, 2023

2.3 Significant Accounting Judgements, Estimates and Assumptions

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

(i) Judgements

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

(ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the SFS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

- **Defined Benefit Obligation**

  The cost of the defined benefit obligation and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due 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(p) 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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

- **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).

2.4 Summary of significant accounting policies

(a) Property, Plant and Equipment (PPE)

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property shall be recoginsed as an asset if, and only if 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. 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.

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

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

(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 depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which assets is ready for use / (disposal off).

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)	Useful lives (years) as per the schedule ii of the Companies Act, 2013
Exhibition Equipment	7-10	13
Plant and Machinery	4-6	13
Computer	3	3
Furniture and Fixtures	6	10
Office Equipment	5	5
Vehicles	5	8

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

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

	Useful life (years)
Computer Software	6

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

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

(d) Business Combination

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost under pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(e) Impairment of non-financial assets

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

(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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

Notes to standalone financial statements as at and for the year ended March 31, 2023

- 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 net 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.

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

(j) Financial Instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition of Financial Assets

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

De-recognition of Financial Liabilities

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Derivative Financial Instruments

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends and on an equity instrument measured at FVOCI, are 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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

Other long-term employee benefits

Long term compensated absences are provided for based on actuarial valuation at year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(m) Current Income taxes and deferred tax

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

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.

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

(o) Share capital

Equity shares Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

(p) 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.

Contingent Asset

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

(q) 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.

(r) 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.

(s) 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.

(t) 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, 2023

3.1 Property, Plant and Equipment (refer note no. 2.6 (a) and (b))

₹ 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, 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	**667.30**	**27,061.90**	**439.20**	**291.14**	**94.20**	**38.60**	**2,036.25**	**30,628.61**
Additions	15.30	2,367.73	123.02	34.67	5.06	-	91.65	2,637.43
Disposals	25.41	2,412.66	13.55	43.59	3.45	0.24	281.88	2,780.78
At March 31, 2023	**657.19**	**27,016.96**	**548.67**	**282.22**	**95.81**	**38.36**	**1,846.02**	**30,485.26**
Accumulated Depreciation/Amortisation								
As at April 1, 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**
Charge for the year	55.17	3,495.56	65.82	31.47	10.94	0.61	115.03	3,774.60
On disposals	25.41	2,325.66	13.55	43.31	3.45	0.24	235.80	2,647.42
At March 31, 2023	**600.27**	**18,283.78**	**417.95**	**209.87**	**65.52**	**38.30**	**1,630.84**	**21,246.53**
Net Block								
At March 31, 2022	**96.79**	**9,948.02**	**73.52**	**69.43**	**36.17**	**0.67**	**284.65**	**10,509.27**
At March 31, 2023	**56.92**	**8,733.18**	**130.72**	**72.35**	**30.29**	**0.06**	**215.18**	**9,238.73**

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

Secured by first charge on Property, plant and equipment and all current assets of the Company (refer note no.16)

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).

3.1 Capital Work in Progress

₹ in lacs

Particular	March 31, 2023	March 31, 2022
Opening	904.09	1,765.38
Add : Purchase	3,202.75	893.53
Less : Installed	(2,275.47)	(1,556.88)
Less : Sale / Write off	(698.41)	(197.94)
Closing	**1,132.96**	**904.09**

CWIP ageing schedule

As at March 31, 2023

₹ in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,043.87	34.31	-	54.78	1,132.96
Projects temporarily suspended	-	-	-	-	-

Notes to standalone financial statements as at and for the year ended March 31, 2023

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	-	-	-	-	-

Notes:

1) The Company has no projects which have exceeded their cost or have been overdue as at March 31,2023 and March 31, 2022.

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

3.2 Right of Use Assets ₹ in lacs

	Right of Use Assets
Cost	
As at April 1, 2021	1,715.46
Additions	677.89
Disposals	-
At March 31, 2022	**2,393.35**
Additions	2,356.58
Disposals	-
At March 31, 2023	**4,749.93**
Accumulated Depreciation/Amortisation	
As at April 1, 2021	1,158.60
Charge for the year	725.04
On disposals	-
At March 31, 2022	**1,883.64**
Charge for the year	634.21
On disposals	-
At March 31, 2023	**2,517.85**
Net Block	
At March 31, 2022	**509.71**
At March 31, 2023	**2,232.08**

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, 2023

3.3 Goodwill

₹ in lacs

	Goodwill
Cost	
As at April 1, 2021	340.17
Additions	-
Disposals	-
At March 31, 2022	**340.17**
Additions	-
Disposals	-
At March 31, 2023	**340.17**
Accumulated Depreciation/Amortisation	
As at April 1, 2021	-
Charge for the year	-
On disposals	-
At March 31, 2022	**-**
Charge for the year	-
On disposals	-
At March 31, 2023	**-**
Net Block	
At March 31, 2022	**340.17**
At March 31, 2023	**340.17**

Notes to standalone financial statements as at and for the year ended March 31, 2023

3.4 Intangible Assets

₹ in lacs

	Computer Software*
Cost	
As at April 1, 2021	382.93
Additions	-
Disposals	-
At March 31, 2022	**382.93**
Additions	-
Disposals	-
At March 31, 2023	**382.93**
Accumulated Depreciation/Amortisation	
As at April 1, 2021	277.50
Charge for the year	28.57
On disposals	-
At March 31, 2022	**306.07**
Charge for the year	9.74
On disposals	-
At March 31, 2023	**315.81**
Net Block	
At March 31, 2022	**76.86**
At March 31, 2023	**67.12**

a) The Company is principally engaged in the business of exhibition of digital cinema. The carrying amount of Goodwill as at March 31, 2023 is ₹ 340.17 lacs (March 31, 2022: ₹ 340.17 lacs).

b) The Company performed its annual impairment test for the year ended March 31, 2023, 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 11.62%. 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, 2023 is as follows : ₹ in lacs

Year ended 31,	Amortisation Expenses
2024	6.17
2025	1.35
2026	0.77
2027	0.30
Thereafter	58.53
Total	**67.12**

Notes to standalone financial statements as at and for the year ended March 31, 2023

4. Investment in subsidiaries and associates

₹. in lacs

	March 31, 2023	March 31, 2022
Unquoted equity instruments (at cost)		
Investment in subsidiaries		
4,264,475 (March 31, 2022 : 1,264,475) ordinary shares of ₹ 10 each fully paid in Nova Cinemaz Private Limited (formerly known as Valuable Digital Screens Private Limited)	725.00	425.00
Add : ESOP issued to employees of subsidiary	5.73	1.01
768,317 (March 31, 2022 : 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	18.00	15.19
Add : ESOP issued to employees of step down subsidiary	12.22	7.80
248,239 (March 31, 2022 : 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, 2022 : 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, 2022 : 510,000) ordinary shares of ₹ 10 each at par, fully paid, Plexigo Entertainment Private Limited	51.00	51.00
Less : provision for diminution of investment	(10.00)	-
510,000 (March 31, 2022 : 510,000) ordinary shares of ₹ 10 each at par, fully paid, Zinglin Media Private Limited	51.00	51.00
Less : provision for diminution of investment	(51.00)	-
Investment in Associates		
3,060,000 (March 31, 2022 : 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, 2022 : 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, 2022 : 2,373,041) share warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	23.73	23.73
2,668,552 (March 31, 2022 : 2,668,552) equity shares of ₹ 1 each fully paid up in Cinestaan Digital Private Limited	1,058.61	1,058.61
Less : provision for diminution of investment	(1,082.34)	(409.00)
Unquoted Preference shares (at cost)		
Investment in subsidiaries		
22,500 (March 31, 2022 : 20,000) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Plexigo Entertainment Private Limited	225.00	200.00
Less : provision for diminution of investment	(225.00)	-
35,991 (March 31, 2022 : 35,991) non-cumulative optionally convertible redeemable preference shares (NCOCRPS) of ₹ 1000 each fully paid up in Zinglin Media Private Limited	359.91	359.91
Less : provision for diminution of investment	(359.91)	-
Total	**11,562.29**	**12,544.59**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	13,200.54	13,098.59
Aggregate amount of impairment in value of investments	1,638.25	554.00

Notes to standalone financial statements as at and for the year ended March 31, 2023

5. Loans

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loans to related party (refer note 43)			339.85	453.85
Unsecured - Doubtful				
Loans to related party (refer note 43)			803.58	689.58
Less : Allowance for doubtful balances			(803.58)	(689.58)
Balance with statutory / government authorities	14.66	14.66		
Less : Allowance for doubtful balances	(14.66)	(14.66)		
	-	-	**339.85**	**453.85**

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

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unsecured - Considered good				
Security deposit - other than to related party	250.92	231.55	47.41	64.30
Security deposit to related parties (refer note 33)	359.37	-	-	359.37
Interest accrued but not due on fixed deposit			106.93	67.89
Interest accrued on loan to related parties (refer note 33)			106.47	5.12
Other receivables			44.33	21.52
Fixed deposit with remaining maturity more than 12 month (refer note 13)	1,203.00	421.30		
Unsecured - Doubtful				
Interest accrued on loan to related parties (refer note 33)			284.16	268.42
Less : Allowance for doubtful balances			(284.16)	(268.42)
	1,813.29	**652.85**	**305.14**	**518.20**

7. Deferred tax assets (net)

₹ in lacs

		March 31, 2023	March 31, 2022
A)	**Deferred tax asset**		
	Property, Plant and Equipment and Intangible Assets	2,980.71	2,946.80
	Provision for doubtful debts and advances	394.76	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	234.71	310.78
	Deferred tax assets on Ind AS 116 accounting	34.37	14.48
	Deferred tax assets on carry forward losses and Unabsorbed Depreciation	6,081.25	5,321.66
	Others	111.94	183.87
	Total deferred tax assets	**9,837.74**	**9,201.89**

Notes to standalone financial statements as at and for the year ended March 31, 2023

		March 31, 2023	March 31, 2022
B)	**Deferred tax liabilities**		
	Fair value of investment	-	(4.48)
	Total deferred tax liabilities	**-**	**(4.48)**
	Deferred taxes assets (net)	**9,837.74**	**9,197.41**

Movement in Deferred tax Assets and Liabilities

₹ 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 debts 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**

₹ in lacs

Movement during the year ended March 31, 2023	As at March 31, 2022	Credit/ (Charge) in the statement of Profit and Loss	Credit (Charge) in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	2,946.80	33.91	-	2,980.71
Provision for Doubtful Debt and advances	424.30	(29.54)	-	394.76
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	(13.04)	(63.03)	234.71
Deferred tax assets on Ind AS 116 accounting	14.48	19.89	-	34.37
Deferred tax assets on carry forward losses and Unabsorbed Depreciation	5,321.66	759.59	-	6,081.25
Others	179.39	(67.45)	-	111.94
Total	**9,197.41**	**703.36**	**(63.03)**	**9,837.74**

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

		March 31, 2023	March 31, 2022
i)	**Income tax recognised in the Standalone Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	-	-
	In respect of prior year	-	-
	Deferred tax		
	In respect of current year - (Credit) / Charge	(703.35)	(2,078.97)
	Income tax expense recognised in the Statement of Profit and Loss	**(703.35)**	**(2,078.97)**

₹ in lacs

		March 31, 2023	March 31, 2022
ii)	**Income tax expense recognised in OCI**		
	Deferred tax :		
	Deferred tax expense on remeasurements of defined benefit plans	(63.03)	19.69
	Income tax expense recognised in OCI	**(63.03)**	**19.69**

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

	March 31, 2023	March 31, 2022
(Loss) before tax	(3,712.47)	(8,965.71)
Income tax expense calculated at Corporate tax rate	0.25	0.25
Computed tax expenses	(934.35)	(2,256.49)
Impact on account of:		
Income exempt from tax	-	-
Expenses not deductible for tax purpose	348.20	420.07
Impact on account of difference in tax rate		-
Tax impact on account of carry forward losses adjusted with taxable profit	(117.18)	1,836.42
Tax in respect of prior year	-	-
Tax expense as per Statement of profit and loss	**(703.33)**	**-**

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.

8. Income tax assets ₹ in lacs

	March 31, 2023	March 31, 2022
Income tax assets (net of provision for income tax ₹ 14,536.88 lacs (March 31, 2022 : ₹ 14,536.88 lacs)	3,866.48	3,282.38
	3,866.48	**3,282.38**

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Advances to vendors	-	-	224.04	197.84
Balance with statutory / government authorities	5.47	5.47	25.51	25.51
Deposit with government bodies	82.02	94.67	-	-
Capital advances	-	4.44	-	-
Loans and advances to employees	-	-	16.93	46.37
Prepaid expenses	81.68	31.66	307.85	347.59
Goods and Service Tax (GST) credit receivable	-	-	1,303.93	2,762.30
	169.17	**136.24**	**1,878.26**	**3,379.61**

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

₹ in lacs

	March 31, 2023	March 31, 2022
Traded goods (Lamps) and spares	237.73	238.40
Consumables	572.54	310.31
Content cost	0.96	0.09
	811.23	**548.80**

11. Current investments

₹ in lacs

	March 31, 2023	March 31, 2022
Carried at FVTPL		
Unquoted mutual funds		
Investment in mutual funds	-	2,044.14
	-	**2,044.14**
Aggregate amount of unquoted investments	**-**	**2,044.14**
NAV of unquoted investments	**-**	**2,044.14**
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 ₹ Nil (March 31, 2022 : ₹ 2,044.14 Lacs)

12. Trade receivables

₹ in lacs

	March 31, 2023	March 31, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -unsecured	4,897.77	2,139.46
Less: loss allowance	-	-
Trade receivables with have significant increase in credit risk	-	-
Trade receivables -Credit impaired	1,568.50	1,685.88
Total trade receivable	6,466.27	3,825.34
Less: loss allowance	(1,568.50)	(1,685.88)
Net trade receivable Total	**4,897.77**	**2,139.46**

For details pertaining to related party receivable refer note 33

Notes to standalone financial statements as at and for the year ended March 31, 2023

Trade Receivables ageing schedule*

As at March 31, 2023 ₹ 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	4,305.27	281.45	32.04	-	-	4,618.76
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	125.21	149.12	34.99	48.41	491.89	849.62
(iv) Disputed Trade Receivables–considered good	15.53	34.54	1.27	0.30	1.47	53.11
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2.21	25.17	5.55	49.36	636.59	718.88
Total	**4,448.22**	**490.28**	**73.85**	**98.07**	**1,129.95**	**6,240.37**
Add : Trade receivables - Unbilled (undisputed not due)						225.90
Trade receivables						**6,466.27**
Less : loss allowance						(1,568.50)
Trade receivables (Net of allowance for doubtful trade receivable)						**4,897.77**

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 (undisputed not due)						191.47
Trade receivables						**3,825.34**
Less : loss allowance						(1,685.88)
Trade receivables (Net of allowance for doubtful trade receivable)						**2,139.46**

* Trade receivables ageing is calculated from the date of invoice

Notes to standalone financial statements as at and for the year ended March 31, 2023

13. Cash and bank balances

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Cash and cash equivalents				
Balances with banks :				
- In current accounts			360.44	333.96
Cash on hand			0.59	0.70
			361.03	**334.66**
Other bank balances				
- In unpaid dividend account*			26.50	26.56
- Deposits with original maturity more than 3 month and less than 12 months			3,054.09	4,341.97
- Deposits with remaining maturity for more than 12 months	800.00		199.00	-
	800.00		**3,279.59**	**4,368.53**
- Margin money deposit with original maturity for less than 12 months			654.01	886.34
- Margin money deposit with remaining maturity for more than 12 months	403.00	421.30	4.27	-
	1,203.00	**421.30**	**3,937.87**	**5,254.87**
Amount disclosed under non-current financial assets (refer note 6)	(1,203.00)	(421.30)		
	-	**-**	**4,298.90**	**5,589.53**

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.

14. Equity share capital

₹ in lacs

	March 31, 2023	March 31, 2022
Authorised share capital		
53,050,000 (March 31, 2022 : 53,050,000) equity shares of ₹ 10 each	5,305.00	5,305.00
1,565,000 (March 31, 2022 : 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		
38,176,230 (March 31, 2022: 38,041,143) equity shares of ₹ 10 each fully paid-up	3,817.62	3,804.11
Total issued, subscribed and fully paid up share capital	**3,817.62**	**3,804.11**

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

Equity shares	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	38,041,143	3,804.11	28,350,801	2,835.08
Issued during the year	135,087	13.51	9,690,342	969.03
Outstanding at the end of the year	**38,176,230**	**3,817.62**	**38,041,143**	**3,804.11**

(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, 2023		March 31, 2022	
	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	24.62	9,399,933	24.71
Apollo International Limited	2,266,417	5.94	2,266,417	5.96
Valuable Media Private Limited	2,244,265	5.88	2,244,265	5.90
Valuable Technologies Private Limited	2,243,657	5.88	2,243,657	5.90

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

(d) Details of shares held by promoters

As at March 31, 2023

Sr. No.	Promoter name	Balance as at April 1, 2022	Change during the year	Balance as at March 31, 2023	% of Total Shares	% change during the year
1	Sanjay Shankar Gaikwad	917,229	-	917,229	2.40%	-0.01%
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	0.64%	0.00%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0.00%
6	Advent Fiscal Private Limited	737,182	-	737,182	1.93%	-0.01%
7	Apollo International Limited	2,266,417	-	2,266,417	5.94%	-0.02%
8	Valuable Technologies Private Limited	2,243,657	-	2,243,657	5.88%	-0.02%
9	Valuable Media Private Limited	2,244,265	-	2,244,265	5.88%	-0.02%

Notes to standalone financial statements as at and for the year ended March 31, 2023

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%	0.00%
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	242,797	-	242,797	0.64%	0.00%
5	Raaja Kanwar	12,500	-	12,500	0.03%	0.00%
6	Advent Fiscal Private Limited	737,182	-	737,182	1.94%	0.00%
7	Apollo International Limited	2,266,417	-	2,266,417	5.96%	0.00%
8	Valuable Technologies Private Limited	2,243,657	-	2,243,657	5.90%	0.00%
9	Valuable Media Private Limited	2,244,265	-	2,244,265	5.90%	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

15. Other equity

₹ in lacs

	March 31, 2023	March 31, 2022
Securities premium		
Balance as at beginning of the year	38,209.16	29,540.60
Add: Share issuance during the year	54.03	8,859.04
Less: Share issuance expenses	-	(307.90)
Add : Transferred on ESOP shares	54.62	117.42
Balance as at end of the year	**38,317.81**	**38,209.16**
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	371.72
Add : Transferred on employee stock options expired during the year	-	-
Closing balance	**371.72**	**371.72**
Employee stock options outstanding		
Balance as at beginning of the year	223.31	68.83
Add : Employee stock option granted during the year	105.38	271.90
Less : Transferred on employee stock options expired / exercised during the year	(54.62)	(117.42)
Closing balance	**274.07**	**223.31**
Surplus in the statement of profit and loss		
Balance as at beginning of the year	(12,119.67)	(5,174.38)
(Loss) for the year	(2,821.71)	(6,945.29)
Closing balance	**(14,941.38)**	**(12,119.67)**
Total other equity	**25,887.89**	**28,550.19**

Notes to standalone financial statements as at and for the year ended March 31, 2023

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) **Capital reserves :** Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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) **Retained earnings :** Retained earning are the profit that the Company has earned till date, less any dividends or other distribution paid to the shareholders.

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

16. Borrowings (Secured) ₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Term loans (valued at amortised cost)				
Rupee loan from banks (secured by first charge on Property, plant and equipment and all current assets of the Company)				
Term loan 1 from HDFC Bank	430.66	1,332.49	901.83	901.83
Term loan 2 from HDFC Bank	-	-	-	1,539.67
Term loan 3 from HDFC Bank	1,757.50	2,220.00	462.50	-
Term loan 4 from IDFC First Bank	-	1,500.00	1,500.00	1,200.00
Term loan 5 from IDFC First Bank	-		2,156.80	-
Sub Total	2,188.16	5,052.49	5,021.13	3,641.50
Other Loans				
Vehicle finance from banks and financials institutions (secured against hypothecation of vehicles)				
Vehicle Loan 1 from Axis Bank Ltd. (ROI 8.45%, repayable in 48 monthly installments)	31.42	-	10.17	-
	31.42	**-**	**10.17**	**-**
Amount disclosed under "Other financial liabilities" (refer note 20)	-	-	(5,031.30)	(3,641.50)
Net amount	**2,219.58**	**5,052.49**	**-**	**-**

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 8.69% (March 31, 2022 : 8.39%) p.a. is repayable in 48 monthly installments starting from 31 July 2020.

Term loan 2 having interest of bank 1 year MCLR plus 85 basis points i.e.7.96 % (March 31, 2022 : 7.91%) p.a. is repayable in 48 monthly installments starting from July 31, 2018.

Term loan 3 having interest of bank 6 Month MCLR plus 65 basis i.e. 8.64% (31 March 2022 : 8.00%) p.a. is repayable in 48 monthly installments starting from Jun 01, 2023.

Term loan 4 having interest of bank 3 month MCLR plus 160 basis points i.e. 9.94% (March 31, 2022 : 9.45%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 5 having interest of bank 3 month MCLR plus 160 basis points i.e. 10.06% (31 March, 2022 : Nil) p.a. is repayable in 18 quarterly installments starting from May 22, 2023.

Notes to standalone financial statements as at and for the year ended March 31, 2023

17. Other financial liabilities

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial liabilities at amortised cost				
Interest accrued but not due on borrowings			29.19	42.10
Unclaimed dividend			26.50	26.56
Deposit from theatres and regional dealers	1,977.96	2,560.56	604.17	640.14
Deposit from related parties (refer note 33)	354.69	354.40		
Other security deposit			124.33	120.24
Other payables				
Payables for purchase of property, plant and equipment		-	319.21	87.35
Salary and reimbursement payable			688.13	861.06
	2,332.65	**2,914.96**	**1,791.53**	**1,777.45**

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023. (March 31, 2022 : ₹ Nil)

18. Provisions

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for gratuity (refer note 30)	560.65	751.24	-	
Provision for compensated absences (refer note 30)	-	-	371.91	483.56
	560.65	**751.24**	**371.91**	**483.56**

19. Other liabilities

₹ in lacs

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred advertisement & AMC income (refer note 39)			230.68	181.60
Deferred VPF income			111.37	-
Deferred lease rental income (refer note 39)	888.35	461.15	199.39	13.48
Advance from customers			1,148.58	719.35
Statutory dues *			349.91	305.14
	888.35	**461.15**	**2,039.93**	**1,219.57**

* Statutory dues payable includes		
ESIC	0.18	1.44
Professional tax	0.72	1.71
Provident fund	66.49	66.97
Tax deducted at source	282.43	235.02
Labour welfare fund	0.08	-
	349.90	**305.14**

Notes to standalone financial statements as at and for the year ended March 31, 2023

20. Borrowings (Secured)

₹ in lacs

	Current	
	March 31, 2023	March 31, 2022
Financial liabilities at amortised cost		
Current maturities of long term debts (refer note 16)	5,031.30	3,641.50
Secured		
Cash credit from IDFC First Bank Limited	803.00	-
	5,834.30	**3,641.50**

Cash credit from IDFC First Bank Limited is secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 9.95% per annum (March 31, 2022 : Nil).

21. Trade payables

₹ in lacs

	Current	
	March 31, 2023	March 31, 2022
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 *	4,678.13	3,603.68
	4,678.13	**3,603.68**

* For details pertaining to related party payable (refer note 33)

Trade Payables ageing schedule (Outstanding from invoice date)

As at March 31, 2023 ₹ in lacs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3,547.31	601.41	319.33	210.08	4,678.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**3,547.31**	**601.41**	**319.33**	**210.08**	**4,678.13**

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**

Notes to standalone financial statements as at and for the year ended March 31, 2023

22. Revenue from operations

₹ in lacs

	March 31, 2023	March 31, 2022
Sale of services		
Advertisement revenue	7,549.97	1,507.75
Content delivery charges	8,418.06	3,119.95
VPF service revenue	1,654.21	443.11
Lease rental income	5,263.74	1,083.08
Digitisation income	626.53	175.76
Registration fees income	40.34	25.80
Distribution Income	1,620.88	236.33
Other revenue	263.85	194.65
	25,437.58	**6,786.43**
Sale of products		
Lamp and spares sale	1,198.97	881.78
Sale of digital cinema equipments	1,116.08	440.87
	2,315.05	**1,322.65**
Other operating income		
Sundry balances written back	184.98	557.29
	184.98	**557.29**
	27,937.61	**8,666.37**

23. Other income*

₹ in lacs

	March 31, 2023	March 31, 2022
Miscellaneous income **	118.56	330.23
Foreign exchange gain (net)	0.38	2.57
Profit on sale of fixed assets (net)	-	-
	118.94	**332.80**

* 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 ₹ 9.00 lacs (March 31, 2022 : ₹ 257.30 lacs) (refer note 32)

Notes to standalone financial statements as at and for the year ended March 31, 2023

24. Operating direct costs

₹ in lacs

	March 31, 2023	March 31, 2022
Advertisement revenue share	4,451.96	151.84
Exhibition equipments repairs	1,495.48	1,346.97
Technical service fees	-	192.11
Bandwidth charges	429.00	370.21
Purchase of digital cinema equipment	763.80	264.47
Purchase of lamps & spares	1,110.27	640.49
Content processing charges	462.44	143.95
Virtual print fees sharing	1,845.76	481.51
Van operating cost	92.36	32.77
Distribution expenses	1,293.77	220.25
Other expenses	354.02	110.30
	12,298.86	**3,954.87**
(Increase) / decrease in inventories of traded goods (lamps)		
Inventories at the beginning of the year	238.40	335.51
Less : Inventories at the end of the year	(237.73)	(238.40)
	0.67	**97.11**
Content cost		
Opening content cost	0.09	6.86
Add : Cost of content acquired during the year	6.74	0.29
Less : Closing balance of unamortised content cost	(0.96)	(0.09)
	5.87	**7.06**
Consumables and spares		
Opening stock	310.31	330.16
Add : Purchases	535.79	285.48
Less : Closing stock	(572.54)	(310.31)
	273.56	**305.33**
	12,578.96	**4,364.37**

Notes to standalone financial statements as at and for the year ended March 31, 2023

25. Employee benefit expenses

₹ in lacs

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	7,228.29	4,722.32
Contribution to provident and other funds	410.17	270.41
Gratuity expenses (refer note 30)	139.16	132.53
Compensated absences (refer note 30)	-	86.78
Employee stock compensation expenses (refer note 31)	93.43	252.97
Staff welfare expenses	261.09	148.01
	8,132.14	**5,613.02**

26. Other expenses

₹ in lacs

	March 31, 2023	March 31, 2022
Rent (refer note 32)	388.10	280.48
Freight and forwarding charges	388.52	267.72
Legal, professional and consultancy charges	2,121.01	1,419.57
Directors' sitting fees	162.50	71.00
Commission on advertisement revenue	857.94	212.47
Commission on other revenue	-	6.67
Corporate social responsibility expenses (refer note 42)	-	-
Sales promotion expenses	235.85	76.78
Electricity charges	218.44	144.17
Rates and taxes	22.32	19.52
Payment to auditor (refer (i) below)	70.49	78.08
Repairs and maintenance		
- Plant and machinery	-	-
- Furniture and fixtures	-	1.37
- Others	182.92	144.86
Insurance	78.81	89.21
Travelling and conveyance expenses	461.44	231.84
Communication and courier expenses	89.20	70.62
Printing and stationery	39.01	22.74
Bad debts written-off	244.22	134.62
Less: Provision utilised	(139.38)	(102.90)
Loss on sale and write off of fixed assets (net)	13.75	2.17
Provision for doubtful debts	22.00	-
Provision for doubtful loans and advances	129.74	182.00
Provision for diminution in value of investment	1,319.25	410.49
Write Off of loans/ accrued Interest	266.34	-
Foreign exchange loss (net)	-	-
Miscellaneous expenses	449.35	342.64
	7,621.82	**4,106.12**

Notes to standalone financial statements as at and for the year ended March 31, 2023

(i) Payment to auditor

₹ in lacs

	March 31, 2023	March 31, 2022
Statutory auditor		
Statutory audit	43.50	38.50
Tax audit	3.50	3.50
Limited review	21.00	19.00
Reimbursement of expenses	2.49	4.08
In other capacity		
Other services (certification fees)	-	13.00
	70.49	**78.08**

27. Finance costs

₹ in lacs

	March 31, 2023	March 31, 2022
Interest on		
- Term loan	716.94	859.13
- Cash credit	13.27	-
Interest expenses on lease liabilities	171.81	84.31
Interest expenses on financial liabilities carried at amortised cost	142.20	156.54
Bank charges	35.24	20.19
	1,079.46	**1,120.17**

28. Finance income

₹ in lacs

	March 31, 2023	March 31, 2022
Interest on:		
- Fixed deposits	308.93	121.31
- Loan to related party (refer note 33)	140.81	104.32
- Other *	97.63	60.23
Net gain on current investments **	16.19	70.71
Dividend income from subsidiaries (refer note 33)	1,498.35	1,997.81
	2,061.91	**2,354.38**

* Interest on other includes interest received on income tax & service tax refund
** Includes fair value loss of ₹ Nil (March 31, 2022 : ₹ 16.22 lacs)

Notes to standalone financial statements as at and for the year ended March 31, 2023

29. Earnings per share (EPS)

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

	March 31, 2023	March 31, 2022
Basic		
Net profit after tax as per the statement of profit and loss (₹ In lacs)	(3,009.12)	(6,886.75)
Net profit for calculation of basic EPS	(3,009.12)	(6,886.75)
Weighted average number of equity shares in calculating basic EPS	38,078,230	31,279,999
Earning per share (₹) (Face value of ₹ 10 each)	**(7.90)**	**(22.02)**
Diluted		
Net profit for calculation of basic EPS (₹ In lacs)	(3,009.12)	(6,886.75)
Weighted average number of equity shares in calculating basic EPS	38,078,230	31,279,999
Effect of dilutions for share warrants/stock options granted under ESOP	310,038	1,036,437
Weighted average number of shares outstanding (including dilution)	38,388,268	32,316,436
Earning per share (₹) (Face value of ₹ 10 each)	**(7.90)**	**(22.02)**

*Since diluted earnings per share is increased when taking the ESOP into account (from ₹ (8.27) to ₹ (8.20)) 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 ₹ (8.20)

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

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, 2023	March 31, 2022
Contribution to provident fund	389.35	247.47
Administration charge - provident fund	20.63	14.36
Contribution to ESIC - employer share	0.19	8.58
	410.17	**270.41**

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, 2023

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at March 31, 2023

₹ 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, 2022	1,308.70	557.46	751.24
Service cost	89.24	-	89.24
Net interest expense	84.38	-	84.38
Investment income	-	34.46	(34.46)
Recognised in the statement of profit and loss	**173.62**	**34.46**	**139.16**
Benefit paid	**(49.60)**	**(49.60)**	**-**
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)		(3.98)	3.98
Actuarial changes arising from changes in demographic assumptions	(17.69)	-	(17.69)
Actuarial changes arising from changes in financial assumptions	(95.68)	-	(95.68)
Experience adjustments	(141.04)	-	(141.04)
Net actuarial (gain) / loss recognized in the year	-	-	-
Recognised in other comprehensive income	**(254.41)**	**(3.98)**	**(250.43)**
Contribution by employer	-	79.32	(79.32)
As at March 31, 2023	**1,178.31**	**617.66**	**560.65**

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	1,115.99	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**	**751.24**

Notes to standalone financial statements as at and for the year ended March 31, 2023

The principal assumptions used in determining gratuity are as shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.65%
Future Salary increase	NIL for the first year and 6% thereafter	NIL for the first year and 6% thereafter
Employee turnover	10.00%	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 March 31, 2023	DBO March 31, 2022
Discount rate (-1%)	1,208.68	1,338.91
Discount rate (+1%)	(1,077.01)	(1,207.06)
Salary growth rate (-1%)	(1,084.12)	(1,215.39)
Salary growth rate (+1%)	1,198.51	1,327.56
Attrition rate (-0.5%)	1,098.15	1,234.78
Attrition rate (+0.5%)	(1,165.76)	(1,289.93)

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, 2023	March 31, 2022
Within the next 12 months(next annual reporting period)	638.69	835.19
Total	**638.69**	**835.19**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2022: 5 years)

₹ in lacs

	March 31, 2023	March 31, 2022
Expected cash flows over the next (valued on undiscounted basis):		
1 year	256.17	291.16
2 to 5 years	490.21	620.12
6 to 10 years	486.50	484.92
More than 10 years	666.37	507.81

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

	March 31, 2023	March 31, 2022
Gratuity		
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 ₹ (65.53) lacs (March 31, 2022: ₹ 86.78 lacs) is recognised as an expense in the Statement of profit and loss.

31. Employee stock option plans

During the year ended March 31, 2023, the Company's equity-settled ESOP Scheme viz., ESOP Scheme 2014 was in existence.

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

Till the previous year ended March 31, 2022, the Compensation Committee of the Board of Directors of the Company has granted 11,21,000 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 June 20, 2022, granted 75,000 Options to the eligible employees of the Company under its Employee Stock Option Scheme 2014 (ESOP 2014).

Out of the total options granted, 4,25,496 options have been exercised by the eligible employees and 54,125 options have lapsed due to the resignation of eligible employees.

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

	March 31, 2023		March 31, 2022	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	782,816	50	1,090,100	50
Granted during the year due to scheme modification	75,000	50	27,300	50
Exercised during the year	(135,087)	50	(290,409)	50
Lapsed during the year out of opening	(6,350)	50	(44,175)	50
Lapsed during the year out of option granted during year	-	-	-	-
Outstanding at the end of the year	**716,379**	**50**	**782,816**	**50**
Exercisable at the end of the year	716,379	50	782,816	50
Weighted average remaining contractual life (in months)	21		28	

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

	March 31, 2023	
	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, 2023 is ₹ 274.08 lacs (March 31, 2022: ₹ 223.31 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 ₹ 105.37 lacs (March 31, 2022 : ₹ 271.90 lacs) is recorded in Statement of Profit and Loss in current year.

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, 2023, 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 ₹ 9.00 lacs (March 31, 2022 : ₹ 257.30 lacs) has been recognised under 'Other income' (refer note. 23)

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Lease payment recognised in Statement of profit and loss (Short term and low value leases) (refer note 26)	388.10	280.48
	388.10	**280.48**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Due not later than one year	296.83	578.65
Due later than one year but not later than five years	293.32	632.13
Later than five years	-	-
	590.15	**1,210.78**

Notes to standalone financial statements as at and for the year ended March 31, 2023

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

Particulars	March 31, 2023	March 31, 2022
Opening balance	567.26	630.34
Addition on account of lease liabilities	2,356.58	677.89
Finance cost during the period	171.81	84.31
Deletions	-	-
Rent concessions recognised in the statement of profit and loss	(9.00)	(257.31)
Payment of lease liabilities	(718.02)	(567.97)
Balance at the end	**2,368.63**	**567.26**

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

Particulars	March 31, 2023	March 31, 2022
Current lease liabilities	450.58	348.70
Non-current lease liabilities	1,918.05	218.56
	2,368.63	**567.26**

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

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Due not later than one year	674.89	300.85
Due later than one year but not later than five years	2,390.49	235.04
Later than five years	3.00	22.50
	3,068.38	**558.39**

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, 2023	March 31, 2022
Lease income recognised in Statement of profit and loss	5,263.74	1,083.08
	5,263.74	**1,083.08**

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Gross carrying amount	34,383.38	25,654.76
Accumulated depreciation	23,888.96	17,285.83
Depreciation recognized in the statement of profit and loss	2,784.46	8,368.93

Notes to standalone financial statements as at and for the year ended March 31, 2023

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 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 Scrabble Digital Services DMCC, Dubai

*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 (up to June 17, 2022) Mr. Kapil Agarwal - Non Executive Director (w.e.f June 17, 2022 up to April 26, 2023) Mr. Raaja Kanwar - Non Executive Director (upto to November 15, 2022) Mr. Ashish Malushte - Chief Financial Officer Mr. Rajesh Mishra - President and Group Chief Executive Officer (up to June 17, 2022) Mr. Rajesh Mishra - Executive Director and Group CEO (w.e.f. June 18, 2022) Ms. Kavita Thadeshwar- Company Secretary Mr. Sanjeev Aga - Independent and Non-executive director (up to November 18, 2022) Mr. S. Madhavan - Independent and Non-executive director (up to November 18, 2022 Ms. Lynn de Souza-Independent and Non-executive director (up to November 18, 2022) Mr. Ameya Hete - Non-executive director Mr. Anand Yogendra Trivedi - Independent director Mr. Gautam Yogendra Trivedi - Independent director Mr. Kanwar Bir Singh Anand - Independent and Non-executive director (w.e.f. May 26, 2022) Mr. Rajiv Batra - Independent and Non-executive director (w.e.f. June 15, 2022) Ms. Swati Mohan - Independent and Non-executive director (w.e.f. June 15, 2022)
Relatives of key management personnel	Mr. Narendra Hete Mrs. Aruna Narendra Hete Mr. Uday Shankar Gaikwad

Notes to standalone financial statements as at and for the year ended March 31, 2023

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 IPSAA Holding Private Limited The Simple Brew Jeevangani Films Advent Fiscal Private Limited

2. Details of transactions with related parties during the year

₹ in lacs

Sr. No.	Particulars		March 31, 2023	March 31, 2022
	Nature of transaction and name of the parties			
1	**Subsidiary companies**			
A	Content delivery charges (CDC/VPF) (Income)			
	i)	Scrabble Entertainment Limited	303.87	110.41
B	Lease rental income			
	i)	Scrabble Entertainment Limited	87.49	33.05
	ii)	Nova Cinemaz Private Limited	2.08	Nil
C	Unsecured loan given			
	i)	Nova Cinemaz Private Limited	Nil	420.00
	ii)	Zinglin Media Private Limited	Nil	114.00
D	Repayment received against unsecured loan			
	i)	Nova Cinemaz Private Limited	Nil	75.00
E	Interest income on loans			
	i)	Nova Cinemaz Private Limited	110.91	98.91
	ii)	Zinglin Media Private Limited	11.06	5.42
F	Rent income (Miscellaneous receipts)			
	i)	Scrabble Entertainment Limited	11.75	12.76
	ii)	Nova Cinemaz Private Limited	6.00	6.29
G	Recovery of reimbursable expenses			
	i)	Scrabble Entertainment Limited	Nil	0.53
	ii)	Nova Cinemaz Private Limited	Nil	0.14
	iii)	Zinglin Media Private Limited	10.85	29.75
	iv)	Plexigo Entertainment Private Limited	1.02	2.28

Notes to standalone financial statements as at and for the year ended March 31, 2023

Sr. No.	Particulars	March 31, 2023	March 31, 2022
H	Rent paid		
	i) Scrabble Entertainment Limited	9.27	9.27
I	Virtual print fee sharing (expenses)		
	i) Scrabble Entertainment Limited	555.65	193.89
J	Lease rental expenses		
	i) Scrabble Entertainment Limited	76.68	19.94
K	Content provisioning income		
	i) Nova Cinemaz Private Limited	19.22	10.63
L	Franchisee fees charges		
	i) Nova Cinemaz Private Limited	1.05	0.75
M	Interest received on unsecured loan		
	i) Nova Cinemaz Private Limited	Nil	0.69
N	Security deposit received		
	i) Nova Cinemaz Private Limited	Nil	0.13
O	Sale of equipments and lamps		
	i) Nova Cinemaz Private Limited	0.11	Nil
P	Dividend income		
	i) Scrabble Entertainment Limited	1,498.35	1,997.81
Q	Content income		
	i) Nova Cinemaz Private Limited	Nil	0.96
R	Film realisation Income		
	i) Nova Cinemaz Private Limited	15.25	Nil
S	Purchase of equity shares		
	i) Nova Cinemaz Private Limited	300.00	125.00
T	Purchase of preference shares (NCOCRPS)		
	i) Zinglin Media Private Limited	Nil	159.91
	ii) Plexigo Entertainment Private Limited	25.00	100.00
U	Repatriation of Investment		
	i) United Film Organisers Nepal Private Limited	Nil	48.20
V	Advertisement revenue share (expense)		
	i) Nova Cinemaz Private Limited	1.58	Nil
2	**Step-down subsidiaries**		
A	Sale of assets		
	i) Scrabble Entertainment DMCC, Dubai	2.34	0.29
B	Rent income (Miscellaneous receipts)		
	i) Scrabble Digital Limited	7.86	9.95
C	Security deposit received		
	i) Scrabble Digital Limited	0.29	1.15

Notes to standalone financial statements as at and for the year ended March 31, 2023

Sr. No.	Particulars		March 31, 2023	March 31, 2022
D	Content processing charges			
	i)	Scrabble Digital Limited	442.14	149.43
E	Purchase Capital Goods			
	i)	Scrabble Digital Limited	5.01	Nil
F	Recovery of reimbursable expenses			
	i)	Scrabble Digital Ltd	Nil	0.44
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**			
A	Expenses reimbursed			
	i)	Media Infotek Park	91.96	88.88
	ii)	Valuable Edutainment Private Limited	2.12	2.19
B	Technical services fees (expense)			
	i)	Valuable Technologies Private Limited	Nil	192.11
C	Operating direct expenses (Licensee fees)			
	i)	Impact Media Exchange Limited	36.00	36.00
D	Licensee fee- (income)			
	i)	Valuable Media Private Limited	2.56	1.94
E	Rent paid (Expense)			
	i)	Media Infotek Park	623.02	525.93
F	Rent income (Miscellaneous receipts)			
	i)	Valuable Media Private Limited	Nil	2.44
	ii)	Valuable Edutainment Private Limited	Nil	1.70
G	Advertisement revenue Censor			
	i)	Jeevangani Films	0.05	Nil
	ii)	IPSAA Holding Private Limited	2.95	Nil
H	Purchase of product			
	i)	The Simple Brew	1.70	Nil
I	Sales of Spare (Income)			
	i)	Valuable Media Private Limited	56.08	Nil
4	**Associates of company**			
A	Purchase of equity shares			
	i)	Cinestaan Digital Private Limited	Nil	97.00
B	Film realisation income			
	i)	Mukta VN Films Limited	82.53	4.34
C	Unsecured loan given			
	i)	Cinestaan Digital Private Limited	250.00	Nil
D	Interest income on loans			
	i)	Cinestaan Digital Private Limited	18.84	Nil

Notes to standalone financial statements as at and for the year ended March 31, 2023

₹ in lacs

Sr. No.	Particulars		March 31, 2023	March 31, 2022
5	**Associates of subsidiary**			
A	Support service expenses			
	i)	Mumbai Movie Studios Private Limited	Nil	0.08
B	Film realisation expenses			
	i)	Mumbai Movie Studios Private Limited	307.67	3.64
C	Content provisioning income			
	ii)	Mumbai Movie Studios Private Limited	14.16	Nil
6	**Key managerial personnel and their relatives**			
A	Remuneration to key managerial personnel			
	i)	Mr. Sanjay Gaikwad	310.29	219.12
	ii)	Mr. Kapil Agarwal	108.37	279.92
	iii)	Mr. Ashish Malushte	157.40	68.20
	iv)	Mr. Rajesh Mishra (President and Group CEO (Till June 17, 2022)	58.48	86.82
	v)	Mr. Rajesh Mishra (Executive Director & Group CEO (From June 18, 2022)	169.46	Nil
	vi)	Ms. Kavita Thadeshwar	48.50	45.62
B	Directors sitting fee			
	i)	Mr. S. Madhavan	15.96	16.67
	ii)	Ms. Lynn de Souza	15.96	16.67
	iii)	Mr. Sanjeev Aga	25.53	26.67
	iv)	Mr. Ameya Hete	14.50	6.00
	v)	Mr. Anand Trivedi	8.00	2.00
	vi)	Mr. Gautam Trivedi	7.00	2.00
	vii)	Mr. Raaja Kanwar	Nil	1.00
	viii)	Ms. Swati Mohan	16.63	Nil
	ix)	Mr. Kapil Agarwal	9.50	Nil
	x)	Mr. Kanwar Bir Singh Anand	29.63	Nil
	xi)	Mr. Rajiv Batra	19.79	Nil
C	Sale of Motor Car			
	i)	Mr. Kapil Agarwal	69.38	Nil

3 Balance outstanding at the year end.

Sr. No.	Particulars		March 31, 2023	March 31, 2022
1	**Subsidiaries companies**			
A	Unsecured loan			
	i)	Nova Cinemaz Private Limited	1,029.43	1,029.43
	ii)	Zinglin Media Private Limited	114.00	114.00
B	Interest accrued on loans			
	i)	Nova Cinemaz Private Limited	374.89	268.42
	ii)	Zinglin Media Private Limited	15.74	5.12

Notes to standalone financial statements as at and for the year ended March 31, 2023

₹ in lacs

Sr. No.	Particulars	March 31, 2023	March 31, 2022
C	Trade receivables		
	i) Nova Cinemaz Private Limited	32.16	Nil
	ii) Scrabble Entertainment Limited	Nil	50.91
D	Trade payable		
	i) Plexigo Entertainment Private Limited	0.11	Nil
	ii) Scrabble Entertainment Limited	146.63	Nil
E	Deposit receivable		
	i) Scrabble Entertainment Limited	1.65	1.65
F	Deposit payable		
	i) Nova Cinemaz Private Limited	1.54	1.54
	ii) Scrabble Entertainment Limited	349.38	349.38
G	Unbilled revenue		
	i) Scrabble Entertainment Limited	2.07	1.75
	ii) Nova Cinemaz Private Limited	0.34	0.31
H	Unbilled expenses		
	i) Scrabble Entertainment Limited	Nil	49.26
I	Other receivables		
	i) Zinglin Media Private Limited	16.46	16.16
	ii) Plexigo Entertainment Private Limited	Nil	0.60
2	**Step-down subsidiaries**		
A	Amount payable		
	i) Scrabble Digital Limited	743.67	338.17
B	Deposit payable		
	i) Scrabble Digital Limited	3.05	2.76
C	Unbilled expenses		
	i) Scrabble Digital Limited	72.93	18.11
D	Unbilled revenue		
	i) Scrabble Digital Limited	1.59	Nil
3	**Enterprises owned or significantly influenced by key management personnel or their relatives**		
A	Amount receivable		
	i) Valuable Media Private Limited	0.53	0.73
	ii) Valuable Infotainment Private Limited	0.27	0.27
	iii) Valuable Edutainment Private Limited	2.50	2.58
B	Deposit receivable		
	i) Media Infotek Park	357.72	357.72
C	Deposit payable		
	i) Valuable Media Private Limited	Nil	2.04
	ii) Valuable Infotainment Private Limited	0.06	0.06
	iii) Valuable Edutainment Private Limited	0.65	0.65

Notes to standalone financial statements as at and for the year ended March 31, 2023

₹ in lacs

Sr. No.	Particulars		March 31, 2023	March 31, 2022
D	Unbilled expenses			
	i)	Valuable Technologies Private Limited	Nil	217.49
	ii)	Impact Media Exchange Limited	6.00	Nil
E	Trade payable			
	i)	Impact Media Exchange Limited	6.48	6.48
	ii)	Media Infotek Park	Nil	8.31
	iii)	IPSAA Holding Pvt Ltd	0.05	Nil
	iv)	Valuable Technologies Private Limited	Nil	66.93
4	**Key management personnel**			
A	Remuneration payable to key managerial personnel			
	i)	Mr. Sanjay Gaikwad	Nil	76
	ii)	Mr. Kapil Agarwal	Nil	76
B	Payable to Independent and Non-executive director			
	i)	Mr. Sanjeev Aga	Nil	5.67
	ii)	Mr. Ravi Batra	8.79	Nil
	iii)	Mr. Kanwar Bir Singh Anand	19.63	Nil
	iv)	Ms. Swati Mohan	6.63	Nil
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	18.01	8.70
C	Trade payable			
	i)	Mukta VN Films Limited	Nil	0.10
6	**Associates of subsidiary**			
A	Trade payable			
	i)	Mumbai Movie Studios Private Limited	0.66	0.89

Compensation of key management personnel of the Company:

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Remuneration	852.50	699.68

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

34. Capital and other commitments

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Capital commitments	245.30	1,064.11
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 149.93 lacs (March 31, 2022 : ₹ 46.42 lacs)))		
Other commitments (Operating expenses net of advances of ₹ 19.04 lacs (March 31, 2022 : ₹ 132.69 lacs))	309.57	429.04
	554.87	**1,493.15**

35. Contingent liabilities

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Pending litigations / matters		
In respect of Indirect Tax matters (refer note b)		
VAT matters	35.00	76.00
	35.00	**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) **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 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.

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

Particulars	March 31, 2023	March 31, 2022
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, 2023

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 hierarchy as at March 31, 2023 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	11,562.29	-	-	11,562.29	
Loans receivables	339.85	-	-	339.85	
Trade receivables	4,897.77	-	-	4,897.77	Level 2
Cash and cash equivalents	361.03	-	-	361.03	
Bank balances other than cash and cash equivalents	3,937.87	-	-	3,937.87	
Other financial assets	2,118.43	-	-	2,118.43	
Total	**23,217.24**	**-**	**-**	**23,217.24**	
Financial Liabilities					
Borrowings	8,053.88	-	-	8,053.88	
Lease liabilities	2,368.63	-	-	2,368.63	
Trade payables	4,678.13	-	-	4,678.13	
Other financial liabilities	4,124.18	-	-	4,124.18	
Total	**19,224.82**	**-**	**-**	**19,224.82**	

Notes to standalone financial statements as at and for the year ended March 31, 2023

Details for the year ended March 31, 2022 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 & 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	567.26	-	-	567.26	
Trade payables	3,603.68	-	-	3,603.68	
Other financial liabilities	4,692.41	-	-	4,692.41	
Total	**17,557.34**	**-**	**-**	**17,557.34**	

* 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, 2023 and 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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

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 on profit		Decrease effect on profit	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Effect on profit of increase / decrease in floating interest rate by 100 basis points (1%) for term loans	(122.41)	(123.35)	122.41	123.35

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, 2023	March 31, 2022
Payable for property, plant and equipment	6.22	70.92
USD	0.08	0.94
Advance to vendor	-	57.82
USD	-	0.77
Other receivable	3.13	5.89
USD	0.04	0.08

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 due to changes in the fair value of monetary assets and liabilities:

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
	Impact on profit - Increase / (decrease)	
1% increase in foreign exchange rate :	(0.03)	(0.07)
1% (decrease) in foreign exchange rate:	0.03	0.07

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was ₹ 10,474.45 lacs and ₹ 10,685.37 lacs as at March 31 2023 and March 31, 2022 respectively as per the table below.

₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Investments	-	2,044.14
Trade receivables	4,897.77	2,139.46
Balance with banks including bank fixed deposits	5,271.54	5,983.57
Other financial assets	305.14	518.20
Total	**10,474.45**	**10,685.37**

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 has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing risk pertaining to financial assets. The Company continues to believe that there is no impact on such assets.

3. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by having adequate amount of credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

Notes to standalone financial statements as at and for the year ended March 31, 2023

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, 2023				
Borrowing	5,844.47	2,219.58	-	8,064.05
Lease liabilities	450.58	1,918.05		2,368.63
Trade payables	4,678.13	-	-	4,678.13
Other financial liabilities	1,791.53	2,332.65	-	4,124.18
At March 31, 2022				
Borrowing	3,641.50	5,052.49	-	8,693.99
Lease liabilities	348.70	218.56	-	567.26
Trade payables	3,603.68	-	-	3,603.68
Other financial liabilities	1,777.45	2,914.96	-	4,692.41

39. Unbilled receivables and Contract liabilities

The movement in unbilled receivables and contract liabilities from contracts with customers: ₹ in lacs

Unbilled receivables	March 31, 2023	March 31, 2022
Opening balance	191.47	107.81
Less: Invoices raised for revenue recognised during the previous year	(191.47)	(107.81)
Add: Revenue recognised but invoices not raised during the year	225.90	191.47
Closing balance	**225.90**	**191.47**

₹ in lacs

Contract liabilities (Advance or deferred income)	March 31, 2023	March 31, 2022
Opening balance	238.11	205.59
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(238.11)	(52.56)
Add: Invoices raised for which no revenue is recognised during the year	342.04	85.08
Closing balance	**342.04**	**238.11**

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Notes to standalone financial statements as at and for the year ended March 31, 2023

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price ₹ in lacs

Particulars	March 31, 2023	March 31, 2022
Revenue from contracts with customers (as per Statement of Profit and Loss)	27,937.61	8,666.37
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Add / (Less): Unbilled revenue adjustments	(34.43)	(83.66)
Add / (Less): Deferred revenue adjustments	103.93	32.52
Contracted price with the customers	**28,007.11**	**8,615.23**

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 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, 2023	March 31, 2022
Long term debt including current maturities	7,250.88	8,693.99
Total equity	29,705.51	32,354.30
Gearing ratio	24.41%	26.87%

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.

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 standalone financial statements as at and for the year ended March 31, 2023

Details of CSR expenditure:

₹ in lacs

				March 31, 2023	March 31, 2022
a)	Gross amount required to be spent by the Company during the year			-	-
b)	Amount approved by the Board to be spent during the year			-	-
c)	Amount spent during the year ended on March 31, 2023:				
			In cash	Yet to be paid in cash	Total
	i)	Construction / acquisition of any asset	31.20	28.78	**59.98**
	ii)	On purposes other than (i) above	15.03	-	**15.03**
d)	Amount spent during the year ended on March 31, 2022:				
			In cash	Yet to be paid in cash	Total
	i)	Construction / acquisition of any asset	13.59	69.98	**83.57**
	ii)	On purposes other than (i) above	5.03	5.03	**10.06**

e) Details related to spent / unspent obligations

₹ in lacs

		March 31, 2023	March 31, 2022
i)	Contribution to Public Trust	-	-
ii)	Contribution to Charitable Trust	46.23	18.62
iii)	Unspent amount in relation to:		
	Ongoing project	28.78	75.01
	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
-	75.01	-	-	46.23	-	28.78

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, 2023

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, 2022	Given during the year	Written off during the year	March 31, 2023
1	Nova Cinemaz Private Limited*	9.50% to 12.00%	1,029.43	-	-	1,029.43
2	Zinglin Media Private Limited*	9.50% & 9.70%	114.00	-	-	114.00
3	Cinestaan Digital Pvt Ltd	11.00%	-	250.00	250.00	-
Total			**1,143.43**	**250.00**	**250.00**	**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.

* The Company has made a provision of ₹ 803.58 lacs against the loan given to subsidiary

44. Investments during the year

Investment by the Company

Investment in Plexigo Entertainment Private Limited (Plexigo)

During the year ended March 31, 2022, the Company had further invested an amount of ₹ 25 lacs by subscribing to 25,00 Non-Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) of Plexigo Entertainment Private Limited (Plexigo). As on March 31, 2023, the Company has invested an aggregate amount of ₹ 276 lacs in Plexigo.

Investment in Zinglin Media Private Limited (Zinglin) :

During the previous 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, 2023, the Company has invested an aggregate amount of ₹ 410.91 lacs in Zinglin.

Investment in Nova Cinemaz Private Limited.

During the previous year ended March 31, 2022, 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. During the year ended March 31, 2023, the Company has made an investment of ₹ 300 lacs in Nova Cinemaz Private Limited, subscribing to 3,000,000 equity shares of ₹ 10 each, its wholly owned subsidiary, for its NOVA EUC business.

Investment in the Company - Preferential allotment

During the previous year ended March 31, 2022, the Company made an 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, 2023, 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, 2023

45. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.83	1.32	-38%	Decline in this ratio is due to an increase in Short-term debt and current maturities of long term borrowings
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.27	0.27	1%	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	0.57	(0.24)	-337%	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	(0.02)	(0.06)	-56%	Decline in net loss and increase in revenue during the year improved the ratio.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.79	0.54	47%	Growth in revenue and inventory optimisation improved the ratio.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.98	1.20	66%	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	1.22	0.60	104%	Increase is primarily on account of increase in purchases and faster payments due to increase in liquidity
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(10.60)	2.41	-540%	Decline in this ratio is due to an increase in Short-term debt and current maturities of long term borrowings
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0.11)	(0.79)	-86%	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	0.04	(0.20)	-120%	Improvement is primarily on account of reduction in loss.
Return on Investment	Interest (Finance Income)	Investment	0.18	0.16	11%	Improvement is due to increase in investments and dividend received from subsidiary.

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.

Notes to standalone financial statements as at and for the year ended March 31, 2023

(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. Business Outlook Post Covid-19

Post lifting of Covid related occupancy restrictions late last year and the reopening of cinemas, filmgoers have started revisiting Cinemas, thus giving boost to the sentiments of the exhibition industry. The theatrical exhibition industry has witnessed recovery and an improved performance during the year. The Company has continued with its strategy of keeping a check on controllable costs and having adequate liquidity. As per the management, the Company is expected to generate sufficient funds from its operating activities and will have sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure. Management believes that the long-term drivers of the business are intact and does not anticipate any risks to the business or its ability to meet its financial obligations in the foreseeable future.

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.

The accompanying notes 1 to 48 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 25, 2023

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

Sanjay Gaikwad
Managing Director
DIN No.: 01001173

Rajesh Mishra
Executive Director and Group CEO
DIN No.: 00103157

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

If Undelivered, please return to

UFO MOVIEZ INDIA LTD.

53/1, Valuable Techno Park, Rd Number 7, Marol MIDC Industry Estate,
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