



**BUILDING ON
MOMENTUM**

**ANNUAL REPORT
2023–24**

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UFO MOVIEZ INDIA LIMITED

Annual Report 2023 - 24

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CINE MEDIA NETWORK

UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest in-cinema advertising platform that has the power to impact almost 1.9 billion viewers annually through 3,859 screens comprising of 2,492 screens in the PRIME channel and 1,367 screens in the POPULAR channel across 1,410 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,

Financial year 2024 turned out to be a year of growth and rejuvenation. Building on the momentum from last year, the company navigated through an evolving market landscape with resilience and strategic foresight.

The year commenced on a positive note with a notable uptick in advertisement revenue during the first half, driven by successful releases across various languages and genres. Despite some underperforming titles and rescheduled releases, the widespread success of Hindi movies and regional hits underscored the resilience of the theatrical business. This also highlighted the growing confidence of advertisers in cinema as a potent advertising platform.

The third quarter of FY24 continued a positive trend, defying the initial challenges posed by the Cricket World Cup. Although the quarter began with subdued performance and content volatility, momentum picked up in the latter part and continued through the last quarter with a steady flow of content. While the theatrical business remained steady, the growth in advertisement revenue played a pivotal role in the overall business performance during the year. Despite continued challenges with the Central Government advertising, overall advertising revenue grew by 62% compared to the previous year, on the back of strong corporate advertisements and positive traction from State Government advertising. Additionally, our mobile cinema venture, Caravan, secured an empanelment with the Central Bureau of Communications and demonstrated notable progress.

To further solidify our financial health, several cost optimization measures were implemented, which helped us to maintain a lower level of SG&A costs. All these factors culminated in our first profitable year since FY20, highlighting substantial business improvements.

Concurrently, the company also entered into a strategic alliance, which strengthened our presence in Southern markets, taking the total advertising screen count to over 3,800 screens pan India.

Looking ahead, with these strategic developments and a focus on leveraging new revenue opportunities while optimizing existing ones to drive sustainable growth, we remain optimistic about continuing our positive momentum.

We extend sincere gratitude to all shareholders, employees, customers, and other stakeholders for their unwavering support throughout our journey.

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

Warm Regards,

Sanjay Gaikwad

Founder and Managing Director



CORPORATE INFORMATION

Board of Directors

| | |
|--------------------------------|--|
| Kanwar Bir Singh Anand | Chairman & Independent Director |
| Anand Trivedi | Non-Executive Director |
| Ameya Hete | Non-Executive Director |
| Gautam Trivedi | Non-Executive Director |
| Kapil Agarwal | Non-Executive Director (upto April 26, 2023) |
| Raaja Kanwar | Non-Executive Director (appointed w.e.f. July 06, 2023) |
| Rajesh Mishra | Executive Director & Group CEO |
| Rajiv Batra | Independent Director |
| 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
Toll-Free No.: 1800 309 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 | Friday, August 30, 2024 |
| 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 | Friday, August 23, 2024 |
| Remote e-voting start date and time | Sunday, August 25, 2024 at 9:00 a.m. IST |
| Remote e-voting end date and time | Thursday, August 29, 2024 at 5:00 p.m. IST |

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of UFO Moviez India Limited ('Company') will be held on **Friday, 30th day of August, 2024 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, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Gautam Trivedi (DIN: 02647162), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

By order of the Board of Directors

Kavita Thadeshwar

Date: May 23, 2024

Company Secretary

Place: Mumbai

Membership no.: A18651

Notes:

1. The Ministry of Corporate Affairs, Government of India ('MCA') vide its General Circular Nos. 20/2020, 10/2022 and 09/2023 dated May 05, 2020, December 28, 2022 and September 25, 2023 respectively, and other circulars issued in this respect ('MCA Circulars') allowed, inter alia, conduct of Annual General Meeting ('AGM') through Video Conferencing/ Other Audio-Visual Means ('VC/ OAVM') on or before September 30, 2024. Further, the Securities and Exchange Board of India ('SEBI') vide its Master Circular dated July 11, 2023 read with Circular dated October 07, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard have provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In compliance with the MCA Circulars, provisions of the Companies Act, 2013 ('Act') and the Listing Regulations, the **20th AGM** of the Company will be conducted through VC/ OAVM, on **Friday, August 30, 2024 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. 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 Director seeking re-appointment at this AGM are also annexed to this Notice.
3. 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.

4. In line with the MCA Circulars and the SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 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 20th 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, 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 and any other relevant documents referred to in the Notice 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 vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 issued to all registered RTAs has mandated all Members holding shares in physical form to furnish their PAN, Nomination and KYC details (Contact Details, Bank Account Details & Specimen Signature) with companies. Folios of members holding physical securities who have not yet furnished these details have been frozen. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. The Members holding securities in physical form who have not yet updated their details 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/clientservices/isc/isrforms.aspx>.
- Members holding shares in electronic form are requested to submit any change in their KYC details to their depository participant(s).
9. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Further, SEBI had vide its aforesaid Circular 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 at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.
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/her 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's 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 and ₹ 65,802/- pertaining to Final Dividend for the financial year 2015 - 16 in October 2023 to the IEPF. Further, 5,353 equity shares of ₹ 10/- each and 542 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 and November 2023 respectively.
- 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 2016 - 17 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**
- 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.
 - 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 **Friday, August 23, 2024**, 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 **Sunday, August 25, 2024 at 09:00 a.m. (IST)** onwards and ends on **Thursday, August 29, 2024 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 on 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 | <ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> 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 |

| Type of shareholders | Login Method |
|--|--|
| | <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsd.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasitoken/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 <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN. 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. |
| Individual Shareholder login through their demat accounts/ Website of Depository Participant | <ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication. |
| Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. | |
| Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL. | |
| Login type | Helpdesk details |
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

I) Login method for e-Voting for shareholders other than Individual 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 8184, 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_8184."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending the duly filled in form ISR 1 uploaded in Company / RTA website along with relevant proof to the RTA, M/s KFin Technologies Limited, Unit: UFO Moviez India Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the scan copies of the documents may also be mailed through your registered email ID with

KFintech at the mail id einward.ris@kfintech.com duly e-Signed on the forms and all proofs.

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

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

Details of Step 3 are mentioned below:

I) Instructions for all the members for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investors@ufomoviez.com. Questions /queries received by the Company till August 28, 2024 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 **Monday, August 26, 2024 to Wednesday, August 28, 2024**. 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 during 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 be opened from **Monday, August 26, 2024 to Wednesday, August 28, 2024**.
- 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 **Friday, August 23, 2024**, 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

Details of the Director seeking re-appointment in the forthcoming Annual General Meeting in pursuance of 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. Gautam Trivedi |
| Date of Birth and Age | January 24, 1966 58 years |
| Date of Initial Appointment | December 09, 2021 |
| Qualification | MBA in Finance & Accounting from the University of Southern California (USC) in Los Angeles, Bachelor's degree of Law and Bachelor's degree in Commerce from the Mumbai University. |
| Brief Resume and Experience and Expertise | Nearly three decades of experience in the Indian and Asian financial markets |
| No. of meetings of the Board attended during the financial year 2023-24 | 4 out of 5 |
| Directorship held in other Companies (excluding foreign companies) | <ul style="list-style-type: none"> • Anaheim Trading Private Limited • Collective Artists Network India Private Limited • Extramarks Education India Private Limited • Landmark Automobiles Limited • Landmark Cars Limited • Maddock Films Private Limited • Trivedi Consultants Private Limited |
| List of Membership / Chairmanship of Board Committees in other companies | <u>Landmark Cars Limited</u> <ul style="list-style-type: none"> • Audit Committee – Member • Nomination and Remuneration Committee – Chairman • Stakeholder's Relationship Committee - Chairman |
| Other Listed entities from which the Director has resigned in the past three years | Nil |
| Shareholding in the Company as on date | Nil |
| Relationship with other directors, manager and Key Managerial Personnel of the Company | Brother of Mr. Anand 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 | 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 twentieth report on the business and operations of your Company for the Financial Year ended March 31, 2024.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the Financial Year ended March 31, 2024 is summarized below:

(₹ in Lacs)

| Particulars | Standalone | | | Consolidated | | |
|--|------------------|-------------------|----------------|------------------|-------------------|----------------|
| | FY24 | FY23 | Growth | FY24 | FY23 | Growth |
| Revenue from Operations | 31,719.27 | 29,469.83 | 7.63% | 39,992.84 | 38,407.53 | 4.13% |
| Other Operating Income | 371.44 | 257.44 | 44.28% | 831.09 | 1,184.39 | (29.83%) |
| Other Income | 200.81 | 141.59 | 41.82% | 183.89 | 183.40 | 0.27% |
| Total Income | 32,291.52 | 29,868.86 | 8.11% | 41,007.82 | 39,775.32 | 3.10% |
| Total Expenses | 27,206.19 | 28,835.14 | (5.65%) | 34,247.87 | 36,387.24 | (5.88%) |
| Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) | 5,085.33 | 1,033.72 | 391.94% | 6,759.95 | 3,388.08 | 99.52% |
| EBITDA Margin | 15.75% | 3.46% | - | 16.48% | 8.52% | - |
| Depreciation and Amortisation | 4,004.29 | 4,677.90 | (14.40%) | 4,279.03 | 4,952.52 | (13.60%) |
| Earnings before Interest and Tax (EBIT) | 1,081.04 | (3,644.18) | 129.66% | 2,480.92 | (1,564.44) | 258.58% |
| Finance Cost | 1,256.65 | 1,096.46 | 14.61% | 1,270.69 | 1,113.03 | 14.16% |
| Finance Income | 911.62 | 2,075.14 | (56.07%) | 795.46 | 489.66 | 62.45% |
| Profit before, share of profit from associates. Exceptional items and Tax | 736.01 | (2,665.50) | 127.61% | 2,005.69 | (2,187.81) | 191.68% |
| Share of profit from associates (net) | - | - | - | 407.62 | 740.60 | (44.96%) |
| Profit before exceptional items and tax | - | - | - | 2,413.31 | (1,447.21) | 266.76% |
| Exceptional items | - | - | - | 143.48 | - | - |
| Profit before tax | 736.01 | (2,665.50) | 127.61% | 2,269.83 | (1,447.21) | 256.84% |
| Tax | 332.54 | (473.06) | 170.30% | 633.79 | (126.39) | 601.46% |
| Profit after tax (PAT) | 403.47 | (2,192.44) | 118.40% | 1,636.04 | (1,320.82) | 223.87% |
| Other Comprehensive Income | (88.27) | 198.34 | (144.50%) | 16.31 | 443.70 | (96.32%) |
| Total comprehensive income for the year, net of tax | 315.20 | (1,994.10) | 115.81% | 1,652.35 | (877.12) | 288.38% |
| Profit for the year attributable to equity shareholder | - | - | - | 1,636.04 | (1,320.82) | 223.87% |
| Profit for the year attributable to Non-controlling interests | - | - | - | - | - | - |
| Other comprehensive income attributable to equity Shareholder | - | - | - | 16.31 | 443.70 | (96.32%) |
| 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 2023-24.

TRANSFER TO RESERVES

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

FINANCIAL STATEMENTS

Your Company prepares its financial statements in compliance with the requirements of Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 ('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, 2024 and the loss including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2024.

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.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

- During the year under review, the Company had incorporated two Joint Venture Companies in India with Qube Cinema Technologies Private Limited ("Qube"), namely Upmarch Media Network Private Limited ("Upmarch") and X86 Media Artists Private Limited ("X86"). Consequent to termination of the Company's joint venture agreements executed with Qube on account of certain operational issues, Qube and the Company had decided to acquire stake in one Joint Venture Company each and divest its stake in the other. Accordingly, the Company had acquired entire stake of Qube in Upmarch, whereby it became wholly owned subsidiary and divested its entire stake in X86 to Qube, whereby it ceased to be its associate.
- The Company had filed a joint petition with Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') to obtain its sanction for the Scheme of Amalgamation amongst the

wholly owned subsidiaries (direct / step down) viz. Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited and Scrabble Entertainment (Mauritius) Limited (together known as '**Transferor Companies**') with the Company, being the holding company, and its respective shareholders ('**Scheme**'). The NCLT on January 17, 2024, pronounced the Order, sanctioning the aforesaid Scheme. The certified copy of NCLT order was received on February 01, 2024. After fulfilling all the conditions stated under the Scheme, the certified copy of the NCLT Order was filed with the Ministry of Corporate Affairs, Government of India, whereby the Scheme has become operative on and from February 21, 2024 ('**Effective Date**'). Consequently, the four aforementioned Transferor Companies now stand amalgamated with the Company and were dissolved without being wound up, on and from the Effective Date.

As at March 31, 2024, the Company had 7 direct subsidiaries, 2 step-down subsidiaries and 6 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.

The Board of Directors have 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>

SHARE CAPITAL

Consequent to the Scheme of Amalgamation referred hereinabove, the Authorized Share Capital of the Wholly Owned Subsidiaries (direct / step down) viz. Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited have been merged into the Company.

The Authorised Share Capital of the Company as on March 31, 2024 is ₹ 230,41.45 lacs divided into 7,39,14,500 equity shares of ₹ 10 each and 15,65,000 preference shares of ₹ 1,000 each.

During the year under review, the Company had allotted 4,04,978 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.

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The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2024 stands at ₹ 3,858.12 lacs divided into 3,85,81,208 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, 2024, there were no outstanding share warrants of the Company.

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 2023-24.

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 2023-24.

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:

- in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures from the same;
- 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, 2024 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

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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.

As per the requirements of the Act and Listing Regulations, the Company has adopted policy on 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

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.

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, 2024, 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.

APPOINTMENT, RE-APPOINTMENT AND RESIGNATION OF DIRECTORS

● Appointment of Directors:

During the year under review, Mr. Raaja Kanwar (DIN: 00024402) was appointed as a Non-Independent Non-Executive Director of the Company with effect from July 06, 2023 to fill the casual vacancy caused due to the resignation of Mr. Kapil Agarwal.

● Re-Appointment of Directors:

During the year under review, Mr. Sanjay Gaikwad was re-appointed as the Managing Director of the Company for a further period of three years with effect from October 17, 2023 till October 16, 2026.

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

Brief resume, nature of expertise, details of directorships held in other Companies and other relevant information of Mr. Gautam Trivedi who is 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.

● Resignation of Directors:

Mr. Kapil Agarwal, Non-Independent Non-Executive Director (DIN: 00024378) of the Company resigned from the position of Director of the Company with effect from April 26, 2023, due to his pre-occupation.

The Board of Directors places on record its appreciation for the contribution made by Mr. Kapil Agarwal.

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 2023-24 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 2023 - 24, the Independent Directors met on May 25, 2023 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. For administrative convenience, Finance Committee is constituted.

A detailed update on the Board and Committees, its composition, meetings held during the Financial Year 2023-24 and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

In view of losses incurred during the financial year under review, the Company did not have any obligations for undertaking Corporate Social Responsibility ('CSR') activities, as per the provisions of Section 135 of the Act.

However, 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. Also, pursuant to the scheme of merger made effective during the financial year under review, the unspent portion of the CSR obligations of Scrabble Entertainment Limited ('SEL'), wholly owned subsidiary for the financial years 2021 - 22 and 2022 - 23 stood transferred to the Company.

Brief details on the CSR activities undertaken by the Company and SEL under the Ongoing CSR projects 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.

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 accessed at https://www.ufomoviez.com/sites/default/files/UFO_Investors/CSR_Policy_2021.pdf

VIGIL MECHANISM

The Company has adopted 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 the 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, 2024 as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report.

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

The particulars as prescribed under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are enclosed as "Annexure-2" to this report.

AUDITORS

Statutory Auditors

At the 19th Annual General Meeting ('AGM'), held on September 12, 2023, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office for their second term of five consecutive years commencing from the conclusion of 19th AGM till the conclusion of 24th AGM.

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 2023-24, as required under Section 204 of the Act and Rules framed thereunder. The Secretarial Audit Report for the Financial Year 2023-24 forms part of this report as "Annexure-3". 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 https://www.ufomoviez.com/sites/default/files/Annual_Return/MGT-7_PDF.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 and ₹ 65,802/- pertaining to Final Dividend for the Financial Year 2015 – 16 in October, 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 and 542 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 and October, 2023 respectively. 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 able and experienced professionals, whose dedicated efforts and enthusiasm has been an integral part of your Company's growth. Your Directors would like to place on record their deep appreciation of their continuous effort and contribution to the Company.

Particulars of employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the 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 details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report for the FY 2023-24 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_31.03.2024.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

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of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the Financial Year 2023-24.

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

Place: Mumbai
Date: May 23, 2024

Sanjay Gaikwad
Managing Director
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

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, the Company did not have CSR obligations during the financial years 2021-22 to 2023-24. 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. Also, pursuant to the scheme of merger made effective during the financial year under review, the unspent portion of the CSR obligations of Scrabble Entertainment Limited (**'SEL'**), wholly owned subsidiary for the financial years 2021 – 22 and 2022 - 23 stood transferred to the Company. Gist on the Ongoing CSR Projects undertaken by the Company and its subsidiaries (**'UFO Group'**) 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 UFO Group 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, UFO Group is sponsoring education of 50 girls for the three academic years i.e. 2021-22, 2022-23 and 2023-24.

HealthCare Projects

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

UFO Group had undertaken CSR HealthCare Projects during the financial year 2020 – 21 to 2022 – 23. The objectives of the HealthCare Projects 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 infrastructure facilities by supplying free of cost (or through provision of grants) diagnostic, testing equipment, dental chair and such other requisite capital assets and funding of related facility construction 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, UFO Group has supported various beneficiaries by providing medical equipment such as X-Ray machine alongwith providing financial support for Infrastructure Cost of the X-Ray Room alongwith Manpower Cost, Anaesthesia Workstation, Haematology Analyzer Machine, Neonatal Ventilator, Dental Chair, Ambulance, Dialyzer, Doppler Machine, Baby Warmer, Motorized ICU beds, C-Arm Machine, etc.

Under the said project, UFO Group 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 ('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 | 3 | 3 of 3 |
| 2. | *Mr. Kapil Agarwal | Designation - Member of the Committee Nature of Directorship – Non-Executive Director | 3 | 0 of 0 |
| 3. | Mr. Kanwar Bir Singh Anand | Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director | 3 | 3 of 3 |
| 4. | Mr. Rajiv Batra | Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director | 3 | 3 of 3 |
| 5. | Mr. Swati Mohan | Designation - Member of the Committee Nature of Directorship – Non Executive Independent Director | 3 | 3 of 3 |

** 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: ₹ (1,02,90,94,817)/-

(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 | | |
| Ongoing CSR Project undertaken in the Financial Year 2020-21 | | | | | | | | |
| 1 | FY 2020 -21 | 93,62,500 [@] | 28,78,469 [^] | 70,44,530 [%] | NA | NA | Nil | Nil |
| Ongoing CSR Project undertaken in the Financial Year 2021-22 | | | | | | | | |
| 1 | FY 2021-22 ^s | 47,59,772 [*] | 25,28,478 [#] | 18,79,817 | NA | NA | 6,48,661 | Nil |
| Ongoing CSR Project undertaken in the Financial Year 2022-23 | | | | | | | | |
| 1 | FY 2022-23 ^s | 23,52,400 ^{&} | 23,52,400 | 9,30,905 | NA | NA | 14,21,495 | Nil |

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

[^] Balance amount is as on April 01, 2023, after considering amount of ₹ 46,22,139/- spent during the financial year 2022 – 23.

[%] Includes CSR amount of ₹ 41,66,061/- spent by Scrabble Entertainment Limited (SEL), wholly owned subsidiary of the Company that stands amalgamated with the Company vide the order of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated January 17, 2024.

^sThe CSR obligation of SEL stands transferred to the Company from the Appointed Date i.e. April 01, 2023 by virtue of the NCLT order dated January 17, 2024 sanctioning the Scheme of Amalgamation.

^{*} Amount transferred to the unspent account on April 07, 2022.

[#] Balance amount is as on April 01, 2023, after considering amount of ₹ 22,31,294/- spent during the financial year 2022 – 23.

[&] Amount transferred to the unspent account on April 17, 2023.

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

UFO MOVIEZ INDIA LIMITED

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Furnish the details relating to such asset(s) so created / acquired through Corporate Social Responsibility amount spent in the Financial Year⁵:

| 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. | Dialysis Machines (2 in nos.) | Dr. M.L. Dhawale Memorial Trust Hospital Palghar Boisar Road, Palghar, Maharashtra - 401404 | May 27, 2023 | ₹ 16,12,800 | Dr. M.L. Dhawale Memorial Trust Palghar Boisar Road, Palghar, Maharashtra - 401404 |
| 2. | Fully notarized ICU beds (6 in nos.) | Bhagwan Mahaveer Cancer Hospital And Research Centre Jawahar Lal Nehru Marg, Jaipur – 302 017, Rajasthan | June 12, 2023 | ₹ 9,49,060 | Bhagwan Mahaveer Cancer Hospital And Research Centre Jawahar Lal Nehru Marg, Jaipur – 302 017, Rajasthan |
| 3. | Dental Chair | Ramkrishna Mission Rural Health and Welfare Centre Village Sakwar, P.O. Khaniwade, Taluka – Vasai, District – Palghar, Maharashtra - 401303 | January 19, 2024 | ₹ 2,93, 666 | Ramkrishna Mission Belurmath, Howrah, West Bengal - 711202 |
| 4. | Digital Radiography Machine | Sassoon General Hospital Jai Prakash Narayan Road, Pune, Maharashtra – 411 001 | February 09, 2024 | ₹ 20,00,000 | Sassoon Hospital Denagi Samiti Sassoon General Hospital, Jai Prakash Narayan Road, Pune, Maharashtra – 411 001 |
| 5. | Neonatal Ventilator | Sir D.M. Petit Municipal Hospital Bangli Road, Kharale, Husaini Colony, Vasai (West), Vasai – Virar, Maharashtra - 401202 | March 01, 2024 | ₹ 16,00,000 (contributed by the Company in collaboration with its subsidiaries) | Sir D.M. Petit Municipal Hospital Bangli Road, Kharale, Husaini Colony, Vasai (West), Vasai – Virar, Maharashtra - 401202 |
| 6. | Digital Radiology Imaging System | Babasaheb Gawde Diagnostic Centre Plot No. 77, Moghibhai Market, Mahatma Gandhi Road, Vile Parle (E), Mumbai – 400 057, Maharashtra | March 05, 2024 | ₹ 9,55,000 | Maratha Mandir Plot No. 77, Moghibhai Market, Mahatma Gandhi Road, Vile Parle (E), Mumbai – 400 057, Maharashtra |
| 7. | CR system compatible with mammography (Consulate) | Dr. M.L. Dhawale Memorial Trust Hospital Palghar Boisar Road, Palghar, Maharashtra - 401404 | March 19, 2024 | ₹ 10,00,000 | Dr. M.L. Dhawale Memorial Trust Palghar Boisar Road, Palghar, Maharashtra - 401404 |

⁵Includes capital assets created/acquired by the Company and Scrabble Entertainment Limited (now merged with the Company).

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2024

Sanjay Gaikwad
Chairman of CSR Committee
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

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 ₹ 36.16 lacs and the foreign exchange outflow is ₹ 892.74 lacs.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2024

Sanjay Gaikwad
Managing Director
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the Financial year ended March 31, 2024

[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 31st March 2024, 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 2024** 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, 4,04,978 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.
- Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench ("NCLT") vide its order dated 17th January 2024 sanctioned Scheme of Amalgamation amongst Wholly owned subsidiaries (direct / step down) viz. Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited, Scrabble Entertainment (Mauritius) Limited with Holding Company – UFO Moviez India Limited.

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

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

Place: Mumbai ICSI UDIN: F005418F000401517
Date: 23 May 2024 Peer Review Certificate No.: 1187/2021

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: 23 May 2024

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 2023-24 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary:

| Name of Director / Key Managerial Personnel | Designation | % increase / (decrease) in remuneration as compared to previous year | Ratio of Remuneration of each Director to median remuneration |
|---|----------------------------------|--|---|
| Mr. Anand Trivedi | Non – Executive Director | N.A. (refer note i) | 0.87:1 |
| Mr. Ameya Hete | Non – Executive Director | N.A. (refer note i) | 1.74:1 |
| Mr. Gautam Trivedi | Non – Executive Director | N.A. (refer note i) | 0.70:1 |
| Mr. Raaja Kanwar (appointed w.e.f. 06.07.2023) | Non – Executive Director | N.A. (refer note i) | 0.35:1 |
| Mr. Kanwar Bir Singh Anand (appointed w.e.f. 26.05.2022) | Independent Director | N.A. (refer note ii) | 6.10:1 |
| Mr. Rajiv Batra (appointed w.e.f. 15.06.2022) | Independent Director | N.A. (refer note ii) | 4.35:1 |
| Ms. Swati Mohan (appointed w.e.f. 15.06.2022) | Independent Director | N.A. (refer note ii) | 3.66:1 |
| Mr. Rajesh Mishra | Executive Director and Group CEO | N.A. (refer note iii) | 27.92:1 |
| Mr. Kapil Agarwal (resigned w.e.f. 26.04.2023) | Non – Executive Director | N.A. (refer note i) | 0.09:1 |
| Mr. Sanjay Gaikwad | Managing Director | (29.33) | 38.19:1 |
| Mr. Ashish Malushte | Chief Financial Officer | (19.74) | N.A. |
| Ms. Kavita Thadeshwar | Company Secretary | (10.39) | N.A. |

Notes:

- i. The Remuneration of Non-Executive Non – Independent Directors includes sitting fees for attending Board and Committee meetings.
- ii. Since the remuneration paid during the previous Financial Year 2022-23 is only for the part of the year, the percentage variation in remuneration is not reported.

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.
- iii. Since the remuneration paid during the previous Financial Year 2022-23 for his role as an Executive Director and Group CEO w.e.f. June 18, 2022, is only for the part of the year, the percentage variation in remuneration is not reported.

B. The percentage increase/(decrease) in median remuneration of employees in financial year 2023-24: (17.99%)

C. Number of permanent employees on the rolls of the Company as at March 31, 2024: 501

D. Comparison of average percentile increase/(decrease) in salary of employees other than the managerial personnel and the percentile increase/(decrease) in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the FY24, the Company as part of the cost optimization exercise w.e.f. April 01, 2023, has restructured the compensation packages of all the employees into fixed salary and EBIDTA linked variable components. Basis the actual performance of the company for FY24 vis – a – vis the parameters laid, part of the EBIDTA linked variable salary became due to employees. This led to reduction in total employee cost compared to the previous financial year, accordingly the average percentage decrease in the salaries of employees other than managerial personnel in the FY24 was ~(14%) whereas for the managerial remuneration the decrease was of ~(29)% since in their case higher portion of their fixed salary was converted into variable pay as compared to other employees.

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, 2024 and the outlook for the Financial Year 2024-25. UFO Moviez India Limited and its subsidiaries have been collectively referred to as “UFO or Company”.

I. Overview of the Indian Economy

In 2023, the global economy faced both resilience and challenges. Despite events like collapse of Silicon Valley Bank and the U.S. hitting its debt ceiling, and ongoing geopolitical conflicts, economic activity continued to grow, albeit at a slower pace. Factors such as high inflation, monetary policy tightening, and rising interest rates contributed to this slowdown. Overall, global growth was 3.23% in 2023.

Amidst these challenges, the Indian economy exhibited remarkable resilience and emerged as one of the fastest-growing major economies globally. With a growth rate of 7.8% in 2023 (FY24), the country continued to attract investors, highlighting its capacity for large-scale operations, a vast pool of skilled professionals, and prowess in technological and innovative advancements.

While the International Monetary Fund (IMF) projected the global economy to grow at 3.2% in 2024 and 2025, slightly below the historical annual average of 3.8% (2000–19), India is projected to grow at 6.8% in 2024 (FY25) and 6.5% in 2025 (FY26), contributing approximately 16% of the global growth. Besides IMF, the Asian Development Bank (ADB) have forecasted India's GDP growth to 7% for FY25, up from its earlier forecast of 6.7%. India is also projected to be the driver for global growth in the foreseeable future.

These forecasts indicates India's economic prospect to be bright, laying the groundwork for further acceleration in the coming years due to buoyant domestic demand, rising working age population, robust public and private investments and a strong services sector.

Sources: IMF Reports 2024, ADB Bank data

II. Overview of the Indian Film Entertainment Industry

The Indian Film Entertainment Industry experienced approximately 15% growth, reaching a revenue of ₹19,700 Crore, up from ₹17,200 Crore in the previous year and ₹19,100 Crore in pre-pandemic CY19. In CY23, India surpassed its pre-pandemic peak in box office collections, while other significant markets like the U.S., Japan, China, and South Korea remained below their respective pre-COVID levels. Domestic Theatrical revenue, amounting to ₹12,000 Crore, was the largest contributor to the Indian Film Entertainment Industry, showing a 14% growth over ₹10,500 Crore revenue in 2022 and exceeding the pre-pandemic figures of ₹ 11,520 Crore in 2019. This surge was to an extent fueled by the success of Hindi movies.

Out of ₹12,000 Crore of domestic theatrical revenue, Hindi films contributed ₹5,300 Crore, marking a 51% growth compared to the CY22 revenue of ₹3,500 crore and a 7% increase from CY19 revenue of ₹4,954 crore. While the contribution from Southern films ₹5,200 Crore remained steady on YOY basis, though reflecting a ~33% growth from CY19 revenue of ₹3,900 crore.

Throughout the year, the industry witnessed a total of 2,079 movie releases across various languages and versions, showing 12% increase from CY22. Southern languages had 1,061 releases, followed by Hindi at 215, and other languages at 803. Of these releases, 36 movies achieved box office collections exceeding ₹100 Crore, with 17 Hindi films among them.

During CY23, the count of direct-to-digital releases (excluding dubbed versions) dipped to 57 from 105 in CY22. Whereas, the number of theatre first and subsequently on OTT releases (excluding dubbed versions) have gone up from 217 in CY22 to 359 in CY23, signaling a shift towards conducive growth of theatrical business. This emphasizes that success of the 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.

Sources: FICCI Frames 2024

III. Overview of the Indian Advertisement Industry

The Indian advertising industry witnessed a modest growth of 7% in CY23, surpassing ₹1.1 Lac Crore in total ad spends. Traditional media platforms, such as Television, Print, Radio, Cinema, and Out of Home advertising, contributed 48% of the total advertising spends, with digital accounting for the remaining 52%. The industry shows promising signs of further expansion, with projections indicating a 10% growth in CY24 and a compound annual growth rate (CAGR) of 9% until CY26. Factors such as increasing per capita income, rural outreach, expanding middle-class demographics, and a rising base of SME advertisers are expected to drive this growth.

In-cinema advertising, which comprised 0.9% of total traditional advertising in 2022, experienced an increase, reaching a ~1.4% share in 2023. This segment generated revenue of ₹750 crore in CY23, showcasing over 65% growth from ₹450 crore in CY22, and nearly reaching pre-pandemic revenue levels of CY19. This growth was largely driven by successful content releases across languages.

Looking ahead, the in-cinema advertising segment is expected to continue its growth momentum, supported by anticipated increase in footfalls and a steady slate of theatrical releases.

Sources: FICCI Frames 2024

IV. Opportunities and Initiatives

Screen Growth

Due to pandemic, the Indian film exhibition industry was severely impacted, resulting in a closure of numerous theaters, temporarily or permanently, over the last few years. However, in 2023, India witnessed an increase in the number of movie screens for the first time in five years, marking a milestone in post-pandemic recovery. The total number of screens grew by ~4% to 9,742 screens compared to 9,382 screens in 2022, surpassing pre-pandemic levels of 9,527 screens in 2019.

However, the screen density in India continues to be significantly lower than other countries, with less than 7 screens per million population, compared to 132 per million in the USA and 57 per million in China. As per an internal exercise, there are over 16,500 PIN Codes in India without any cinema screens, offering a great opportunity to add new screens and make cinemas more accessible across the country.

UFO is working towards bridging this gap through its wholly owned subsidiary, Nova Cinemaz Private Limited (NOVA), which aims to create entertainment and utility centers (EUC) in semi-urban and rural areas of India. These centers will offer a blend of cinema screens, retail outlets, cafeterias, digital utilities, and various other services, all conveniently housed under one roof. The company intends to operationalize few EUCs in FY25.

Looking ahead, the cinema industry is poised for further growth, driven by initiatives such as investments in affordable cinema infrastructure including EUC and the inclusion of modern cinema complexes in smart city projects. With increasing disposable income and lack of affordable out-of-home entertainment avenues, cinema exhibition is poised for growth in coming years.

UFO Moviez is well-positioned to capitalize on these opportunities, further expanding its service offerings to growing screens and solidifying its position in the market.

Advertisement Inventory Utilization

UFO's in-cinema advertising business has substantial headroom/opportunity for growth since the average inventory utilization of UFO is at ~4.2 minutes/screen/show in FY24 as against average availability of around 20 minutes. The current utilization of ~4.2 minutes/screen/show is significantly lower than the minutes utilized by major multiplex chains. With audiences returning to movie theaters, and a steady flow of content, the demand for cinema advertising is expected to increase.

Distribution Business

As reported earlier, UFO continues its role in the film distribution landscape. UFO has helped South and other regional movies to get a wider release across India, thereby providing steady flow of content to the screens especially

in Non-South markets. With 24 regional offices and a large network of screens, UFO's Pan-India presence makes it easier to identify potential markets for such movies and ensure their widespread release.

Till date, UFO had distributed over 140 movies in different circuits and markets. Some of the prominent movies distributed during FY24 includes "Jailer" (Hindi, Tamil, and Telugu), "Eagle" (Telugu and Hindi), "Garudan" (Malayalam), "Bhagavanth Kesari" (Telugu) among others.

Operating Performance

In-Cinema Advertising Business

UFO is a leading provider of in-cinema advertising having advertising rights in 3,859 screens (including screens of TSR films) as of March 31, 2024, comprising of 2,492 PRIME Screens (multiplexes and Hollywood release centers) and 1,367 POPULAR Screens (standalone screens and mass appeal screens) with presence across 1,410 cities and towns across India. Its high-impact advertising platform offers advertisers an opportunity to connect with a captive audience in both Premium and Mass Market segments.

On January 23, 2024, UFO announced a tie up with TSR Films, securing exclusive advertising screen rights across TSR's extensive network of over 400 screens. This collaboration, is expected to enhance the product mix of the company and strengthen its offerings in lucrative South-Indian Markets.

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.

Following the pandemic, advertisers approached in-cinema advertising cautiously until last year. However, towards the latter part of FY23, the situation improved as the mix of successful Hindi and Regional movie releases prompted advertisers to increase their spends towards in-cinema advertisement, leading to an uptick in advertisement revenues.

In FY24, UFO generated advertisement revenue of ₹12,202.86 Lacs, as compared to the previous year's revenue of ₹ 7,549.97 Lacs and ₹ 15,469.80 Lacs in FY20. The corporate advertisement revenue amounted to ₹7,965.96 Lacs, as compared to the previous year's revenue of ₹ 5,673.04 Lacs and ₹ 9,723.70 Lacs in FY20, staging 82% recovery compared to FY20 levels. However, challenges persisted in government advertisement revenue, particularly with reduced central government spending across mediums though the state governments and PSUs have started allocating budgets towards in-cinema advertising. The government advertisement revenue amounted to ₹3,197.67 Lacs in FY24, compared to the previous year's revenue of ₹ 1,729.50 Lacs and ₹ 5,086.70 Lacs in FY20.

Additionally, Caravan, the company's mobile talkies venture, secured a rate contract agreement in the month of July for empanelment with the Central Bureau of Communications, Ministry of Information and Broadcasting. After the empanelment, it successfully executed a few campaigns in the current year. The company is optimistic about growth of this vertical in coming years.

Overall, the in-cinema advertising business during the year demonstrated notable growth and stability.

Theatrical Business

Reflecting upon the theatrical business in FY24, the industry witnessed a mix of film releases across languages and genres. The year commenced with big-budget movies like "Kisi Ka Bhai Kisi Ki Jaan," "PS 2," "Satya Prem Ki Katha," and "Adipurush," alongside regional successes

such as "Bushirt T-shirt" (Gujarati), "Carry on Jatta 3" (Punjabi), and "Baipan Bhaari Deva" (Marathi), as well as sleeper hits like "The Kerala Story" and "Zara Hatke Zara Bachke" in the first quarter. The second quarter continued the trend with blockbuster hits like "Rocky and Rani ki Prem Kahani," "Jailer", "OMG 2," "Gadar 2," and "Jawan".

The second half of the financial year started with the distraction of the cricket world cup, accompanied by releases like "Mission Raniganj" and "Ganpath", which failed to leave a mark at the box office. However, films like "12th Fail," "Leo," and "Tiger 3" performed well. December proved to be a game-changer, witnessing a surge in successful releases like "Animal," "Sam Bahadur," "Hi Nanna," "Dunki," and "Salaar," marking the best quarter of the year. The final quarter also saw notable successes like "Hanuman", "Fighter", "Shaitaan" along with "Teri Baaton Mein Aisa Uljha Jiya", "Article 370", "The Crew" and sleeper hits like "Madgaon Express" and "Manjummel Boys".

While the year witnessed many successful releases, it also faced some setbacks. Several big-budget movies underperformed, including "Kisi Ka Bhai Kisi Ki Jaan," "Adipurush," "Tiger 3," "Dunki," and "Yodha." Whereas, titles like "Ghoomer," "The Great Indian Family," "The Vaccine War," "Ganapath," "Tejas," "Merry Christmas," and "Main Atal Hoon," failed to make an impact.

For the current financial year, the company's theatrical revenue, Content Delivery Charges (CDC), amounts to ₹ 8,642.28 Lacs, compared to ₹8,794.92 Lacs in FY23. Overall, FY24 presented a mixed bag of content, culminating in a recovery of 72% compared to pre-pandemic levels.

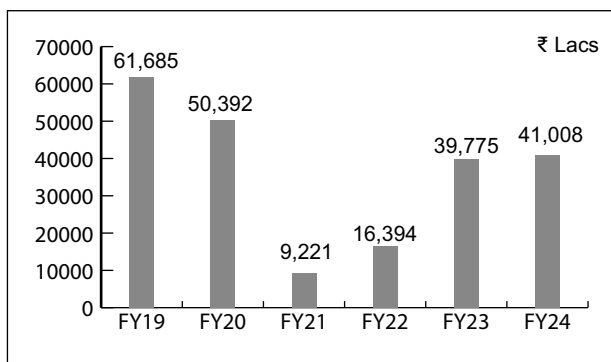
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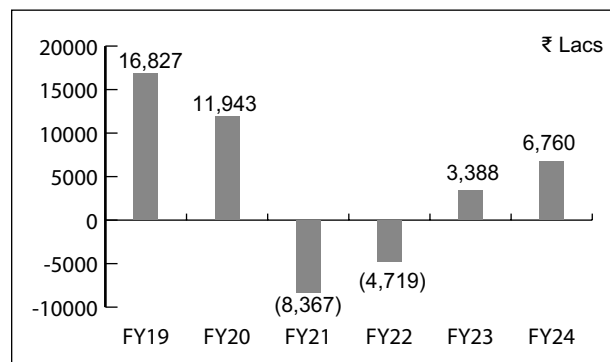
V. Financial Performance (Consolidated)

Performance Overview (FY19 - 24)

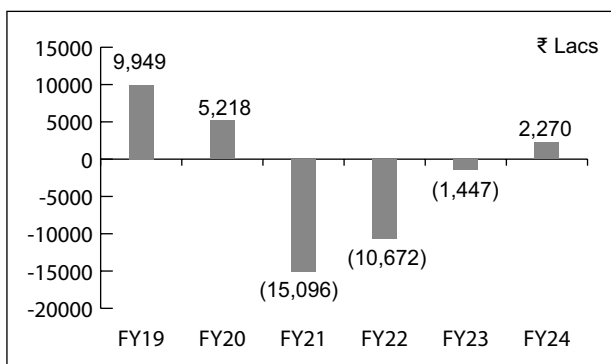
Revenue



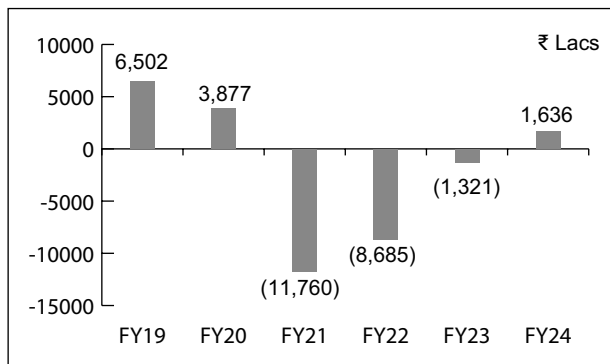
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



Revenue Analysis

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

- Advertisers, for in-cinema advertising,
- Producers and Distributors, for secured delivery and screening of movies (Content Delivery Charges - CDC / VPF) and
- Exhibitors, for equipment rentals and sales of digital cinema equipment and consumables.

| Particulars | 31-Mar-24 | 31-Mar-23 | Growth | % Growth |
|--|------------------|------------------|-----------------|--------------|
| | ₹ in Lacs | ₹ in Lacs | | |
| A. Revenue from operations | | | | |
| I. Advertisement revenue | 12,202.86 | 7,549.97 | 4,652.89 | 61.63% |
| II. Revenue from Content Owners | 11,778.57 | 13,312.84 | -1,534.27 | -11.52% |
| Content Delivery Charges (CDC) | 8,642.28 | 8,794.92 | -152.64 | -1.74% |
| VPF Service Revenue | 1,494.35 | 2,429.35 | -935.00 | -38.49% |
| Digitisation Income | 1,641.94 | 2,088.57 | -446.63 | -21.38% |
| III. Revenue from Exhibitors | 14,543.07 | 14,419.24 | 123.83 | 0.86% |
| Lease rental income | 5,722.86 | 5,468.95 | 253.91 | 4.64% |
| Sale of Products | 8,820.21 | 8,950.29 | -130.08 | -1.45% |
| IV. Other Operating Revenue | 2,299.43 | 4,309.87 | -2,010.44 | -46.65% |
| A. Revenue from operations (I to IV) | 40,823.93 | 39,591.92 | 1,232.01 | 3.11% |
| B. Other income | 183.89 | 183.40 | 0.49 | 0.27% |
| Total Income (A+B) | 41,007.82 | 39,775.32 | 1,232.50 | 3.10% |

Expense Details

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

| Particulars | 31-Mar-24 | 31-Mar-23 | Growth | % Growth |
|---------------------------|------------------|------------------|------------------|---------------|
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| Operating direct costs | 17,653.97 | 18,826.65 | -1,172.68 | -6.23% |
| Employee benefit expenses | 9,231.50 | 9,843.83 | -612.33 | -6.22% |
| Other expenses | 7,362.40 | 7,716.77 | -354.37 | -4.59% |
| Total Expenses | 34,247.87 | 36,387.24 | -2,139.37 | -5.88% |

Operating direct costs

Operating direct costs in financial year ended March 31, 2024 decreased by ₹ 1,172.68 Lacs to ₹ 17,653.97 Lacs from ₹ 18,826.65 Lacs in financial year ended March 31, 2023 primarily on account of (i) decrease in distribution expenses by ₹ 1,240.88 as the revenue recognized in FY23 was on gross basis and following the contextual changes, it is accounted on net basis in FY24. (ii) Advertisement revenue share paid to exhibitors was higher by ₹ 923.04 Lacs from ₹ 4,450.39 Lacs to ₹ 5,373.43 Lacs. (iii) decrease in content delivery charges (CDC/VPF) sharing by ₹ 669.07 Lacs from ₹ 1,685.09 Lacs during the financial year ended March 31, 2023 to ₹ 1,016.02 Lacs during the financial year ended March 31, 2024. (iv) Decrease in repair and maintenance by ₹ 107.75 Lacs from ₹ 2,196.45 Lacs during the financial year ended March 31, 2023 to ₹ 2,088.70 Lacs during the financial year ended March 31, 2024.

Employee benefit expenses

Employee benefit expenses during the financial year ended March 31, 2024 was lower by ₹ 612.33 Lacs to ₹ 9,231.50 Lacs in financial year ended March 31, 2024 from ₹ 9,843.83 Lacs in financial year ended March 31, 2023.

Other expenses

Other expenses in financial year ended March 31, 2024 were lower by ₹ 354.37 Lacs to ₹ 7,362.40 Lacs from ₹ 7,716.77 Lacs in financial year ended March 31, 2023 primarily on account of (i) decrease in legal, professional and consultancy charges by ₹ 837.21 Lacs from ₹ 2,523.68 Lacs during the financial year ended March 31, 2023 to ₹ 1,686.47 Lacs during the financial year ended March

31, 2024, (ii) commission on advertisement revenue was higher by ₹ 990.92 Lacs from ₹ 857.94 Lacs during the financial year ended March 31, 2023 to ₹ 1,848.86 Lacs during the financial year ended March 31, 2024, (iii) decrease in freight and forwarding charges by ₹ 105.41 Lacs from ₹ 754.35 Lacs during the financial year ended March 31, 2023 to ₹ 648.94 Lacs during the financial year ended March 31, 2024, (iv) lower commission on other revenue by ₹ 117.97 Lacs from ₹ 152.26 Lacs during the financial year ended March 31, 2023 to ₹ 34.28 Lacs during the financial year ended March 31, 2024, (v) onetime loan write off of ₹ 266.34 Lacs during the financial year ended March 31, 2023 contributed to other expenses.

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

Consolidated EBITDA stood at ₹ 6,759.95 Lacs in the financial year ended March 31, 2024 compared to ₹ 3,388.08 Lacs in the financial year ended March 31, 2023.

Profit/ (Loss) before tax

Consolidated profit/ (loss) before tax stood at ₹ 2,269.83 Lacs in the financial year ended March 31, 2024 compared to ₹ (1,447.21) Lacs in the financial year ended March 31, 2023.

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 ₹ 1,636.04 Lacs in the financial year ended March 31, 2024 compared to ₹ (1,320.82) Lacs in the financial year ended March 31, 2023.

Key Financial Ratios

| Particulars (Consolidated) | Unit | 31-Mar-24 | 31-Mar-23 |
|----------------------------|----------------|-----------|-----------|
| Debt Equity Ratio | Times (x) | 0.18 | 0.30 |
| EBITDA Margin | Percentage (%) | 16.48 | 8.50 |
| Net Profit Margin | Percentage (%) | 3.99 | (3.30) |
| Interest Coverage Ratio | Times (x) | 3.81 | (2.15) |
| Inventory Turnover Ratio | Days | 32.93 | 43.68 |
| Debtors Turnover Ratio | Days | 72.50 | 46.24 |
| Current Ratio | Times (x) | 1.69 | 1.03 |

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, 2023 to March 31, 2024:

The EBITDA Margin, Net Profit Margin, Interest Coverage Ratio and Inventory Turnover Ratio have improved on account of overall better performance, which has led to increase in revenues and improved profitability at EBITDA level.

Debtors Turnover Ratio has increased primarily on the account of increase in revenues.

The increase in Current Ratio is primarily on account of receipt of Income Tax Refund.

Debt Equity Ratio has improved on account of repayment of loan and increased profitability.

The Company's consolidated Return on Net Worth stood at 5.69% in the financial year ended March 31, 2024 compared to (4.92%) in the financial year ended March 31, 2023. Return on Net Worth is calculated as Net Profit divided by Total Equity.

VI. Outlook

In the upcoming fiscal year, the film industry presents promising opportunities for growth and innovation, with Hindi cinema embracing mass-market storytelling and advanced technologies to enhance the cinematic experience for audiences. This, along with the rising per capita income and investments in affordable cinema infrastructure, sets the stage for expansion. Both film exhibition and advertising sectors are poised for growth, benefiting from these trends. Consequently, this creates a conducive environment for revenue generation for the company.

A consistent flow of diverse content across languages and the growing middle class, boost advertiser confidence. With advertising projected to grow at a healthy 9% CAGR over the next 3 Years till the end of 2026 and increasing spending from the growing SME advertiser base, UFO is well-positioned to seize emerging opportunities. Overall, the Company's performance is expected to improve as both the theatrical and advertising business revenues are expected to experience healthy growth.

Furthermore, the company is actively exploring opportunities in the distribution business and the exhibition business through its subsidiary, Nova Cinemas Private Limited, to further strengthen its industry position. The exhibition business holds strong prospects in underserved semi-urban and rural markets, and Nova's asset-light business model is favorably positioned to capitalize on this opportunity through strategic partnerships and diversified services.

With a solid foundation in place and the industry's recovery gaining momentum, the business of UFO Moviez India Limited is on track to deliver positive results, setting the stage for a successful/better tomorrow.

VII. Threats / Risks and Concerns

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. Effective implementation of risk management strategies is vital to ensure 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.

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

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 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, 2024, 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

Human Resources efforts in FY24 were dedicated to nurturing talent, fostering a culture of inclusivity, and prioritizing employee well-being. In this pursuit, the primary focus remained on enhancing positive experiences for everyone. This guiding principle underpinned all our initiatives as we continued to build upon our strong foundation, emphasizing pillars of well-being, development, connectedness, and engagement.

To promote employee well-being, Health Check-up camps and virtual wellness workshops were organized across Mumbai and Bhiwandi offices, benefiting 224 employees. Periodic virtual wellness workshops with wellness partners were also arranged to equip employees with the right knowledge in their health journey. Additionally, development initiatives, including Executive Coaching and Learning Programs, reached 361 individuals, empowering them with essential skills. Also, following the successful launch of 'Let's Connect' last year, the program was expanded with additional sessions, anonymous surveys and capsule conversation sessions, ensuring every voice was heard and valued. The 'Unwind' employee engagement initiatives were more innovative than ever before with dedicated activities and events, focusing on collaboration, diversity appreciation, and fun.

As of March 31, 2024, our total employee strength, including group companies, stood at 541.

Looking ahead, the guiding principle remains "Empowerment Within." Leveraging eLearning, the company strives to equip colleagues with the necessary skills and tools to make a lasting impact. There is a committed to providing diverse learning opportunities for individual and organizational growth.

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

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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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2024

Sanjay Gaikwad
Managing Director
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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 regard to the Corporate Governance, the Company is in compliance with the requirements of the Listing Regulations and provisions of the Companies Act, 2013 ('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, 2024.

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, 2024 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, 2024 are as follows:

| Sr. no. | Name, Designation and DIN of the Director | Category ^s | No. of Board Meetings Attended / (no. of meetings held during the tenure) | Attendance at AGM held on September 12, 2023 | No. of Directorship in other Companies* | No. of Committee positions in Committees of other Companies ** | Directorship in other Listed Companies and category ^s |
|---------|--|-----------------------|---|--|---|--|--|
| 1. | Mr. Kanwar Bir Singh Anand Chairman (DIN 03518282) | I & NED | 5 (5) | Yes | 5 | Chairman: 1 Member: 4 | 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 | 3 (5) | Yes | Nil | Chairman: Nil Member: Nil | Nil |

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| 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 September 12, 2023 | No. of Directorship in other Companies* | No. of Committee positions in Committees of other Companies** | Directorship in other Listed Companies and category [§] |
|---------|--|-----------------------|---|--|---|---|--|
| 3. | Mr. Anand Trivedi Director (DIN 02059249) | NED | 5 (5) | Yes | Nil | Chairman: Nil Member: Nil | Nil |
| 4. | Mr. Gautam Trivedi Director (DIN 02647162) | NED | 4 (5) | Yes | 2 | Chairman: 1 Member: 1 | Landmark Cars Limited – I & NED |
| 5. | *Mr. Kapil Agarwal Director (DIN 00024378) | NED | Nil | Not Applicable | | | |
| 6. | ^^ Mr. Raaja Kanwar Director (DIN 00024402) | NED | 2 (3) | No | 2 | Chairman: Nil Member: 1 | Nil |
| 7. | Mr. Rajesh Mishra Executive Director and Group CEO (DIN 00103157) | ED | 5 (5) | Yes | 2 | Chairman: Nil Member: Nil | Nil |
| 8. | Mr. Rajiv Batra Director (DIN 00082866) | I & NED | 5 (5) | Yes | 2 | Chairman: 1 Member: 2 | The Hi-Tech Gears Limited – I & NED UNO Minda Limited – I & NED |
| 9. | Mr. Sanjay Gaikwad Managing Director (DIN 01001173) | ED | 5 (5) | Yes | Nil | Chairman: Nil Member: Nil | Nil |
| 10. | Ms. Swati Mohan Director (DIN 06377656) | I & NED | 5 (5) | Yes | Nil | Chairman: Nil Member: Nil | Nil |

[§]ED – Executive Director, NED – Non-Executive Director, I & NED– Independent and Non-Executive Director

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

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

+ Mr. Kapil Agarwal ceased to be a Director w.e.f. April 26, 2023.

^^ Mr. Raaja Kanwar was appointed as a Director w.e.f July 06, 2023.

Mr. Sanjay Gaikwad is one of the promoters of the Company, 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. Gautam Trivedi retires by rotation in the forthcoming AGM and is eligible for re-appointment.

Except Mr. Ameya Hete and Mr. Raaja Kanwar who hold 2,42,797 (0.63%) and 12,500 (0.03%) 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, 2024.

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 5 times on the following dates: May 25, 2023; July 06, 2023; July 31, 2023; November 02, 2023 and February 01, 2024. 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/FP_FY24.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 25, 2023. 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 25, 2023.

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 | Anand Trivedi | Gautam Trivedi | Raaja Kanwar | Rajesh Mishra | Rajiv Batra | Sanjay Gaikwad | Swati Mohan |
|----------------------|------------------------|------------|---------------|----------------|--------------|---------------|-------------|----------------|-------------|
| 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 informs 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
- (vii) the appointment, removal and terms of remuneration of the internal auditor/ statutory auditor.

During the year under review, 5 meetings of the Audit and Risk Management Committee were held on May 25, 2023; July 06, 2023; July 31, 2023; November 02, 2023 and February 01, 2024.

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 2023-24 / (no. of meetings held during the tenure) |
|----------------------------|---------------------------|-------------------------------------|---|
| Mr. Rajiv Batra | Chairman | Non-Executive, Independent Director | 5 (5) |
| Mr. Kanwar Bir Singh Anand | Member | Non-Executive, Independent Director | 5 (5) |
| Ms. Swati Mohan | Member | Non-Executive, Independent Director | 5 (5) |
| Mr. Ameya Hete | Member | Non-Executive Director | 4 (5) |

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

The representatives of the Statutory Auditors 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, Executive Director & Group CEO 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 includes:

- i) laying down criteria for identifying persons who are qualified to become Directors, Key Managerial Personnel(s) ('KMPs'), Senior Management Personnel and Other Employees of the Company;
- ii) laying down criteria to carry out evaluation of every Director's performance; and
- iii) 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 in pursuance to the SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021.

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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, 3 meetings of the Nomination and Remuneration Committee were held on May 25, 2023; July 06, 2023 and July 31, 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 2023-24/ (no. of meetings held during the tenure) |
|----------------------------|---------------------------|-------------------------------------|--|
| Mr. Rajiv Batra | Chairman | Non-Executive, Independent Director | 3 (3) |
| Mr. Kanwar Bir Singh Anand | Member | Non-Executive, Independent Director | 3 (3) |
| Mr. Ameya Hete | Member | Non-Executive Director | 3 (3) |

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:

- i) 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;
- ii) review of measures taken for effective exercise of voting rights by shareholders;
- iii) 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; and
- iv) 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 25, 2023.

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 2023-24 / (no. of meetings held during the tenure) |
|--------------------|---------------------------|---|---|
| Ms. Swati Mohan | Chairperson | Non-Executive, Independent Director | 1 (1) |
| Mr. Sanjay Gaikwad | Member | Executive Director | 1 (1) |
| Mr. Ameya Hete | Member | Non-Executive, Non-Independent Director | 1 (1) |
| *Mr. Kapil Agarwal | Member | Non-Executive, Non-Independent Director | Nil (Nil) |

* 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, 2024 are as under:

| Particulars | Received | Resolved | Pending |
|-------------------|----------|----------|---------|
| No. of Complaints | Nil | Nil | Nil |

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- i) formulation and re-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;
- ii) Recommend the amount of expenditure to be incurred on the activities referred to in clause (i);
- iii) Monitor the CSR Policy of the Company from time to time; and
- iv) Formulate / modify and recommend to the Board, annual action plan in pursuance of the CSR policy of the Company.

During the year under review, 3 meetings of the Corporate Social Responsibility Committee were held on May 25, 2023; November 02, 2023 and February 01, 2024.

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 2023-24 / (no. of meetings held during the tenure) |
|----------------------------|---------------------------|---|---|
| Mr. Sanjay Gaikwad | Chairman | Executive Director | 3 (3) |
| Mr. Kanwar Bir Singh Anand | Member | Non-Executive, Independent Director | 3 (3) |
| Mr. Rajiv Batra | Member | Non-Executive, Independent Director | 3 (3) |
| Ms. Swati Mohan | Member | Non-Executive, Independent Director | 3 (3) |
| *Mr. Kapil Agarwal | Member | Non-Executive, Non-Independent Director | Nil (Nil) |

* 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. FINANCE COMMITTEE

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

During the year under review, 6 meetings of the Finance Committee were held on April 14, 2023; June 16, 2023; September 07, 2023; December 18, 2023; January 18, 2024 and March 11, 2024.

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 2023-24 / (no. of meetings held during the tenure) |
|--------------------|---------------------------|---|---|
| Mr. Sanjay Gaikwad | Member | Executive Director | 6 (6) |
| Mr. Ameya Hete | Member | Non-Executive, Non-Independent Director | 6 (6) |
| Mr. Rajesh Mishra | Member | Executive Director and Group CEO | 6 (6) |
| *Mr. Kapil Agarwal | Member | Non-Executive, Non-Independent Director | 1 (1) |

* 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 2023 - 24

Remuneration to Executive Directors

The members of the Company at their Annual General Meeting held on September 12, 2023 had re-appointed Mr. Sanjay Gaikwad as the Managing Director of the Company for a period of 3 years from October 17, 2023 and approved his terms of appointment including remuneration.

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 his terms of appointment including remuneration.

The details of remuneration paid / payable to Mr. Sanjay Gaikwad, Managing Director and Mr. Rajesh Mishra, Executive Director & Group CEO during the Financial Year 2023 – 24 are as under:

(₹ in lacs)

| Sr. no. | Particulars of remuneration | Mr. Sanjay Gaikwad | Mr. Rajesh Mishra |
|---------|-----------------------------|--------------------|-------------------|
| 1. | Salary | 79.20 | 70.20 |
| 2. | Perquisites & Allowances | 99.58 | 63.60 |
| 3. | Contribution to Funds | 9.50 | 8.42 |
| 4. | EBITDA linked Variable Pay | 30.99 | 18.81 |
| 5. | Performance Incentive | - | - |
| | Total | 219.29 | 161.04 |

1. Post appointment as Executive Director & Group CEO, Mr. 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 were vested on June 20, 2023 and rest 50% shall vest in June 20, 2024 respectively.
2. Services of Executive Director may be terminated by either party, giving the other party three months' notice or the company paying 3 months remuneration in lieu thereof. There is no separate provision for payment of severance pay.

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 2023-24, 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 2023-24.

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 2023-24 is as below:

(₹ in lacs)

| Name of Director | Sitting Fees | *Remuneration for Financial Year 2023 - 24 |
|----------------------------|--------------|--|
| Mr. Kanwar Bir Singh Anand | 16.00 | 19.00 |
| Mr. Ameya Hete | 10.00 | NA |
| Mr. Anand Trivedi | 5.00 | NA |
| Mr. Gautam Trivedi | 4.00 | NA |
| Mr. Rajiv Batra | 16.00 | 9.00 |

| Name of Director | Sitting Fees | *Remuneration for Financial Year 2023 - 24 |
|---------------------|--------------|--|
| Ms. Swati Mohan | 14.00 | 7.00 |
| ^ Mr. Raaja Kanwar | 2.00 | NA |
| + Mr. Kapil Agarwal | 0.50 | NA |
| Total | 67.50 | 35.00 |

^ Mr. Raaja Kanwar was appointed as Director of the Company w.e.f. July 06, 2023.

+ Mr. Kapil Agarwal ceased to be a Director of the Company w.e.f. April 26, 2023.

* Remuneration payable as per Schedule V of the Act based on the effective capital of the Company as on March 31, 2022, being the preceding year of appointment.

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 web link:

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.

PARTICULARS OF SENIOR MANAGEMENT PERSONNEL

The Senior Management of the Company as on March 31, 2024 and changes during the year are as under:

| Sr. no. | Name of Senior Management Personnel | Designation |
|---------|---|--|
| 1. | Mr. Ashish Malushte | Chief Financial Officer |
| 2. | Ms. Bindu Jacob | Senior Vice President - Human Resource & Administration |
| 3. | Mr. Deepak Ranjan | Chief - Ad Sales |
| 4. | Mr. Kamalaksha Bhoja Suvarna | Chief - Purchase & Logistics |
| 5. | Mr. Kaushik Mamania | Senior Vice President – Engineering |
| 6. | Ms. Kavita Thadeshwar | Company Secretary |
| 7. | Mr. Nitin Nohani | Senior Vice President - Technical Operations |
| 8. | Mr. Pankaj Jaysinh | CEO - Distribution and Film Services |
| 9. | Mr. Pradeep Shetty (Inter group transfer w.e.f. February 21, 2024) | Chief Operating Officer - India Operations |
| 10. | Mr. Ram Sivakumar Iyer | Senior Vice President - Digital Transformation & Revenue Assurance |
| 11. | Mr. Sanjay Chavan | Chief Technology Officer |
| 12. | Mr. Sanjay Jain | Head- Legal |
| 13. | Mr. Shirish Deshpande (Inter group transfer w.e.f. September 01, 2023) | CEO - Rural Exhibition |
| 14. | Mr. Siddharth Bhardwaj | Group Enterprise Sales Head & CMO |
| 15. | Mr. Sushil Agrawal | Chief - Strategy Officer |
| 16. | Mr. Vishnu Patel | Group CEO – Special Projects |

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 | September 12, 2023 | April 15, 2024 |

*Scrabble Entertainment Limited merged with UFO Moviez India Limited w.e.f. February 21, 2024.

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 and special resolutions passed thereat are as follows:

| Financial Year | Venue | Date | Time | Special resolutions passed |
|----------------|----------------------------|--------------------|------------|---|
| 2022-23 | Through Video Conferencing | September 12, 2023 | 03:00 p.m. | <ol style="list-style-type: none"> 1. 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 2. Re-appointment of Mr. Sanjay Gaikwad (DIN 01001173) as Managing Director 3. Revision in terms of remuneration payable to Mr. Rajesh Mishra (DIN 00103157), Executive Director and Group CEO of the Company |
| 2021-22 | Through Video Conferencing | August 23, 2022 | 03:00 p.m. | <ol style="list-style-type: none"> 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. | <ol style="list-style-type: none"> 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 |

B. Extra-Ordinary General Meetings

Details of the Extra-Ordinary General Meetings 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 |
|----------------|----------------------------|-------------------|------------|--|
| 2023-24 | Through Video Conferencing | August 08, 2023 | 03:00 p.m. | 1. Assignment of Marketing Rights of the Company |
| 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 portal.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| Day, Date, Time & Venue of the 20 th Annual General Meeting | Friday, August 30, 2024 at 03:00 PM |
| Financial Year | April 1 to March 31 |
| Board Meeting for consideration of Accounts for the Financial Year ended March 31, 2024 | May 23, 2024 |
| Dividend Payment date | Not Applicable |
| Last date for receipt of Proxy Forms | Not Applicable |
| Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2024; September, 2024 and December, 2024 of the Financial Year 2024-25 | 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, 2025 | Within 60 days from the end of the last quarter or within such other time as stipulated under the Listing Regulations |

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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 1 st 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, 5 th 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.

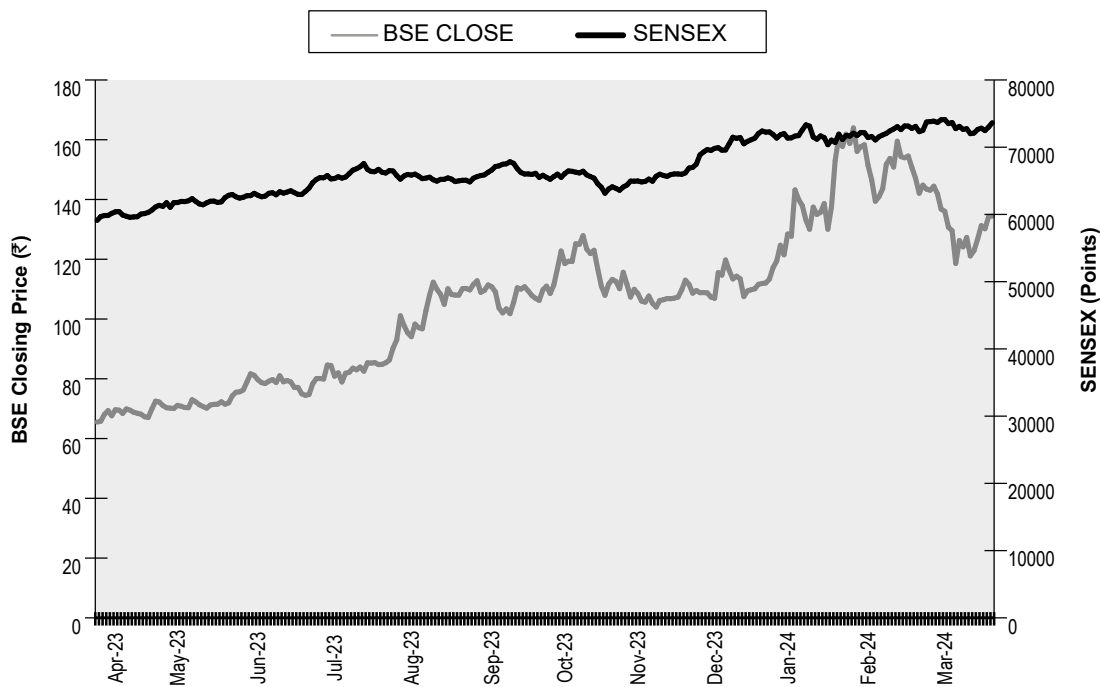
Market Price Data: High, low during each month in last Financial Year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

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 2023-24 on the BSE and the NSE depicting the liquidity of the Company's Equity Shares for the Financial Year ended March 31, 2024, on the said exchanges is given below:

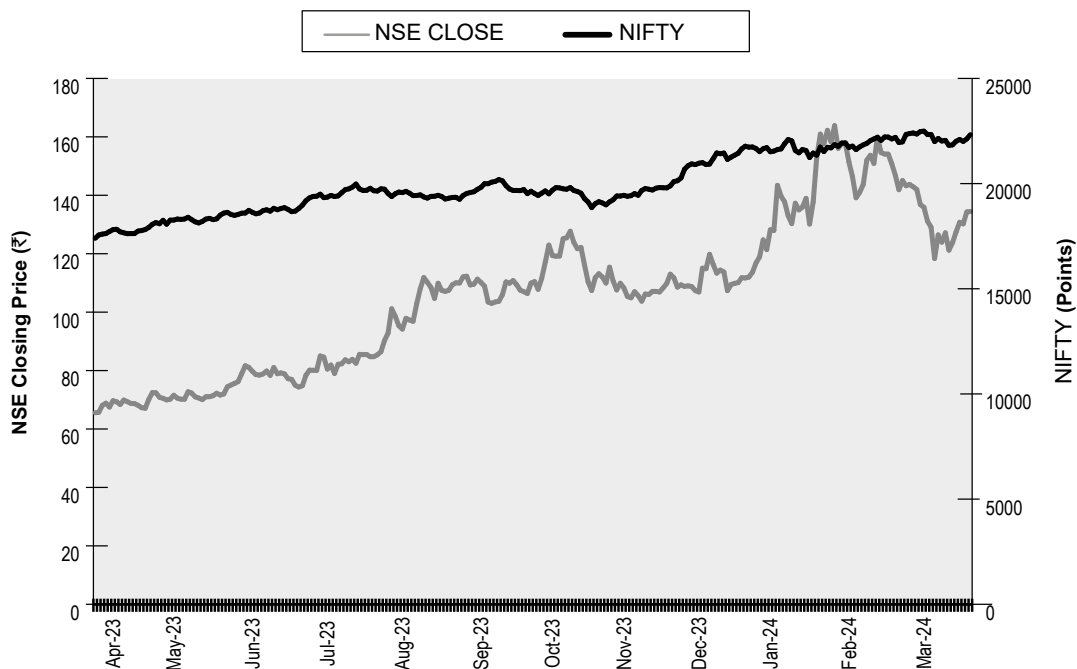
| Month | BSE Share price month's High (₹) | BSE Share price month's Low (₹) | Total Turnover (₹ In lacs) | NSE Share price month's High (₹) | NSE Share price month's Low (₹) | Total Turnover (₹ In lacs) |
|--------|----------------------------------|---------------------------------|----------------------------|----------------------------------|---------------------------------|----------------------------|
| Apr-23 | 73.76 | 62.94 | 78.35 | 73.90 | 62.45 | 925.62 |
| May-23 | 76.70 | 68.53 | 128.43 | 76.75 | 69.00 | 1,249.61 |
| Jun-23 | 83.75 | 73.50 | 201.83 | 83.75 | 74.05 | 2,312.51 |
| Jul-23 | 88.55 | 78.50 | 315.11 | 88.65 | 78.40 | 5,296.00 |
| Aug-23 | 114.75 | 89.20 | 1,680.48 | 114.90 | 88.75 | 16,634.82 |
| Sep-23 | 115.50 | 98.50 | 413.30 | 115.00 | 98.60 | 2,737.90 |
| Oct-23 | 129.70 | 105.50 | 489.66 | 129.85 | 104.80 | 3,591.95 |
| Nov-23 | 120.70 | 100.65 | 459.53 | 120.60 | 102.85 | 3,622.00 |
| Dec-23 | 122.95 | 101.30 | 949.99 | 123.00 | 105.85 | 8,451.64 |
| Jan-24 | 169.50 | 111.45 | 3,875.08 | 169.50 | 111.15 | 48,156.21 |
| Feb-24 | 174.00 | 135.80 | 2,611.27 | 173.85 | 135.90 | 18,391.43 |
| Mar-24 | 145.75 | 111.05 | 923.38 | 145.70 | 114.35 | 7,105.32 |

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

BSE Sensex:



NSE Nifty:



Share Transfer System and other related matters

Pursuant to Regulation 40 of Listing Regulations, no requests for effecting transfer of securities will be processed unless the securities are held in the dematerialised form with the depository with effect from April 01, 2019. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

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Further, SEBI has mandated that securities shall be issued only in dematerialized mode while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Subdivision/Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition received from physical securities holders. SEBI has also mandated furnishing of PAN, contact details, bank account details and nomination by holders of physical securities. Further, the Shareholders holding shares in physical form may kindly note that SEBI, vide its various circulars has mandated that dividend shall be paid only through electronic mode with effect from April 01, 2024. Hence the Shareholders are requested to update their details with Company/RTA by submitting ISR Forms which are available on website of KFinTech at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> to avoid delay in receipt of dividend.

In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

Distribution of shareholding as on March 31, 2024

| Range (In ₹) * | No. of equity Shares | Amount (₹) | % to capital | No. of shareholders | % to total shareholders |
|----------------|----------------------|---------------------|---------------|---------------------|-------------------------|
| up to 5000 | 41,54,828 | 4,15,48,280 | 10.77 | 45,255 | 90.50 |
| 5001-10000 | 19,21,926 | 1,92,19,260 | 4.98 | 2,394 | 4.79 |
| 10001-20000 | 17,50,548 | 1,75,05,480 | 4.54 | 1,140 | 2.28 |
| 20001-30000 | 10,48,266 | 1,04,82,660 | 2.72 | 404 | 0.81 |
| 30001-40000 | 6,82,845 | 68,28,450 | 1.77 | 190 | 0.38 |
| 40001-50000 | 8,61,423 | 86,14,230 | 2.23 | 182 | 0.36 |
| 50001-100000 | 17,85,123 | 1,78,51,230 | 4.63 | 241 | 0.48 |
| 100001 & Above | 2,63,76,249 | 26,37,62,490 | 68.37 | 199 | 0.40 |
| Total | 3,85,81,208 | 38,58,12,080 | 100.00 | 50,005 | 100.00 |

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

Shareholding Pattern as on March 31, 2024

| Category | No. of shares held | Percentage |
|-------------------------------------|--------------------|---------------|
| Promoter and Promoter Group | 86,68,540 | 22.47 |
| Foreign Portfolio Investors | 2,77,082 | 0.72 |
| Foreign Nationals | 87 | 0.00 |
| Alternative Investment Funds | 93,99,933 | 24.36 |
| Non Resident Indians | 1,68,795 | 0.44 |
| Non Resident Indian Non Repatriable | 2,37,919 | 0.62 |
| Resident Individuals | 1,75,40,891 | 45.46 |
| Others | 22,87,961 | 5.93 |
| Total | 3,85,81,208 | 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, 2024 are as mentioned below:

| Particulars | No. of shares | % to Capital |
|---|--------------------|---------------|
| National Securities Depository Limited | 1,65,50,970 | 42.90 |
| Central Depository Services (India) Limited | 2,20,14,850 | 57.06 |
| Total Demat (A) | 3,85,65,820 | 99.96 |
| Physical (B) | 15,388 | 0.04 |
| Total (A + B) | 3,85,81,208 | 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

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 2023-24.

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, 2024, 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

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%20determination%20of%20materiality%20of%20event_updatedNov2023_F.pdf

Disclosure on certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

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 ₹ 82.81 lacs.

For and on behalf of the Board of Directors

Sanjay Gaikwad
Managing Director
DIN: 01001173

Rajesh Mishra
Executive Director & Group CEO
DIN: 00103157

Place: Mumbai
Date: May 23, 2024

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, 2024.

Rajesh Mishra
Executive Director and Group Chief Executive Officer

Date: May 23, 2024
Place: Mumbai

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, 2024 and that to the best of our knowledge and belief, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - 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:
- significant changes, if any, in internal control over financial reporting during the year;
 - 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
 - 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 23, 2024
Place: Mumbai

Rajesh Mishra
Executive Director and
Group Chief Executive Officer

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
UFO Moviez India Limited
Mumbai

We have examined the compliance of Corporate Governance by **UFO Moviez India Limited** (“the Company”) for the financial year ending on March 31, 2024, 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: F010559F000427800

Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: May 23, 2024

ANNEXURE I

LIST OF DOCUMENTS

1. Minutes of:
 - Board Meetings;
 - Audit and Risk Management Committee Meetings;
 - Nomination and Remuneration Committee Meetings;
 - Stakeholders Relationship Committee Meetings;
2. Policies as available on the website;
3. Annual disclosures received from Directors;
4. Declaration by Independent Directors;
5. Omnibus approval granted in Audit Committee Meeting for FY 24-25;
6. Details of remuneration paid to Directors;
7. Terms of reference of the Committees of the Board;
8. Draft CG Report for FY 2023-24;
9. Quarterly Compliance Certificate;
10. CEO and CFO certificate u/r 17(8);
11. Confirmation of compliance with Code of conduct by Directors and SMP;
12. RPT Disclosure u/r 23(9) for the half year ended September 2023;
13. 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 31st March 2024 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 th May 2022 |
| 2. | Ameya Hete | 01645102 | 17 th October 2008 |
| 3. | Rajesh Mishra | 00103157 | 18 th June 2022 |
| 4. | Rajiv Batra | 00082866 | 15 th June 2022 |
| 5. | Swati Mohan | 06377656 | 15 th June 2022 |
| 6. | Sanjay Gaikwad | 01001173 | 21 st November 2008 |
| 7. | Anand Yogendra Trivedi | 02059249 | 09 th December 2021 |
| 8. | Gautam Yogendra Trivedi | 02647162 | 09 th December 2021 |
| 9. | Raaja Kanwar | 00024402 | 06 th July 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: F005418F000401484

Place: Mumbai
Date: 23 May 2024

INDEPENDENT AUDITORS' REPORT

To the Members of

UFO Moviez India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2024, 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 material 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 and associate 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, its associates and joint ventures as at 31 March 2024, of its consolidated profit and other comprehensive loss, 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, its associates and joint ventures 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 judgement 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.

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| Revenue Recognition on advertisement, content delivery charges and lease rental income revenue | |
|--|--|
| See Note 2.6 (h) and 21 to consolidated financial statements | |
| The key audit matter | How the matter was addressed in our audit |
| <p>The Group has recognized advertisement revenue, content delivery charges (CDC), lease rental income, distribution income, digitisation income, registration fee income and sale of products of Rs. 38,641.02 lakhs for the year ended 31 March 2024.</p> <p>We identified these revenue streams as a key audit matter considering –</p> <ul style="list-style-type: none"> The Group recognizes revenue primarily from Advertisements, CDC revenue, lease rental income, distribution income, digitisation income, registration fees and sale of products. The Group uses its automated front-end system for scheduling, tracking and invoicing advertisement and CDC 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 these revenues is largely dependent on the front-end system and may be susceptible to override of controls. There is a risk of revenue being recognized for goods / services before the goods / services are delivered to the customer or revenue is not recorded in the correct accounting period. There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing. Also, revenue is one of the key performance indicators of the Group which makes it susceptible to misstatement. | <p>In relation to recognition of revenue from advertisement revenue, content delivery charges (CDC), lease rental income, distribution income, digitisation income, registration fee income and sale of products, we have:</p> <ul style="list-style-type: none"> Assessed the Group's accounting policies relating to revenue recognition by comparing them to applicable accounting standard; Assessed the appropriateness of revenue recognised based on the agreement with the customer alongwith relevant supporting documents and timing of revenue recognised during the year; Assessed the design, implementation and operating effectiveness of Group's key internal controls over revenue recognition; Involved 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; <p>On samples selected statistically, we</p> <ul style="list-style-type: none"> 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 verified the underlying documents for the existence of the customers. |
| Impairment of Goodwill | |
| See Note 3.4 to consolidated financial statements | |
| The key audit matter | How the matter was addressed in our audit |
| <p>The carrying value of goodwill as at 31 March 2024 in the consolidated financials statements of the Group is ₹ 2,310.90 lakhs. The goodwill has been allocated to the respective cash-generating units.</p> <p>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.</p> <p>We identified this as a key audit matter considering the significant risk that these investments and loans may not be recoverable.</p> <p>The annual impairment testing is carried out based on the approach allowed as per Ind AS 36 which has been derived from the discounted cashflow model. and involves significant judgment in evaluating appropriateness of model used and underlying assumptions such as growth rate, terminal value, discount rate and others.</p> | <p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> Evaluating the Group's process for testing impairment by assessing management's review of financial performance of the underlying entities and management's process of identification of cash generating units; assessed the recoverable amount based on the business projection prepared by the Group using discounted cash flow model. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements, where applicable; reconciled input data to approved budgets and tested mathematical accuracy; performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes both individually or in aggregate, could impact the analysis; Discussed management's strategic and operational plans for the foreseeable future; and Assessed the appropriateness of the Group's disclosures in respect of impairment assessment of goodwill in accordance with the accounting standards |

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the 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 and joint ventures 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 the respective Management and Board of Directors of its associates, joint ventures 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 the respective Management and Board of Directors of its associates, joint ventures 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 the respective Management and Board of Directors the respective Board of Directors of its associates, joint ventures 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 and joint ventures 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 and joint ventures 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- a. We did not audit the financial statements of five (5) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 10,785.76 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 9,150.49 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 679.27 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 ₹ 323.09 lakhs for the year ended 31 March 2024, in respect of three (3) associates, 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 associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the 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 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 four (4) subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 57.84 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ Nil and net cash inflows (before consolidation adjustments) amounting to ₹ 228.46 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 ₹ 84.53 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of seven (7) associates and joint ventures,

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, joint ventures 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, joint ventures 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 and associate 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 reports of the other auditors except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary 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 2024 on the consolidated financial position of the Group and its associates. Refer Note 35 to the consolidated financial statements.
 - b. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - 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 incorporated in India during the year ended 31 March 2024.
 - d. (i) The respective management of the Holding Company and its subsidiary 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 respectively that, to the best of their knowledge and belief, as disclosed in the

Note 44 (ix) 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 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 ("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 incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 44 (ix) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary 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 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. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies and an associate company which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies and an associate company have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

i. In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled in the accounting software used for one of the revenue stream.

ii. In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for two accounting softwares used for recording revenue.

iii. In case of the Associate Company, the audit trail (edit log) feature was enabled from 8th January 2024

Further, where audit trail (edit log) facility was enabled, we and respective auditors of the subsidiary companies and associate company did not come across any instance of the audit trail feature being tampered with.

A. 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 incorporated in India which were not audited by us, the remuneration paid by the Group 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 and 12 September 2023. 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:24103145BKFWD3915

Place: Mumbai
Date: 23 May 2024

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 2024

(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 | L22120MH2004PLC285453 | Holding Company | Clause (vii) |
| 2. | Nova Cinemaz Private Limited | U72900MH2006PTC163092 | Subsidiary | Clause (iii) (c), (iv), (xvii) and (xix) |
| 3. | Mumbai Movies Studio Private Limited | U92490MH2020PTC345461 | Associate | Clause (iii), (vii a) and (xvii) |

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

| Name of the entities | CIN | Subsidiary/ JV/ Associate |
|---------------------------------------|-----------------------|---------------------------|
| Upmarch Media Network Private Limited | U59141MH2023PTC409074 | Subsidiary |
| Mukta V N Films Limited | U74120MH2013PLC244220 | Associate |
| Cinestaan Digital Private Limited | U72300DL2013PTC258259 | Associate |

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

Place: Mumbai
Date: 23 May 2024

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:24103145BKFWLD3915

Annexure B to the Independent Auditor's Report on the consolidated financial statements of UFO Moviez India Limited for the year ended 31 March 2024

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)(g) 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 2024, 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 2024, 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three (3) subsidiary companies and one (1) associate company, 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 one (1) subsidiary company and two (2) associate companies, which is a company 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 subsidiary company and 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:24103145BKFWLD3915

Place: Mumbai

Date: 23 May 2024.

Consolidated Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3.1 | 9,424.60 | 9,833.88 |
| Capital work-in-progress | 3.2 | 707.33 | 1,145.75 |
| Right-of-use assets | 3.3 | 2,290.03 | 2,313.21 |
| Goodwill | 3.4 | 2,310.88 | 2,310.88 |
| Other intangible assets | 3.5 | 102.79 | 124.70 |
| Investments accounted for using the equity method | 4 | 1,015.97 | 2,807.67 |
| Financial assets | | | |
| (i) Loans | 5 | - | - |
| (ii) Other financial assets | 6 | 732.14 | 1,861.50 |
| Deferred tax assets (net) | 7 | 10,123.64 | 10,433.46 |
| Income tax assets (net) | 7A | 2,494.16 | 4,375.59 |
| Other non-current assets | 8 | 262.34 | 206.22 |
| Total Non-current assets (A) | | 29,463.88 | 35,412.86 |
| Current assets | | | |
| Inventories | 9 | 1,224.89 | 1,265.60 |
| Financial assets | | | |
| (i) Investments | 10 | 724.02 | 52.48 |
| (ii) Trade receivables | 11 | 9,614.49 | 6,604.06 |
| (iii) Cash and cash equivalents | 12 | 2,682.91 | 1,431.65 |
| (iv) Bank balances other than cash and cash equivalents | 12 | 7,329.64 | 5,343.99 |
| (v) Loans | 5 | 116.66 | 59.32 |
| (vi) Other financial assets | 6 | 471.81 | 231.06 |
| Other current assets | 8 | 2,462.45 | 2,717.55 |
| Total Current assets (B) | | 24,626.87 | 17,705.71 |
| Total Assets (A+B) | | 54,090.75 | 53,118.57 |
| Equity and liabilities | | | |
| Equity | | | |
| (i) Share capital | 13 | 3,858.12 | 3,817.62 |
| (ii) Other equity | 14 | 24,874.43 | 23,047.69 |
| Total equity (C) | | 28,732.55 | 26,865.31 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 | 3,232.63 | 2,219.58 |
| (ii) Lease liabilities | 31 | 1,752.12 | 1,988.25 |
| (iii) Other financial liabilities | 16 | 2,195.26 | 2,319.43 |
| Provisions | 17 | 1,678.95 | 838.24 |
| Deferred tax liabilities (Net) | 7 | 953.50 | 723.54 |
| Other non-current liabilities | 18 | 1,007.00 | 889.54 |
| Total non-current liabilities (D) | | 10,819.46 | 8,978.58 |

₹ in lacs

| Particulars | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|------------------|------------------|
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 19 | 1,984.35 | 5,834.30 |
| (ii) Lease liabilities | 31 | 674.80 | 464.77 |
| (iii) Trade payables | | | |
| a) Total outstanding dues of micro enterprises and small enterprises | 20 | - | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 20 | 6,823.79 | 5,927.35 |
| (iv) Others financial liabilities | 16 | 2,020.02 | 1,947.24 |
| Provisions | 17 | 181.26 | 410.10 |
| Other current liabilities | 18 | 2,854.52 | 2,690.92 |
| Total current liabilities (E) | | 14,538.74 | 17,274.68 |
| Total liabilities (D+E) = (F) | | 25,358.20 | 26,253.26 |
| Total equity and liabilities (C+F) | | 54,090.75 | 53,118.57 |
| 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

Place: Mumbai

Date: May 23, 2024

Ashish Malushte

Chief Financial Officer

Kavita Thadeshwar

Company Secretary

Membership No.: A18651

UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2023-24

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

| Particulars | Notes | ₹ in lacs | |
|---|-------|------------------|-------------------|
| | | March 31, 2024 | March 31, 2023 |
| Income | | | |
| Revenue from operations | 21 | 40,823.93 | 39,591.92 |
| Other income | 22 | 183.89 | 183.40 |
| Total income (I) | | 41,007.82 | 39,775.32 |
| Expenses | | | |
| Operating direct costs | 23 | 17,653.97 | 18,826.65 |
| Cost of consumables and spares consumed | | 369.21 | 473.19 |
| Purchases of digital cinema equipment and lamps | | 6,563.77 | 7,238.74 |
| Changes in inventories | | 384.57 | (150.12) |
| Advertisement revenue share | | 5,373.43 | 4,450.39 |
| Virtual print fees sharing | | 1,016.02 | 1,685.09 |
| Other operating direct cost | | 3,946.97 | 5,129.36 |
| Employee benefit expenses | 24 | 9,231.50 | 9,843.83 |
| Other expenses | 25 | 7,362.40 | 7,716.77 |
| Total expenses (II) | | 34,247.87 | 36,387.24 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II) | | 6,759.95 | 3,388.08 |
| Depreciation and amortisation expenses | 3 | 4,279.03 | 4,952.52 |
| Finance cost | 26 | 1,270.69 | 1,113.03 |
| Finance income | 27 | (795.46) | (489.66) |
| Profit / (Loss) before tax and share of profit from associates | | 2,005.69 | (2,187.81) |
| Share of Profit / (Loss) from associates (net of tax) | | 407.62 | 740.60 |
| Profit / (Loss) before tax and after share of profit from associates | | 2,413.31 | (1,447.21) |
| Exceptional items (Note 44) | | (143.48) | - |
| Profit before tax | | 2,269.83 | (1,447.21) |
| Tax expenses | | | |
| Current tax for the year | 7A | 63.55 | 131.56 |
| Deferred tax (credit)/ Charge | 7A | 570.24 | (257.95) |
| Total tax expenses | | 633.79 | (126.39) |
| Profit / (Loss) for the year | | 1,636.04 | (1,320.82) |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| a) Remeasurement of the defined benefit plans | | (119.14) | 280.85 |
| b) Income tax relating to items that will not be reclassified to profit or loss | | 30.45 | (69.32) |
| (ii) Items that will be reclassified to profit or loss | | | |
| a) Exchange differences in translating the financials statements of foreign operations | | 105.00 | 232.17 |
| b) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total Comprehensive Income / (Loss) for the year, net of tax | | 1,652.35 | (877.12) |
| Profit / (Loss) for the year attributable to | | | |
| a) Owners of the Company | | 1,636.04 | (1,320.82) |
| b) Non-controlling interests | | - | - |
| Other comprehensive income attributable to | | | |
| a) Owners of the Company | | 16.31 | 443.70 |
| b) Non-controlling interests | | - | - |
| Total Comprehensive Income / (Loss) for the year attributable to | | | |
| a) Owners of the Company | | 1,652.35 | (877.12) |
| b) Non-controlling interests | | - | - |
| Earnings per equity share (Face value of share of ₹ 10 each) | 28 | | |
| Basic | | 4.26 | (3.47) |
| Diluted | | 4.24 | (3.47) |
| Material 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

Place: Mumbai
Date: May 23, 2024

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital (refer note 13)

For the year ended March 31, 2024

₹ in lacs

| Balance as at April 1, 2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|-----------------------------|---|------------------------------|
| 3,817.62 | 40.50 | 3,858.12 |

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 |

B. Other equity

₹ in lacs

| Particulars | Reserves and Surplus | | | | | | | Exchange differences on translating the financial statements of a foreign operation | Money Received against share warrant | 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, 2024 | | | | | | | | | | | | |
| Balance as at April 1, 2023 | 1,566.76 | 38,609.10 | 274.07 | 182.93 | 371.72 | (2,183.04) | (15,970.25) | 196.40 | - | 23,047.69 | - | 23,047.69 |
| Profit for the Year | - | - | - | - | - | - | 1,636.04 | - | - | 1,636.04 | - | 1,636.04 |
| Exchange difference arising on translation of foreign operations | - | - | - | - | - | - | - | 105.00 | - | 105.00 | - | 105.00 |
| Acquisition of additional stake in associate | - | - | - | - | - | - | - | - | - | - | - | - |
| Employee Stock Compensation for Options granted | - | - | 12.40 | - | - | - | - | - | - | 12.40 | - | 12.40 |
| Transfer to securities premium on issuance of ESOP shares | - | 325.73 | (163.74) | - | - | - | - | - | - | 161.99 | - | 161.99 |
| Remeasurement of defined benefit plans (net of tax) | - | - | - | - | - | - | (88.69) | - | - | (88.69) | - | (88.69) |
| Closing Balance as at March 31, 2024 | 1,566.76 | 38,934.83 | 122.73 | 182.93 | 371.72 | (2,183.04) | (14,422.90) | 301.40 | - | 24,874.43 | - | 24,874.43 |
| 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 |

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₹ in lacs

| Particulars | Reserves and Surplus | | | | | | | Exchange differences on translating the financial statements of a foreign operation | Money Received against share warrant | 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 | | | | | |
| Other comprehensive income on foreign operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Share Issued during the year | - | - | - | - | - | - | - | - | - | - | - | - |
| Transferred from FCTR | - | - | - | - | - | - | 380.48 | (380.48) | - | - | - | - |
| Acquisition of additional stake in associate | - | - | - | - | - | - | - | - | - | - | - | - |
| Employee Stock Compensation for Options granted | - | - | 105.38 | - | - | - | - | - | - | 105.38 | - | 105.38 |
| Transfer to security 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) | (15,970.25) | 196.40 | - | 23,047.69 | - | 23,047.69 |

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

Place: Mumbai
Date: May 23, 2024

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Consolidated Statement of Cash Flows for the year ended March 31, 2024

₹ in lacs

| Particulars | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|-----------------|-------------------|
| Cash flow from / (used in) operating activities | | | |
| Loss before share of profit / (loss) from associates and tax | | 2,005.69 | (2,187.81) |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation and amortization expense | 3 | 4,279.03 | 4,952.52 |
| Bad debts written off | | 136.10 | 105.22 |
| Loan written off | | - | 266.34 |
| Provision for doubtful debts | | 15.22 | 47.41 |
| Provision for slow and non moving inventory | | - | 15.90 |
| Unrealised foreign exchange (gain) / loss (net) | | (5.13) | (0.27) |
| Loss on sale of property, plant and equipment | | 25.02 | 9.83 |
| Sundry balances written back | | (506.11) | (861.71) |
| Net gain on current investments | | (17.83) | (36.50) |
| ESOP compensation | 24 | 12.40 | 105.38 |
| Interest expenses on financial liabilities carried at amortised cost | 26 | 303.50 | 144.46 |
| Interest expense on lease liabilities | 26 | 253.79 | 196.57 |
| Gain on lease cancellation | | (33.07) | (34.45) |
| Provision for diminution in value of inventory | | (4.88) | - |
| Diminution in value of investments | | 140.75 | 30.90 |
| Finance cost | 26 | 668.49 | 730.56 |
| Interest income | 27 | (780.58) | (453.16) |
| Operating Profit before working capital changes | | 6,492.39 | 3,031.19 |
| Movements in working capital | | | |
| Increase in trade payables | | 142.34 | 155.26 |
| Increase / (Decrease) in other financial liabilities (current and non-current) | | 127.37 | (1,167.80) |
| Increase in other liabilities (current and non-current) | | 405.82 | 1,163.80 |
| Increase / (Decrease) in provisions (current and non-current) | | 471.14 | (36.53) |
| (Increase) in trade receivables | | (2,445.74) | (3,249.28) |
| (Increase) / Decrease in financials assets (current and non-current) | | (342.27) | 4.48 |
| Decrease in other assets (current and non-current) | | 331.65 | 1,747.06 |
| Decrease / (Increase) in inventories | | 361.66 | (365.32) |
| Cash generated from operations | | 5,544.36 | 1,282.86 |
| Direct taxes paid (net of refunds) | | 2,175.62 | (676.66) |
| Net cash flow generated from / (used in) operating activities (A) | | 7,719.98 | 606.20 |
| Cash flows from / (used in) investing activities | | | |
| Purchase of property, plant and equipments, including capital work in progress | | (3,005.51) | (2,848.20) |
| Proceeds from sale of property, plant and equipments | | 126.00 | 158.65 |
| (Loan given) /proceeds from amount invested in associates | | - | (309.32) |
| Payment of purchase consideration for purchase of shares / warrant of associate | | - | (15.66) |
| Payment of purchase consideration for purchase of shares of a subsidiary | | (34.71) | - |
| Purchase of current investments | | (2,400.00) | (5,314.00) |
| Proceeds from sale / redemption of current investments | | - | 7,846.05 |
| Proceeds from maturity of / (investment in) bank deposits (with original maturity for more than 3 months) (net) | | (929.16) | 1,426.46 |
| Proceeds from sale of associate | | 1,914.63 | - |

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₹ in lacs

| Particulars | Notes | March 31, 2024 | March 31, 2023 |
|--|-------|-------------------|-------------------|
| Interest received | | 363.25 | 297.82 |
| Dividends received | | 82.50 | 222.02 |
| Net cash flow generated from (used in) investing activities (B) | | (3,883.00) | 1,463.82 |
| Cash flows from / (used in) financing activities | | | |
| Proceeds from issuance of equity share capital (including premium) | | 202.49 | 67.54 |
| (Repayment) / proceeds from short term borrowing | | (803.00) | 803.00 |
| Shares issue expenses | | 2.95 | - |
| Proceeds from long-term borrowings | | 1,060.96 | 2,201.80 |
| Repayment of long-term borrowings | | (3,094.86) | (3,644.91) |
| Interest paid | | (656.12) | (743.47) |
| Repayment of lease liabilities | | (945.30) | (895.34) |
| Net cash flow from / (used in) financing activities (C) | | (4,232.88) | (2,211.38) |
| Net Increase / (decrease) in cash and cash equivalents (A + B + C) | | (395.90) | (141.36) |
| Increase in cash and cash equivalents on account of associate becoming subsidiary | | 1,645.24 | - |
| Unrealised gain on foreign currency cash and cash equivalents | | 1.92 | 48.37 |
| Cash and cash equivalents at the beginning of the year | | 1,431.65 | 1,524.64 |
| Cash and cash equivalents at the end of the year | | 2,682.91 | 1,431.65 |
| Components of cash and cash equivalents | | | |
| Cash on hand | | 1.73 | 3.73 |
| Balance with banks: | | | |
| - on current accounts | | 2,681.18 | 1,427.92 |
| - on EEFC accounts | | | |
| on fixed deposits account with original maturity of less than three months | | | |
| Cash and cash equivalents (refer note 12) | | 2,682.91 | 1,431.65 |

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

| Particulars | Non-current borrowing* | Current borrowing |
|--------------------------------------|------------------------|-------------------|
| Opening balance as on April 1, 2023 | 7,250.88 | 803.00 |
| Cash flow during the year | | |
| Proceeds | 1,060.96 | 25,605.88 |
| Repayment | 3,094.86 | 26,408.88 |
| Non cash changes if any | - | - |
| Closing balance as on March 31, 2024 | 5,216.98 | - |

* Includes current maturities of non-current borrowing

Notes:

- 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

Rajesh Mehra

Partner

Membership No: 103145

Place: Mumbai

Date: May 23, 2024

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

CIN : L22120MH2004PLC285453

Sanjay Gaikwad

Managing Director

DIN No.: 01001173

Ashish Malushte

Chief Financial Officer

Rajesh Mishra

Executive Director and Group CEO

DIN No.: 00103157

Kavita Thadeshwar

Company Secretary

Membership No.: A18651

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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 23, 2024.

2. Material 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 or 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 2024**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 five 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 2024

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, 2024 | UFO's ownership interest as on March 31, 2023 |
|---------|---|--------------------------|---|---|
| 1. | Scrabble Entertainment Limited | India | * | 100% |
| 2. | Nova Cinemaz Private Limited | India | 100% | 100% |
| 3. | Zinglin Media Private Limited | India | * | 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% |
| 7. | Scrabble Entertainment DMCC | United Arab Emirates | 100% | 100% |
| 8. | Scrabble Entertainment Mauritius Limited | Mauritius | * | 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% |
| 12 | Scrabble Audio Visual Equipment Trading LLC (Increase in stake effective 27 September 2023) | United Arab Emirates | 100% | 49% |

* Amalgamated with the parent company effective 1 April 2023 as per the order of The Hon'ble National Company Law Tribunal, Mumbai Bench (' Hon'ble NCLT') pronounced on January 17, 2024.

(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, 2024 | UFO's ownership interest as on March 31, 2023 |
|---------|--|--------------------------|---|---|
| 1. | Scrabble Digital DMCC | United Arab Emirates | 33.33% | 33.33% |
| 2. | Scrabble Venture LLC (Till 10 April,2023) | 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% |
| 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 | 18.52% | NIL |

** Balance 51% stake purchased on 27 September 2023 and therefore disclosed as a subsidiary effective that date

Notes to consolidated financial statements as at and for the year ended 31 March 2024

(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 2024 | As at and For the Year ended 31 March 2023 |
|---------|-------------------------------------|--------------|--|--|
| 1. | Scrabble Digital DMCC | Associate | Year ended 31 December 2023 | Year ended 31 December 2022 |
| 2. | Scrabble Entertainment Lebanon SARL | Subsidiary | Year ended 31 December 2023 | Year ended 31 December 2022 |

2.5 Use of 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:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

- **Investments**

Investment accounted for using equity method: whether the Group has significant influence over the investee refer note 4

- **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

(ii) Estimates and Assumptions:

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

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

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

- **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.

- **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, factors such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Measurement of ECL allowance for trade and finance receivables, loans and contract assets: key assumptions in determining the weighted-average loss rate refer note 2.6 (k)

- **Share based payments arrangements refer note 30**

- **Leases** 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.

The cost of property, plant and equipment at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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

(b) Depreciation on PPE:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of PPE are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. 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 not amortized but 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.

The cost of Intangible assets at 1 April 2016, the Group’s date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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.

Intangible assets comprise acquired computer softwares and are amortised over their estimated useful life as follows.

| | Useful lives (years) |
|-------------------|----------------------|
| Computer Software | 2 – 6 |

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

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

(d) Business Combination:

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

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

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

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

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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

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

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

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

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

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

(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.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024**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, digital cinema equipment, content cost, consumables and spares which are valued at cost or at net realisable value whichever is lower. Cost of 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. 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.

The comparison of cost and net realisable value is made on an item-by-item basis

(h) Revenue recognition:

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

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

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

Income from services and sale of goods

- Content Delivery charges (CDC) received from distributors of the films from D-Cinema and E-Cinema is recognized on time proportionate basis in the period in which the services are rendered.
- Advertisement income is recognized at the point when advertisements are displayed.
- Digitisation income is recognized at the point when services are rendered.
- Registration fee is charged to new theatres and is recognised at the point when the theatres are registered on the Company's network.
- 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 at the point when services are rendered.
- Revenue from sale of goods is recognized at the point of transfer of control to buyers (on delivery) and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.
- 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 which are usually for a fixed tenure and territory. The Company recognizes revenue based on the terms of the respective agreement as and when the film is exhibited. Revenue generally comprises a fixed amount or commission as a fixed percentage of the net box office collection
- 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

The Group did not earn revenue during the year from individual customer exceeding 10% of total revenue .

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Contract cost

The Company does not incur any cost to obtain or fulfill the contracts with customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above, interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividend income is recognized when the entity's right to receive dividend is established.

(i) Foreign exchange transactions and translation:

Foreign currency transactions and balances

- **Initial recognition:**

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

- **Measurement of Foreign currency items at reporting date**

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

- **Translation of financial statements of foreign entities**

On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their Statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the

Notes to consolidated financial statements as at and for the year ended 31 March 2024

dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI.

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

(j) Fair Value Measurement:

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

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

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

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

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

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

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

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

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

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

The management determines the policies and procedures for both recurring fair value measurement, such as derivative 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:

Trade receivables are initially recognised when they are originated. All other 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 and trade receivables without a significant financing component are initially measured at the transaction price. 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are: -

Amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model 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 classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024**Impairment of Financial Assets:**

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

Financial guarantee contracts:

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

De-recognition of Financial Assets:

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

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

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.

(k) Financial Instruments (Continued)**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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

(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.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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 2024
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 | Office Equipment | Furniture and Fixtures | Electrical Equipments and Installations | Vehicles | Total |
|--|--------------------------------|---|---------------------|---------------------|------------------------------|--|-----------------|------------------|
| Cost as at April 1, 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 |
| "Addition on conversion of associate to subsidiary Refer note 43 (a)" | 28.96 | 34.19 | 4.29 | - | 0.75 | - | 4.61 | 72.81 |
| Additions | 29.02 | 3,092.57 | 43.01 | 27.64 | 20.99 | - | 16.38 | 3,229.60 |
| Disposals | 58.56 | 2,802.90 | 112.05 | 18.67 | 3.87 | - | 103.55 | 3,099.60 |
| Revaluation | | | | | | | | |
| Exchange gain (loss) | 0.16 | 10.96 | 0.09 | 0.03 | 0.17 | - | 0.96 | 12.37 |
| Cost as at March 31, 2024 | 1,076.65 | 29,290.25 | 663.84 | 365.98 | 145.50 | 38.36 | 2,034.28 | 33,614.86 |
| Accumulated Depreciation/ Amortisation | | | | | | | | |
| At April 1, 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 |
| Addition on conversion of associate to subsidiary Refer note 43 (a) | 0.93 | 23.57 | 1.37 | - | 0.66 | - | 2.89 | 29.42 |
| Charge for the year | 74.64 | 3,204.41 | 113.90 | 37.92 | 17.64 | 0.02 | 83.62 | 3,532.15 |
| On disposals | 50.55 | 2,662.73 | 111.82 | 16.87 | 3.06 | - | 103.55 | 2,948.58 |
| Exchange gain (loss) | (0.14) | (10.32) | (0.03) | (0.02) | (0.06) | (0.01) | (0.88) | (11.47) |
| At March 31, 2024 | 995.05 | 20,426.51 | 500.09 | 285.47 | 102.98 | 38.33 | 1,841.85 | 24,190.26 |
| Net carrying amount | | | | | | | | |
| At March 31, 2023 | 107.18 | 9,104.50 | 231.89 | 92.58 | 39.78 | 0.06 | 257.89 | 9,833.88 |
| At March 31, 2024 | 81.60 | 8,863.74 | 163.75 | 80.51 | 42.52 | 0.03 | 192.43 | 9,424.60 |

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

3.2 Capital work in progress

| Particulars | ₹ in lacs | |
|-------------------------|----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Opening | 1,145.75 | 904.08 |
| Add : Purchase | 3,234.58 | 3,215.54 |
| Less : Installed | 2,693.59 | 2,275.47 |
| Less : Sale / Write off | 979.39 | 698.40 |
| Closing | 707.33 | 1,145.75 |

Note: Security: At 31 March 2024, properties (including CWIP) with a carrying amount of ₹ 10,131.93 lacs (31 March 2023: ₹ 10,396.68 lacs) are subject to first charge to secure bank loans (see Note 15)

Ageing of CWIP

As at March 31, 2024

| CWIP | ₹ in lacs | | | | |
|--------------------------------|------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 599.43 | 80.01 | 0.00 | 27.89 | 707.33 |
| Projects temporarily suspended | - | - | - | - | - |

As at March 31, 2023

| CWIP | ₹ in lacs | | | | |
|--------------------------------|------------------|-----------|-----------|-------------------|----------|
| | 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 | - | - | - | - | - |

Notes:

- The Group has no projects which have exceeded their cost or have been overdue as at March 31, 2024 and March 31, 2023.
- 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, 2022 | 2,921.23 |
| Additions | 2,429.08 |
| Disposals | (119.70) |
| Cost as at March 31, 2023 | 5,230.61 |
| Addition on conversion of associate to subsidiary Refer note 43 (a) | 30.71 |
| Additions | 732.76 |
| Disposals | (104.72) |
| Cost as at March 31, 2024 | 5,889.36 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| | |
|---|-----------------|
| Accumulated depreciation/amortisation | |
| At April 1, 2022 | 2,214.44 |
| Charge for the year | 758.47 |
| On disposals | (55.51) |
| At March 31, 2023 | 2,917.40 |
| Addition on conversion of associate to subsidiary Refer note 43 (a) | 3.63 |
| Charge for the year | 724.97 |
| On disposals | (46.67) |
| At March 31, 2024 | 3,599.33 |
| Net Carrying amount | |
| At March 31, 2023 | 2,313.21 |
| At March 31, 2024 | 2,290.03 |

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

3.4 Goodwill

| | |
|--------------------------|-----------------|
| | ₹ in lacs |
| At April 1, 2022 | 2,310.88 |
| Additions | - |
| Disposals | - |
| At March 31, 2023 | 2,310.88 |
| Additions | - |
| Disposals | - |
| At March 31, 2024 | 2,310.88 |

The Group performed its annual impairment test for the year ended March 31, 2024, 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 (2% FY 23) for periods subsequent to the forecast period of 5 years and discount rate of 11.62% (11.62% FY 23). 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.

3.5 Intangible Assets

| | | | |
|----------------------------------|--------------------------|--|-----------------|
| | ₹ in lacs | | |
| | Computer software | Network (relationship with studio and exhibitors) | Total |
| Cost as at April 1, 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 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Cost as at March 31, 2024 | 687.01 | 790.00 | 1,477.01 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| | Computer software | Network (relationship with studio and exhibitors) | Total |
|---------------------------------|-------------------|---|-----------------|
| Accumulated amortisation | | | |
| At April 1, 2022 | 407.87 | 790.00 | 1,197.87 |
| Charge for the year | 154.44 | | 154.44 |
| On disposals | - | - | - |
| At March 31, 2023 | 562.30 | 790.00 | 1,352.30 |
| Charge for the year | 21.91 | | 21.91 |
| On disposals | - | - | - |
| At March 31, 2024 | 584.23 | 790.00 | 1,374.23 |
| Net carrying amount | | | |
| At March 31, 2023 | 124.70 | - | 124.70 |
| At March 31, 2024 | 102.79 | - | 102.79 |

The estimated amortisation for the years subsequent to March 31, 2024 is as follows

| Year ended March 31, | Amortisation expenses |
|----------------------|-----------------------|
| 2025 | 16.71 |
| 2026 | 15.08 |
| 2027 | 10.81 |
| 2028 | 1.55 |
| Thereafter | 58.64 |
| | 102.79 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
4. Investments

| | ₹ in lacs | |
|--|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Unquoted equity instruments (at cost) | | |
| Investment in Associates | | |
| 100 (March 31, 2023: 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) | 185.27 | 206.21 |
| NIL (March 31, 2023: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss) | - | 474.69 |
| 3,060,000 (March 31, 2023: 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) | 278.97 | 255.99 |
| 240,000 (March 31, 2023: 240,000) Share Warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited | 24.00 | 24.00 |
| 375,000 (March 31, 2023: 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, 2023 : 2,373,040) Share Warrants of ₹ 1 each fully paid up in Cinestaan Digital Private Limited | - | - |
| 2,668,552 (March 31, 2023 : 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) | - | - |
| NIL (March 31, 2023: 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) Refer note 43 (a) | - | 1,292.00 |
| 70 (March 31, 2023: 70) Shares of AED 1,000 each at par fully paid up of Scrabble Digital Services DMCC (including post-acquisition share of profit or loss) | 268.67 | 68.97 |
| Unquoted Preference shares (at cost) | | |
| Investment in Associates | | |
| 7,500,000 (March 31, 2023 : 7,500,000) Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of ₹ 10 each, paid up of ₹ 8 each (March 31, 2023 ₹ 8 each) in Mumbai Movies Studio Private Limited (Including post - acquisition share of profit or loss) | 259.06 | 485.81 |
| | 1,015.97 | 2,807.67 |
| Other disclosures: | | ₹ in lacs |
| (i) Aggregate amount of quoted investments (Gross) | - | - |
| (ii) Market value of quoted investments | - | - |
| (iii) Aggregate amount of unquoted investments (Gross) | 1,156.72 | 2,838.70 |
| (iv) Aggregate amount of impairment in value of investment | 140.75 | 31.03 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

5. Financial assets - Loans

₹ in lacs

| | Non current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Unsecured (Considered doubtful) | | | | |
| Loan to related party (Refer note no. 33) | - | - | - | 59.32 |
| Loan to others * | 14.66 | - | 200.09 | 83.43 |
| Less: Allowance for doubtful balance | (14.66) | - | (83.43) | (83.43) |
| | - | - | 116.66 | 59.32 |

*Loans are repayable on demand

Loans or Advances in the nature of loans are granted to the related parties (as defined under Companies Act, 2013) without specifying any terms or period of repayment,

| | March 31, 2024 | | March 31, 2023 | |
|-------------------------|---|--|---|--|
| | Amount of loan or advance in the nature of loan outstanding | % to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | % to the total Loans and Advances in the nature of loans |
| Loan to Promoters | - | - | - | - |
| Loan to Directors | - | - | - | - |
| Loan to KMPs | - | - | - | - |
| Loan to Related parties | - | - | - | - |
| | - | - | - | - |

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

₹ in lacs

| | Non-current | | Current | |
|--|----------------|-----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Security deposit to related parties (Refer note 33) | 357.72 | 357.72 | 1.94 | 1.94 |
| Security deposit to other than related parties | 133.34 | 265.71 | 260.53 | 103.18 |
| Interest accrued but not due on fixed deposit | - | - | 189.13 | 121.84 |
| Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12) | 241.08 | 1,238.07 | - | - |
| Other receivables- Considered good | - | - | 20.21 | 4.10 |
| Unsecured - Doubtful | - | - | - | 52.94 |
| Less: Allowance for doubtful balance | - | - | - | (52.94) |
| | 732.14 | 1,861.50 | 471.81 | 231.06 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
7. Deferred tax assets / (liability)

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|------------------|------------------|
| a Deferred tax assets | | |
| Property, Plant and Equipment and Intangible Assets | 3,270.36 | 3,385.75 |
| Provision for doubtful debts and advances | 512.55 | 427.27 |
| Others | 549.80 | 539.19 |
| Deferred tax assets on carry forward losses | 5,790.93 | 6,081.25 |
| Gross deferred tax assets | 10,123.64 | 10,433.46 |
| b Deferred tax liabilities | | |
| Property, Plant and Equipment and Intangible Assets | - | 2.78 |
| Undistributed profit of foreign subsidiaries and associates | 953.50 | 720.76 |
| Gross deferred tax liabilities | 953.50 | 723.54 |
| Net deferred tax assets | 9,170.14 | 9,709.92 |

Movement in Deferred tax Assets and Liabilities

₹ in lacs

| Movement during the year ended March 31, 2023 | As at April 1, 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 debts and advances | 577.35 | (150.09) | - | 427.26 |
| Others | 696.17 | (87.66) | (69.32) | 539.19 |
| Deferred tax assets on carry forward of losses | 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 |

₹ in lacs

| Movement during the year ended March 31, 2024 | As at April 1, 2023 | Credit/ (Charge) in the Statement of Profit and Loss | Credit/ (Charge) in Other Comprehensive Income | As at March 31, 2024 |
|---|---------------------|--|--|----------------------|
| Deferred tax assets / (liabilities) | | | | |
| Property, Plant and Equipment and Intangible Assets | 3,382.97 | (112.61) | - | 3,270.36 |
| Provision for doubtful debt and advances | 427.26 | 85.29 | - | 512.55 |
| Others | 539.19 | (19.84) | 30.45 | 549.80 |
| Deferred tax assets on carry forward losses and unabsorbed depreciation | 6,081.26 | (290.33) | - | 5,790.93 |
| Undistributed profit of foreign subsidiaries and associates | (720.76) | (232.75) | - | (953.50) |
| Total | 9,709.92 | (570.24) | 30.45 | 9,170.14 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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

| | ₹ in lacs | |
|--|----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| i) Income tax recognised in the Consolidated Statement of Profit and Loss | | |
| Current tax: | | |
| In respect of current year | 63.55 | 131.56 |
| In respect of prior years | - | - |
| Deferred tax: | | |
| In respect of current year- (Credit)/ Charge | 570.24 | (257.95) |
| Income tax expense recognised in the Statement of Profit and Loss | 633.79 | (126.39) |
| ii) Income tax expense recognised in OCI | | |
| Deferred tax: | | |
| Deferred tax expense on remeasurements of defined benefit plans | 30.45 | (69.32) |
| Income tax expense recognised in OCI | 30.45 | (69.32) |

| | ₹ in lacs | |
|--|----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Reconciliation of tax expense and the accounting profit for the year is as under: | | |
| Profit / (Loss) before tax | 2,413.31 | (1,447.20) |
| Income tax expense calculated at Corporate tax rate @ 25.17 % (March 31, 2023: 25.17%) | 607.38 | (364.23) |
| Impact on account of: | | |
| Deferred tax liability on undistributed profits (Net) | 232.74 | 196.60 |
| ESOP expense offered to tax | - | - |
| Effect of tax on dividend from associates/subsidiaries | 20.76 | 377.10 |
| Effect of results of associates | (102.59) | (186.39) |
| Tax on expenses not deductible for tax purpose | 30.80 | 389.14 |
| Tax on income of subsidiary at different tax rate | (240.33) | (625.31) |
| Tax losses of subsidiaries on which deferred tax assets has not been created | 72.95 | 158.97 |
| Change in loss of AY 2022-23 after filing of return | 12.08 | (67.97) |
| Others | - | (4.30) |
| Total | 633.79 | (126.39) |
| Tax expense as per Statement of Profit and Loss | 633.79 | (126.39) |

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 incurrance of business losses under the Income tax Act,1961 for which no deferred tax asset has been recognised in the Balance Sheet. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

₹ in lacs

| Assessment year | Category | Amount of Loss | Amount of Deferred tax Asset | Expiry Date |
|-----------------|-------------------------|-----------------|------------------------------|----------------|
| 2024-25 | Business loss | 289.87 | 72.95 | 31-Mar-33 |
| 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 | | 2,369.07 | 596.25 | |

As at March 31, 2024, deferred tax liability of ₹ 953.50 lacs (March 31, 2023: ₹ 720.76 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.

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, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Income tax assets (net of provision for income tax ₹ 22,684.27 lacs (March 31, 2023 : ₹ 22,747.82 lacs) | 2,494.16 | 4,375.59 |
| | 2,494.16 | 4,375.59 |

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

₹ in lacs

| | Non-current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Capital advances | 56.46 | - | - | - |
| Balances with statutory / government authorities: | | | | |
| Considered good | 13.25 | 31.34 | 57.45 | 94.80 |
| Considered doubtful | 10.00 | 10.00 | - | - |
| Less: Allowance for doubtful receivables | (10.00) | (10.00) | - | - |
| Deposit with Government bodies and others | 120.72 | 82.02 | - | - |
| Advance to suppliers | - | - | 320.35 | 349.32 |
| Loans and advances to employees | - | - | 60.20 | 91.22 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| | Non-current | | Current | |
|-----------------------|----------------|----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Prepaid expenses | 56.00 | 81.68 | 358.55 | 378.33 |
| GST credit receivable | - | - | 1,665.77 | 1,803.26 |
| Others | 15.91 | 11.18 | 0.13 | 0.62 |
| | 262.34 | 206.22 | 2,462.45 | 2,717.55 |

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

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--------------------------|-----------------|-----------------|
| Traded goods (Lamps) | 255.53 | 537.90 |
| Digital Cinema Equipment | 95.15 | 107.87 |
| Consumables and spares | 865.43 | 618.87 |
| Content cost | 8.78 | 0.96 |
| | 1,224.89 | 1,265.60 |

During FY 2023-24, an amount of ₹ 4.88 lacs was reversed to the Consolidated statement of profit and loss on account of damaged and slow moving inventory and during the previous year ₹ 15.90 lacs charged to the Consolidated statement of profit and loss on account of damaged and slow moving inventory

10. Investments - Current

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Unquoted mutual funds - carried at fair value through profit and loss | | |
| Investment in mutual funds | 724.02 | 52.48 |
| | 724.02 | 52.48 |

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 ₹ 724.02 lacs (March 31, 2023: ₹ 52.48 lacs)

11. Trade receivables

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Trade receivables considered good -Secured | - | - |
| Trade receivables considered good -Unsecured | 9,576.67 | 6,604.06 |
| Less: Loss allowance | - | - |
| Trade receivables with have significant increase in credit risk | 37.82 | - |
| Trade receivables -Credit impaired | 2,505.77 | 2,532.04 |
| Less: Loss allowance | (2,505.77) | (2,532.04) |
| Total | 9,614.49 | 6,604.06 |

For details pertaining to related party receivables refer note 33

Notes to consolidated financial statements as at and for the year ended 31 March 2024
Trade Receivables ageing schedule*
As at March 31, 2024

₹ in lacs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|---------------|---------------|-------------------|------------------|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 7,987.55 | 488.31 | 632.81 | 213.03 | 24.21 | 9,345.92 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | 3.19 | 146.37 | 261.06 | 71.61 | 734.61 | 1,216.84 |
| (iv) Disputed Trade Receivables – which have significant increase in credit risk | 1.14 | 15.07 | 11.29 | 1.43 | 8.89 | 37.82 |
| (v) Disputed Trade Receivables – credit impaired | 3.02 | 38.84 | 76.63 | 25.20 | 1,145.24 | 1,288.93 |
| Total | 7,994.90 | 688.59 | 981.79 | 311.27 | 1,912.95 | 11,889.51 |
| ADD: Trade Receivables- Unbilled (Undisputed not due) | | | | | | 230.75 |
| Total Trade receivable | | | | | | 12,120.26 |
| Less: Loss allowance | | | | | | (2,505.77) |
| Total Trade receivable (Net of Allowance for doubtful trade receivable) | | | | | | 9,614.49 |

As at March 31, 2023

₹ in lacs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|---------------|---------------|-------------------|-----------------|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (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 | 1,999.31 | 8,860.88 |
| ADD: Trade Receivables- Unbilled (Undisputed 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 |

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

12. Cash and bank balances

₹ in lacs

| | Non-Current | | Current | |
|--|----------------|-----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| - In current accounts | - | - | 2,681.18 | 1,427.92 |
| Cash on hand | - | - | 1.73 | 3.73 |
| Total (A) | - | - | 2,682.91 | 1,431.65 |
| Other bank balances | | | | |
| - In unpaid dividend account* | - | - | 24.78 | 26.50 |
| - Deposits with original maturity for more than 3 months but less than 12 months | - | - | 6,353.69 | 4,444.44 |
| - Deposits with remaining maturity for more than 12 months | 241.08 | 1,238.07 | | 199.00 |
| Total (B) | 241.08 | 1,238.07 | 6,378.47 | 4,669.94 |
| - Margin money deposit with original maturity for less than 12 months | - | - | 951.17 | 664.25 |
| - Margin money deposit with remaining maturity for more than 12 months | - | - | | 9.80 |
| Total (C) | - | - | 951.17 | 674.05 |
| Amount disclosed under non - current financial assets (Refer note 6) | (241.08) | (1,238.07) | - | - |
| Total (B+C) | - | - | 7,329.64 | 5,343.99 |

Margin money deposits:

Margin money deposits are 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, 2024 | March 31, 2023 |
|---|------------------|------------------|
| Authorised share capital | | |
| 7,39,14,500 (March 31, 2023: 5,30,50,000) equity shares of ₹10/- each | 7,391.45 | 5,305.00 |
| 15,65,000 (March 31, 2023: 15,65,000) preference shares of ₹1,000/- each | 15,650.00 | 15,650.00 |
| | 23,041.45 | 20,955.00 |
| Share capital | | |
| Issued, subscribed and fully paid up shares | | |
| 38,58,12,080 (March 31, 2023: 38,176,230) equity shares of ₹10 each fully paid - up | 3,858.12 | 3,817.62 |
| Total issued, subscribed and fully paid up share capital | 3,858.12 | 3,817.62 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

₹ in lacs

| Equity shares | March 31, 2024 | | March 31, 2023 | |
|------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 3,81,76,230 | 3,817.62 | 3,80,41,143 | 3,804.11 |
| Issued during the year | 4,04,978 | 40.50 | 1,35,087 | 13.51 |
| Outstanding at the end of the year | 3,85,81,208 | 3,858.12 | 3,81,76,230 | 3,817.62 |

(b) Terms/ rights attached to equity shares
Voting Rights

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

Rights to Dividend

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

Rights pertaining to repayment of capital

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

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

| Name of the shareholder | March 31, 2024 | | March 31, 2023 | |
|---------------------------------------|----------------|------------------------|----------------|------------------------|
| | No. | % holding in the class | No. | % holding in the class |
| Equity shares of ₹ 10 each fully paid | | | | |
| Nepean Focused Investment Fund | 93,99,933 | 24.62% | 9,399,933 | 24.62% |
| Apollo Green Energy Limited | 22,66,417 | 5.87% | 2,266,417 | 5.94% |
| Valuable Media Private Limited | 22,44,265 | 5.82% | 2,244,265 | 5.88% |
| Valuable Technologies Private Limited | 22,43,657 | 5.82% | 2,243,657 | 5.88% |

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

(d) Details of shares held by promoters

As at March 31, 2024

| 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 | 2.38% | 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 | 1.91% | 0.00% |
| 7 | Apollo Green Energy Limited | 2,266,417 | - | 2,266,417 | 5.87% | 0.00% |
| 8 | Valuable Technologies Private Limited | 2,243,657 | - | 2,243,657 | 5.82% | 0.00% |
| 9 | Valuable Media Private Limited | 2,244,265 | - | 2,244,265 | 5.82% | 0.00% |

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 Green Energy 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% |

(e) Shares reserved for issue under options:

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024
14. Other equity

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--|--------------------|--------------------|
| 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 | 38,609.10 | 38,500.45 |
| Add: Addition during the year (Net of share issue expenses- Current year - ₹ Nil and Last year ₹ NIL) | 161.99 | 54.03 |
| Add: Transferred on issuance of ESOP shares | 163.74 | 54.62 |
| Balance as at the end of year | 38,934.83 | 38,609.10 |
| Share based payment reserves | | |
| Balance as at the beginning of year | 274.07 | 223.31 |
| Add : Employee stock option granted during the year | 12.40 | 105.38 |
| Less : Transferred on employee stock options expired/exercised during the year | (163.74) | (54.62) |
| Balance as at the end of year | 122.73 | 274.07 |
| 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 | (15,970.25) | (15,241.45) |
| Add: Profit / (Loss) for the year | 1,636.04 | (1,320.81) |
| Add: Remeasurement of defined benefit plans (Net) | (88.69) | 211.53 |
| Transferred from foreign currency translation reserve | | 380.48 |
| Balance as at the end of year | (14,422.90) | (15,970.25) |
| Capital Reserve | | |
| Balance as at the beginning of year | 1,566.76 | 1,566.76 |
| Add: On acquisition of additional stake in associate | - | - |
| 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 | 196.40 | 344.71 |
| Add / (less): Exchange differences on translating the financial statements of foreign operations | 105.00 | 232.17 |
| Transferred to retained earnings | | (380.48) |
| Balance as at the end of year | 301.40 | 196.40 |
| Total | 24,874.43 | 23,047.69 |

- Other Reserve (on purchase of Non-controlling interest stake):** Represents excess of consideration over carrying value on purchase of Non controlling interest stake.
- 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.
- 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

- 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, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| 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 | 430.66 | 901.83 |
| Term loan 2 from IDFC First Bank | - | - | 300.00 | 1,500.00 |
| Term loan 3 from IDFC First Bank | 1,336.60 | - | 534.64 | - |
| Term loan 4 from HDFC Bank | 1,202.50 | 1,757.50 | 555.00 | 462.50 |
| Term loan 5 from HDFC Bank | 673.17 | - | 152.99 | 2,156.80 |
| Sub total | 3,212.27 | 2,188.16 | 1,973.29 | 5,021.13 |
| 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) | 20.36 | 31.42 | 11.06 | 10.17 |
| | 20.36 | 31.42 | 11.06 | 10.17 |
| | 3,232.63 | 2,219.58 | 1,984.35 | 5,031.30 |
| Less :Amount disclosed under the head "Current borrowings" (Refer note 19) | - | - | (1,984.35) | (5,031.30) |
| Net amount | 3,232.63 | 2,219.58 | - | - |

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 9.96% (March 31, 2023 : 8.69%) p.a. is repayable in 48 monthly installments starting from July 31, 2020.

Term loan 2 having interest of bank 3 month MCLR plus 160 basis points i.e. 11.10% (March 31, 2023 : 9.94%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 3 having interest of bank 3 month MCLR plus 160 basis points i.e. 11.03% (31 March, 2023 : 10.06%) p.a. is repayable in 18 quarterly installments starting from May 22, 2023

Term loan 4 having interest of bank 6 Month MCLR plus 65 basis i.e. 9.83% (31 March 2023 : 8.64%) p.a. is repayable in 48 monthly installments starting from Jun 01, 2023.

Term loan 5 having interest of bank 1 year MCLR plus 50 basis points i.e. 9.70% (March 31, 2023 : nil) p.a. is repayable in 54 monthly installments starting from June 1, 2024

Notes to consolidated financial statements as at and for the year ended 31 March 2024
16. Financial liabilities - others

₹ in lacs

| | Non current | | Current | |
|--|-----------------|-----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Other financial liabilities carried at amortised cost | | | | |
| Commission on financial guarantee payable | - | - | - | - |
| Interest accrued but not due on borrowings | - | - | 25.82 | 29.19 |
| Deposit from customers | 2,195.14 | 2,315.40 | 971.64 | 840.55 |
| Deposit from related parties (Refer note 33) | 0.12 | 4.03 | - | - |
| Unpaid dividend * | - | - | 24.78 | 26.50 |
| Payables for purchase of property, plant and equipments | - | - | 190.40 | 319.21 |
| Salary and reimbursement payable | - | - | 797.94 | 692.10 |
| Other payables | - | - | 9.44 | 39.69 |
| | 2,195.26 | 2,319.43 | 2,020.02 | 1,947.24 |

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

17. Provisions

₹ in lacs

| | Non-current | | Current | |
|--|-----------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Provision for Employee Benefits | | | | |
| Provision for gratuity (refer note 29) | 1,365.97 | 818.43 | 50.13 | 4.12 |
| Provision for compensated absences (refer note 29) | 312.98 | 19.81 | 131.13 | 405.20 |
| Others | | | | |
| Provision for warranties (refer note a below) | - | - | - | 0.78 |
| | 1,678.95 | 838.24 | 181.26 | 410.10 |

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, 2024 | March 31, 2023 |
|-------------------------------|----------------|----------------|
| At the beginning of the year | 0.78 | 1.27 |
| Arising during the year | - | - |
| Utilized during the year | (0.78) | (0.49) |
| At the end of the year | - | 0.78 |
| Current portion | - | 0.78 |
| Non-current portion | - | - |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

18. Other Liabilities

₹ in lacs

| | Non-Current | | Current | |
|--------------------------------------|-----------------|----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Deferred revenue (Refer note no. 43) | 1,007.00 | 889.54 | 653.26 | 634.13 |
| Advance received from customers | - | - | 1,800.59 | 1,668.88 |
| Statutory dues payable | | | | |
| Employee related liabilities | - | - | 65.42 | 88.33 |
| Value added tax payable | - | - | 72.70 | 2.63 |
| Tax deducted at source payable | - | - | 262.55 | 296.95 |
| | 1,007.00 | 889.54 | 2,854.52 | 2,690.92 |

19. Current Borrowings

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Secured | | |
| Cash credit from IDFC First Bank | - | 803.00 |
| Current maturities of long-term debts (refer note 15) | 1,984.35 | 5,031.30 |
| | 1,984.35 | 5,834.30 |

Cash credit from IDFC Bank Limited was secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 11.25% per annum (March 31, 2023 : 8.30% per annum).

20. Trade payables

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Trade payables: | | |
| a) Total Outstanding dues of Micro and small enterprises (refer note 40) | - | - |
| b) Total Outstanding dues of creditors other than micro and small enterprises | 6,823.79 | 5,927.35 |
| Total | 6,823.79 | 5,927.35 |

For details pertaining to related party payables refer note 33

Trade Payables ageing schedule (Outstanding from the Invoice date)

As at March 31, 2024

₹ in lacs

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| (i) MSME | - | - | - | - | - |
| (ii) Others | 4,741.31 | 991.70 | 465.43 | 625.35 | 6,823.79 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
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 | - | - | - | - | - |

21. Revenue from operations

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|-------------------------------|----------------------|------------------|
| Sale of Services | | |
| Advertisement revenue | 12,202.86 | 7,549.97 |
| Content delivery charges | 8,642.28 | 8,794.92 |
| VPF service revenue | 1,494.35 | 2,429.35 |
| Lease rental income | 5,722.86 | 5,468.95 |
| Digitisation income | 1,641.94 | 2,088.57 |
| Maintenance service fee | 1,213.98 | 1,085.57 |
| Registration fees income | 36.81 | 40.34 |
| Distribution Income | 79.72 | 1,620.88 |
| Others | 137.83 | 378.69 |
| | (A) 31,172.63 | 29,457.24 |
| Sales of Products | | |
| Lamps | 3,530.32 | 3,166.85 |
| Digital cinema equipments | 5,289.89 | 5,783.44 |
| | (B) 8,820.21 | 8,950.29 |
| Other Operating Income | | |
| Sundry balances written back | 506.11 | 861.70 |
| Freight income | 324.98 | 322.69 |
| | (C) 831.09 | 1,184.39 |
| Total A+B+C | 40,823.93 | 39,591.92 |

22. Other Income*

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--------------------------------|----------------|----------------|
| Miscellaneous income | 170.63 | 159.52 |
| Foreign exchange gain (net) | 6.16 | 5.41 |
| Profit on sale of fixed assets | 7.10 | 18.47 |
| | 183.89 | 183.40 |

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

23. Operating direct costs

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|------------------|------------------|
| Advertisement revenue share | 5,373.43 | 4,450.39 |
| Exhibition equipments repairs | 2,088.70 | 2,196.45 |
| Van operation expenses | 583.62 | 92.36 |
| Technical service fees | - | 0.00 |
| Bandwidth charges | 401.08 | 429.00 |
| Purchase of digital cinema equipment | 4,148.11 | 4,627.83 |
| Purchase of lamps and spares | 2,415.66 | 2,610.91 |
| Content processing charges | 53.16 | 80.10 |
| CDC share expenses | 1,016.02 | 1,685.09 |
| Distribution Expenses | - | 1,240.88 |
| Other expenses | 820.41 | 1,090.56 |
| (Increase) / Decrease in inventories of digital cinema equipments | | |
| Inventories at the beginning of the year | 131.20 | 70.69 |
| Inventory of Scrabble Audio visual trading LLC becoming subsidiary from associate during the year | 32.24 | - |
| Inventories at the end of the year | 128.11 | 131.20 |
| | 35.33 | (60.51) |
| (Increase) / Decrease in inventories of lamps | | |
| Inventories at the beginning of the year | 594.82 | 505.21 |
| Inventory of Scrabble Audio visual trading LLC becoming subsidiary from associate during the year | 276.24 | - |
| Inventories at the end of the year | 521.82 | 594.82 |
| | 349.24 | (89.61) |
| Content Cost | | |
| Opening Content cost | 0.96 | 0.09 |
| Add : Cost of content aquired during the year | 17.97 | 6.74 |
| Less : Closing balance of unamortised content cost | (8.78) | (0.96) |
| | 10.15 | 5.87 |
| Consumables and spares | | |
| Inventories at the beginning of the year | 618.75 | 359.44 |
| Add: Purchases | 382.00 | 726.63 |
| Less: Inventories at the end of the year | (641.69) | (618.75) |
| | 359.06 | 467.32 |
| | 17,653.97 | 18,826.65 |

24. Employee benefit expense

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 7,852.45 | 8,721.06 |
| Contribution to provident and other funds | 387.90 | 473.69 |
| Gratuity expenses (Refer note 29) | 475.86 | 185.85 |
| Compensated absences (Refer note 29) | 75.43 | - |
| ESOP compensation cost (Refer note 30) | 12.40 | 105.38 |
| Staff welfare expenses | 427.46 | 357.85 |
| | 9,231.50 | 9,843.83 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
25. Other expenses

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Rent (Refer note no. 31) | 435.97 | 439.78 |
| Freight and forwarding charges | 648.94 | 754.35 |
| Legal, professional and consultancy charges | 1,686.47 | 2,523.68 |
| Directors sitting fees including commission | 112.58 | 164.75 |
| Commission on advertisement revenue | 1,848.86 | 857.94 |
| Commission on other revenue | 34.28 | 152.26 |
| Corporate social responsibility expenses | 2.35 | 40.71 |
| Sales promotion expenses | 283.54 | 257.31 |
| Electricity charges | 250.14 | 257.59 |
| Rates and taxes | 54.06 | 38.10 |
| Payment to Auditors | 92.67 | 75.49 |
| Repairs and maintenance | | |
| -Plant and machinery | | |
| -Others | 252.17 | 272.96 |
| Insurance | 107.54 | 94.03 |
| Travelling and conveyance expenses | 522.72 | 591.65 |
| Communication and courier expenses | 139.91 | 127.51 |
| Printing and stationery | 45.45 | 47.52 |
| Bad debts written-off | 276.10 | 286.11 |
| Less: Provision utilised | (140.00) | (181.27) |
| Write-off of loan | - | 266.34 |
| Provision for doubtful debts | 15.61 | 47.41 |
| Provision for slow/non-moving inventory | (4.88) | 15.77 |
| Provision for diminution in value of investment | 140.75 | 31.03 |
| Miscellaneous expenses | 524.86 | 523.24 |
| Loss on sale of property, plant and equipment | 32.12 | 28.29 |
| Foreign exchange loss (net) | 0.19 | 4.22 |
| | 7,362.40 | 7,716.77 |

Details of CSR expenditure:

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| a) Gross amount required to be spent by the Group during the year | 2.35 | 40.71 |
| b) Amount approved by the Board to be spent during the year | 2.35 | 40.71 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| | | In cash | | Yet to be paid in cash | Total |
|---|---------------------------------------|---------|-------|------------------------|--------|
| c) Amount spent during the year ended on 31 March 2024: | | | | | |
| i) | Construction/acquisition of any asset | 98.55 | 20.70 | | 119.25 |
| ii) | On purposes other than (i) above | 2.36 | - | | 2.35 |

| | | In cash | | Yet to be paid in cash | Total |
|---|---------------------------------------|---------|--------|------------------------|--------|
| d) 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 |

| | | March 31, 2024 | March 31, 2023 |
|---|--|----------------|----------------|
| e) Details related to spent / unspent obligations | | | |
| i) | Contribution to Charitable Trust | 100.90 | 130.75 |
| ii) | Unspent amount in relation to: Ongoing project | 20.70 | 119.25 |

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)

| Opening Balance | | Amount required to be spent during the year | Amount spent during the year | | Closing Balance | |
|-----------------|-----------------------------|---|------------------------------|-------------------------------|-----------------|-----------------------------|
| With Group | In Separate CSR Unspent A/c | | From Company's bank A/c | From Separate CSR Unspent A/c | With Group | In Separate CSR Unspent A/c |
| 23.52 | 95.73 | 2.35 | 2.35 | 98.55 | - | 20.70 |

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 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.

26. Finance Cost

| | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| Interest on | | |
| - Term loan | 651.03 | 716.94 |
| - Cash credit | 17.46 | 13.62 |
| Interest expenses on lease liabilities | 253.79 | 196.57 |
| Bank charges | 44.91 | 43.64 |
| Interest expenses on financial liabilities carried at amortised cost | 303.50 | 142.26 |
| | 1,270.69 | 1,113.03 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024
27. Finance Income

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|------------------------------------|----------------|----------------|
| Interest income on | | |
| - Fixed deposits | 420.78 | 333.35 |
| - Others * | 359.80 | 119.81 |
| Net gain on current investments ** | 14.88 | 36.50 |
| | 795.46 | 489.66 |

* Interest on others includes interest received on income tax refund

** Includes fair value gain of ₹ (8.57) lacs (March 31, 2023 : ₹ 17.82 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, 2024 | March 31, 2023 |
|---|--------------------|--------------------|
| Basic | | |
| Profit /(Loss) attributable to equity holders of parent (₹ in lacs) | 1,636.04 | (1,320.81) |
| Weighted average number of equity shares in calculating basic EPS | 3,84,12,898 | 3,80,78,230 |
| Earning per share (₹) (Face value of ₹ 10 each) | 4.26 | (3.47) |
| Diluted | | |
| Profit /(Loss) attributable to equity holders of parent (₹ in lacs) | 1,636.04 | (1,320.81) |
| Weighted average number of equity shares in calculating basic EPS | 3,84,12,898 | 3,80,78,230 |
| Effect of dilutions of stock options granted under ESOP | 1,46,335 | 3,10,038 |
| Weighted average number of shares outstanding (including dilution) | 3,85,59,233 | 3,83,88,268 |
| Earning per share (₹) (Face value of ₹ 10 each) | 4.24 | (3.47) |

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, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Contribution to Provident fund (Government) and other funds | 387.90 | 473.69 |
| Administration Charge - Provident Fund | | |
| Contribution to ESIC - Employer Shares | | |

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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, 2024

₹ 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, 2023 | 1,489.20 | 677.83 | 811.37 |
| Service Cost | 123.96 | - | 123.96 |
| Net Interest cost | 87.15 | - | 87.15 |
| Past Service cost | 308.60 | - | 308.60 |
| Investment Income | - | 43.85 | (43.85) |
| Recognised in Statement of profit and loss | 519.71 | 43.85 | 475.86 |
| Benefit paid | (194.98) | (183.68) | (11.30) |
| Remeasurement gains / losses in Other Comprehensive income | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | (8.68) | 8.68 |
| Actuarial changes arising from changes in demographic assumptions | 11.22 | - | 11.22 |
| Actuarial changes arising from Changes in financial assumptions | 48.72 | - | 48.72 |
| Experience Adjustments | 50.52 | - | 50.52 |
| Net actuarial loss recognized in the year | - | - | - |
| Recognised in Other comprehensive Income | 110.46 | (8.68) | 119.14 |
| Ajustment on account of associate to subsidiary | 18.21 | | 18.21 |
| Contribution by employer | - | 13.09 | (13.09) |
| As at March 31, 2024 | 1,942.60 | 542.42 | 1,400.19 |

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 | 1,610.73 | 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 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| Particulars | Defined benefit obligation | Fair value of Plan assets | (Benefit)/ Liability |
|---|----------------------------|---------------------------|----------------------|
| 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) | - | (155.05) |
| Net actuarial loss recognized in the year | | | |
| Recognised in Other comprehensive Income | (284.01) | (3.17) | (280.85) |
| Contribution by employer | - | 92.59 | (92.59) |
| As at March 31, 2023 | 1,489.20 | 677.83 | 811.37 |

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

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| 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, 2024 | March 31, 2023 |
|----------------------------|--|--|
| Discount rate | 7.15% | 7.35% |
| Salary Growth | 8.00% for the first 1 year, and 6.00% thereafter | NIL for the first year and 6% thereafter |
| Employee turnover | 13.00% | 10.00% |
| 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.

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in lacs

| | March 31, 2024 | | March 31, 2023 | |
|-------------------------|----------------|----------|----------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount rate (-/+1%) | 1,725.27 | 1,496.35 | 1,319.20 | 980.20 |
| Salary Growth (-/+1%) | 1,495.31 | 1,725.09 | 986.94 | 1,308.48 |
| Attrition(-0.50/+0.50%) | 1,614.61 | 1,580.38 | 1,191.60 | 1,065.20 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Within the next 12 months(next annual reporting period) | 1,215.71 | 638.69 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2023: 5 years)

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Expected future cash flows (valued on undiscounted basis): | | |
| 1 Year | 543.38 | 272.17 |
| 2 to 5 years | 680.12 | 536.37 |
| 6 to 10 years | 627.06 | 537.31 |
| More than 10 years | 558.02 | 742.51 |

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 Rs 75.43 lacs (March 31, 2023: Rs Nil lacs) is recognised as an expense in the Statement of profit and loss.

30. Employee stock option plans

a) Employee Stock Option Scheme 2006 ('ESOP Scheme 2006')

The Compensation Committee of the Board of Directors of the Company has in the past granted 11,96,000 employee stock options to the eligible employees of the Company and its subsidiary companies under its Employee Stock Option Scheme 2014 (ESOP 2014). Out of these options, till March 31, 2023, 4,25,496 options were exercised by the eligible employees and 54,125 options have lapsed due to the resignation of eligible employees. During the current year ended March 31, 2024, further 4,04,978 options have been exercised by the eligible employees and 34,500 options have lapsed. As at March 31, 2024, 2,76,901 options are in force and exercisable"

The exercise period of these options is as follows:

- i) For the employees while in the employment of the Group Companies: Within a period of two years from the date of Vesting of the respective Employee Stock Options.
- ii) For the retired employees, termination due to permanent disability, death: Within six months from the date of retirement, termination due to physical disability and death respectively.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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

| | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-------------------------------------|-------------------|-------------------------------------|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning of the year*(refer note above) | 716,379 | 50.00 | 782,816 | 50.00 |
| Granted during the year | - | 50.00 | 75,000 | 50.00 |
| Exercised during the year | (4,04,978) | 50.00 | (135,087) | 50.00 |
| Forfeited/lapsed during the year out of opening | (34,500) | 50.00 | (6,350) | 50.00 |
| Lapsed during the year out of options granted during the year | - | - | - | - |
| Outstanding at the end of the year | 2,76,901 | 50.00 | 716,379 | 50.00 |
| Exercisable at the end of the year | 2,76,901 | 50.00 | 716,379 | 50.00 |
| Weighted average remaining contractual life (in months) | 13 | | 21 | |

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

| | March 31, 2024 | |
|---|----------------|--------|
| | 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, 2024 is ₹ 122.73 lacs (March 31, 2023: 274.08 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 ₹ 12.4 lacs (March 31, 2023 : ₹ 105.37 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, 2024, Company has received rent concession amounting to ₹ 33.07 lacs (March 31, 2023 ₹ 9 lacs).

Notes to consolidated financial statements as at and for the year ended 31 March 2024

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Lease payments recognised in the statement of profit and loss (Short term and low value leases) Refer note no. 25 | 435.97 | 439.78 |
| | 435.97 | 439.78 |

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

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|----------------|
| Due not later than one year | 1118.32 | 317.61 |
| Due later than one year but not later than five years | 2376.18 | 324.55 |
| Later than five years | - | - |
| | 3,494.50 | 642.16 |

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

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Balance at the beginning | | |
| Opening balance | 2,453.02 | 821.37 |
| Finance cost during the period | 253.79 | 196.57 |
| Deletions | (58.05) | (87.73) |
| Rent concessions recognised in the statement of profit and loss | (33.07) | (9.00) |
| Addition | 756.53 | 2,427.15 |
| Payment of lease liabilities | (945.30) | (895.34) |
| Balance at the end | 2,426.92 | 2,453.02 |

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

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|-------------------------------|-----------------|-----------------|
| Current lease liabilities | 674.80 | 464.77 |
| Non-current lease liabilities | 1,752.12 | 1,988.25 |
| | 2,426.92 | 2,453.02 |

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

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Due not later than one year | 822.76 | 708.92 |
| Due later than one year but not later than five years | 1222.68 | 2,391.41 |
| Later than five years | 981.00 | 3.00 |
| | 3,026.44 | 3,103.33 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Lease income recognised in Statement of profit and loss | 5,722.86 | 5,468.95 |

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Gross carrying amount | 40,285.86 | 34,383.38 |
| Accumulated depreciation | 30,074.08 | 23,888.96 |
| Depreciation recognized in the statement of profit and loss | 2,497.30 | 2,784.46 |

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, 2024 | March 31, 2023 |
|---------------------------------------|----------------|----------------|
| Revenue by Geographical Market | | |
| - Within India | 33,266.30 | 31,323.47 |
| - Middle east | 7,557.63 | 8,268.45 |
| - Rest of the world | - | - |

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

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|---------------------|----------------|----------------|
| - Within India | 14,445.72 | 15,621.41 |
| - Middle east | 389.90 | 107.01 |
| - Rest of the world | - | - |

During the year ended March 31, 2023 and March 31, 2024, 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 2024

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 (Till April 10,2023)
 Scrabble Ventures, S. de R.L. de C.V.
 Mukta V N Films Limited
 Scrabble Audio Visual Equipment Trading LLC (till September 28, 2023)
 Cinestaan Digital Private Limited
 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 Edutainment Private Limited
 Valuable Infotainment Private Limited
 Impact Media Exchange Limited
 IPSAA Holding Private Limited
 Jeevangani Films

Key management personnel

Mr. Sanjay Gaikwad - Managing Director
 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 - Execuctive Director and Group CEO
 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
 Mr. Rajiv Batra - Independent and Non-executive director
 Mr Raaja Kanwar Non Excectutive Director (w.e.f. July 6, 2023)
 Ms. Swati Mohan - Independent and Non-executive director

2. Details of transactions with related parties during the year

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | March 31, 2023 |
|----------|---|----------------|----------------|
| | 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 |
| | ii) Media Infotek Park | 83.57 | 91.96 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | March 31, 2023 |
|----------|---|----------------|----------------|
| B | Technical and professional services (expense) | | |
| | i) Deco Works LLP | - | 6.61 |
| 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 | 3.85 | 2.56 |
| E | Rent paid (expense) | | |
| | i) Media Infotek Park | 562.68 | 624.99 |
| F | Rent income (Miscellaneous receipts) | | |
| | i) Valuable Media Private Limited | 0.33 | 0.66 |
| 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 | 49.27 | 56.08 |
| J | X86 Media Artists Private Limited | | |
| | i) Invested | 10.00 | - |
| | ii) Disinvested | (10.00) | - |
| 2 | Associate Enterprises | | |
| A | Sale of goods | | |
| | i) Scrabble Digital Services DMCC | 53.39 | - |
| | ii) Scrabble Audio Visual Equipment Trading LLC | 80.90 | 510.63 |
| B | Content Income | | |
| | i) Mukta V N Films Limited | 17.58 | 82.53 |
| C | Content provisioning income | | |
| | i) Mumbai Movie Studios Private Limited | 1.23 | 14.16 |
| E | Management Service Fees (Miscellaneous receipts) | | |
| | i) Mumbai Movie Studios Private Limited | - | 307.67 |
| F | Dividend received | | |
| | i) Scrabble Digital DMCC | - | 223.28 |
| 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 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | March 31, 2023 |
|----------|--|----------------|----------------|
| M | Service Income | | |
| | i) Mumbai Movies Studio Private Limited | - | 4.84 |
| 3 | Key Managerial Personnel and their relatives | | |
| A | Short Term benefits to key managerial personnel- Remuneration | | |
| | i) Mr. Sanjay Gaikwad | 219.29 | 310.29 |
| | ii) Mr. Kapil Agarwal | - | 108.37 |
| | iii) Mr. Ashish Malushte | 137.82 | 157.40 |
| | iv) Mr. Rajesh Mishra (President and Group CEO Till June 17, 2022) | - | 58.48 |
| | v) Mr. Rajesh Mishra (Executive Director & Group CEO From June 18, 2022) | 161.04 | 169.46 |
| | vi) Ms. Kavita Thadeshwar | 43.46 | 48.50 |
| B | Directors sitting fee and remuneration (please refer (c) below) | | |
| | i) Mr S. Madhavan | - | 17.21 |
| | ii) Ms. Lynn de Souza | - | 16.96 |
| | iii) Mr. Sanjeev Aga | - | 25.53 |
| | iv) Mr. Ameya Hete | 10.00 | 14.50 |
| | v) Mr. Anand Trivedi | 5.00 | 8.00 |
| | vi) Mr. Gautam Trivedi | 4.00 | 7.00 |
| | vii) Mr. Raaja Kanwar | 2.00 | - |
| | viii) Ms. Swati Mohan | 26.04 | 16.63 |
| | ix) Mr. Kapil Agarwal (Upto April 26, 2023) | 0.50 | 9.50 |
| | x) Mr. Kanwar Bir Singh Anand | 35.00 | 29.63 |
| | xi) Mr. Rajiv Batra | 30.04 | 19.79 |
| C | Sale of Motor Car | | |
| | i) Mr. Kapil Agarwal | - | 69.38 |

33. Related party disclosures

Balance outstanding as at

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | March 31, 2023 |
|----------|--|----------------|----------------|
| 1 | Enterprises owned or significantly influenced by Key Management Personnel and their relatives | | |
| A | Trade Receivables | | |
| | i) Valuable Media Private Limited | 9.75 | 1.14 |
| | ii) Valuable Infotainment Private Limited | 0.27 | 0.27 |
| | iii) Valuable Edutainment Private Limited | - | 2.50 |
| B | Deposit receivable | | |
| | i) Media Infotek Park | 359.66 | 359.66 |
| C | Deposit payable | | |
| | i) Valuable Media Private Limited | 0.06 | 0.12 |
| | ii) Valuable Infotainment Private Limited | 0.06 | 0.06 |
| | iii) Valuable Edutainment Private Limited | - | 0.64 |
| D | Trade Payable | | |
| | i) Impact Media Exchange Limited | 3.24 | 12.48 |

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Notes to consolidated financial statements as at and for the year ended 31 March 2024

| Sr. No. | Particulars | March 31, 2024 | March 31, 2023 |
|----------|--|----------------|----------------|
| | ii) Media Infotek Park | 5.09 | - |
| | iii) IPSAA Holding Pvt Ltd | 0.05 | 0.05 |
| | iv) Valuable Technologies Limited | - | - |
| 2 | Associate enterprise | | |
| A | Amount receivable | | |
| | i) Mukta V N Films Limited | 21.71 | 18.01 |
| | ii) Mumbai Movie Studios Private Limited | 0.03 | - |
| B | Amount payable | | |
| | i) Mumbai Movie Studios Private Limited | - | 0.66 |
| | ii) Scrabble Digital DMCC | - | - |
| 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.Rajiv Batra | 14.04 | 8.79 |
| | ii) Mr. Kanwar Bir Singh Anand | 19.00 | 19.63 |
| | iii) Swati Mohan | 11.03 | 6.63 |
| | Gratuity Payable to key managerial personnel | | |
| B | i) Mr. Sanjay Gaikwad | 65.24 | 18.63 |
| | ii) Mr. Rajesh Mishra | 61.23 | 17.41 |
| | iii) Mr. Ashish Malushte | 51.25 | 12.95 |
| | iv) Ms. Kavita Thadeshwar | 2.44 | 1.36 |
| C | Leave benefit payable | | |
| | i) Mr. Sanjay Gaikwad | 13.30 | 12.30 |
| | ii) Mr. Rajesh Mishra | 11.79 | 11.55 |
| | iii) Mr Ashish Malushte | 9.35 | 8.47 |
| | iv) Ms. Kavita Thadeshwar | 3.22 | 2.16 |

Notes:

- As at March 31, 2024, the Company has provided Corporate guarantee to the bank for an Overdraft facility of ₹ 200 lacs (March 31, 2023: ₹ 200 lacs) taken by an associate.
- 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.
- The Independent and Non-executive Director are 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.

Compensation of key management personnel of the Company:

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|--------------|----------------|----------------|
| Remuneration | 561.61 | 852.49 |

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024

34. Capital and other commitments

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Capital commitments | 345.02 | 245.30 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 212.93 lacs (March 31, 2023 : ₹ 149.93 lacs lacs)) | | |
| Other commitments (operating expenses net of advances of ₹ 56.58 lacs (March 31, 2023 : ₹19.04 lacs lacs)) | 567.27 | 313.40 |
| | 912.29 | 558.70 |

35. Contingent liabilities

₹ in lacs

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Pending litigations/matters | | |
| In respect of Indirect tax matters | | |
| VAT and Service tax matters (Refer note (a)) | 35.00 | 35.00 |
| | 35.00 | 35.00 |

- a) The Group is contesting the demand/matter relating to pending litigations listed above and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.
- b) **Cochin Case** : The Holding 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 has revised its return and case is pending for hearing for Final Closure.

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 market transaction between willing parties other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of the Group's Financial assets and liabilities.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

The Carrying value and fair value of financial assets and liabilities by hierarchy as at March 31, 2024 is as follows:

| ₹ in lacs | | | | | |
|--|----------------|--------|-------|-----------------------|------------------|
| Particulars | Amortised Cost | FVTPL | FVOCI | Total Carrying amount | Total Fair value |
| Financial Assets | | | | | |
| Non current Investments | 1,015.97 | - | - | 1,015.97 | 1,015.97 |
| Current Investments | - | 724.02 | - | 724.02 | 724.02 |
| Trade Receivables | 9,614.49 | - | - | 9,614.49 | 9,614.49 |
| Cash and Cash equivalents | 2,682.91 | - | - | 2,682.91 | 2,682.91 |
| Bank balances other than cash and cash equivalents | 7,570.72 | - | - | 7,570.72 | 7,570.72 |
| Other Financial Assets | 962.87 | - | - | 962.87 | 962.87 |
| Total | | | | 22,570.98 | 22,570.98 |
| Financial Liabilities | | | | | |
| Borrowing | 5,216.98 | - | - | 5,216.98 | 5,216.98 |
| Lease liabilities | 2,426.92 | - | - | 2,426.92 | 2,426.92 |
| Trade Payable | 6,823.79 | - | - | 6,823.79 | 6,823.79 |
| Other financial liabilities | 4,215.28 | - | - | 4,215.28 | 4,215.28 |
| Total | | | | 18,682.97 | 18,682.97 |

The Carrying value and fair value of financial assets and liability 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 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

The Carrying value and fair value of financial assets by hierarchy as at March 31, 2024 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 | 724.02 | 724.02 | - | 724.02 | - |
| Total | 724.02 | 724.02 | - | 724.02 | - |

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 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, 2024 and March 31, 2023 there was no transfer between financial 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 2024

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, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans | (52.2) | (80.5) | 52.2 | 80.5 |

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, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Trade Receivable | 52.15 | 47.46 |
| In USD (in lacs) | 0.63 | 0.58 |
| Trade Payable | - | 6.22 |
| In USD (in lacs) | - | 0.08 |
| Advance to supplier | 62.23 | 9.11 |
| In USD (in lacs) | 0.75 | 0.11 |
| Advance from Customer | 14.00 | 13.80 |
| In USD (in lacs) | 0.17 | 0.17 |
| Payable for property, plant and equipment | 16.56 | - |
| In USD (in lacs) | 0.20 | - |

Exposure on Foreign currency sensitivity:

The following table demonstrates 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, 2024 | March 31, 2023 |
|---|---|---|
| | Impact on Profit - Increase/ (Decrease) | Impact on Profit - Increase/ (Decrease) |
| 1% increase in foreign exchange rate: | 1.17 | 0.37 |
| 1% (decrease) in foreign exchange rate: | (1.17) | (0.37) |

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

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 ₹ 21,671.67 lacs and ₹ 15,584.06 lacs as at March 31, 2024 and March 31, 2023 respectively as per the table below:

| Particulars | ₹ in lacs | |
|--|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Other Non current financial assets | 732.14 | 1,861.50 |
| Current Investments | 724.02 | 52.48 |
| Trade Receivable | 9,614.49 | 6,604.06 |
| Cash and cash equivalents | 2,682.91 | 1,431.65 |
| Bank balances other than cash and cash equivalents | 7,329.64 | 5,343.99 |
| Other current financial assets | 588.47 | 290.38 |
| Total | 21,671.67 | 15,584.06 |

Trade receivables and contract assets are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks with high credit ratings assigned by international credit rating agencies.

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. None of the other financial assets of the Group result in material concentration of credit risk.. No single customer contributes to >10% of sales.

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 2024

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, 2024 | | | | | |
| Non current borrowings (Including current maturity) | 1,984.35 | 3,232.63 | - | 5,216.98 | 5,216.98 |
| Lease liabilities | 674.80 | 1,752.12 | - | 2,426.92 | 2,426.92 |
| Trade Payables | 6,823.79 | - | - | 6,823.79 | 6,823.79 |
| Other financial liabilities (current) | 2,020.02 | - | - | 2,020.02 | 2,020.02 |
| Other financial liabilities (non-current) | - | 2,195.26 | - | 2,195.26 | 2,195.26 |
| Buyers credit | - | - | - | - | - |
| Total | | | | 18,682.97 | 18,682.97 |
| 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 |

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, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Long term debt including current maturities | 5,216.98 | 7,250.88 |
| Equity attributable to owners of Group | 28,732.55 | 26,865.31 |
| Gearing Ratio | 18.16% | 26.99% |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

39. 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 and Small Enterprises based on available information with the Group is as under:
₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| 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 | - | - |

40. Event subsequent to balance sheet date

There are no events subsequent March 31, 2024 which require disclosure in or adjustments to these consolidated financial statements.

41. Investment in an Associate

Material Associate

There are no investments in Associates that are individually material

Non Material Associate:

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

₹ in lacs

| Particular | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Group's share of Profit / (loss) | 407.62 | 740.60 |
| Group's share of Other Comprehensive Income | - | - |
| Group's share of Total Comprehensive Income | 407.62 | 740.60 |

42. Unbilled Receivables and Contract Liabilities

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

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Unbilled Receivables | | |
| Opening balance April 1, 2023 | 275.23 | 235.18 |
| Less: Invoices raised for revenue recognised during the previous year | (275.23) | (235.18) |
| Add: increase due to invoices not raised for revenue recognised during the year | 230.75 | 275.23 |
| Closing balance March 31, 2024 | 230.75 | 275.23 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

₹ in lacs

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| Contract Liabilities (Advance or deferred income) | | |
| Opening balance | 1,523.67 | 769.94 |
| Less: revenue recognised that was included in the unearned and deferred revenue at the beginning of the year | (1,523.67) | (769.94) |
| Add: invoices raised for which no revenue is recognised during the year | 1,660.26 | 1,523.67 |
| Closing balance | 1,660.26 | 1,523.67 |

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.

The Company invoices its customer based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Invoices are generally payable when raised. 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

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, 2024 | March 31, 2023 |
|--|------------------|------------------|
| Revenue from contracts with customers (as per Statement of Profit and Loss) | 40,823.93 | 39,591.92 |
| Add: Discounts, rebates, refunds, credits, price concessions | - | - |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | (44.48) | 40.05 |
| Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year | 136.59 | 753.73 |
| Contracted price with the customers | 40,916.04 | 40,385.70 |
| The Group does not have revenue from individual customer exceeding 10% of total revenue. | | |

43. Business Combinations and acquisition of non controlling interest

- During the year ended 31 March 2024, the wholly owned subsidiary company "Scrabble Entertainment DCMCC" (SEDMCC) acquired an additional 51% stake in "Scrabble Audio Visual Equipment Trading LLC" (SAVET) from the existing shareholder for ₹ 35 lacs. Post this investment on 30 September 2023,, SEDMCC holds 100 % of equity share capital of SAVET and has been accounted as a subsidiary from the date.
- During the year ended March 31, 2024, the Company had incorporated 50:50 Joint Venture Company in India with Qube Cinema Technologies Private Limited ("Qube"), namely Upmarch Media Network Private Limited ("Upmarch") for undertaking Ad Sales Business. On February 01, 2024, Company terminated the joint venture agreements executed with Qube on account of certain operational issues. Post termination of Joint venture agreement, the Board of Directors of the Company at its meeting held on February 01, 2024 had approved the acquisition of 100,000 equity shares, having a face value of ₹ 10 each (remaining 50% stake), in Upmarch Media Network Private Limited from Qube, for an aggregate consideration of ₹ 10,00,000. Consequent to the completion of the acquisition on March 22, 2024, the Company holds 100% of the issued and paid-up equity share capital of Upmarch Media and for the purpose of accounting it is treated as a wholly owned subsidiary.

Notes to consolidated financial statements as at and for the year ended 31 March 2024

- c) Common control transactions
- i) On 17 January 2024, the National Company Law Tribunal (NCLT) has approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, Scrabble Entertainment Limited ("SEL") and Plexigo Entertainment Private Limited ("PEPL") and Zinglin Media Private Limited ("ZMPL") and Scrabble Entertainment (Mauritius) Limited ("SEML") (together referred to as the "merging companies") with the Company ("the Scheme")
 - ii) Consequent to fulfilment of all the conditions relating to the Scheme including filing of certified copy of the Order with the Registrar of Companies, the Scheme is effective on 21 February 2024 with effect from the appointed date of 1 April 2023 for the amalgamation of SEL, PEPL, ZMPL and SEML with the Company.
 - iii) Being a common control transaction under Indian Accounting Standard ("Ind AS") 103 - "Business Combination" there is no impact in the consolidated financials statements.

44. Exceptional items:

- (i) Loss on sale of stake in an associate during the year amounting to ₹ 265.62 lacs; and
- (ii) Gain (including fair value gain upon re-measurement of Group's existing investments) of ₹ 122.14 lacs during the year on acquiring full control of an associate by purchasing the shares from the existing shareholder.

The consolidated financials for the year 31 March 2024 show a net loss of ₹ 143.48 lacs on account of the above.

45. Additional regulatory requirement

- (i) The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.
- (ii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Group do not have any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (vi) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The Group do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).
- (ix) Utilisation of borrowed funds and share premium

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

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

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

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

Notes to consolidated financial statements as at and for the year ended 31 March 2024
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.

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, 2024 | March 31, 2024 | March 31, 2024 | March 31, 2024 | March 31, 2024 | March 31, 2024 | March 31, 2024 | March 31, 2024 |
| | 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 | 89.63% | 25,753.88 | 24.55% | 401.65 | -541.29% | (88.27) | 18.97% | 313.38 |
| B. Subsidiaries and step down subsidiaries | | | | | | | | |
| I. Indian | | | | | | | | |
| (i) Nova Cinemaz Private Limited | -3.91% | (1123.48) | -17.42% | (284.93) | 11.22% | 1.83 | -17.13% | (283.10) |
| (ii) UFO Software Technologies Private Limited | 0.14% | 38.99 | 0.07% | 1.11 | 0.00% | - | 0.07% | 1.11 |
| (iii) Scrabble Digital Limited | 6.59% | 1,892.10 | 12.63% | 206.65 | -13.81% | (2.25) | 12.37% | 204.40 |
| (vi) Upmarch | 0.07% | 20.00 | | (0.00) | | | | (0.00) |
| II. Foreign | | | | | | | | |
| (viii) UFO Lanka Private Limited | 0.06% | 16.46 | 0.00% | - | 0.00% | - | 0.00% | - |
| (ix) Scrabble Entertainment DMCC | 9.22% | 2,650.48 | 33.43% | 546.98 | 0.00% | - | 33.10% | 546.98 |
| (vii) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E. | 7.21% | 2,071.56 | 24.94% | 407.96 | | | 24.69% | 407.96 |
| (xi) Scrabble Entertainment Lebanon Sarl | 0.00% | (1.29) | 0.00% | | 0.00% | - | 0.00% | - |
| (xii) Scrabble Digital Inc | -0.05% | (15.35) | -1.03% | (16.80) | 0.00% | - | -1.02% | (16.80) |
| C. Non Controlling Interest in all subsidiaries | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| D. Associates (Investment as per equity method) | | | | | | | | |
| I. Indian | | | | | | | | |
| (i) Mukta V N Films Limited | 0.00% | - | 1.40% | 22.98 | 0.00% | - | 1.39% | 22.98 |
| (ii) Cinestaan Digital Private Limited | 0.00% | (0.00) | 0.00% | | 0.00% | - | 0.00% | - |
| (iii) Mumbai Movies Studio Private Limited | 0.90% | 259.06 | -5.26% | (85.98) | 0.00% | - | -5.20% | (85.98) |
| II. Foreign | | | | | | | | |
| (iv) Scrabble Digital DMCC | 0.64% | 185.27 | 3.76% | 61.55 | 0.00% | - | 3.73% | 61.55 |
| (vi) Scrabble Ventures, S. de R.L. de C.V, Mexico | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 | 0.00% | - |
| (viii) Scrabble Digital Services DMCC | 0.94% | 268.67 | 12.19% | 199.47 | 0.00% | | 12.07% | 199.47 |
| (vii) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E. | | | 12.81% | 209.60 | 0.00% | - | 12.69% | 209.60 |
| Adjustment arising on consolidation | -11.43% | (3,283.81) | -2.09% | (34.20) | 643.88% | 105.00 | 4.28% | 70.80 |
| Total | 100.00% | 28,732.55 | 100.00% | 1,636.04 | 100.00% | 16.31 | 100.00% | 1,652.35 |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| 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% | - |

Notes to consolidated financial statements as at and for the year ended 31 March 2024

| 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 |
| 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% | (1,320.82) | 100.00% | 443.70 | 100.00% | (877.12) |

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

Place: Mumbai
Date: May 23, 2024

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

| Sr. No. | Name of the subsidiary | The date since when subsidiary was acquired | Reporting period for subsidiary concerned, if different from holding company's reporting period | Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | Reporting Currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding | Country |
|---------|--|---|---|--|--------------------|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|----------|
| 1 | Scrabble Entertainment DMCC | 16-Feb-11 | - | 22.69 | AED | 680.7 | 1,899.46 | 4,660.40 | 2,080.26 | 680.68 | 5,147.96 | 539.98 | - | 539.98 | - | 100 | U.A.E. |
| 2 | Scrabble Digital Inc | 22-Mar-13 | - | 83.34 | USD | 458.4 | (473.72) | 21.39 | 36.73 | 178.57 | - | (16.80) | - | (16.80) | - | 100 | U.S.A. |
| 3 | Scrabble Entertainment Lebanon Sarl | 13-Mar-12 | 31-Dec-23 | 0.00 | LBP | 0.0 | (1.34) | - | 1.29 | - | - | - | - | - | - | 100 | Lebanon |
| 4 | UFO Software Technologies Private Limited | 20-Feb-07 | - | 1.00 | INR | 24.8 | 14.12 | 41.66 | 2.72 | 37.15 | - | 1.46 | 0.40 | 1.06 | - | 100 | India |
| 5 | Nova Cinemaz Private Limited | 06-Jan-15 | - | 1.00 | INR | 501.5 | (1,624.89) | 585.62 | 1,709.06 | 1,110.24 | 110.27 | (279.97) | - | (279.97) | - | 100 | India |
| 6 | UFO Lanka Private Limited | 31-Jan-08 | - | 0.28 | LKR | 76.6 | (61.43) | 16.46 | 1.30 | 166.26 | - | - | - | - | - | 100 | SriLanka |
| 7 | Scrabble Audio Visual Equipment Trading LLC- Dubai, U.A.E. | 30-Sep-23 | - | 22.69 | AED | 68.1 | 2,003.49 | 3,326.86 | 1,255.31 | 68.07 | 2,534.20 | 407.96 | - | 407.96 | - | 100 | U.A.E. |
| 8 | Upmarch Media Network Private Limited | 22-Mar-24 | - | 1.00 | INR | 20.0 | (0.00) | 20.00 | - | - | - | (0.00) | - | (0.00) | - | 100 | India |
| 9 | Scrabble Digital Limited | 15-Dec-18 | - | 1.00 | INR | 59.3 | 1,832.79 | 2,103.12 | 211.02 | 2,802.41 | 1,370.53 | 274.87 | 68.24 | 206.63 | - | 100 | India |

Notes :

- The reporting period for Scrabble Entertainment Lebanon Sarl is December 31, 2023 and is not audited and is management accounts.
- The exchange rates considered are as at March 31, 2024.
- The accounts of Scrabble Digital Inc ,UFO Lanka Private Limited, United Film Organizers Nepal Private Limited and Upmarch Media Network Private Limited as at March 31, 2024 are not audited and are Management accounts.

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

| | | ₹ In lacs | | | | | |
|--|--|-----------------------------------|--------------------------------------|-----------------------|--|--------------------------------|--|
| Name of Associates or Joint Ventures | Mukta VN Films Limited | Cinestaan Digital Private Limited | Mumbai Movies Studio Private Limited | Scrabble Digital DMCC | Scrabble Ventures, S. de R.L. de C.V, Mexico | Scrabble Digital Services DMCC | |
| 1 Latest Balance Sheet | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Dec-23 | 31-Mar-24 | 31-Mar-24 | |
| 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 | 16-Aug-13 | 29-Nov-22 | |
| 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 | 1,500 | 1,000 | |
| Amount of Investment in Associate or Joint Venture | 330.00 | 1,082.34 | 637.50 | 12.73 | 0.08 | 15.66 | |
| Extent of Holding (in percentage) | 48.12% | 33.08% | 30.74% | 33.33% | 30% | 18.52% | |
| 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 | | | | | | |
| 6 Networth attributable to shareholding as per last audited Balance Sheet | 278.97 | (65.07) | 144.55 | 13.33 | (292.93) | 269.10 | |
| 7 Profit or Loss for the year | 26.89 | - | (281.27) | 189.02 | - | 1,385.53 | |
| i. Considered in Consolidation | 22.98 | - | (85.98) | 61.55 | - | 199.47 | |
| ii. Not Considered in Consolidation | 3.91 | - | (195.29) | 127.47 | - | 1,186.06 | |

Notes:

- The exchange rates considered are at March 31, 2024.
- The reporting period for Scrabble Digital DMCC is December 31, 2023.
- Except Mumbai Movies Studios Private Limited & Scrabble Digital Services DMCC which is audited, all others financials of associates are management approved.
- The number of shares held include shares held directly or indirectly through subsidiaries.
- During the year, Scrabble Audio visual equipment trading LLC-Dubai, U.A.E. has become a subsidiary w.e.f. September 29, 2023 hence it is included in Part A.
- The company has sold the investment in Scrabble Venture LLC during the year.

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 Malushite
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Place: Mumbai
Date: May 23, 2024

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 2024, 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 material 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 2024, and its profit and other comprehensive loss, 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 judgement, 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 | |
|---|---|
| See Notes 22 and 2.4 (h) to standalone financial statements | |
| The key audit matter | How the matter was addressed in our audit |
| <p>The Company has recognized advertisement revenue, content delivery charges (CDC), lease rental income, distribution income, digitisation income, registration fee income and sale of products of ₹ 31,476.10 lakhs for the year ended 31 March 2024.</p> <p>We identified these revenue streams as a key audit matter considering –</p> <ul style="list-style-type: none"> • The Company recognizes revenue primarily from Advertisements, CDC revenue, lease rental income, distribution income, digitisation income, registration fees and sale of products. • The Company uses its automated front-end system for scheduling, tracking and invoicing advertisement and CDC revenues. The revenue from these streams is recognised based on automated playback logs retrieval and rates in the system. Further, processing | <p>In relation to recognition of revenue from advertisement revenue, content delivery charges (CDC), lease rental income, distribution income, digitisation income, registration fee income and sale of products, we have:</p> <ul style="list-style-type: none"> • Assessed the Company's accounting policies relating to revenue recognition by comparing them to applicable accounting standard; • Assessed the appropriateness of revenue recognised based on the agreement with the customer alongwith relevant supporting documents and timing of revenue recognised during the year; • Assessed the design, implementation and operating effectiveness of Company's key internal controls over revenue recognition; • Involved 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; |

| Revenue Recognition | |
|--|---|
| See Notes 22 and 2.4 (h) to standalone financial statements | |
| The key audit matter | How the matter was addressed in our audit |
| <p>of advertisement and content with their scheduling are linked to the financial module. Thus, recognition of these revenues is largely dependent on the front-end system and may be susceptible to override of controls.</p> <ul style="list-style-type: none"> • There is a risk of revenue being recognized for goods / services before the goods / services are delivered to the customer or revenue is not recorded in the correct accounting period. • There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing. • Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement. | <ul style="list-style-type: none"> • 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 • verified the underlying documents for the existence of the customers |

| Impairment of investment in and loans to subsidiaries and associates | |
|--|---|
| See Notes 4 and 5 to standalone financial statements | |
| The key audit matter | How the matter was addressed in our audit |
| <p>The Company has investments in subsidiaries and associates - carrying amount of investment in subsidiaries and associates is ₹ 5,400.43 lakhs. Further, the Company has also advanced loans amounting to ₹ 339.85 lakhs. 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.</p> <p>We identified this as a key audit matter considering the significant risk that these investments and loans may not be recoverable. The annual impairment testing is carried out based on the approach allowed as per Ind AS 36 which has been derived from the discounted cashflow model and involves significant judgment in evaluating appropriateness of model used and underlying assumptions such as growth rate, terminal value, discount rate and others.</p> | <p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. 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 2024 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. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
 - i. The feature of recording audit trail (edit log) facility was not enabled in the accounting software used for one of the revenue stream.
 - ii. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for two accounting softwares used for recording revenue.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of the audit trail feature being tampered with.

A. 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 12 September 2023. 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

Place: Mumbai
Date: 23 May 2024

Membership No.: 103145
ICAI UDIN:24103145BKFWLC9784

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 2024

(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.
- (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 not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnerships or any other parties during the year. The Company has made investments in companies and other parties during the year. Further, the Company has provided guarantee and granted unsecured loans to companies during the year, in respect of which the requisite information is given in paragraph 3(iii)(a) below.
 - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

Amount in lakhs

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|----------|-----------------------------|
| Aggregate amount during the year | - | - | - | - |
| Subsidiaries* | - | - | - | - |
| Joint ventures* | - | - | - | - |
| Associates* | - | - | - | - |
| Others | - | - | - | - |
| Balance outstanding as at balance sheet date | - | - | - | - |
| Subsidiaries* | - | - | 1,029.43 | - |
| Joint ventures* | - | - | - | - |
| Associates* | 200.00 | - | - | - |
| 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 during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee, given a security and granted any loans or advances in nature of loans during the year.
- (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 loans of ₹ 1,029.43 lakhs given to Nova Cinemaz Private Limited are repayable on demand. As informed to us, the Company has not demanded repayment of the loan or interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no 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 loan to its related party 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) | 1,029.43 | - | 1,029.43 |
| - Agreement does not specify any terms or period of Repayment (B) | - | - | - |
| Total (A+B) | 1,029.43 | - | 1,029.43 |
| 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 and 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. The Company has not provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act").
- (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 generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Profession Tax and Labour Welfare Fund.

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 2024 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:

Amount in lakhs

| Name of the statute | Nature of the dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|------------------------------------|------------------------|------------|------------------------------------|--|----------------------------|
| Bihar Value Added Tax Act | Value added tax | 10.83 | 2007-08 to 2008-09 and 2010-11 | Joint Commissioner of Sales Tax (Appeals) | |
| Kerala Sales tax | Sales tax | 60.77* | 2011-12 to 2012-13 | Joint Commissioner of Sales Tax (Appeal) | ₹ 15.05 paid under protest |
| Telangana sales tax | Sales tax | 9.32* | 2015-16 | Deputy Commissioner (Appeals) | ₹ 1.33 paid under protest |
| Gujarat Sales Tax | Sales tax | 1.52* | 2015-16 to 2017-18 | Deputy Commissioner (Appeals) | ₹ 0.38 paid under protest |
| Tamil Nadu Sales Tax | Sales tax | 1.74 | 2014-15 to 2015-16 | Deputy Commissioner (Appeals) | |
| Maharashtra Goods and Services Tax | Goods and Services Tax | 74.81* | 2017-18 and 2018-19 | Joint Commissioner of State Tax (Appeal) | ₹ 8.31 paid under protest |
| Bihar Goods and Services Tax | Goods and Services Tax | 5.90 | 2017-18 | Joint Commissioner of State Tax (Appeal) | ₹ 0.66 paid under protest |
| Odisha CST Act 1956 | Sales tax | 3.48 | 2016-17 and 2017-18 | Deputy Commissioner Sales Tax | ₹ 0.39 paid under protest |
| Gujarat CST Act 1956 | Sales tax | 1.32 | 2015-16 and 2017-18 | Appellate Jr. / Deputy Commissioner Sales Tax (CT) | ₹ 0.30 paid under protest |
| Maharashtra VAT Act, 2002 | Sales tax | 126.60 | 2016-17 and 2017-18 | Joint Commissioner of State Tax (Appeal) | ₹ 8.14 paid under protest |
| Maharashtra CST Act 1956 | Sales tax | 23.84 | 2016-17 and 2017-18 | Joint Commissioner of State Tax (Appeal) | ₹ 4.31 paid under protest |
| Centralized registration | Service tax | 178.05 | 2013-14 | Custom, Excise and service tax Appellate Tribunal | ₹ 14.44 paid under protest |

* Net of amount paid under protest

- (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 and 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

Place: Mumbai
 Date: 23 May 2024

Membership No.: 103145
 ICAI UDIN:24103145BKF7LC9784

Annexure B to the Independent Auditor's Report on the standalone financial statements of UFO Moviez India Limited for the year ended 31 March 2024

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)(g) 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 2024 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 2024, 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.

Auditor's 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Place: Mumbai
Date: 23 May 2024

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:24103145BKFWLC9784

UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2023-24

Standalone Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars | Note | March 31, 2024 | Restated March 31, 2023 |
|---|------|------------------|----------------------------|
| Assets | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 3.1 | 8,881.22 | 9,291.36 |
| Capital work-in-progress | 3.1 | 656.07 | 1,132.96 |
| Right of use assets | 3.2 | 2,157.35 | 2,255.13 |
| Goodwill | 3.3 | 730.44 | 730.44 |
| Other intangible assets | 3.4 | 99.63 | 118.69 |
| Financial assets | | | |
| (i) Investment in subsidiaries and associates | 4 | 5,400.43 | 5,564.85 |
| (ii) Other financial assets | 6 | 725.09 | 1,852.82 |
| Deferred tax assets (net) | 7 | 10,002.94 | 10,305.79 |
| Other tax assets (net) | 8 | 2,224.75 | 4,125.42 |
| Other non-current assets | 9 | 189.74 | 169.17 |
| Total Non-current Assets (A) | | 31,067.66 | 35,546.63 |
| Current Assets | | | |
| Inventories | 10 | 794.95 | 862.28 |
| Financial assets | | | |
| (i) Investments | 11 | 708.54 | - |
| (ii) Trade receivables | 12 | 6,422.73 | 5,186.20 |
| (iii) Cash and cash equivalents | 13 | 651.99 | 595.16 |
| (iv) Bank balances other than cash and cash equivalents | 13 | 4,955.91 | 3,953.64 |
| (v) Loans | 5 | 339.85 | 339.85 |
| (vi) Other financial assets | 6 | 586.66 | 349.48 |
| Other current assets | 9 | 2,147.95 | 2,360.56 |
| Total Current Assets (B) | | 16,608.58 | 13,647.17 |
| Total Assets (A+B) | | 47,676.24 | 49,193.80 |
| Equity And Liabilities | | | |
| Equity | | | |
| (i) Share capital | 14 | 3,858.12 | 3,817.62 |
| (ii) Other equity | 15 | 21,788.52 | 21,298.93 |
| Total Equity (C) | | 25,646.64 | 25,116.55 |

Standalone Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars | Note | March 31, 2024 | Restated March 31, 2023 |
|---|------|------------------|----------------------------|
| Liabilities | | | |
| Non-current Liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 16 | 3,232.63 | 2,219.58 |
| (ii) Lease liabilities | 32 | 1,660.05 | 1,918.17 |
| (iii) Other financial liabilities | 17 | 2,203.68 | 2,326.09 |
| Provisions | 18 | 1,365.00 | 859.25 |
| Other non-current liabilities | 19 | 1,007.40 | 889.13 |
| Total Non-current Liabilities (D) | | 9,468.76 | 8,212.22 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 20 | 1,984.35 | 5,834.30 |
| (ii) Lease liabilities | 32 | 640.76 | 483.01 |
| (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 | | 5,574.35 | 5,297.95 |
| (iv) Other financial liabilities | 17 | 1,978.82 | 1,879.29 |
| Provisions | 18 | 172.50 | 113.20 |
| Other current liabilities | 19 | 2,210.06 | 2,257.28 |
| Total Current Liabilities (E) | | 12,560.84 | 15,865.03 |
| Total Liabilities (D+E) | | 22,029.60 | 24,077.25 |
| Total Equity And Liabilities (C+D+E) | | 47,676.24 | 49,193.80 |
| Material 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

Place : Mumbai
Date : May 23, 2024

Ashish Malushte
Chief Financial Officer

Kavita Thadeshwar
Company Secretary
Membership No.: A18651

Standalone Statement of profit and loss for the year ended March 31, 2024

| Particulars | Note | ₹ in lacs | |
|---|------|------------------|----------------------------|
| | | March 31, 2024 | Restated March 31, 2023 |
| Income | | | |
| Revenue from operations | 22 | 32,090.71 | 29,727.27 |
| Other income | 23 | 200.81 | 141.59 |
| Total Income (I) | | 32,291.52 | 29,868.86 |
| Expenses | | | |
| Operating direct cost | 24 | 12,253.01 | 12,883.18 |
| Cost of consumables and spares consumed | | 369.20 | 473.17 |
| Purchases of digital cinema equipment and lamps | | 2,103.05 | 1,890.85 |
| Changes in inventories | | 96.36 | 6.24 |
| Advertisement revenue share | | 5,373.43 | 4,451.96 |
| Virtual print fees sharing | | 1,016.02 | 1,685.09 |
| Other operating direct cost | | 3,294.95 | 4,375.87 |
| Employee benefits expense | 25 | 7,957.89 | 8,615.90 |
| Other expenses | 26 | 6,995.29 | 7,336.06 |
| Total Expenses (II) | | 27,206.19 | 28,835.14 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II) | | 5,085.33 | 1,033.72 |
| Depreciation and amortisation expenses | 3 | 4,004.29 | 4,677.90 |
| Finance cost | 27 | 1,256.65 | 1,096.46 |
| Finance income | 28 | (911.62) | (2,075.14) |
| Profit / (loss) before tax | | 736.01 | (2,665.50) |
| Tax Expense: | | | |
| - Current tax | 7 | - | 36.52 |
| - Deferred tax credit | 7 | 332.54 | (509.58) |
| Total Tax Expense | | 332.54 | (473.06) |
| Profit / (loss) for the year | | 403.47 | (2,192.44) |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| a) Remeasurement of the defined benefits plans | | (117.96) | 265.05 |
| (ii) Income tax related to items that will not be reclassified to profit or loss | | 29.69 | (66.71) |
| B (i) Items that will be reclassified to profit or loss | | | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| Total Comprehensive profit / (loss) for the year | | 315.20 | (1,994.10) |
| Earnings per equity share (Face value of share of ₹ 10 each) | | | |
| (1) Basic | 29 | 1.05 | (5.76) |
| (2) Diluted | 29 | 1.05 | (5.76) |
| Material 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 23, 2024

For and on behalf of the Board of Directors

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

Sanjay Gaikwad

Managing Director

DIN No.: 01001173

Ashish Malushte

Chief Financial Officer

Rajesh Mishra

Executive Director and Group CEO

DIN No.: 00103157

Kavita Thadeshwar

Company Secretary

Membership No.: A18651

Standalone Statement of changes in Equity for the year ended March 31, 2024

A. Share capital (refer note 14)

| As at March 31, 2024 | | | ₹ in lacs |
|--------------------------------------|--|---|------------------------------|
| Restated Balance as at April 1, 2023 | Changes in Equity Share Capital due to prior period errors | Changes in equity share capital during the year | Balance as at March 31, 2024 |
| 3,817.62 | - | 40.50 | 3,858.12 |

| Restated 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 | Restated Balance as at March 31, 2023 |
| 3,804.11 | - | 13.51 | 3,817.62 |

B. Other equity (refer note 15)

| Particulars | Attributable to owners of the Company | | | | | | Total Equity |
|--|---------------------------------------|-----------------|---|-----------------|----------------------|--------------------|------------------|
| | Reserve and surplus | | | | | | |
| | Securities premium | Capital reserve | Employee Stock Options (ESOP) Outstanding | General reserve | Amalgamation Deficit | Retained earnings | |
| As at April 1, 2022 | 38,209.15 | 1,865.67 | 223.32 | 371.72 | - | (12,119.58) | 28,550.28 |
| Profit / (loss) for the year | - | - | - | - | - | (3,009.15) | (3,009.15) |
| Other comprehensive income for the year | - | - | - | - | - | 187.41 | 187.41 |
| | 38,209.15 | 1,865.67 | 223.32 | 371.72 | - | (14,941.32) | 25,728.54 |
| 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 | 38,317.80 | 1,865.67 | 274.08 | 371.72 | - | (14,941.32) | 25,887.95 |
| Amalgamation adjustment | 213.05 | 399.99 | - | - | (6,746.49) | 1,544.43 | (4,589.02) |
| Restated as at March 31, 2023 | 38,530.85 | 2,265.66 | 274.08 | 371.72 | (6,746.49) | (13,396.89) | 21,298.93 |
| Profit / (loss) for the year | - | - | - | - | - | 403.47 | 403.47 |
| Other comprehensive income for the year | - | - | - | - | - | (88.27) | (88.27) |
| | 38,530.85 | 2,265.66 | 274.08 | 371.72 | (6,746.49) | (13,081.69) | 21,614.13 |
| Employee stock option plans cost | - | - | 12.40 | - | - | - | 12.40 |
| Share issuance during the year | 325.73 | - | - | - | - | - | 325.73 |
| Transfer on employee stock options exercised during the year | - | - | (163.74) | - | - | - | (163.74) |
| As at March 31, 2024 | 38,856.58 | 2,265.66 | 122.74 | 371.72 | (6,746.49) | (13,081.69) | 21,788.52 |

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 23, 2024

Standalone Statement of Cash Flows for the year ended March 31, 2024

| Particulars | ₹ in lacs | |
|--|-------------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Cash flow from operating activities | | |
| Profit / (loss) before tax | 736.01 | (2,665.50) |
| Adjustments to reconcile loss before tax to net cash flows | | |
| Depreciation and amortisation expense | 4,004.29 | 4,677.90 |
| Provision for doubtful debts | 6.90 | 27.41 |
| Provision for doubtful loans and advances | - | 129.74 |
| Sundry balances written back | (371.44) | (257.44) |
| Unrealised foreign exchange loss (net) | (0.18) | (0.01) |
| (Profit) / Loss on sale and write off of fixed assets | 6.54 | 5.57 |
| Bad debts written-off | 136.10 | 104.84 |
| Loan written-off | - | 250.00 |
| Net gain on current investments | (14.82) | (34.02) |
| Interest Income on financial assets carried at amortised cost | (3.19) | - |
| Interest expenses on financial liabilities carried at amortised cost | 303.50 | 142.20 |
| ESOP compensation | 10.56 | 96.24 |
| Diminution in value of investment | 564.44 | 543.61 |
| Dividend income from subsidiaries | (82.50) | (1,498.77) |
| Gain on lease concession | (33.07) | (9.00) |
| Interest on fixed deposits | (343.67) | (312.08) |
| Interest on loan to related party | (110.98) | (129.75) |
| Interest on income tax refund | (356.46) | (100.52) |
| Interest on term loan | 650.80 | 716.94 |
| Interest on cash credit | 17.46 | 13.27 |
| Interest expense on lease liabilities | 249.17 | 187.01 |
| Operating (loss) before working capital changes | 5,369.46 | 1,887.64 |
| Movement in working capital : | | |
| Increase in trade payables | 276.40 | 461.63 |
| Increase in long-term provisions | 387.79 | 46.68 |
| Increase / (Decrease) in Short-term provisions | 59.30 | (107.56) |
| Increase in other non-current liabilities | 118.27 | 373.29 |
| (Decrease) in non current other financial liabilities | (122.42) | (552.42) |
| Increase in other current liabilities | 324.22 | 1,127.24 |
| (Decrease) in current other financial liabilities | (71.63) | (641.57) |
| Decrease in other current assets | 212.65 | 1,534.56 |
| (Increase) in trade receivables | (1,379.53) | (3,026.33) |
| Decrease / (Increase) in inventories | 67.33 | (253.95) |
| (Increase) / Decrease in other non current assets | (19.84) | 8.17 |
| (Increase) / Decrease in current other financial assets | (107.69) | 307.16 |
| Decrease / (Increase) in non current other financial assets | 130.73 | (388.96) |
| Cash generated / (used) in operations | 5,245.04 | 775.58 |
| Net direct taxes refund / (paid) | 2,257.12 | (546.21) |
| Net cash flow generated / (used) in operating activities (A) | 7,502.16 | 229.37 |
| Cash flow from / (used in) investing activities | | |
| Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances | (2,653.73) | (2,640.76) |
| Proceeds from sale of property, plant and equipment including capital work in progress | 118.84 | 132.49 |
| Payment of purchase consideration for purchase of preference shares of a subsidiary | (300.00) | - |
| Payment of purchase consideration for purchase of equity shares of a subsidiary | (95.00) | (325.00) |
| Purchase of current investments | (2,400.00) | (5,239.00) |
| Proceeds from sale/redemption of current investments | 1,706.29 | 7,821.05 |
| Interest on fixed deposits | 319.26 | 275.89 |
| Interest on loan to related party | 5.88 | 23.72 |
| Dividend received from subsidiary | 82.50 | 1,498.77 |
| Loan to related party (given) / received (net) | - | (250.00) |
| Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net) | (5.28) | 532.37 |
| Net cash flow from / (used in) investing activities (B) | (3,221.24) | 1,829.53 |

Standalone Statement of Cash Flows for the year ended March 31, 2024

| Particulars | ₹ in lacs | |
|---|-------------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Cash flow from / (used in) financing activities | | |
| Proceeds from issuance of share capital (including premium) | 202.49 | 67.54 |
| Proceeds from long term borrowings | 1,060.96 | 2,226.80 |
| Repayment of long term borrowings | (3,094.86) | (3,644.91) |
| Proceeds / (Repayment) of short term borrowings (net) | (803.00) | 803.00 |
| Repayment of lease liabilities | (918.05) | (852.64) |
| Dividend on equity shares | - | 13.08 |
| Tax on dividend paid on equity shares | - | (14.98) |
| Interest on term loan | (654.17) | (729.84) |
| Interest on cash credit | (17.46) | (13.27) |
| Interest Paid | - | (0.45) |
| Net cash flow from financing activities (C) | (4,224.09) | (2,145.67) |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | 56.83 | (86.77) |
| Cash and cash equivalents at the beginning of the year | 595.16 | 669.72 |
| Unrealised gain on foreign currency cash and cash equivalents | - | 12.21 |
| Cash and cash equivalents at the end of the year | 651.99 | 595.16 |
| Components of cash and cash equivalents | | |
| Cash on hand | 0.97 | 1.64 |
| Balance with banks: | | |
| - in current accounts | 651.02 | 593.52 |
| Cash and cash equivalents (refer note 13) | 651.99 | 595.16 |

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, 2023 | 7,250.88 | 803.00 |
| Cash flow during the year: | | |
| -Proceeds | 1,060.96 | 25,605.88 |
| -Repayments | 3,094.86 | 26,408.88 |
| Non cash changes if any | - | - |
| Closing balance as at March 31, 2024 | 5,216.98 | - |

* Includes current maturities of non-current borrowing.

Notes:

- The above Statement of Cash flows has been prepared under the "Indirect Method" set out in IND AS - 7 "Statement of Cash Flows"

Material 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 23, 2024

Notes to standalone financial statements as at and for the year ended March 31, 2024

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. Material 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 23, 2024.

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 Companies 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 30 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

2.3 Use 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

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Investments**

Investment accounted for using equity method: whether the Company has significant influence over the investee refer note 4

- **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 judgment. The Company uses significant judgment 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

In the process of applying the Company's accounting policies, the management makes judgments, 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.

Notes to standalone financial statements as at and for the year ended March 31, 2024**• Recognition of Deferred Tax Assets**

Availability of future taxable profit against which the tax losses carried forward can be used as disclosed in Note 2.4(m) below.

• Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of outflow of resources as disclosed in Note 2.4(o) below.

• Fair Value Measurement of Financial Instruments

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

Measurement of ECL allowance for trade and finance receivables, loans and contract assets: key assumptions in determining the weighted-average loss rate; refer note 12

- Share based payments arrangements refer note 31

• 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)

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

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The cost of property, plant and equipment at 1 April 2016, the Companies date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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.

(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.

Notes to standalone financial statements as at and for the year ended March 31, 2024

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 live as per the Companies Act (years) |
|------------------------|----------------------|--|
| 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 not amortized but 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.

The cost of Intangible assets at April 1, 2016, the Companies date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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.

| | Useful life (years) |
|-------------------|---------------------|
| Computer Software | 6 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

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.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Leases**Where the Company is the lessee**

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

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

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

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

Notes to standalone financial statements as at and for the year ended March 31, 2024

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 digital cinema equipment, content cost and consumables 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.

The comparison of cost and net realisable value is made on an item-by-item basis..

(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 Service Revenue received from distributors of the films from D-Cinema and E-Cinema is recognized on time proportionate basis in the period in which the services are rendered.
- Advertisement income is recognised at the point when advertisements are displayed.
- Digitisation income is recognized at the point when services are rendered.
- Registration fee is charged to new theatres and is recognised at the point when the theatres are registered on the Company's network.
- 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 at the point when in period in which services are rendered.

Notes to standalone financial statements as at and for the year ended March 31, 2024

- Revenue from sale of goods is recognized at the point of upon transfer of control to buyers (on delivery) and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.
- 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 2.4 (f) above
- The Company acquires rights for theatrical exhibition of films, which are usually for a fixed tenure and territory. The Company recognises revenue based on the terms of the respective agreement as and when the film is exhibited. Revenue generally comprises a fixed amount or fees as a fixed percentage of the net box office collection.

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.

Notes to standalone financial statements as at and for the year ended March 31, 2024

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on translation of such monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(j) Financial Instruments

Trade receivables are initially recognised when they are originated. All other 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 and, trade receivables without a significant financing component are initially measured at the transaction price. 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.

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are: -

Amortised cost

Fair value through profit and loss (FVTPL)

Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets. In case of financial assets, which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

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 model 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.

Notes to standalone financial statements as at and for the year ended March 31, 2024**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 classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Equity instruments

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

Impairment of Financial Assets

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

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

Financial guarantee contracts

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

De-recognition of Financial Assets

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

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

Offsetting

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

Notes to standalone financial statements as at and for the year ended March 31, 2024

De-recognition of Financial Liabilities

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

Derivative Financial Instruments

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

Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends and on an equity instrument measured at FVOCI, are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(k) Fair Value Measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

Notes to standalone financial statements as at and for the year ended March 31, 2024

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

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

(l) Employee benefits**Defined contribution plans**

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

Defined benefit plans

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

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

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

Other long-term employee benefits

Long term compensated absences are provided for based on actuarial valuation at year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(m) Current Income taxes and deferred tax

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will

Notes to standalone financial statements as at and for the year ended March 31, 2024

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.

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.

(n) 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.

(o) Provisions and Contingent liabilities

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

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

Notes to standalone financial statements as at and for the year ended March 31, 2024**(p) Employee share based payment**

The employees of the company and its subsidiary receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes Model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

(q) Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(r) Segment reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

(s) Measurement of earnings before interest, tax, depreciation and amortization (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.

Over the last two years, the Company has seen business returning back to normal post the Covid period and has started utilizing the deferred tax asset from the last quarter of the financial year ended March 31, 2023. Therefore, management continues to consider it probable that future taxable profits would be available against which the tax losses can be recovered and the related deferred tax asset can be realised.

The Company invoices its customer based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Invoices are generally payable when raised. 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, 2024

3.1 Property, Plant and Equipment (refer note no. 2.4 (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, 2022 | 855.59 | 28,228.67 | 480.86 | 324.03 | 107.45 | 38.60 | 2,086.49 | 32,121.69 |
| Additions | 15.30 | 2,367.73 | 129.26 | 36.25 | 5.46 | - | 91.65 | 2,645.65 |
| Disposals | 25.41 | 2,444.89 | 13.55 | 43.59 | 3.45 | 0.24 | 300.06 | 2,831.19 |
| Restated at March 31, 2023 | 845.48 | 28,151.51 | 596.57 | 316.69 | 109.46 | 38.36 | 1,878.08 | 31,936.15 |
| Additions | 11.76 | 2,923.46 | 34.78 | 24.42 | 6.68 | - | - | 3,001.10 |
| Disposals | 14.76 | 2,715.05 | 67.93 | 17.30 | 2.10 | - | 82.76 | 2,899.90 |
| At March 31, 2024 | 842.48 | 28,359.92 | 563.42 | 323.81 | 114.04 | 38.36 | 1,795.32 | 32,037.35 |
| Accumulated Depreciation/Amortisation | | | | | | | | |
| As at April 1, 2022 | 758.78 | 18,263.66 | 401.36 | 245.80 | 66.46 | 37.93 | 1,768.12 | 21,542.11 |
| Charge for the year | 55.17 | 3,504.08 | 69.90 | 34.66 | 12.66 | 0.61 | 123.43 | 3,800.51 |
| On disposals | 25.41 | 2,357.89 | 13.55 | 43.31 | 3.45 | 0.24 | 253.98 | 2,697.83 |
| Restated at March 31, 2023 | 788.54 | 19,409.85 | 457.71 | 237.15 | 75.67 | 38.30 | 1,637.57 | 22,644.79 |
| Charge for the year | 44.38 | 3,050.07 | 72.29 | 32.30 | 14.57 | 0.02 | 72.23 | 3,285.86 |
| On disposals | 14.76 | 2,590.99 | 67.71 | 16.20 | 2.10 | - | 82.76 | 2,774.52 |
| At March 31, 2024 | 818.16 | 19,868.93 | 462.29 | 253.25 | 88.14 | 38.32 | 1,627.04 | 23,156.13 |
| Net Block | | | | | | | | |
| Restated at March 31, 2023 | 56.94 | 8,741.66 | 138.86 | 79.54 | 33.79 | 0.06 | 240.51 | 9,291.36 |
| At March 31, 2024 | 24.32 | 8,490.99 | 101.13 | 70.56 | 25.90 | 0.04 | 168.28 | 8,881.22 |

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 lease).

3.1 Capital Work in Progress ₹ in lacs

| Particular | March 31, 2024 | Restated March 31, 2023 |
|-------------------------|----------------|-------------------------|
| Opening | 1,132.96 | 904.09 |
| Add : Purchase | 3,196.11 | 3,202.75 |
| Less : Installed | 2,693.60 | 2,275.47 |
| Less : Sale / Write off | 979.40 | 698.41 |
| Closing | 656.07 | 1,132.96 |

CWIP ageing schedule

As at March 31, 2024 ₹ in lacs

| CWIP | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|--------|
| Projects in progress | 560.95 | 67.23 | - | 27.89 | 656.07 |
| Projects temporarily suspended | - | - | - | - | - |

Notes to standalone financial statements as at and for the year ended March 31, 2024

Restated 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 | - | - | - | - | - |

3.2 Right of Use Assets

₹ in lacs

| | Offices | Plant & Machinery | Total |
|--|-----------------|-------------------|-----------------|
| Cost | | | |
| As at April 1, 2022 | 2,783.44 | - | 2,783.44 |
| Additions | 2,356.58 | - | 2,356.58 |
| Disposals | - | - | - |
| Restated at March 31, 2023 | 5,140.02 | - | 5,140.02 |
| Additions | 397.94 | 261.69 | 659.63 |
| Disposals | 104.72 | - | 104.72 |
| At March 31, 2024 | 5,433.24 | 261.69 | 5,694.93 |
| Accumulated Depreciation/Amortisation | | | |
| As at April 1, 2022 | 2,158.98 | - | 2,158.98 |
| Charge for the year | 725.91 | - | 725.91 |
| On disposals | - | - | - |
| Restated at March 31, 2023 | 2,884.89 | - | 2,884.89 |
| Charge for the year | 661.20 | 38.16 | 699.36 |
| On disposals | 46.67 | - | 46.67 |
| At March 31, 2024 | 3,499.42 | 38.16 | 3,537.58 |
| Net Block | | | |
| Restated at March 31, 2023 | 2,255.13 | - | 2,255.13 |
| At March 31, 2024 | 1,933.82 | 223.53 | 2,157.35 |

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, 2024

| 3.3 Goodwill | ₹ in lacs |
|--|-----------------|
| | Goodwill |
| Cost | |
| As at April 1, 2022 | 340.17 |
| Merger Adjustment | 390.27 |
| Additions | - |
| Disposals | - |
| Restated at March 31, 2023 | 730.44 |
| Additions | - |
| Disposals | - |
| At March 31, 2024 | 730.44 |
| Accumulated Depreciation/Amortisation | |
| As at April 1, 2022 | - |
| Charge for the year | - |
| On disposals | - |
| Restated at March 31, 2023 | - |
| Charge for the year | - |
| On disposals | - |
| At March 31, 2024 | - |
| Net Block | |
| Restated at March 31, 2023 | 730.44 |
| At March 31, 2024 | 730.44 |

Notes to standalone financial statements as at and for the year ended March 31, 2024
3.4 Intangible Assets

₹ in lacs

| | Computer Software* |
|--|---------------------------|
| Cost | |
| As at April 1, 2022 | 621.89 |
| Merger Adjustment | - |
| Additions | 2.53 |
| Disposals | 4.69 |
| Restated at March 31, 2023 | 619.73 |
| Additions | - |
| Disposals | - |
| At March 31, 2024 | 619.73 |
| Accumulated Depreciation/Amortisation | |
| As at April 1, 2022 | 349.55 |
| Charge for the year | 151.48 |
| On disposals | - |
| Restated at March 31, 2023 | 501.03 |
| Charge for the year | 19.07 |
| On disposals | - |
| At March 31, 2024 | 520.10 |
| Net Block | |
| Restated at March 31, 2023 | 118.69 |
| At March 31, 2024 | 99.63 |

* The estimated amortisation for the years subsequent to March 31, 2024 is as follows :

₹ in lacs

| Year ended 31, | Amortisation Expenses |
|-----------------------|------------------------------|
| 2025 | 14.61 |
| 2026 | 14.02 |
| 2027 | 10.81 |
| 2028 | 1.55 |
| Thereafter | 58.64 |
| Total | 99.63 |

- a) The Company is principally engaged in the business of exhibition of digital cinema. The carrying amount of Goodwill as at March 31, 2024 is ₹ 730.44 lacs (March 31, 2023 : ₹ 730.44 lacs)
- b) The Company performed its annual impairment test for the year ended March 31, 2024, considering its performance and the overall performance of the media industry. Impairment analysis has been performed by considering projections for a period of 6 years, as the Company believes this is to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The estimated value-in-use is based on the future cash flows using a 1.2% annual growth rate for periods subsequent to the forecast period of 6 years and discount rate of 19.91%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Goodwill would decrease below its carrying amount.

Notes to standalone financial statements as at and for the year ended March 31, 2024

4. Investment in subsidiaries and associates

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Unquoted equity instruments (at cost) | | |
| Investment in subsidiaries | | |
| 5,014,475 (March 31, 2023 : 4,264,475) ordinary shares of ₹ 10 each fully paid in Nova Cinemaz Private Limited (formerly known as Valuable Digital Screens Private Limited) | 800.00 | 725.00 |
| Add : ESOP issued to employees of subsidiary | 7.06 | 5.73 |
| 248,239 (March 31, 2023 : 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, 2023 : 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) |
| 200,000 (March 31, 2023 : Nil) ordinary shares of ₹ 10 each at par, fully paid, Upmarch Media Network Pvt Ltd | 20.00 | - |
| 593,142 (March 31, 2023 : 593,142) Equity Shares of ₹ 10 each fully paid up in Scrabble Digital Limited | 2,798.97 | 2,798.97 |
| Add : ESOP issued to employees of subsidiary | 3.44 | 2.93 |
| 5,000 (March 31, 2023 : 5,000) Equity Shares in Scrabble Digital Inc. | 337.59 | 337.59 |
| Less : provision for diminution of investment | (159.02) | - |
| 300 (March 31, 2023 : 300) Equity Shares of AED 1,000 each at par fully paid up in Scrabble Entertainment DMCC | 645.88 | 645.88 |
| Add : ESOP issued to employees of subsidiary | 10.11 | 10.11 |
| Nil (March 31, 2023 : 1) Equity Shares of USD 1 each at par fully paid up in Scrabble Entertainment Israel Ltd | - | 0.00 |
| Investment in Associates | | |
| 3,060,000 (March 31, 2023 : 3,060,000) equity shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited | 306.00 | 306.00 |
| Less : provision for diminution of investment | (27.00) | - |
| 240,000 (March 31, 2023 : 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, 2023 : 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, 2023 : 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) | (1,082.34) |
| 375,000 (March 31, 2023 : 375,000) Equity Shares of ₹ 10 each fully paid up in Mumbai Movie Studios Private Limited | 37.50 | 37.50 |
| Less : provision for diminution of investment | (37.50) | - |
| 100 (March 31, 2023 : 100) Ordinary Shares of AED 1000 each at par fully paid up in Scrabble Digital DMCC | 12.73 | 12.73 |
| Unquoted Preference shares (at cost) | | |
| Investment in subsidiaries | | |
| 7,500,000 (March 31, 2023 : 7,500,000) Non Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) of ₹ 10 each, paid up of ₹ 8 each in Mumbai Movie Studios Private Limited | 600.00 | 600.00 |
| Less : provision for diminution of investment | (340.93) | - |
| 37,500 (March 31, 2023 : Nil) Non-Cumulative Optionally Convertible Redeemable Preference Shares ('NCOCRPS') of ₹ 1000/- each fully paid up in Nova Cinemaz Private Limited | 157.14 | - |
| Deemed investment in Nova Cinemaz Private Limited | 146.05 | - |
| Total | 5,400.43 | 5,564.85 |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 7,192.22 | 6,778.34 |
| Aggregate amount of impairment in value of investments | 1,791.79 | 1,227.34 |

Notes to standalone financial statements as at and for the year ended March 31, 2024
5. Loans

₹ in lacs

| | Non-current | | Current | |
|--|----------------|----------------------------|----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Loans to related party (refer note 43) | | | 339.85 | 339.85 |
| <u>Unsecured - Doubtful</u> | | | | |
| Loans to related party (refer note 43) | | | 689.58 | 689.58 |
| Less : Allowance for doubtful balances | | | (689.58) | (689.58) |
| | | | 339.85 | 339.85 |

Loans or Advances in the nature of loans are granted to the related parties (as defined under Companies Act, 2013).

| Type of Borrower | March 31, 2024 | | Restated March 31, 2023 | |
|-------------------------|---|--|---|--|
| | Amount of loan or advance in the nature of loan outstanding | % to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | % to the total Loans and Advances in the nature of loans |
| Loan to Promoters | - | - | - | - |
| Loan to Directors | - | - | - | - |
| Loan to KMPs | - | - | - | - |
| Loan to Related Parties | 1,029.43 | 100% | 1,029.43 | 100% |

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

₹ in lacs

| | Non-current | | Current | |
|--|----------------|----------------------------|----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| <u>Unsecured - Considered good</u> | | | | |
| Security deposit - other than to related party | 124.35 | 257.03 | 223.29 | 99.56 |
| Security deposit to related parties (refer note 33) | 359.66 | 357.72 | - | - |
| Interest accrued but not due on fixed deposit | | | 131.60 | 107.19 |
| Interest accrued on loan to related parties (refer note 33) | | | 211.56 | 106.47 |
| Other receivables | | | 20.21 | 36.26 |
| Fixed deposit with remaining maturity more than 12 month (refer note 13) | 241.08 | 1,238.07 | | |
| <u>Unsecured - Doubtful</u> | | | | |
| Interest accrued on loan to related parties (refer note 33) | | | 268.42 | 268.42 |
| Less : Allowance for doubtful balances | | | (268.42) | (268.42) |
| | 725.09 | 1,852.82 | 586.66 | 349.48 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

7. Deferred tax assets (net)

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|---|------------------|----------------------------|
| A) Deferred tax asset | | |
| Property, Plant and Equipment and Intangible Assets | 3,169.47 | 3,280.55 |
| Provision for doubtful debts and advances | 507.95 | 539.61 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 386.96 | 260.88 |
| Deferred tax assets on Ind AS 116 accounting | 36.11 | 34.34 |
| Deferred tax assets on carry forward losses and Unabsorbed Depreciation | 5,790.94 | 6,081.25 |
| Others | 113.67 | 111.94 |
| Total deferred tax assets | 10,005.10 | 10,308.57 |
| B) Deferred tax liabilities | | |
| Fair value of investment | (2.16) | - |
| Liability arising on account of timing difference: | - | (2.78) |
| Total deferred tax liabilities | (2.16) | (2.78) |
| Deferred taxes assets (net) | 10,002.94 | 10,305.79 |

₹ in lacs

| Movement during the year ended March 31, 2024 | Restated March 31, 2023 | Credit/ (Charge) in the statement of Profit and Loss | Credit/(Charge) in Other Comprehensive Income | As at March 31, 2024 |
|---|----------------------------|---|--|-------------------------|
| Deferred tax assets /(liabilities) | | | | |
| Property, Plant and Equipment and Intangible Assets | 3,280.55 | (111.08) | - | 3,169.47 |
| Provision for Doubtful Debt and advances | 539.62 | (31.66) | - | 507.96 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 260.87 | 96.39 | 29.69 | 386.95 |
| Deferred tax assets on Ind AS 116 accounting | 34.35 | 1.77 | - | 36.12 |
| Deferred tax assets on carry forward losses and Unabsorbed Depreciation | 6,081.25 | (290.31) | - | 5,790.94 |
| Others | 109.16 | 2.35 | - | 111.51 |
| Total | 10,305.80 | (332.54) | 29.69 | 10,002.95 |

Notes to standalone financial statements as at and for the year ended March 31, 2024
Movement in Deferred tax Assets and Liabilities

₹ 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 | Restated March 31, 2023 |
|---|-------------------------|---|--|----------------------------|
| Deferred tax assets /(liabilities) | | | | |
| Property, Plant and Equipment and Intangible Assets | 3,293.00 | (12.45) | - | 3,280.55 |
| Provision for doubtful debts and advances | 577.36 | (37.74) | - | 539.62 |
| 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 | 16.80 | (66.71) | 260.87 |
| Deferred tax assets on Ind AS 116 accounting | 14.48 | 19.87 | - | 34.35 |
| Deferred tax assets on carry forward losses and Unabsorbed Depreciation | 5,321.66 | 759.59 | - | 6,081.25 |
| Others | 345.64 | (236.48) | - | 109.16 |
| Total | 9,862.92 | 509.59 | (66.71) | 10,305.80 |

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

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|----------------|----------------------------|
| i) Income tax recognised in the Standalone Statement of Profit and Loss | | |
| Current tax: | | |
| In respect of current year | - | 36.52 |
| In respect of prior year | - | - |
| Deferred tax | | |
| In respect of current year - (Credit) / Charge | 332.54 | (509.58) |
| Income tax expense recognised in the Statement of Profit and Loss | 332.54 | (473.06) |

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| ii) Income tax expense recognised in OCI | | |
| Deferred tax : | | |
| Deferred tax expense on remeasurements of defined benefit plans | 29.69 | (66.71) |
| Income tax expense recognised in OCI | 29.69 | (66.71) |

Notes to standalone financial statements as at and for the year ended March 31, 2024

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

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|----------------|----------------------------|
| Profit / (loss) before tax | 736.01 | (2,665.50) |
| Income tax expense calculated at Corporate tax rate | 25.17% | 25.17% |
| Computed tax expenses | 185.24 | (670.85) |
| Impact on account of: | | |
| Income exempt from tax | - | - |
| Expenses not deductible for tax purpose | 135.25 | 370.95 |
| Impact on account of difference in tax rate | - | (34.45) |
| Tax impact on account of carry forward losses adjusted with taxable profit | 12.05 | (67.97) |
| Tax in respect of prior year | - | - |
| DTA not created on losses | - | (50.50) |
| Others | - | (22.17) |
| Effect of income that is exempted from tax | - | 1.93 |
| Tax expense as per Statement of profit and loss | 332.54 | (473.06) |

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. Other tax assets (net)

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Income tax assets (net of provision for income tax ₹ 21,168.08 lacs (March 31, 2023 : ₹ 21,168.08 lacs) | 2,224.75 | 4,125.43 |
| | 2,224.75 | 4,125.43 |

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

₹ in lacs

| | Non-current | | Current | |
|---|----------------|----------------------------|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Advances to vendors | - | - | 241.87 | 247.74 |
| Balance with statutory / government authorities | 26.96 | 20.13 | 41.02 | 91.16 |
| Less : Allowance for doubtful balances | (14.66) | (14.66) | - | - |
| Deposit with government bodies | 120.72 | 82.02 | - | - |
| Capital advances | 0.72 | - | - | - |
| Loans and advances to employees | - | - | 22.42 | 18.23 |
| Prepaid expenses | 56.00 | 81.68 | 272.96 | 330.61 |
| Goods and Services Tax (GST) credit receivable | - | - | 1,569.68 | 1,672.82 |
| | 189.74 | 169.17 | 2,147.95 | 2,360.56 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

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

| | March 31, 2024 | Restated March 31, 2023 |
|---------------------------------|----------------|----------------------------|
| Traded goods (Lamps) and spares | 144.48 | 240.84 |
| Consumables | 641.69 | 620.48 |
| Content cost | 8.78 | 0.96 |
| | 794.95 | 862.28 |

11. Current investments ₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| Carried at FVTPL | | |
| Unquoted mutual funds | | |
| Investment in mutual funds | 708.54 | - |
| | 708.54 | - |
| Aggregate amount of unquoted investments | 708.54 | - |
| NAV of unquoted investments | 708.54 | - |
| 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 ₹ 708.54 lacs (March 31, 2023 : ₹ Nil)

12. Trade receivables ₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Trade receivables considered good -Secured | - | - |
| Trade receivables considered good -unsecured | 6,384.91 | 5,133.09 |
| Less: Allowance for expected credit loss | - | - |
| Trade receivables which have significant increase in credit risk | 37.82 | 53.11 |
| Trade receivables -Credit impaired | 2,018.24 | 2,144.04 |
| Total trade receivable | 8,440.97 | 7,330.24 |
| Less: Allowance for credit impairment | (2,018.24) | (2,144.04) |
| Net trade receivable Total | 6,422.73 | 5,186.20 |

For details pertaining to related party receivable refer note 33

Notes to standalone financial statements as at and for the year ended March 31, 2024

Trade Receivables ageing schedule *

As at March 31, 2024

₹ in lacs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 5,939.62 | 214.54 | - | - | - | 6,154.16 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | 3.19 | 146.37 | 261.06 | 71.61 | 277.08 | 759.31 |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 1.14 | 15.07 | 11.29 | 1.43 | 8.89 | 37.82 |
| (vi) Disputed Trade Receivables – credit impaired | 3.02 | 15.28 | 75.71 | 19.68 | 1,145.24 | 1,258.93 |
| Total | 5,946.97 | 391.26 | 348.06 | 92.72 | 1,431.21 | 8,210.22 |
| Add : Trade receivables - Unbilled | | | | | | 230.75 |
| Trade receivables | | | | | | 8,440.97 |
| Less : Allowance for doubtful trade receivable | | | | | | (2,018.24) |
| Trade receivables (Net of allowance for doubtful trade receivable) | | | | | | 6,422.73 |

As at March 31, 2023

₹ in lacs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 4,539.95 | 335.77 | 40.40 | 0.28 | - | 4,916.40 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | 125.21 | 160.60 | 50.06 | 41.73 | 560.43 | 938.03 |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 15.53 | 34.54 | 1.27 | 0.30 | 1.47 | 53.11 |
| (vi) Disputed Trade Receivables – credit impaired | 2.21 | 52.01 | 13.81 | 51.17 | 1,078.42 | 1,197.62 |
| Total | 4,682.90 | 582.92 | 105.54 | 93.48 | 1,640.32 | 7,105.16 |
| Add : Trade receivables - Unbilled | | | | | | 225.08 |
| Trade receivables | | | | | | 7,330.24 |
| Less : Allowance for doubtful trade receivable | | | | | | (2,144.04) |
| Trade receivables (Net of allowance for doubtful trade receivable) | | | | | | 5,186.20 |

* Trade receivables ageing is calculated from the date of invoice

Notes to standalone financial statements as at and for the year ended March 31, 2024
13. Cash and bank balances

₹ in lacs

| | Non-current | | Current | |
|--|----------------|----------------------------|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Cash and cash equivalents | | | | |
| Balances with banks : | | | | |
| – In current accounts | | | 651.02 | 593.52 |
| Cash on hand | | | 0.97 | 1.64 |
| | | | 651.99 | 595.16 |
| Other bank balances | | | | |
| – In unpaid dividend account* | | | 24.78 | 26.50 |
| – Deposits with original maturity for less than 12 months | | | 3,979.96 | 3,054.09 |
| – Deposits with remaining maturity for more than 12 months | 216.60 | 835.07 | - | 199.00 |
| | 216.60 | 835.07 | 4,004.74 | 3,279.59 |
| – Margin money deposit with original maturity for less than 12 months | | | 951.17 | 664.25 |
| – Margin money deposit with remaining maturity for more than 12 months | 24.48 | 403.00 | - | 9.80 |
| | 241.08 | 1,238.07 | 4,955.91 | 3,953.64 |
| Amount disclosed under non-current financial assets (refer note 6) | (241.08) | (1,238.07) | | |
| | - | - | 5,607.90 | 4,548.80 |

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, 2024 | Restated March 31, 2023 |
|---|------------------|----------------------------|
| Authorised share capital | | |
| 73,914,500 (March 31, 2023 : 73,914,500) equity shares of ₹ 10 each | 7,391.45 | 7,391.45 |
| 1,565,000 (March 31, 2023 : 1,565,000) preference shares of ₹ 1,000 each | 15,650.00 | 15,650.00 |
| | 23,041.45 | 23,041.45 |
| Share capital | | |
| Issued, subscribed and fully paid up shares | | |
| 38,581,208 (March 31, 2023 : 38,176,230) equity shares of ₹ 10 each fully paid-up | 3,858.12 | 3,817.62 |
| Total issued, subscribed and fully paid up share capital | 3,858.12 | 3,817.62 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

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

| Equity shares | March 31, 2024 | | Restated March 31, 2023 | |
|---|-------------------|-----------------|-------------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 38,176,230 | 3,817.62 | 38,041,143 | 3,804.11 |
| Issued during the year | 404,978 | 40.50 | 135,087 | 13.51 |
| Outstanding at the end of the year | 38,581,208 | 3,858.12 | 38,176,230 | 3,817.62 |

(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, 2024 | | March 31, 2023 | |
|---------------------------------------|----------------|------------------------|----------------|------------------------|
| | 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 Green Energy Limited | 2,266,417 | 5.87 | 2,266,417 | 5.96 |
| Valuable Media Private Limited | 2,244,265 | 5.82 | 2,244,265 | 5.90 |
| Valuable Technologies Private Limited | 2,243,657 | 5.82 | 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, 2024

| Sr No. | Promoter name | Balance as at April 1, 2023 | Change during the year | Balance as at March 31, 2024 | % of Total Shares | % change during the year |
|--------|---------------------------------------|-----------------------------|------------------------|------------------------------|-------------------|--------------------------|
| 1 | Sanjay Shankar Gaikwad | 917,229 | - | 917,229 | 2.38% | 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 | 0.63% | 0.00% |
| 5 | Raaja Kanwar | 12,500 | - | 12,500 | 0.03% | 0.00% |
| 6 | Advent Fiscal Private Limited | 737,182 | - | 737,182 | 1.91% | 0.00% |
| 7 | Apollo Green Energy Limited | 2,266,417 | - | 2,266,417 | 5.87% | 0.00% |
| 8 | Valuable Technologies Private Limited | 2,243,657 | - | 2,243,657 | 5.82% | 0.00% |
| 9 | Valuable Media Private Limited | 2,244,265 | - | 2,244,265 | 5.82% | 0.00% |

Notes to standalone financial statements as at and for the year ended March 31, 2024
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% | 0.00% |
| 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 | 1.93% | 0.00% |
| 7 | Apollo Green Energy Limited | 2,266,417 | - | 2,266,417 | 5.94% | 0.00% |
| 8 | Valuable Technologies Private Limited | 2,243,657 | - | 2,243,657 | 5.88% | 0.00% |
| 9 | Valuable Media Private Limited | 2,244,265 | - | 2,244,265 | 5.88% | 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, 2024 | Restated March 31, 2023 |
|--|--------------------|-------------------------|
| Securities premium | | |
| Balance as at beginning of the year | 38,530.85 | 38,422.20 |
| Add: Share issuance during the year | 325.73 | 54.03 |
| Add : Transferred on ESOP shares | - | 54.62 |
| Balance as at end of the year | 38,856.58 | 38,530.85 |
| Capital reserve | | |
| Balance as at beginning of the year | 2,265.66 | 2,265.66 |
| Closing balance | 2,265.66 | 2,265.66 |
| 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 |
| Amalgamation Deficit Reserve | (6,746.49) | (6,746.49) |
| Employee stock options outstanding | | |
| Balance as at beginning of the year | 274.08 | 223.32 |
| Add : Employee stock option granted during the year | 12.40 | 105.38 |
| Less : Transferred on employee stock options expired / exercised during the year | (163.74) | (54.62) |
| Closing balance | 122.74 | 274.08 |
| Surplus in the statement of profit and loss | | |
| Balance as at beginning of the year | (13,396.89) | (11,402.79) |
| Profit / (loss) for the year | 315.20 | (1,994.10) |
| Closing balance | (13,081.69) | (13,396.89) |
| Total other equity | 21,788.52 | 21,298.93 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

- 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 earnings 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.
- f) **Amalgamation Deficit Reserve** : The Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries all assets and liabilities, including reserves of the Amalgamating Companies have been recorded at their respective book values as appearing in their respective books on the date immediately preceding the Appointed Date. The difference in books of accounts of the Transferee Company on account of: Net assets taken over; Reserves acquired and cancellation of investments in Transferor Companies is recorded in Amalgamation Reserve account of the Transferee Company.
- g) **Dividend** : Dividend paid and declared by the Company during the year is ₹ Nil (March 31, 2023 : Nil)

16. Borrowings (Secured)

₹ in lacs

| | Non-current | | Current | |
|--|-----------------|----------------------------|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| 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 | 430.66 | 901.83 |
| Term loan 2 from IDFC First Bank | - | - | 300.00 | 1,500.00 |
| Term loan 3 from IDFC First Bank | 1,336.60 | - | 534.64 | 2,156.80 |
| Term loan 4 from HDFC Bank | 1,202.50 | 1,757.50 | 555.00 | 462.50 |
| Term loan 5 from HDFC Bank | 673.17 | - | 152.99 | - |
| Sub Total | 3,212.27 | 2,188.16 | 1,973.29 | 5,021.13 |
| Other Loans | | | | |
| Vehicle finance from banks and financial institutions (secured against hypothecation of vehicles) | | | | |
| Vehicle Loan 1 from Axis Bank Ltd. (ROI 8.45%, repayable in 48 monthly installments) | 20.36 | 31.42 | 11.06 | 10.17 |
| | 20.36 | 31.42 | 11.06 | 10.17 |
| Amount disclosed under "Other financial liabilities" (refer note 20) | - | - | (1,984.35) | (5,031.30) |
| Net amount | 3,232.63 | 2,219.58 | - | - |

Notes to standalone financial statements as at and for the year ended March 31, 2024

Term loan 1 having interest of bank 1 year MCLR plus 70 basis points i.e. 9.96% (March 31, 2023 : 8.69%) p.a. is repayable in 48 monthly installments starting from July 31, 2020.

Term loan 2 having interest of bank 3 month MCLR plus 160 basis points i.e. 11.10% (March 31, 2023 : 9.94%) p.a. is repayable in 10 quarterly installments starting from March 31, 2022

Term loan 3 having interest of bank 3 month MCLR plus 160 basis points i.e. 11.03% (31 March, 2023 : 10.06%) p.a. is repayable in 18 quarterly installments starting from May 22, 2023

Term loan 4 having interest of bank 6 Month MCLR plus 65 basis i.e. 9.83% (31 March 2023 : 8.64%) p.a. is repayable in 48 monthly installments starting from Jun 01, 2023.

Term loan 5 having interest of bank 1 year MCLR plus 50 basis points i.e. 9.70% (March 31, 2023 : Nil) p.a. is repayable in 54 monthly installments starting from June 1, 2024

17. Other financial liabilities

₹ in lacs

| | Non-current | | Current | |
|--|-----------------|----------------------------|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Financial liabilities at amortised cost | | | | |
| Interest accrued but not due on borrowings | | | 25.82 | 29.19 |
| Unclaimed dividend | | | 24.78 | 26.50 |
| Deposit from theatres and regional dealers | 2,193.73 | 2,313.70 | 821.84 | 688.10 |
| Deposit from related parties (refer note 33) | 9.95 | 10.69 | | |
| Other security deposit | | 1.70 | 118.04 | 124.33 |
| Other payables | | | | |
| Payables for purchase of property, plant and equipment | | | 190.40 | 319.21 |
| Salary and reimbursement payable | | | 797.94 | 691.96 |
| | 2,203.68 | 2,326.09 | 1,978.82 | 1,879.29 |

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024. (March 31, 2023 : ₹ Nil)

18. Provisions

₹ in lacs

| | Non-current | | Current | |
|--|-----------------|----------------------------|----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Provision for gratuity (refer note 30) | 1,068.13 | 577.44 | 44.23 | - |
| Provision for compensated absences (refer note 30) | 296.87 | 281.81 | 128.27 | 113.20 |
| | 1,365.00 | 859.25 | 172.50 | 113.20 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

19. Other liabilities

₹ in lacs

| | Non-current | | Current | |
|--|-----------------|----------------------------|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Deferred advertisement income (refer note 39) | | | 378.02 | 230.68 |
| Deferred VPF income | | | - | 111.37 |
| Deferred lease rental income (refer note 39) | 983.14 | 888.35 | 229.44 | 199.39 |
| Deferred revenue on AMC services (refer note no. 39) | 24.26 | 0.78 | 23.52 | 61.97 |
| Deferred content delivery income (refer note no. 39) | | | 0.40 | 21.08 |
| Advance from customers | | | 1,258.71 | 1,264.34 |
| Statutory dues * | | | 319.97 | 368.45 |
| | 1,007.40 | 889.13 | 2,210.06 | 2,257.28 |

* Statutory dues payable includes

| | | | | |
|------------------------|--|--|---------------|---------------|
| ESIC | | | 0.02 | 0.18 |
| Professional tax | | | 0.88 | 0.80 |
| Provident fund | | | 61.66 | 70.76 |
| Tax deducted at source | | | 257.38 | 296.63 |
| Labour welfare fund | | | 0.03 | 0.08 |
| | | | 319.97 | 368.45 |

20. Borrowings (Secured)

₹ in lacs

| | Current | |
|---|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Financial liabilities at amortised cost | | |
| Current maturities of long term debts (refer note 16) | 1,984.35 | 5,031.30 |
| Secured | | |
| Cash credit from IDFC bank Limited | - | 803.00 |
| | 1,984.35 | 5,834.30 |

Cash credit from IDFC Bank Limited was secured by first charge on current assets of the Company, both present & future. Second Pari passu charge on all the fixed assets of the company except vehicles financed by other lenders. The cash credit was repayable on demand and carries interest @ 11.25% per annum (March 31, 2023 : 9.95% per annum).

Notes to standalone financial statements as at and for the year ended March 31, 2024
21. Trade payables

₹ in lacs

| | Current | |
|---|-----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| 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 * | 5,574.35 | 5,297.95 |
| | 5,574.35 | 5,297.95 |

* For details pertaining to related party payable refer note 33

Trade Payables ageing schedule (Outstanding from invoice date)

As at March 31, 2024

₹ in lacs

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|---------------|---------------|-------------------|-----------------|
| (i) MSME | - | - | - | - | - |
| (ii) Others | 3,796.36 | 941.86 | 463.76 | 372.37 | 5,574.35 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 3,796.36 | 941.86 | 463.76 | 372.37 | 5,574.35 |

Restated 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 | 3,971.38 | 784.85 | 430.08 | 111.64 | 5,297.95 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 3,971.38 | 784.85 | 430.08 | 111.64 | 5,297.95 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| ₹ in lacs | |
|-----------------------------------|----------------------------|
| 22. Revenue from operations | |
| | March 31, 2024 |
| | Restated March 31, 2023 |
| Sale of services | |
| Advertisement revenue | 12,202.86 |
| Content delivery charges | 8,642.28 |
| VPF service revenue | 1,494.35 |
| Lease rental income | 5,679.74 |
| Digitisation income | 585.09 |
| Maintenance service fee | 161.86 |
| Registration fees income | 36.81 |
| Distribution Income | 79.72 |
| Other revenue | 81.30 |
| | 28,964.01 |
| Sale of products | |
| Lamp and spares sale | 1,160.12 |
| Sale of digital cinema equipments | 1,595.14 |
| | 2,755.26 |
| Other operating income | |
| Sundry balances written back | 371.44 |
| | 371.44 |
| | 32,090.71 |
| | 29,727.27 |

| ₹ in lacs | |
|--------------------------------------|----------------------------|
| 23. Other income * | |
| | March 31, 2024 |
| | Restated March 31, 2023 |
| Miscellaneous income ** | 199.80 |
| Foreign exchange gain (net) | 1.01 |
| Profit on sale of fixed assets (net) | - |
| | 200.81 |
| | 141.59 |

* 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 ₹ 33.07 lacs (March 31, 2023 : ₹ 9.00 lacs) (refer note 32)

Notes to standalone financial statements as at and for the year ended March 31, 2024
24. Operating direct costs

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|------------------|----------------------------|
| Advertisement revenue share | 5,373.43 | 4,451.96 |
| Exhibition equipments repairs | 1,688.34 | 1,769.45 |
| Bandwidth charges | 401.08 | 429.00 |
| Purchase of digital cinema equipment | 1,185.79 | 763.80 |
| Purchase of lamps & spares | 917.26 | 1,127.05 |
| Content processing charges | 354.03 | 499.05 |
| Virtual print fees sharing | 1,016.02 | 1,685.09 |
| Van operating cost | 583.62 | 92.36 |
| Distribution expenses | - | 1,263.58 |
| Other expenses | 267.88 | 322.43 |
| | 11,787.45 | 12,403.77 |
| <u>(Increase) / decrease in inventories of traded goods (lamps)</u> | | |
| Inventories at the beginning of the year | 240.84 | 247.08 |
| Less : Inventories at the end of the year | (144.48) | (240.84) |
| | 96.36 | 6.24 |
| <u>Content cost</u> | | |
| Opening content cost | 0.96 | 0.09 |
| Add : Cost of content acquired during the year | 17.97 | 6.74 |
| Less : Closing balance of unamortised content cost | (8.78) | (0.96) |
| | 10.15 | 5.87 |
| <u>Consumables and spares</u> | | |
| Opening stock | 620.48 | 359.44 |
| Add : Purchases | 380.26 | 728.34 |
| Less : Closing stock | (641.69) | (620.48) |
| | 359.05 | 467.30 |
| | 12,253.01 | 12,883.18 |

25. Employee benefits expenses

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Salaries, wages and bonus | 6,796.02 | 7,658.28 |
| Contribution to provident and other funds | 363.93 | 438.07 |
| Gratuity expenses (refer note 30) | 437.59 | 147.42 |
| Compensated absences (refer note 30) | 80.32 | - |
| Employee stock compensation expenses (refer note 31) | 10.56 | 96.24 |
| Staff welfare expenses | 269.47 | 275.89 |
| | 7,957.89 | 8,615.90 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

26. Other expenses

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Rent (refer note 32) | 402.14 | 402.89 |
| Freight and forwarding charges | 358.82 | 403.95 |
| Legal, professional and consultancy charges | 1,566.30 | 2,362.64 |
| Directors' sitting fees | 102.50 | 164.75 |
| Commission on advertisement revenue | 1,848.86 | 857.94 |
| Corporate social responsibility expenses (refer note 42) | - | 40.71 |
| Sales promotion expenses | 258.42 | 239.66 |
| Electricity charges | 232.33 | 236.59 |
| Rates and taxes | 40.21 | 24.81 |
| Payment to auditor (refer (i) below) | 92.88 | 79.25 |
| Repairs and maintenance | | |
| -Plant and machinery | - | - |
| -Furniture and fixtures | - | - |
| -Others | 236.18 | 245.84 |
| Insurance | 102.32 | 89.30 |
| Travelling and conveyance expenses | 443.01 | 502.88 |
| Communication and courier expenses | 102.55 | 94.15 |
| Printing and stationery | 39.02 | 42.28 |
| Bad debts written-off | 268.80 | 282.22 |
| Less: Provision utilised | (132.70) | (177.38) |
| Loss on sale and write off of fixed assets (net) | 6.54 | 13.75 |
| Provision for doubtful debts | 6.90 | 27.41 |
| Provision for doubtful loans and advances | - | 129.74 |
| Provision for diminution in value of investment | 564.44 | - |
| Write Off of loans/ accrued Interest | - | 266.34 |
| Diminution in value of investment | - | 543.61 |
| Foreign exchange loss (net) | - | 4.48 |
| Miscellaneous expenses | 455.77 | 458.25 |
| | 6,995.29 | 7,336.06 |

(i) Payment to auditor

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|-------------------------------------|----------------|----------------------------|
| <u>Statutory auditor</u> | | |
| Statutory audit | 55.50 | 48.50 |
| Tax audit | 3.50 | 4.50 |
| Limited review | 21.00 | 21.00 |
| Reimbursement of expenses | 7.13 | 3.25 |
| <u>In other capacity</u> | | |
| Other services (certification fees) | 5.75 | 2.00 |
| | 92.88 | 79.25 |

Notes to standalone financial statements as at and for the year ended March 31, 2024
27. Finance costs

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Interest on | | |
| - Term loan | 650.80 | 716.94 |
| - Cash credit | 17.46 | 13.27 |
| Interest expenses on lease liabilities | 249.17 | 187.01 |
| Interest expenses on financial liabilities carried at amortised cost | 303.50 | 142.26 |
| Bank charges | 35.72 | 36.98 |
| | 1,256.65 | 1,096.46 |

28. Finance income

₹ in lacs

| | March 31, 2024 | Restated March 31, 2023 |
|--|----------------|----------------------------|
| Interest on: | | |
| - Fixed deposits | 343.67 | 312.08 |
| - Loan to related party (refer note 33) | 110.98 | 129.75 |
| - Other * | 356.46 | 100.52 |
| Interest Income financial assets carried at amortised cost | 3.19 | - |
| Net gain on current investments ** | 14.82 | 34.02 |
| Dividend income from subsidiaries (refer note 33) | 82.50 | 1,498.77 |
| | 911.62 | 2,075.14 |

* Interest on others includes interest received on income tax & service tax refund.

** Includes fair value gain of ₹ (8.57) lacs (March 31, 2023 : ₹ 17.82 lacs)

29. Earnings per share (EPS)

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

| | March 31, 2024 | Restated March 31, 2023 |
|--|----------------|----------------------------|
| Basic | | |
| Net profit after tax as per the statement of profit and loss (₹ In lacs) | 403.47 | (2,192.44) |
| Net profit for calculation of basic EPS | 403.47 | (2,192.44) |
| Weighted average number of equity shares in calculating basic EPS | 38,412,898 | 38,078,230 |
| Earning per share (₹) (Face value of ₹ 10 each) | 1.05 | (5.76) |
| Diluted | | |
| Net profit for calculation of basic EPS (₹ In lacs) | 403.47 | (2,192.44) |
| Weighted average number of equity shares in calculating basic EPS | 38,412,898 | 38,078,230 |
| Effect of dilutions for share warrants/stock options granted under ESOP | 146,335 | 310,038 |
| Weighted average number of shares outstanding (including dilution) | 38,559,233 | 38,388,268 |
| Earning per share (₹) (Face value of ₹ 10 each) | 1.05 | (5.76) |

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.

Notes to standalone financial statements as at and for the year ended March 31, 2024

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, 2024 | Restated March 31, 2023 |
| Contribution to provident fund | 344.77 | 416.14 |
| Administration charge - provident fund | 18.66 | 21.74 |
| Contribution to ESIC - employer share | 0.50 | 0.19 |
| | 363.93 | 438.07 |

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.

Change in the defined benefit obligation (“DBO”) and fair value of plan assets as at March 31, 2024

| ₹ in lacs | | | |
|--|----------------------------|---------------------------|-----------------------|
| Particulars | Defined benefit obligation | Fair value of plan assets | (Benefit) / Liability |
| Gratuity cost charged to Statement of Profit and Loss | | | |
| Restated as at April 1, 2023 | 1,199.20 | 621.76 | 577.44 |
| Service cost | 87.69 | - | 87.69 |
| Net interest expense | 83.92 | - | 83.92 |
| Past Service cost | 308.60 | - | 308.60 |
| Investment income | - | 42.62 | (42.62) |
| Recognised in the statement of profit and loss | 480.21 | 42.62 | 437.59 |
| Benefit paid | (183.68) | (183.68) | - |
| Remeasurement gains/losses in other comprehensive income | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | (8.68) | 8.68 |
| Actuarial changes arising from changes in demographic assumptions | 11.26 | - | 11.26 |
| Actuarial changes arising from changes in financial assumptions | 45.64 | - | 45.64 |
| Experience adjustments | 52.38 | - | 52.38 |
| Net actuarial (gain) / loss recognized in the year | - | - | - |
| Recognised in other comprehensive income | 109.28 | (8.68) | 117.96 |
| Contribution by employer | - | 20.63 | (20.63) |
| As at March 31, 2024 | 1,605.01 | 492.65 | 1,112.36 |

Notes to standalone financial statements as at and for the year ended March 31, 2024
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 | 1,340.45 | 559.26 | 781.19 |
| Service cost | 95.49 | - | 95.49 |
| Net interest expense | 89.11 | - | 89.11 |
| Investment income | - | 37.18 | (37.18) |
| Recognised in the statement of profit and loss | 184.60 | 37.18 | 147.42 |
| Benefit paid | (56.83) | (56.83) | - |
| Remeasurement gains/losses in other comprehensive income | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | (3.97) | 3.97 |
| Actuarial changes arising from changes in demographic assumptions | (17.69) | - | (17.69) |
| Actuarial changes arising from changes in financial assumptions | (100.72) | - | (100.72) |
| Experience adjustments | (150.61) | - | (150.61) |
| Net actuarial (gain) / loss recognized in the year | - | - | - |
| Recognised in other comprehensive income | (269.02) | (3.97) | (265.05) |
| Contribution by employer | - | 86.12 | (86.12) |
| Restated as at March 31, 2023 | 1,199.20 | 621.76 | 577.44 |

The principal assumptions used in determining gratuity are as shown below:

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------------------------|--|---|
| Discount rate | 7.15% | 7.35% |
| Future Salary increase | 8.00% for the first 1 year, and 6.00% thereafter | NIL for the first 1 year and 6.00% thereafter |
| Employee turnover | 13.00% | 10.00% |
| 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.

Notes to standalone financial statements as at and for the year ended March 31, 2024

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

A quantitative sensitivity analysis for the significant assumption is shown below

₹ in lacs

| Particulars | DBO | DBO |
|--------------------------|----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Discount rate (-1%) | 1,680.85 | 1,208.68 |
| Discount rate (+1%) | (1,535.90) | (1,077.01) |
| Salary growth rate (-1%) | (1,534.82) | (1,084.12) |
| Salary growth rate (+1%) | 1,680.67 | 1,198.51 |
| Attrition rate (-0.5%) | 1,575.74 | 1,098.15 |
| Attrition rate (+0.5%) | (1,620.96) | (1,165.76) |

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, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Within the next 12 months(next annual reporting period) | 1,215.71 | 638.69 |
| Total | 1,215.71 | 638.69 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2023: 6 years)

Expected cash flows over the next (valued on undiscounted basis):

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|--------------------|----------------|----------------------------|
| 1 year | 537.31 | 267.63 |
| 2 to 5 years | 658.73 | 521.55 |
| 6 to 10 years | 606.30 | 513.96 |
| More than 10 years | 537.78 | 692.79 |

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

| Gratuity | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| 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 ₹ 80.32 lacs (March 31, 2023: ₹ (71.43) lacs) is recognised as an expense in the Statement of profit and loss.

Notes to standalone financial statements as at and for the year ended March 31, 2024
31. Employee stock option plans

During the year ended March 31, 2024, the Company's equity-settled ESOP Scheme viz., ESOP Scheme 2014 was in existence.

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

Till year ended March 31, 2024, the Compensation Committee of the Board of Directors of the Company has granted 1,196,000 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, 830,474 options have been exercised by the eligible employees and 88,625 options have lapsed due to the resignation of eligible employees.

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

| | March 31, 2024 | | Restated March 31, 2023 | |
|---|-------------------|-------------------------------------|-------------------------|-------------------------------------|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning of the year * (refer note above) | 716,379 | 50 | 782,816 | 50 |
| Granted during the year due to scheme modification | - | - | 75,000 | 50 |
| Exercised during the year | (404,978) | - | (135,087) | - |
| Lapsed during the year out of opening | (34,500) | - | (6,350) | - |
| Lapsed during the year out of option granted during year | - | - | - | - |
| Outstanding at the end of the year | 276,901 | 50 | 716,379 | 50 |
| Exercisable at the end of the year | 276,901 | 50 | 716,379 | 50 |
| Weighted average remaining contractual life (in months) | 13 | | 21 | |

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

| | March 31, 2024 | | Restated March 31, 2023 | |
|---|----------------|--------|-------------------------|--------|
| | Vest 1 | Vest 2 | Vest 1 | Vest 2 |
| Expected volatility | 56.84% | 56.84% | 56.84% | 56.84% |
| Risk - Free interest rate | 4.24% | 4.24% | 4.24% | 4.24% |
| Weighted average share price | 88.15 | 88.15 | 88.15 | 88.15 |
| Exercise price (₹) | 50.00 | 50.00 | 50.00 | 50.00 |
| Dividend yield | 4.86% | 4.86% | 4.86% | 4.86% |
| Expected life of options granted in years | 2.00 | 2.00 | 2.00 | 2.00 |

The Carrying amount of Employee stock option reserve as at March 31, 2024 is ₹ 122.74 lacs (March 31, 2023: ₹ 274.08 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 ₹ 10.56 lacs (March 31, 2023 : ₹ 96.24 lacs) is recorded in Statement of Profit and Loss in current year.

Notes to standalone financial statements as at and for the year ended March 31, 2024

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.

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|--|----------------|----------------------------|
| Lease payment recognised in Statement of profit and loss (Short term and low value leases) (refer note 26) | 402.14 | 402.89 |
| Total | 402.14 | 402.89 |

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

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Due not later than one year | 1,117.40 | 1,032.54 |
| Due later than one year but not later than five years | 2,376.18 | 2,553.56 |
| Later than five years | - | - |
| Total | 3,493.58 | 3,586.10 |

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

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Opening balance | 2,401.18 | 719.23 |
| Addition on account of lease liabilities | 659.63 | 2,356.58 |
| Finance cost during the period | 249.17 | 187.01 |
| Deletions | (58.05) | - |
| Rent concessions recognised in the statement of profit and loss | (33.07) | (9.00) |
| Payment of lease liabilities | (918.05) | (852.64) |
| Balance at the end | 2,300.81 | 2,401.18 |

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

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|-------------------------------|-----------------|----------------------------|
| Current lease liabilities | 640.76 | 483.01 |
| Non-current lease liabilities | 1,660.05 | 1,918.17 |
| Total | 2,300.81 | 2,401.18 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows : ₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Due not later than one year | 821.84 | 1,031.79 |
| Due later than one year but not later than five years | 1,222.68 | 987.14 |
| Later than five years | 981.00 | 993.56 |
| Total | 3,025.52 | 3,012.49 |

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, 2024 | Restated March 31, 2023 |
|---|-----------------|----------------------------|
| Lease income recognised in Statement of profit and loss | 5,679.74 | 5,420.23 |
| Total | 5,679.74 | 5,420.23 |

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|--|-----------------|----------------------------|
| Gross carrying amount | 40,285.86 | 34,383.38 |
| Accumulated depreciation | 30,074.08 | 23,888.96 |
| Depreciation recognized in the statement of profit and loss | 2,497.30 | 2,784.46 |

33. Related party disclosure
1. Names of related parties where control exists irrespective of whether transactions have occurred or not
Subsidiaries

Nova Cinemaz Private Limited
 UFO Software Technologies Private Limited
 Upmarch Media Network Pvt Ltd (w.e.f. March 22, 2024)
 Scrabble Entertainment DMCC, Dubai
 Scrabble Entertainment (Lebanon) Sarl, Lebanon
 Scrabble Audio Visual Equipment Trading LLC (w.e.f. September 29, 2023)
 Scrabble Digital Limited
 Scrabble Digital Inc., USA.
 Scrabble Entertainment Israel Limited, Israel (till September 23, 2023)
 UFO Lanka Private Limited, Sri Lanka*

Associate of company

Mukta VN Films Limited
 Cinestaan Digital Private Limited
 Mumbai Movie Studios Private Limited
 Scrabble Audio Visual Equipment Trading LLC (till September 28, 2023)

Notes to standalone financial statements as at and for the year ended March 31, 2024

| | |
|--------------------------------|---|
| Associate of subsidiary | Scrabble Digital DMCC, Dubai Scrabble Ventures LLC (till April 10, 2023) Scrabble Ventures, S.de R.L. de C.V., Mexico Scrabble Digital Services DMCC |
|--------------------------------|---|

* 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 - Non-executive Director (w.e.f June 17, 2022 up to April 26, 2023) Mr. Ashish Malushte - Chief Financial Officer Mr. Rajesh Mishra - Executive Director and Group CEO 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 Mr. Rajiv Batra - Independent and Non-executive director Ms. Swati Mohan - Independent and Non-executive director Mr. Raaja Kanwar - Non-executive Director (w.e.f. July 6, 2023) |
|---------------------------------|--|

| | |
|---|---|
| Enterprises owned or significantly influenced by key management personnel or their relatives | Media Infotek Park Valuable Media Private Limited Valuable Edutainment Private Limited Valuable Infotainment Private Limited Impact Media Exchange Limited IPSAA Holding Private Limited Jeevangani Films |
|---|---|

2. Details of transactions with related parties during the year

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------|--|----------------|----------------------------|
| 1 | Nature of transaction and name of the parties | | |
| | Subsidiary companies | | |
| A | Lease rental income | | |
| | i) Nova Cinemaz Private Limited | Nil | 2.08 |
| B | Interest income on loans | | |
| | i) Nova Cinemaz Private Limited | 111.22 | 110.91 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------|---|----------------|----------------------------|
| C | Rent income (Miscellaneous receipts) | | |
| | i) Scrabble Digital Limited | 23.05 | 23.43 |
| | ii) Nova Cinemaz Private Limited | 6.34 | 6.00 |
| D | Content provisioning income | | |
| | i) Nova Cinemaz Private Limited | 8.64 | 19.22 |
| E | Franchisee fees charges | | |
| | i) Nova Cinemaz Private Limited | 0.80 | 1.05 |
| F | Security deposit received | | |
| | i) Nova Cinemaz Private Limited | 0.02 | Nil |
| | ii) Scrabble Digital Limited | 0.01 | 0.29 |
| G | Sale of equipments and lamps | | |
| | i) Nova Cinemaz Private Limited | Nil | 0.11 |
| | ii) Scrabble Entertainment DMCC, Dubai | Nil | 2.34 |
| H | Dividend income | | |
| | i) Scrabble Entertainment DMCC | Nil | 127.05 |
| I | Film realisation Income | | |
| | i) Nova Cinemaz Private Limited | 7.37 | 15.25 |
| J | Purchase of equity shares | | |
| | i) Nova Cinemaz Private Limited | 75.00 | 300.00 |
| | ii) Upmarch Media Network Pvt Ltd | 20.00 | Nil |
| K | Purchase of preference shares (NCOCRPS) | | |
| | i) Nova Cinemaz Private Limited | 300.00 | Nil |
| L | Advertisement revenue share (expense) | | |
| | i) Nova Cinemaz Private Limited | Nil | 1.58 |
| M | Digitization Income | | |
| | i) Scrabble Digital Limited | 1.69 | Nil |
| N | Content processing charges | | |
| | i) Scrabble Digital Limited | 314.55 | 478.74 |
| O | Purchase Capital Goods | | |
| | i) Scrabble Digital Limited | Nil | 5.01 |
| 2 | Enterprises owned or significantly influenced by key management personnel or their relatives | | |
| A | Expenses reimbursed | | |
| | i) Media Infotek Park | 83.57 | 91.96 |
| B | Operating direct expenses (Licensee fees) | | |
| | i) Impact Media Exchange Limited | 36.00 | 36.00 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------|--|----------------|----------------------------|
| C | Licensee fee- (income) | | |
| | i) Valuable Media Private Limited | 3.85 | 2.56 |
| D | Rent paid (Expense) | | |
| | i) Media Infotek Park | 560.87 | 623.02 |
| E | Rent income (Miscellaneous receipts) | | |
| | i) Valuable Media Private Limited | 0.33 | 0.66 |
| F | Advertisement revenue Censor | | |
| | i) Jeevangani Films | Nil | 0.05 |
| | ii) IPSAA Holding Private Limited | Nil | 2.95 |
| G | Purchase of product | | |
| | i) The Simple Brew | Nil | 1.70 |
| H | Sales of Spare (Income) | | |
| | i) Valuable Media Private Limited | 49.27 | 56.08 |
| I | Income reimbursed | | |
| | i) Valuable Edutainment Private Limited | Nil | 2.12 |
| 3 | Associates of company | | |
| A | Film realisation income | | |
| | i) Mukta VN Films Limited | 17.58 | 82.53 |
| B | Unsecured loan given | | |
| | i) Cinestaan Digital Private Limited | Nil | 250.00 |
| C | Interest income on loans | | |
| | i) Cinestaan Digital Private Limited | Nil | 18.84 |
| D | Dividend income | | |
| | i) Scrabble Digital DMCC | 82.50 | 223.28 |
| E | Film realisation expenses | | |
| | i) Mumbai Movie Studios Private Limited | 1.23 | 307.67 |
| F | Content provisioning income | | |
| | i) Mumbai Movie Studios Private Limited | Nil | 14.16 |
| 4 | Key managerial personnel and their relatives | | |
| A | Remuneration to key managerial personnel | | |
| | i) Mr. Sanjay Gaikwad | 219.29 | 310.29 |
| | ii) Mr. Kapil Agarwal | Nil | 108.37 |
| | iii) Mr. Ashish Malushte | 137.82 | 157.40 |
| | iv) Mr. Rajesh Mishra (President and Group CEO till June 17, 2022) | Nil | 58.48 |
| | v) Mr. Rajesh Mishra (Executive Director & Group CEO from June 18, 2022) | 161.04 | 169.47 |
| | vi) Ms. Kavita Thadeshwar | 43.46 | 48.50 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|---------|---|----------------|----------------------------|
| B | Directors sitting fee and remuneration (please refer (c) below) | | |
| i) | Mr. S. Madhavan | Nil | 17.21 |
| ii) | Ms. Lynn de Souza | Nil | 16.96 |
| iii) | Mr. Sanjeev Aga | Nil | 25.53 |
| iv) | Mr. Ameya Hete | 10.00 | 14.50 |
| v) | Mr. Anand Trivedi | 5.00 | 8.00 |
| vi) | Mr. Gautam Trivedi | 4.00 | 7.00 |
| vii) | Ms. Swati Mohan | 21.00 | 16.63 |
| viii) | Mr. Kapil Agarwal (Upto April 26, 2023) | 0.50 | 9.50 |
| ix) | Mr. Kanwar Bir Singh Anand | 35.00 | 29.63 |
| x) | Mr. Rajiv Batra | 25.00 | 19.79 |
| xi) | Mr. Raaja Kanwar | 2.00 | Nil |
| C | Sale of Motor Car | | |
| i) | Mr. Kapil Agarwal | Nil | 69.38 |

3. Balance outstanding at the year end.

₹ in lacs

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------|---|----------------|----------------------------|
| 1 | Subsidiaries companies | | |
| A | Unsecured loan | | |
| i) | Nova Cinemaz Private Limited | 1,029.43 | 1,029.43 |
| B | Interest accrued on loans | | |
| i) | Nova Cinemaz Private Limited | 479.98 | 374.89 |
| C | Trade receivables | | |
| i) | Nova Cinemaz Private Limited | Nil | 32.16 |
| D | Trade payable | | |
| i) | Scrabble Digital Limited | 1,161.96 | 904.83 |
| E | Deposit payable | | |
| i) | Nova Cinemaz Private Limited | 1.56 | 1.54 |
| ii) | Scrabble Digital Limited | 8.33 | 8.32 |
| F | Unbilled revenue | | |
| i) | Nova Cinemaz Private Limited | 0.03 | 0.34 |
| ii) | Scrabble Digital Limited | 9.49 | 1.59 |
| G | Unbilled expenses | | |
| i) | Scrabble Digital Limited | 108.99 | 78.99 |
| 2 | Enterprises owned or significantly influenced by key management personnel or their relatives | | |
| A | Amount receivable | | |
| i) | Valuable Media Private Limited | 9.75 | 1.14 |
| ii) | Valuable Infotainment Private Limited | 0.27 | 0.27 |
| iii) | Valuable Edutainment Private Limited | Nil | 2.50 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Sr. No. | Particulars | March 31, 2024 | Restated March 31, 2023 |
|----------|--|----------------|----------------------------|
| B | Deposit receivable | | |
| | i) Media Infotek Park | 359.66 | 357.72 |
| C | Deposit payable | | |
| | i) Valuable Media Private Limited | 0.06 | 0.12 |
| | ii) Valuable Infotainment Private Limited | 0.06 | 0.06 |
| | iii) Valuable Edutainment Private Limited | Nil | 0.65 |
| D | Unbilled expenses | | |
| | i) Impact Media Exchange Limited | Nil | 6.00 |
| E | Trade payable | | |
| | i) Impact Media Exchange Limited | 3.24 | 6.48 |
| | ii) Media Infotek Park | 5.09 | Nil |
| F | Trade payable | | |
| | i) IPSAA Holding Pvt Ltd | 0.05 | 0.05 |
| 3 | Key management personnel | | |
| A | Payable to Independent and Non-executive director (please refer (c) below) | | |
| | i) Mr. Rajiv Batra | 9.00 | 8.79 |
| | ii) Mr. Kanwar Bir Singh Anand | 19.00 | 19.63 |
| | iii) Ms. Swati Mohan | 7.00 | 6.63 |
| B | Gratuity Payable | | |
| | i) Mr. Sanjay Gaikwad | 65.24 | 18.63 |
| | ii) Mr. Rajesh Mishra | 61.23 | 17.41 |
| | iii) Mr. Ashish Malushte | 51.25 | 12.95 |
| | iv) Ms. Kavita Thadeshwar | 2.44 | 1.36 |
| C | Leave benefit payable | | |
| | i) Mr. Sanjay Gaikwad | 13.30 | 12.30 |
| | ii) Mr. Rajesh Mishra | 11.79 | 11.55 |
| | iii) Mr Ashish Malushte | 9.35 | 8.47 |
| | iv) Ms. Kavita Thadeshwar | 3.22 | 2.16 |
| 4 | 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 | 21.71 | 18.01 |
| C | Trade payable | | |
| | i) Mumbai Movie Studios Private Limited | Nil | 0.66 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Compensation of key management personnel of the Company: | | ₹ in lacs |
|---|-----------------------|------------------------------------|
| Particular | March 31, 2024 | Restated March 31, 2023 |
| Remuneration | 561.61 | 852.51 |

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.
- c) The Independent and Non-executive Director are 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.

| 34. Capital and other commitments | | ₹ in lacs |
|---|-----------------------|------------------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Capital commitments (estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 212.93 lacs (March 31, 2023 : ₹ 149.93 lacs))) | 345.02 | 245.30 |
| Other commitments (Operating expenses net of advances of ₹ 56.58 lacs (March 31, 2023 : ₹19.04 lacs)) | 567.27 | 313.40 |
| | 912.29 | 558.70 |

| 35. Contingent liabilities | | ₹ in lacs |
|--|-----------------------|------------------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Pending litigations / matters | | |
| In respect of Indirect Tax matters (refer note b) | | |
| VAT matters | 35.00 | 35.00 |
| | 35.00 | 35.00 |

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 has revised its return and case is pending for hearing for Final Closure.

Notes to standalone financial statements as at and for the year ended March 31, 2024

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:

| Particular | ₹ in lacs | |
|--|----------------|----------------------------|
| | March 31, 2024 | Restated March 31, 2023 |
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |

37. 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, 2024 were as follows:

| Particulars | ₹ in lacs | | | | |
|--|------------------|---|-----------------------------------|----------------------|-----------|
| | 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 | 5,400.43 | - | - | 5,400.43 | Level 2 |
| Investments | - | - | 708.54 | 708.54 | |
| Trade receivables | 6,422.73 | - | - | 6,422.73 | |
| Cash and cash equivalents | 651.99 | - | - | 651.99 | |
| Bank balances other than cash and cash equivalents | 4,955.91 | - | - | 4,955.91 | |
| Loans | 339.85 | - | - | 339.85 | |
| Other financial assets | 1,311.75 | - | - | 1,311.75 | |
| Total | 19,082.66 | - | 708.54 | 19,791.20 | |
| Financial Liabilities | | | | | |
| Borrowings | 5,216.98 | - | - | 5,216.98 | |
| Lease liabilities | 2,300.81 | - | - | 2,300.81 | |
| Trade payables | 5,574.35 | - | - | 5,574.35 | |
| Other financial liabilities | 4,182.50 | - | - | 4,182.50 | |
| Total | 17,274.64 | - | - | 17,274.64 | |

Notes to standalone financial statements as at and for the year ended March 31, 2024

Details for the year ended March 31, 2023 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 | 5,564.85 | - | - | 5,564.85 | Level 2 |
| Investments | - | - | - | - | |
| Trade receivables | 5,186.20 | - | - | 5,186.20 | |
| Cash and cash equivalents | 595.16 | - | - | 595.16 | |
| Bank balances other than cash and cash equivalents | 3,953.64 | - | - | 3,953.64 | |
| Loans | 339.85 | - | - | 339.85 | |
| Other financial assets | 2,202.30 | - | - | 2,202.30 | |
| Total | 17,842.00 | - | - | 17,842.00 | |
| Financial Liabilities | | | | | |
| Borrowings | 8,053.88 | - | - | 8,053.88 | |
| Lease liabilities | 2,401.18 | - | - | 2,401.18 | |
| Trade payables | 5,297.95 | - | - | 5,297.95 | |
| Other financial liabilities | 4,205.38 | - | - | 4,205.38 | |
| Total | 19,958.39 | - | - | 19,958.39 | |

* 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, 2024 and March 31, 2023

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, 2024

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, 2024 | Restated March 31, 2023 | March 31, 2024 | Restated March 31, 2023 |
| Effect on profit of increase / decrease in floating interest rate by 100 basis points (1%) for term loans | (71.70) | (122.41) | 71.70 | 122.41 |

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, 2024 | Restated March 31, 2023 |
|---|----------------|-------------------------|
| Payable for property, plant and equipment | 16.56 | 6.22 |
| USD | 19,873.75 | 7,568.00 |
| Advance to vendor | 62.23 | 9.11 |
| USD | 74,664.00 | 11,095.00 |
| Trade Receivables | 52.15 | 47.46 |
| USD | 62,570.76 | 57,771.66 |
| Advance from customers | 14.00 | 13.80 |
| USD | 16,800.00 | 16,800.00 |

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, 2024 | Restated March 31, 2023 |
|---|--|-------------------------|
| | Impact on profit - Increase / (decrease) | |
| 1% increase in foreign exchange rate : | 0.84 | 0.37 |
| 1% (decrease) in foreign exchange rate: | (0.84) | (0.37) |

Notes to standalone financial statements as at and for the year ended March 31, 2024
2. Credit risk :

The risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approval for credit. The Company majorly operates locally and hence Company's exposure on credit risk from receivable's in different geographies is not significant.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets .

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was ₹ 13,541.17 lacs and ₹ 11,085.61 lacs as at March 31 2024 and March 31, 2023 respectively as per the table below.

₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|--|------------------|----------------------------|
| Investments | 708.54 | - |
| Trade receivables | 6,422.73 | 5,186.20 |
| Balance with banks including bank fixed deposits | 5,823.24 | 5,549.93 |
| Other financial assets | 586.66 | 349.48 |
| Total | 13,541.17 | 11,085.61 |

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 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. No single customer contributes to > 10% of sales.

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, 2024

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, 2024 | | | | |
| Borrowing | 1,984.35 | 3,232.63 | - | 5,216.98 |
| Lease liabilities | 640.76 | 1,660.05 | - | 2,300.81 |
| Trade payables | 5,574.35 | - | - | 5,574.35 |
| Other financial liabilities | 1,978.82 | 2,203.68 | - | 4,182.49 |
| Restated at March 31, 2023 | | | | |
| Borrowing | 5,834.30 | 2,219.58 | - | 8,053.88 |
| Lease liabilities | 483.01 | 1,918.17 | - | 2,401.19 |
| Trade payables | 5,297.95 | - | - | 5,297.95 |
| Other financial liabilities | 1,879.29 | 2,326.09 | - | 4,205.39 |

39. Unbilled receivables and Contract liabilities

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

₹ in lacs

| Unbilled receivables | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| Opening balance | 227.15 | 240.73 |
| Less: Invoices raised for revenue recognised during the previous year | (227.15) | (240.73) |
| Add: Revenue recognised but invoices not raised during the year | 230.83 | 227.15 |
| Closing balance | 230.83 | 227.15 |

₹ in lacs

| Contract liabilities (Advance or deferred income) | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| Opening balance | 317.13 | 317.65 |
| Less: Revenue recognised that was included in the contract liabilities at the beginning of the year | (317.13) | (273.33) |
| Add: Invoices raised for which no revenue is recognised during the year | 442.84 | 272.81 |
| Closing balance | 442.84 | 317.13 |

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, 2024

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price ₹ in lacs

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|---|------------------|----------------------------|
| Revenue from contracts with customers (as per Statement of Profit and Loss) | 32,090.71 | 29,727.27 |
| Add: Discounts, rebates, refunds, credits, price concessions | - | - |
| Add / (Less): Unbilled revenue adjustments | (3.68) | 13.58 |
| Add / (Less): Deferred revenue adjustments | 125.71 | (0.52) |
| Contracted price with the customers | 32,212.74 | 29,740.33 |

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.

| Particulars | March 31, 2024 | Restated March 31, 2023 |
|---|----------------|----------------------------|
| Long term debt including current maturities | 5,216.98 | 7,250.88 |
| Total equity | 25,646.64 | 25,116.55 |
| Gearing ratio | 20.34% | 28.87% |

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.

Notes to standalone financial statements as at and for the year ended March 31, 2024

A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Details of CSR expenditure:

₹ in lacs

| | | March 31, 2024 | | Restated March 31, 2023 |
|-----|--|----------------|-------------------------------|----------------------------|
| a) | Gross amount required to be spent by the Company during the year | | - | 40.71 |
| b) | Amount approved by the Board to be spent during the year | | - | 40.71 |
| c) | Amount spent during the year ended on March 31, 2024: | In cash | Yet to be paid in cash | Total |
| i) | Construction / acquisition of any asset | 98.55 | 20.70 | 119.25 |
| ii) | On purposes other than (i) above | - | - | - |
| d) | 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 | 86.77 | 119.25 | 206.02 |
| ii) | On purposes other than (i) above | 27.76 | - | 27.76 |

₹ in lacs

| e) Details related to spent / unspent obligations | | March 31, 2024 | Restated March 31, 2023 |
|---|----------------------------------|----------------|----------------------------|
| i) | Contribution to Public Trust | - | - |
| ii) | Contribution to Charitable Trust | 98.55 | 114.53 |
| iii) | Unspent amount in relation to: | | |
| | Ongoing project | 20.70 | 119.25 |
| | 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 |
| - | 119.25 | - | - | 98.55 | - | 20.70 |

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, 2024

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)

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 | Restated March 31, 2023 | Given during the year | Written off during the year | March 31, 2024 |
|--------------|------------------------------|------------------|-------------------------|-----------------------|-----------------------------|-----------------|
| 1 | Nova Cinemaz Private Limited | 9.50% to 12.00% | 1,029.43 | - | - | 1,029.43 |
| Total | | | 1,029.43 | - | - | 1,029.43 |

The loan given to the above mentioned subsidiaries is repayable on demand for purpose of working capital requirement and capital expenditure for the business.

44. Scheme of arrangement and amalgamation

- a) On January 17, 2024, the National Company Law Tribunal (NCLT) has approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, Scrabble Entertainment Limited ("SEL") and Plexigo Entertainment Private Limited ("PEPL") and Zinglin Media Private Limited ("ZMPL") and Scrabble Entertainment (Mauritius) Limited ("SEML") (together referred to as the "merging companies") with the Company ("the Scheme").
- b) Consequent to fulfilment of all the conditions relating to the Scheme including filing of certified copy of the Order with the Registrar of Companies, the Scheme is effective on February 21, 2024 with effect from the appointed date of April 1, 2023 for the amalgamation of SEL, PEPL, ZMPL and SEML with the Company.
- c) The amalgamation has been accounted using pooling of interest method as prescribed under Indian Accounting Standard ("Ind AS") 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and/ or such other applicable accounting standard prescribed under the Act. The previous year figures have been restated to give the effect of amalgamation in accordance with the scheme.
- d) In accordance with the Scheme :
 - (i) All assets and liabilities, including reserves of the Amalgamating Companies have been recorded at their respective book values as appearing in their respective books on the date immediately preceding the Appointed Date.
 - (ii) The difference in books of accounts of the Transferee Company on account of:
 - (a) Net assets taken over;
 - (b) Reserves acquired and cancellation of investments in Transferor Companies is recorded in Amalgamation Reserve account of the Transferee Company.

Notes to standalone financial statements as at and for the year ended March 31, 2024

Summary of the assets, liabilities and reserves taken over as on appointment date i.e. April 1, 2023 are mentioned below:-

| Particulars | UFO | SEL | Scrabble Mauritius | Plexigo | Zinglin | Adjustment | Total |
|---|------------------|-----------------|--------------------|-----------------|-----------------|--------------------|------------------|
| Assets | | | | | | | |
| Non-current Assets | | | | | | | |
| Property, plant and equipment | 9,238.72 | 46.70 | - | 1.03 | 5.02 | 0.00 | 9,291.47 |
| Capital work-in-progress | 1,132.96 | - | - | - | - | - | 1,132.96 |
| Right-of-use assets | 2,232.07 | 23.04 | - | - | - | - | 2,255.11 |
| Goodwill on Consolidation | 340.17 | - | - | - | - | 390.27 | 730.44 |
| Other intangible assets | 67.12 | - | - | 51.57 | - | - | 118.69 |
| Investments accounted using the equity method | 11,562.29 | 4,227.71 | 604.23 | - | - | (10,830.20) | 5,564.03 |
| Financial Assets | | | | | | | |
| (i) Loans | - | - | - | - | - | - | - |
| (ii) Other Financial Assets | 1,813.29 | 317.05 | - | - | - | (275.87) | 1,854.47 |
| Deferred tax assets (net) | 9,837.71 | 470.84 | - | - | - | 0.00 | 10,308.55 |
| Income tax assets (net) | 3,866.48 | 297.83 | - | - | - | 0.00 | 4,164.31 |
| Other non-current assets | 168.08 | - | (38.95) | - | - | 1.00 | 130.13 |
| Total Non-Current Assets (A) | 40,258.89 | 5,383.17 | 565.28 | 52.60 | 5.02 | (10,714.80) | 35,550.16 |
| Current Assets | | | | | | | |
| Inventories | 811.23 | 51.05 | - | - | - | (0.00) | 862.28 |
| Financial Assets | | | | | | | |
| (i) Investments | - | - | - | - | - | - | - |
| (ii) Trade receivables | 4,897.77 | 444.80 | 0.73 | - | - | (156.93) | 5,186.37 |
| (iii) Cash and cash equivalents | 361.03 | 91.73 | 137.86 | 1.59 | 2.96 | (0.00) | 595.17 |
| (iv) Bank balances other than cash and cash equivalents | 3,937.87 | 15.78 | - | - | - | 0.00 | 3,953.65 |
| (v) Loans receivables | 339.85 | - | - | - | - | - | 339.85 |
| (vii) Other Financial Assets | 305.14 | 125.92 | - | - | - | (83.57) | 347.49 |
| Other current assets | 1,878.26 | 381.87 | - | 39.76 | 60.69 | (0.00) | 2,360.58 |
| Total Current Assets (B) | 12,531.15 | 1,111.15 | 138.59 | 41.35 | 63.65 | (240.50) | 13,645.39 |
| Total (A+B) | 52,790.04 | 6,494.32 | 703.87 | 93.95 | 68.67 | (10,955.30) | 49,195.55 |
| Equity and liabilities | | | | | | | |
| Equity | | | | | | | |
| Equity Share Capital | 3,817.62 | 76.84 | 400.09 | 51.00 | 51.00 | (578.93) | 3,817.62 |
| Other Equity | 25,887.95 | 4,955.53 | 284.95 | (185.68) | (498.24) | (9,146.35) | 21,298.16 |
| Total Equity (C) | 29,705.57 | 5,032.37 | 685.04 | (134.68) | (447.24) | (9,725.28) | 25,115.78 |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Particulars | UFO | SEL | Scrabble Mauritius | Plexigo | Zinglin | Adjustment | Total |
|---|------------------|-----------------|--------------------|---------------|---------------|--------------------|------------------|
| Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | 2,219.58 | - | - | 225.00 | 359.91 | (584.91) | 2,219.58 |
| Lease liabilities | 1,918.17 | - | - | - | - | - | 1,918.17 |
| Other financial liabilities | 2,332.65 | 344.48 | - | - | - | (349.38) | 2,327.75 |
| Provisions | 560.65 | 16.79 | - | - | - | (0.00) | 577.44 |
| Deferred tax liabilities (net) | - | - | - | 2.78 | - | - | 2.78 |
| Other non-current liabilities | 889.35 | 0.78 | - | - | - | (1.00) | 889.13 |
| Total non-current liabilities (D) | 7,920.40 | 362.05 | - | 227.78 | 359.91 | (935.29) | 7,934.85 |
| Current liabilities | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | 5,834.30 | - | - | - | 114.00 | (114.00) | 5,834.30 |
| Lease liabilities | 450.37 | 32.64 | - | - | - | 0.00 | 483.01 |
| Trade payables | | | | | | | |
| a) Total Outstanding dues of micro enterprises and small enterprises (refer note 35) and | - | - | - | - | - | - | - |
| b) Total Outstanding dues of creditors other than micro enterprises and small enterprises | 4,676.13 | 746.91 | 18.83 | 0.85 | 17.61 | (163.32) | 5,297.01 |
| Others financial liabilities | 1,791.53 | 87.76 | - | - | 15.75 | (17.41) | 1,877.63 |
| Provisions | 371.91 | 23.88 | - | - | - | (0.00) | 395.79 |
| Other current liabilities | 2,039.83 | 208.71 | - | - | 8.64 | (0.00) | 2,257.18 |
| Total current liabilities (E) | 15,164.07 | 1,099.90 | 18.83 | 0.85 | 156.00 | (294.73) | 16,144.92 |
| Total Liabilities (D+E) = (F) | 23,084.47 | 1,461.95 | 18.83 | 228.63 | 515.91 | (1,230.02) | 24,079.77 |
| Total equity and liabilities (C+F) | 52,790.04 | 6,494.32 | 703.87 | 93.95 | 68.67 | (10,955.30) | 49,195.55 |

Note :

- All related financial captions (as applicable) of financials statements has been eliminated.
- Deficit arising as a result of the sanction of the scheme after adjustment of cost of investment shall be adjusted to Amalgamation Deficit Reserve.

45. Investments during the year
Investment by the Company
Investment in Nova Cinemaz Private Limited.

During the year ended March 31, 2024, the Company has made an investment of ₹ 300 lacs in Nova Cinemaz Private Limited, subscribing to 37,500 Non-Cumulative Optionally Convertible Redeemable Preference Shares ('NCOCRPS') of face value of ₹ 1000/- each at par to existing shareholder, this allotment has been approved by the Board of Directors of Nova Cinemaz Private Limited at its meeting held on May 18, 2023.

During the year ended March 31, 2024, the Company has made an investment of ₹ 75 lacs in Nova Cinemaz Private Limited, subscribing to 750,000 equity shares of ₹ 10 each, its wholly owned subsidiary, for its NOVA EUC business

Notes to standalone financial statements as at and for the year ended March 31, 2024

Investment in Upmarch Media Network Private Limited (Upmarch)

During the year ended March 31, 2024, the Company had incorporated 50:50 Joint Venture Company in India with Qube Cinema Technologies Private Limited ("Qube"), namely Upmarch Media Network Private Limited ("Upmarch") for undertaking Ad Sales Business. On February 01, 2024, Company terminated the joint venture agreements executed with Qube on account of certain operational issues.

Post termination of Joint venture agreement, the Board of Directors of the Company at its meeting held on February 01, 2024 had approved the acquisition of 100,000 equity shares, having a face value of ₹ 10 each (remaining 50% stake), in Upmarch Media Network Private Limited from Qube, for an aggregate consideration of ₹ 1,000,000. Consequent to the completion of the acquisition on March 22, 2024, the Company holds 100% of the issued and paid-up equity share capital of Upmarch Media and for the purpose of accounting it is treated as a wholly owned subsidiary.

46. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2024 | Restated March 31, 2023 | % change | Reason for variance |
|---------------------------------|--|---|----------------|-------------------------|----------|--|
| Current ratio | Current Assets | Current Liabilities | 1.32 | 0.86 | 54% | Improvement in liquidity position led to an improvement in this ratio. |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.20 | 0.32 | (37%) | Improvement in this ratio is on account of repayment of borrowings during the year. |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 1.07 | 0.51 | 110% | On account of higher earnings and improvement in liquidity position led to an improvement in this ratio. |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.00 | (0.02) | 121% | Improvement in this ratio is primarily due to increase in earnings and higher profit for the year . |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 0.66 | 0.67 | (1%) | Not applicable |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 1.38 | 2.03 | (32%) | Growth in revenue along with higher efficiency on realisation resulted in an improvement in this ratio. |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 0.89 | 1.14 | (22%) | Not applicable |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 7.93 | (13.40) | 159% | Improvement in this ratio is due to increase in the sales in the current year. |

Notes to standalone financial statements as at and for the year ended March 31, 2024

| Ratio | Numerator | Denominator | March 31, 2024 | Restated March 31, 2023 | % change | Reason for variance |
|----------------------------|------------------------------------|---|----------------|-------------------------|----------|---|
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 0.01 | (0.07) | 117% | Improvement in this ratio is primarily on account of increase in sales and improved profitability |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.34 | 0.12 | 190% | Improvement is primarily on account of improved profitability and repayment of Borrowings. |
| Return on Investment | Interest (Finance Income) | Investment | 0.15 | 0.37 | (60%) | This ratio has declined due to lower investment. |

47. Additional Regulatory Information

- (i) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Company do not have any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) Utilisation of borrowed funds and share premium

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

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

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

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

Notes to standalone financial statements as at and for the year ended March 31, 2024

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

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

Place : Mumbai

Date : May 23, 2024

Ashish Malushte

Chief Financial Officer

Kavita Thadeshwar

Company Secretary

Membership No.: A18651



If Undelivered, please return to

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