



## UFO Moviez India Limited

**Regd. Office:** Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East),  
Mumbai – 400093. **CIN:** L22120MH2004PLC285453

**E-mail:** [investors@ufomoviez.com](mailto:investors@ufomoviez.com); **Website:** [www.ufomoviez.com](http://www.ufomoviez.com); **Phone:** 022 4030 5060

**NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF UFO MOVIEZ INDIA LIMITED CONVENED AS PER THE ORDER DATED DECEMBER 04, 2024 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT MUMBAI**

### MEETING DETAILS:

|      |   |  |
|------|---|--|
| Day  | : | Monday   |
| Date | : | January 13, 2025   |
| Time | : | 3:00 p.m.  |
| Mode | : | Video conference ('VC') or Other Audio Visual Means ('OAVM') |

### REMOTE E-VOTING:

|   |   |   |
|---|---|---|
| Cut-off date for determining equity shareholders entitled to vote | : | Monday, January 06, 2025                          |
| Commencement of remote e-voting period                            | : | Wednesday, January 08, 2025, from 9:00 a.m. (IST) |
| End of remote e-voting period                                     | : | Sunday, January 12, 2025, from 5:00 p.m. (IST)    |

### E-VOTING DURING THE MEETING:

Members attending the Meeting through VC/ OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the Meeting.

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**The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars and Annexure 1 to Annexure 16B (page nos. 32 to 464) constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.**

**Form No. CAA 2**

**(Pursuant to Section 230(3) of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**BENCH AT MUMBAI**

**COMPANY APPLICATION NO. CA(CAA) 216/MB-I/2024**

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 - 232 read with Section 66 and Section 52 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

And

In the matter of Scheme of Arrangement amongst Scrabble Digital Limited (**'SDL' or 'Transferor Company 1'**) and UFO Software Technologies Private Limited (**'USTPL' or 'Transferor Company 2'**) and UFO Moviez India Limited (**'UFO' or 'Transferee Company'**) and their respective shareholders (**the 'Scheme'**);

**UFO Moviez India Limited**, a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (East), Mumbai – 400093

CIN: L22120MH2004PLC285453

... **Transferee Company**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF UFO MOVIEZ INDIA LIMITED**

To,  
**The Equity Shareholders**  
**UFO Moviez India Limited,**

Notice is hereby given that pursuant to an Order dated December 04, 2024 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (**'Hon'ble Tribunal' or 'NCLT'**) in Company Scheme Application CA(CAA)No.216/MB-I/2024 (**'Order'**) and in compliance with the provisions of the Companies Act, 2013 (**'Act'**) read with the applicable general circulars issued by the Ministry of Corporate Affairs, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), other applicable SEBI Circulars and the Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India (**'SS-2'**), each as amended, a meeting of the Equity Shareholders of the Transferee Company will be held on Monday, January 13, 2025 at 3:00 p.m. (IST) (**'Meeting'**) through Video-Conferencing or Other Audio-Visual Means (**'VC/OAVM'**) to consider and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement amongst Scrabble Digital Limited and UFO Software Technologies Private Limited and UFO Moviez India Limited and their respective shareholders (**'Scheme'**).



The Explanatory Statement (**'Statement'**) under Section(s) 102, 230 to 232 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Listing Regulations and applicable SEBI circulars, along with a copy of the Scheme and other Annexures to the Statement are enclosed herewith. The Notice of this Meeting, together with the documents accompanying the same, is being sent through email to Members of the Company whose e-mail addresses are registered/ available with the Company. A copy of this Notice, Statement and the Annexures are available on the website of the Company at <https://www.ufomoviez.com/investor>, and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) being the Depository appointed by the Company to provide remote e-voting/e-voting and other facilities for the Meeting, the website of the Stock Exchanges where the equity shares of the Company are listed, i.e., BSE Limited and the National Stock Exchange of India Limited viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

A copy of the Notice together with the accompanying documents can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the Registered Office of UFO Moviez India Limited at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093 during business hours. Alternatively, a written request in this regard, along with details of your shareholding in the Company, may be addressed to the Company Secretary at [investors@ufomoviez.com](mailto:investors@ufomoviez.com) and the Company will arrange to send the same to you at your registered address.

The Scheme, if approved by the requisite majority of equity shareholders of the Company as per Section 230(6) of the Act read with Regulation 37 of the SEBI Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended (**'SEBI Scheme Circular'**) and other applicable SEBI Circulars, if any, will be subject to subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions from any other regulatory or statutory authorities as may be deemed necessary.

As per the directions of the Hon'ble Tribunal, Mr. Mukesh Mittal, Retired IRS, has been appointed as the Chairperson of the Meeting including for any adjournments thereof. The Hon'ble Tribunal has also appointed Mr. Mitesh Shah, Company Secretary (FCS: 10070 CP: 12891), as Scrutinizer of the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting, in a fair and transparent manner.

Pursuant to Sections 230 to 232 of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Company, the Members are requested to consider and if thought fit to pass with or without modification, the following Resolution for approval of the Scheme with requisite majority:

***"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and such other provisions, as may be applicable, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the rules, circulars and notifications made thereunder as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India ("SEBI") as amended from time to time ("SEBI Scheme Circular"), read with the observation letter dated October 30, 2024 issued by BSE Limited and the observation letter dated October 31, 2024 issued by National Stock Exchange of India Limited and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') and / or the National Company Law Appellate Tribunal or such other forum or authority as may be vested with the appellate jurisdiction in relation to approval of the Scheme and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the proposed Scheme of Arrangement amongst Scrabble Digital Limited, UFO Software Technologies Private Limited and the Company and their respective shareholders (the 'Scheme'), be and is hereby approved.***

***RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, to settle any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, to make modifications, amendments, revisions, as may***

*be directed by the NCLT or by any governmental authorities, while sanctioning the Scheme, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme, to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc. (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme.*

**RESOLVED FURTHER THAT** the Board may delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from Shareholders of the Company.”

**Dated at this** December 09, 2024

**Place:** Delhi

**Mukesh Mittal**

Chairperson appointed for the Meeting

**Registered Office:**

**UFO Moviez India Limited**

Valuable Techno Park, Plot No.53/1, MIDC Road,

Marol, Andheri (East),

Mumbai – 400093, Maharashtra

CIN: L22120MH2004PLC285453

Website: [www.ufomoviez.com](http://www.ufomoviez.com)

Email: [investors@ufomoviez.com](mailto:investors@ufomoviez.com)

**NOTES:**

1. Pursuant to the order pronounced on December 04, 2024, in Company Application No. CA (CAA) 216/MB-I/2024, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench and in compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013 ('Act') read with the applicable general circulars issued by the Ministry of Corporate Affairs, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), other applicable SEBI Circulars and the Secretarial Standard on General Meetings as issued by The Institute of Company Secretaries of India ('SS-2'), each as amended (collectively referred as 'applicable provisions'), the meeting of the Equity Shareholders of the Company is being convened on Monday, January 13, 2025 at 3:00 pm IST ('The Meeting') through VC/ OAVM without the physical presence of the equity shareholders at a common venue. The deemed venue of the meeting shall be Registered Office of the Company.
2. The Explanatory Statement as required under Sections 230-232 and 102 of the Act read with Rule 6 of the CAA Rules is annexed to the Notice.
3. The Notice convening the Meeting has been uploaded on the website of the Company at [www.ufomoviez.com](http://www.ufomoviez.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also disseminated on the website of CDSL being the agency for providing the Remote e-Voting facility and e-voting system during the meeting i.e. [www.evotingindia.com](http://www.evotingindia.com).
4. Since the Meeting is being held 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 the Meeting.

The route map, proxy form as well as the attendance slip are therefore, not annexed to this Notice.

5. As per the directions provided in the Order of the NCLT, and in compliance with the applicable provisions, the Notice of the Meeting and the accompanying documents are being sent only through electronic mode via e-mail to those equity shareholders whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depository Participant(s) ('DP')/ Depositories. Physical copy of this Notice along with accompanying documents will be sent to those equity shareholders who request for the same.

The Notice convening the Meeting will be published through advertisement in (i) Business Standard (All India Editions) in English language and (ii) Navashakti in Marathi language (All India Editions and having wide circulation in Maharashtra i.e., the state where the Registered Office of the Company is situated)

6. The SEBI Scheme Circular, inter alia, provides that approval of Public Shareholders of the Transferee Company to the Scheme shall also be obtained by way of voting through e-voting. Since, the Transferee Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Scheme Circular. The aforesaid notice sent to the equity shareholders (which includes Public Shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Company. For this purpose, the term '**Public**' shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term '**Public Shareholders**' shall be construed accordingly. In terms of SEBI Scheme Circular, the Transferee Company has provided the facility of voting by e-voting to its Public Shareholders.
7. Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of the Scheme is more than the number of votes cast by the Public Shareholders against it.
8. The Members can join the Meeting 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. Attendance of the equity shareholders joining the Meeting through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act. Further, in terms of the Order in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by 30 (thirty) minutes and thereafter, the persons present shall be deemed to constitute the quorum.
9. In accordance with the requirements of Sections 112 and 113 of the Act read with Rule 10 of the CAA Rules, where a body corporate is a member, authorized representatives of the body corporate may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/ OAVM facility and e-voting during the Meeting provided an authority letter/power of attorney by the board of directors or a certified true copy of the resolution passed by its board of directors or other governing body of such corporate authorizing such person to attend and vote at the Meeting through VC/ OAVM as its representative, is emailed to the Scrutinizer at [scrutinizer mitesh@mishah.com](mailto:mitesh@mishah.com) and to the Company at [investors@ufomoviez.com](mailto:investors@ufomoviez.com) not later than 48 (forty eight) hours before the time scheduled for holding the Meeting.
10. As per the directions of the Hon'ble Tribunal, Mr. Mukesh Mittal, Retired IRS, has been appointed as the Chairperson of the Meeting including for any adjournments thereof.
11. The Hon'ble Tribunal has also appointed Mr. Mitesh Shah, Company Secretary (FCS: 10070 CP: 12891), as Scrutinizer of the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting, 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 on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) within two working days of the conclusion of the Meeting. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

The result shall be reported to the NCLT by the Chairperson within the time fixed by NCLT (i.e., within 30 days of conclusion of Meeting), as directed in the NCLT Order.

12. The Transferee Company has engaged the services of Central Depository Services (India) Limited ('**CDSL**') for the purpose of providing facility of voting by remote e-voting and e-voting during the Meeting so as to enable the equity shareholders, to cast their votes on the aforesaid resolution. The remote e-voting will commence from Wednesday, January 08, 2025, from 9:00 a.m. (IST) to Sunday, January 12, 2025, from 5:00 p.m. (IST) and shall be disabled for voting by CDSL thereafter.

The detailed instructions for joining the Meeting through VC /OAVM and before or during the Meeting, forms part of the notes to this Notice.

13. Members shall have the option to vote electronically ('**e-voting**') either before the Meeting ('**remote e-voting**') or during the Meeting. Members attending the Meeting through VC /OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the Meeting through e-voting for the business specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the Meeting but cannot vote again.

14. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members / list of Beneficial Owners maintained by National Securities Depository Limited ('NSDL') and CDSL (NSDL and CDSL collectively referred as 'Depositories') as on the cut-off date i.e., January 06, 2025 ('Cut-off date').
15. A person, whose name is recorded in the Register of Members / list of Beneficial Owners maintained by the Depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting during the Meeting.
16. Any person who becomes an equity shareholder of the Company after sending of the Notice and holding shares as on the Cut-off date shall also follow the procedure stated herein. A person who is not an equity shareholder as on the Cut-off date should treat this Notice for information purposes only.

#### **PROCEDURE FOR REMOTE E-VOTING, ATTENDING THE MEETING AND E-VOTING DURING THE MEETING:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

**Step 3** : Instructions for shareholders attending the Meeting through VC/OAVM & e-voting during meeting.

- (i) The voting period begins on Wednesday, January 08, 2025, from 9:00 a.m. (IST) and ends on Sunday, January 12, 2025, from 5:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, January 06, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- (iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

#### **STEP 1: ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.**

- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>                               | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> </ol>  |
|  | <ol style="list-style-type: none"> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>                               | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Alternatively, visit the the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, 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. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000                  |

**STEP 2 : ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.**

(vi) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|   | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>   |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br><i>*Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</i> |
| Dividend Bank Details<br><b>OR</b><br>Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br><i>*If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</i>                 |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant UFO Moviez India Limited on which you choose to vote.

- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xviii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@ufomoviez.com](mailto:investors@ufomoviez.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**Step 3: INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the Meeting is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the Meeting.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending a request in advance mentioning their name, demat account number/ folio number, email id, mobile number at [investors@ufomoviez.com](mailto:investors@ufomoviez.com) from Thursday, January 09, 2025 to Saturday, January 11, 2025. The shareholders who do not wish to speak during the Meeting but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors@ufomoviez.com](mailto:investors@ufomoviez.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. Only those shareholders, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Meeting.
10. If any Votes are cast by the shareholders through the e-voting available during the Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the Meeting.

If you have any queries or issues regarding attending Meeting & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH AT MUMBAI

COMPANY APPLICATION NO. CA(CAA) 216/MB-I/2024

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 - 232 read with section 66 and section 52 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

And

In the matter of Scheme of Arrangement amongst Scrabble Digital Limited ('SDL' or 'Transferor Company 1') and UFO Software Technologies Private Limited ('USTPL' or 'Transferor Company 2') and UFO Moviez India Limited ('UFO' or 'Transferee Company') and their respective shareholders (the 'Scheme');

UFO Moviez India Limited, a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai – 400093  
CIN: L22120MH2004PLC285453

... Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION(S) 102, 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ('ACT') AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('SEBI LISTING REGULATIONS') READ WITH THE SEBI SCHEME CIRCULAR, OTHER APPLICABLE CIRCULARS ISSUED BY SEBI, EACH AS AMENDED, ACCOMPANYING THE NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE COMPANY PURSUANT TO THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, DATED December 04, 2024.**

1. Pursuant to the Order passed by Hon'ble NCLT a Meeting of the Equity Shareholders of the Company is being convened for the purpose of considering, and if thought fit, approving the Scheme.

Transferor Company 1 and Transferor Company 2 are hereinafter collectively referred to as the 'Transferor Companies'. UFO and the Transferor Companies are together referred to as the 'Companies'.

This is a statement accompanying the Notice for the Meeting as required under the Act. The Meeting will be convened as per the details given below:

|      |  |
|------|--|
| Day  | Monday   |
| Date | January 13, 2025   |
| Time | 3:00 p.m.  |
| Mode | Video conference ("VC") or other audio visual means ("OAVM") |

2. A copy of the Scheme which has been, inter alia, recommended by the Audit and Risk Management Committee and approved by the Board of Directors of the Companies at their respective meetings held on June 03, 2024 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless stated otherwise.
3. The Scheme, inter alia, provides for the following:
  - a. The amalgamation of Transferor Companies into the Transferee Company, by way of a merger and the dissolution of Transferor Companies without winding up and the consequent cancellation of the equity shares held by the Transferee

Company in Transferor Companies, in accordance with this Scheme (**hereinafter referred to as 'Amalgamation'**);

- b. Utilisation of the Securities Premium Account available with the Transferee Company as on the Appointed Date after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of Amalgamation against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on Amalgamation pursuant to clause 7 of the Scheme) in the books of the Transferee Company; and
  - c. Various other matters incidental, consequential or otherwise integrally connected therewith, including combination of the authorized share capital of the Transferee Company, pursuant to provisions of Sections 230 – 232 and other applicable/ relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961 and other applicable regulatory requirements.
4. The equity shareholders of the Company would be entitled to vote by remote e-voting prior to the Meeting or by e-voting during the Meeting. The quorum of the Meeting shall be 30 (thirty) equity shareholders of the Company present through VC / OAVM.
  5. In terms of the said Order, the NCLT, has appointed has appointed, Mr. Mukesh Mittal, Retired IRS to be the Chairperson and Mr. Mitesh Shah, Company Secretary (FCS: 10070 CP: 12891), as the Scrutinizer of the Meeting.
  6. The Company, SDL and USTPL have filed the Scheme in Form No. GNL-1 with the Registrar of Companies, Mumbai.
  7. **Details as per Rule 6(3) of the CAA Rules:**
    - (a) Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Meeting.
    - (b) Details of the Companies:

1. UFO Moviez India Limited

|  |   |
|--|---|
| Date of Incorporation  | June 14, 2004   |
| Corporate Identification Number  | L22120MH2004PLC285453   |
| Permanent Account Number   | AABCV8900E  |
| Type of Company  | Public Limited Company  |
| Registered Office  | Valuable Techno Park, Plot # 53/1, Road#7 Marol MIDC, Andheri (E), Mumbai, Maharashtra, India, 400093 |
| Email Address  | <a href="mailto:investors@ufomoviez.com">investors@ufomoviez.com</a>                                  |
| Name of the stock exchange(s) where securities of the Company are listed | The equity shares of the Company are listed on BSE and NSE.   |

2. Scrabble Digital Limited

|  |  |
|--|--|
| Date of Incorporation  | February 08, 2011  |
| Corporate Identification Number  | U74999MH2011PLC213170  |
| Permanent Account Number   | AAPCS3745J   |
| Type of Company  | Public Limited Company   |
| Registered Office  | Valuable Techno Park, Plot No. 53/1, Road No.7 Marol MIDC, Andheri (E), Mumbai, Maharashtra, India, 400093 |
| Email Address  | <a href="mailto:investors@ufomoviez.com">investors@ufomoviez.com</a>                                       |
| Name of the stock exchange(s) where securities of the Company are listed | N.A.   |

3. UFO Software Technologies Private Limited

|                                 |                         |
|---------------------------------|-------------------------|
| Date of Incorporation           | September 20, 2005      |
| Corporate Identification Number | U59121MH2005PTC284653   |
| Permanent Account Number        | AAECM4455C              |
| Type of Company                 | Private Limited Company |

|  |  |
|--|--|
| Registered Office  | Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai City, Mumbai, Maharashtra, India, 400093 |
| Email Address  | <a href="mailto:investors@ufomoviez.com">investors@ufomoviez.com</a>   |
| Name of the stock exchange(s) where securities of the Company are listed | N.A.   |

**(c) Other particulars of the Company as per Rule 6(3) of the CAA Rules:**

- (i) Summary of the main objects as per the Memorandum of Association and main business carried on by the Company:

The objects for which the Company has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause III A of the Memorandum of Association are, *inter alia*, reproduced hereunder:

- i. *To own, run and act as distributor for films, serials or other media contents and act as distributor to carry out, organize, participate and conduct the business of digital cinema system using digital media including but not limited to DVD, Fibre optics, Satellite Transmission etc. and store, transmit, retrieve and reply the audio visual and all over India and abroad.*
- ii. *To carry on the business of producers, exhibitors, importers, exporters, dealers, and distributors of cinematographic films, TV documentary & advertisement films, TV programmes, serial, news based programmes, Video and feature films, talkies, (of every description) cinema slides and advertisement shorts in all their branches and to act as distributor to carry out, organize, participate and conduct the business of digital cinema system using digital media including but not limited to DVD, Fibre optics, Satellite Transmission and to store, transmit, retrieve and replay the audio visuals all over India and abroad and to do all things necessary and expedient in connection with the business, such as to erect, construct, purchase, take on lease or hire, otherwise acquire and maintain films production studio, laboratories, cinemas, picture places, halls, concert halls, theatrical companies, entertainment groups, touring talkies and other kinds of buildings necessary on or required to carry on the business of the Company and also to do such business on behalf of or in collaboration with films division, doordarshan, NFDC, Central and State Govt. Bodies, NGOs and other public and private sector companies in India and abroad.*
- iii. *To carry on the business related to Media and Communication which includes production, pre-production, post-production, exhibition, distribution and related services of all types of media content including but not limited to Films, TV Programming, News, Current Affairs, Studios and allied works, including consultancy in all these areas in India and abroad.*
- iv. *To organize and deliver multimedia and create products (including hardware, software or other types of intellectual property) that enable delivery of multimedia services, over all types of broadcast, broadband and narrowband networks.*
- v. *To produce, buy, sell, import, export, trade, manage, design, direct, distribute, provide consultancy and services or otherwise deal in any manner or otherwise associate with all kinds of media content, services & products, including but not limited to cinematograph, television, video, audio, text and all kinds of media.*
- vi. *To acquire, set up, run maintain, lease license all types of facilities or networks for distribution, redistribution of content & signal, telecast, broadcast, multicast, release, display transmission, exhibition through dealers, distributors, internet, satellite, V-Sats, Transponder or otherwise, directly or indirectly through agents, franchise, lease licenses as also using the network and equipment for communication via satellite, cable, internet or otherwise.*
- vii. *To carry on the business of buying, selling, reselling, importing, exporting, storing, developing, promoting, marketing, supplying, trading, dealing, in any manner whatsoever in all type of goods, materials, commodities and services on retail as well as on wholesale basis in India or elsewhere through internet or any other channel and all type of e-commerce business in all goods and services, merchandise, vide business to business (b2b), business to customer (b2c), customer to customer (c2c) and providing services in Payment gateways, Portals, Vortals, Internet Marketing, Electronic Publishing.*

- viii. *To carry on the business of developing, promoting, marketing, organizing and managing artists and celebrity management, national as well as international events, product brands, launches, ideas, concept designing and management for promotion of products, building of brands through all forms of advertising and promotions including but not limited to influencer marketing, in-cinema advertising, providing end-to-end social media and branded content solutions including all forms of technical, infrastructure and other support.*
- (ii) Details of change of name, registered office and objects of the Company during the last 5 (five) years:
- Change of Name: Not Applicable
  - Change of Registered Office: Not Applicable
  - Change of objects: *The consent of Members was obtained at the Annual General Meeting of the Company held on September 20, 2021 for Approval of Change of Object Clause of the Memorandum of Association of the Company. The changes were as follows:*
    - The existing Main Objects of Clause III (A) were altered by adding the following new clauses to it after the existing clauses, as under and consequently changing the object numbering as may be appropriate:
      - To carry on the business of buying, selling, reselling, importing, exporting, storing, developing, promoting, marketing, supplying, trading, dealing, in any manner whatsoever in all type of goods, materials, commodities and services on retail as well as on wholesale basis in India or elsewhere through internet or any other channel and all type of e-commerce business in all goods and services, merchandise, vide business to business (b2b), business to customer (b2c), customer to customer (c2c) and providing services in Payment gateways, Portals, Vortals, Internet Marketing, Electronic Publishing.*
      - To carry on the business of developing, promoting, marketing, organizing and managing artists and celebrity management, national as well as international events, product brands, launches, ideas, concept designing and management for promotion of products, building of brands through all forms of advertising and promotions including but not limited to influencer marketing, in-cinema advertising, providing end-to-end social media and branded content solutions including all forms of technical, infrastructure and other support.*
    - Clause III (B) of the Memorandum of Association of the Company, was renamed as 'Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are:'*
    - The existing Clause III (C) – Other objects was deleted in its entirety, to align the existing MOA of the Company with Table A of the Schedule I of the Companies Act, 2013.*
    - Reference to Companies Act, 1956 wherever appearing in the Memorandum of Association was replaced with the relevant provisions of the Companies Act, 2013.*

*The certificate of registration from MCA is dated October 26, 2021.*

(iii) Details of the capital structure of the Company including authorized, issued, subscribed and paid-up share capital:

A. The share capital structure of the Company as on June 03, 2024 is as under:

| Particulars  | Amount in INR         |
|--|-----------------------|
| <b>Authorized</b>  |                       |
| 7,39,14,500 equity shares of Rs. 10/- each               | 73,91,45,000          |
| 15,65,000 preference shares of Rs. 1,000/- each          | 1,56,50,00,000        |
| <b>Total</b>   | <b>2,30,41,45,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                    |                       |
| 3,85,81,208 equity shares of Rs. 10/- each fully paid up | 38,58,12,080          |
| <b>Total</b>   | <b>38,58,12,080</b>   |

B. The expected post-Scheme capital structure of the Company as on September 30, 2024, is as under:

| Particulars  | Amount in INR         |
|--|-----------------------|
| <b>Authorized</b>  |                       |
| 7,49,14,500 equity shares of Rs. 10/- each               | 74,91,45,000          |
| 15,65,000 preference shares of Rs. 1,000/- each          | 1,56,50,00,000        |
| <b>Total</b>   | <b>2,31,41,45,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                    |                       |
| 3,86,05,987 equity shares of Rs. 10/- each fully paid up | 38,60,59,870          |
| <b>Total</b>   | <b>38,60,59,870</b>   |

**Note:** The issued, subscribed and paid-up share capital is subject to change inter alia, basis allotment of Employee Stock Options. There will be no change in post Scheme paid up share capital of the Company on account of Scheme.

- (iv) A copy of the Consolidated and Standalone Audited Financial Statements for the financial year ended March 31, 2024 of the Company is enclosed as **Annexure 2A** and a copy of Consolidated and Standalone Unaudited Financial Results (limited reviewed) for the quarter and half year ended September 30, 2024 of the Company is enclosed as **Annexure 2B**.
- (v) Details of the promoters and directors of the Company along with their addresses:

A. The details of the promoters of the Company are as follows:

| Sr No.                | Name of Promoter / Promoter Group     | Address   |
|-----------------------|---------------------------------------|---|
| <b>Promoters</b>      |                                       |   |
| 1.                    | Mr. Sanjay Gaikwad                    | 2101-2102 Lake Superior, Ekta Supreme Building No.3, Phase V, Chandivali, Powai, Mumbai – 400076.   |
| 2.                    | Mr. Narendra Hete                     | 201-202, Ashray Building, NS Road No.5, JVPD Scheme, Vile Parle (West) Mumbai 400 056.              |
| 3.                    | Valuable Technologies Private Limited | 53/1, Media Info Tech Park, Road No.7, Nr.Akruti Trade Centre, MIDC, Andheri (East) Mumbai 400 093. |
| 4.                    | Valuable Media Private Limited        | 53/1, Media Info Tech Park, Road No.7, Nr.Akruti Trade Centre, MIDC, Andheri (East) Mumbai 400 093. |
| 5.                    | Apollo Green Energy Limited           | Office No. 303, Third Floor, DLF Courtyard, Saket, New Delhi – 110017.                              |
| <b>Promoter Group</b> |                                       |   |
| 6.                    | Mr. Ameya Hete                        | 201, Aashray, N.S. Road No.5, Near Cooper Hospital, JVPD Scheme, Vile Parle West, Mumbai- 400 056.  |
| 7.                    | Advent Fiscal Private Limited         | 53/1, Media Info Tech Park, Road No.7, Nr.Akruti Trade Centre, MIDC, Andheri (East) Mumbai 400 093. |
| 8.                    | Nifty Portfolio Services Pvt Ltd      | 53/1, Media Info Tech Park, Road No.7, Nr.Akruti Trade Centre, MIDC, Andheri (East) Mumbai 400 093. |
| 9.                    | Mr. Uday Gaikwad                      | Block No. 34, Punarvasu, Building No.10, Taarangan Complex, Thane West 400602.                      |

B. The details of the directors of the Company are as follows:

| Sr. No. | Name of the Directors      | Designation                     | Address   |
|---------|----------------------------|---------------------------------|---|
| 1.      | Mr. Kanwar Bir Singh Anand | Chairman & Independent Director | 36th Floor, 3601, Island City, Center One, G D Ambekar Marg, Dadar (E) Mumbai – 400014.                         |
| 2.      | Mr. Ameya Hete             | Non – Executive Director        | 201, Aashray, N.S. Road No.5, Near Cooper Hospital, JVPD Scheme, Vile Parle West, Mumbai- 400 056.              |
| 3.      | Mr. Anand Trivedi          | Non – Executive Director        | Mistry Manor, 7th Flr, Flat No.14, 62a Nepean Sea Road, Nr. Priyadarshini Park Mumbai – 400006.                 |
| 4.      | Mr. Gautam Trivedi         | Non – Executive Director        | 7th Floor, Mistry Manor 62-A, Nepean Sea Road, Mumbai – 400006.   |
| 5.      | Mr. Raaja Kanwar           | Non – Executive Director        | 1/30, Shanti Niketan, Near Moti Baugh, New Delhi- 110021.   |
| 6.      | Mr. Rajesh Mishra          | Executive Director & Group CEO  | 205-206 Meghdoot- A, Lokhandwala Complex, Back road, Opp. Joggers Park, Andheri west, Azad Nagar Mumbai 400053. |
| 7.      | Mr. Rajiv Batra            | Independent Director            | The Iris Apartment,3rd Floor Sr. No. 28/29A, Lane E North Main Road, Koregaon Park, Pune 411001.                |
| 8.      | Mr. Sanjay Gaikwad         | Managing Director               | Lake Superior Flat-2101-2102, Ekta Supreme Bldg No-3 Phase-5 Chandivali, Powai, Mumbai- 400076.                 |
| 9.      | Ms. Swati Mohan            | Independent Director            | Park View Bungalow, 129 Carter Road, Bandra West Mumbai 400050.   |

(vi) The date of the board meeting of the Company at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of the Company approved the Scheme at its Meeting held on June 03, 2024. Details of the manner in which the Directors of the Company voted at its meeting are as follows:

| Sr. No. | Name of the Directors      | Voted in favour/ against/ abstained |
|---------|----------------------------|-------------------------------------|
| 1.      | Mr. Kanwar Bir Singh Anand | In favour                           |
| 2.      | Mr. Ameya Hete             | Leave of Absence                    |
| 3.      | Mr. Anand Trivedi          | In favour                           |
| 4.      | Mr. Gautam Trivedi         | In favour                           |
| 5.      | Mr. Raaja Kanwar           | Leave of Absence                    |
| 6.      | Mr. Rajesh Mishra          | In favour                           |
| 7.      | Mr. Rajiv Batra            | In favour                           |
| 8.      | Mr. Sanjay Gaikwad         | In favour                           |
| 9.      | Ms. Swati Mohan            | In favour                           |

(vii) The Disclosure about the effect of the Scheme on the various stakeholders of the Company:

| Sr No. | Category of Stakeholder               | Effect of the Scheme on the stakeholders   |
|--------|---------------------------------------|--|
| 1.     | Shareholders                          | The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel of the Company is given in the report adopted by the Board of Directors of Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act which is enclosed as <b>Annexure 3A</b> to this Statement.   |
| 2.     | Promoters                             |  |
| 3.     | Non-Promoter Shareholders             |  |
| 4.     | Key Managerial Personnel (KMP)        |  |
| 5.     | Directors                             | The Scheme will have no effect on the office of the existing Directors of Transferee Company. The composition of the Board of Directors of the Transferee Company may change by appointments, retirements or resignations in accordance with the provisions of the Act, Listing Regulations, Memorandum of Association and Articles of Association of the Transferee Company.  |
| 6.     | Depositors                            | There are no depositors. Hence this is not applicable.   |
| 7.     | Creditors                             | All the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Company, by virtue of the Amalgamation, with effect from the Appointed Date as specified in the Scheme.<br><br>The assets and net-worth of the Company post-Scheme would be more than sufficient to meet the obligations and liabilities of the Company, and accordingly the present Scheme is in no manner prejudicial to the interests of the creditors of the Company. Further, no compromise is proposed with the creditors of the Company under the Scheme nor will the liability in respect of any creditor be reduced or extinguished under the Scheme. |
| 8.     | Debenture holders                     | Not applicable.  |
| 9.     | Deposit trustee and debenture trustee | Not applicable.  |
| 10.    | Employees of the Company              | There will be no adverse effect of the Scheme on the employees of the Company.   |

**(d) Other particulars of SDL as per Rule 6(3) of the CAA Rules:**

(i) Summary of the main objects as per the Memorandum of Association and main business carried on by SDL:

The objects for which SDL has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause III A of the Memorandum of Association are, inter alia, reproduced hereunder:

*To carry on business of Digital lab processing, post production of film services, digital intermediate services, export of digital content or develop or supply content for Digital Cinema in the capacity of providing film or advertisement content to be used inside or outside a cinema in any form or media and to sell, lease, rent, install and maintain any type of hardware for sound , projection and automation systems for use within a cinema, to develop, customize, sell, or lease any software which enables monitoring of movie, advertisement or logistic data within any cinema, to convert any film content from celluloid to digital.*

(ii) Details of change of name, registered office and objects of SDL during the last 5 (five) years:

i. Change of Name: Not Applicable.

- ii. Change of Registered Office: Not Applicable.
  - iii. Change of objects: Not Applicable.
- (iii) Details of the capital structure of SDL including authorized, issued, subscribed and paid-up share capital:

A. The share capital structure of SDL as on June 03,2024 is as under:

| Particulars   | Amount in INR    |
|---|------------------|
| <b>Authorized</b>                                     |                  |
| 7,50,000 equity shares of Rs. 10/- each               | 75,00,000        |
| <b>Total</b>  | <b>75,00,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                 |                  |
| 5,93,142 equity shares of Rs. 10/- each fully paid up | 59,31,420        |
| <b>Total</b>  | <b>59,31,420</b> |

- B. The expected post-Scheme capital structure of SDL – Upon the Scheme becoming effective, SDL shall stand dissolved without winding up and the equity shares of SDL shall stand cancelled without any further act or deed.
- (iv) A copy of the audited financial statements for the financial year ended March 31, 2024 of SDL is enclosed as **Annexure 2C** and a copy of audited financial statement for the half year ended September 30, 2024 of SDL is enclosed as **Annexure 2D**.
- (v) Details of the promoters and directors of SDL along with their addresses:

A. The details of the promoters of SDL are as follows:

| Sr No. | Name of Promoter         | Address  |
|--------|--------------------------|--|
| 1.     | UFO Moviez India Limited | Valuable Techno Park, Plot # 53/1, Road#7 Marol MIDC, Andheri (E), Mumbai, Maharashtra, India, 400093. |

B. The details of the directors of SDL are as follows:

| Sr No. | Name of Director       | Designation | Address   |
|--------|------------------------|-------------|---|
| 1.     | Rajesh Mishra          | Director    | 205-206 Meghdoot- A, Lokhandwala Complex, Back road, Opp. Joggers Park, Andheri west, Azad Nagar Mumbai 400053. |
| 2.     | Ashish Malushte        | Director    | B 3/2, Sukumar Society, Dayaldas Road, Near Jayshree Hotel, Vile Parle East, Mumbai 400 057.                    |
| 3.     | Sushil Agrawal         | Director    | A 701, DLH Orchid, 1st Cross Lane, Swami Samarth Nagar, Lokhandwala Complex, Andheri West, Mumbai – 400 053.    |
| 4.     | Pankaj Jaysinh Madhani | Director    | 162 B Grand Paradi A K Marg Kemp's Corner Behind Shalimar Hotel August Kranti Marg Mumbai – 400 036.            |

- (vi) The date of the board meeting of SDL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of SDL approved the Scheme at its Meeting held on June 03, 2024. Details of the manner in which the Directors of SDL voted at its meeting are as follows:

| Sr No. | Name of Director       | Voted in favour/ against/ abstained |
|--------|------------------------|-------------------------------------|
| 1.     | Rajesh Mishra          | In favour                           |
| 2.     | Ashish Malushte        | In favour                           |
| 3.     | Sushil Agrawal         | In favour                           |
| 4.     | Pankaj Jaysinh Madhani | In favour                           |



(vii) Disclosure about the effect of the Scheme on the various stakeholders of the Company:

| Sr No. | Category of Stakeholder               | Effect of the Scheme on the stakeholders   |
|--------|---------------------------------------|--|
| 1.     | Shareholders                          | The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel of the Company is given in the report adopted by the Board of Directors of SDL pursuant to the provisions of Section 232(2)(c) of the Act which is enclosed as <b>Annexure 3B</b> to this Statement.  |
| 2.     | Promoters                             |  |
| 3.     | Non-Promoter Shareholders             |  |
| 4.     | Key Managerial Personnel (KMP)        |  |
| 5.     | Directors                             | SDL shall stand dissolved pursuant to the Scheme. The Scheme does not provide for any directors of the Transferor Companies to become directors of the Company unless any such directors are existing directors of the Company.  |
| 6.     | Depositors                            | Not applicable.  |
| 7.     | Creditors                             | All the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Company, by virtue of the Amalgamation, with effect from the Appointed Date as specified in the Scheme.<br><br>The assets and net-worth of the Company post-Scheme would be more than sufficient to meet the obligations and liabilities of the Company (including that of the Transferor Companies transferred on amalgamation) and accordingly the present Scheme is in no manner prejudicial to the interests of the creditors of the Transferor Companies. Further, no compromise is proposed with the creditors of the Transferor Companies under the Scheme nor will the liability in respect of any creditor be reduced or extinguished under the Scheme. |
| 8.     | Debenture holders                     | Not applicable.  |
| 9.     | Deposit trustee and debenture trustee | Not applicable.  |
| 10.    | Employees of the Company              | Employees of SDL who are in service immediately preceding the Effective Date shall, on and from the Effective Date, become and be engaged as, and be deemed to become and be engaged as, employees of the Company, without any break or interruption in service as a result of the transfer, and the Employees' terms and conditions are on the whole, protected and not less favourable than those on which they are engaged by SDL, immediately preceding the Effective Date.  |

**(e) Other particulars of USTPL as per Rule 6(3) of the CAA Rules:**

(i) Summary of the main objects as per the Memorandum of Association and main business carried on by USTPL:

The objects for which USTPL has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause III A of the Memorandum of Association are, inter alia, reproduced hereunder:

- i. *To carry out and conduct the business of rendering all types of e-services, internet service, e-transaction, transaction processing (POS). business process outsourcing, call center operations, software development, entertainment services, stored value cards, all other types of services -for consideration, whether in electronic mode or otherwise.*
- ii. *To carry on the activities in the field of software development, software licensing, software training, office networking ,computer application, communication technology, data system, data management, system integration, networking, office automation and projects integration & maintenance, hardware & software maintenance and support, acquisition, management and operation of training centres, educational centers & institutes In the field of information technology, onshore and offshore consultancy field of information and communication technology in its wider sense.*
- iii. *To do the business of interactive games, whether in electronic mode or otherwise either directly or on behalf of other agencies on commission basis or otherwise and to provide solutions for gaming and related interactive services such as production and development of interactive gaming software, products and services and to acquire and lease equipment, including software, for use in the lottery, wagering, casino and gaming businesses.*

- iv. *To carry on the business of creating, operating an online / virtual marketplace in all its forms, including but not limited to, creating a digital platform for multi-channel hyperlocal media aggregation.*
  - v. *To carry on the business of aggregation in all its forms, including but not limited to, creating a digital platform for creative agencies, individuals, advertisers amongst others.*
  - vi. *To carry on business of Digital lab processing, post production of film services, digital intermediate services, export of digital content or develop or supply content for Digital Cinema in the capacity of providing film or advertisement content to be used inside or outside a cinema in any form or media and to sell, lease, rent, install and maintain any type of hardware for sound , projection and automation systems for use within a cinema, to develop, customize, sell, or lease any software which enables monitoring of movie, advertisement or logistic data within any cinema, to convert any film content from celluloid to digital.*
- (ii) Details of change of name, registered office and objects of USTPL during the last 5 (five) years:
- i. Change of Name: Not Applicable
  - ii. Change of Registered Office: Not Applicable
  - iii. Change of objects:
 

*The consent of Members was obtained at the Annual General Meeting of the Company held on June 30, 2023 for Approval of Change of Object Clause of the Memorandum of Association of the Company. The changes were as follows:*

    - A. *The existing Main Objects of Clause III (A) was altered by adding following sub clause 6 as part of diversification plans of the Company. after the existing clauses, as under:*
      - *To carry on business of Digital lab processing, post production of film services, digital intermediate services, export of digital content or develop or supply content for Digital Cinema in the capacity of providing film or advertisement content to be used inside or outside a cinema in any form or media and to sell, lease, rent, install and maintain any type of hardware for sound , projection and automation systems for use within a cinema, to develop, customize, sell, or lease any software which enables monitoring of movie, advertisement or logistic data within any cinema, to convert any film content from celluloid to digital.*
    - B. *Clause III (B) of the Memorandum of Association of the Company, was renamed as 'Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A)'*
    - C. *The existing clause III (C) – Other objects was deleted in its entirety, to align the existing MOA of the Company with Table A of the Schedule I of the Companies Act, 2013. Further the sub – clauses under clause III (B) were replaced to cover an expanded scope of activities to be pursued by the Company.*

The certificate of registration from MCA is dated May 18, 2024.

- (iii) Details of the capital structure of USTPL including authorized, issued, subscribed and paid-up share capital:

- A. The share capital structure of USTPL as on June 03, 2024 is as under:

| Particulars   | Amount in INR    |
|---|------------------|
| <b>Authorized</b>                                     |                  |
| 2,50,000 equity shares of Rs. 10/- each               | 25,00,000        |
| <b>Total</b>  | <b>25,00,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                 |                  |
| 2,48,219 equity shares of Rs. 10/- each fully paid up | 24,82,190        |
| <b>Total</b>  | <b>24,82,190</b> |

- B. The expected post-Scheme capital structure of USTPL - Upon the Scheme becoming effective, USTPL shall stand dissolved without winding up and the equity shares of USTPL shall stand cancelled without any further act or deed.

(iv) A copy of the Audited Financial Statements for the financial year ended March 31, 2024 of USTPL is enclosed as **Annexure 2E** and a copy of Audited Financial Statements for the half year ended September 30, 2024 of USTPL is enclosed as **Annexure 2F**.

(v) Details of the promoters and directors of USTPL along with their addresses:

A. The details of the promoters of USTPL are as follows:

| Sr No. | Name of Promoter         | Address  |
|--------|--------------------------|--|
| 1.     | UFO Moviez India Limited | Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (East), Mumbai – 400093 |

B. The details of the directors of USTPL are as follows:

| Sr No. | Name of Director | Designation | Address  |
|--------|------------------|-------------|--|
| 1.     | Rajesh Mishra    | Director    | 205-206 Meghdoot-A, Lokhandwala Complex, Back road, Opp. Joggers Park, Andheri west, Azad Nagar Mumbai 400053. |
| 2.     | Ashish Malushte  | Director    | B, 3/2 Sukumar Society, Dayaldas Road, Near Jayshree Hotel, Vile Parle East, Mumbai – 400 057.                 |
| 3.     | Sushil Agrawal   | Director    | A 701, DLH Orchid, 1st Cross Lane, Swami Samarth Nagar, Lokhandwala Complex, Andheri West, Mumbai – 400 053.   |

(vi) The date of the board meeting of USTPL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of USTPL approved the Scheme at its Meeting held on June 03, 2024. Details of the manner in which the Directors of USTPL voted at its meeting are as follows:

| Sr No. | Name of Director | Voted in favour/ against/ abstained |
|--------|------------------|-------------------------------------|
| 1.     | Rajesh Mishra    | In favour                           |
| 2.     | Ashish Malushte  | In favour                           |
| 3.     | Sushil Agrawal   | In favour                           |

(vii) Disclosure about the effect of the Scheme on the various stakeholders of the Company:

| Sr No. | Category of Stakeholder        | Effect of the Scheme on the stakeholders  |
|--------|--------------------------------|---|
| 1.     | Shareholders                   | The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel of the Company is given in the report adopted by the Board of Directors of USTPL pursuant to the provisions of Section 232(2)(c) of the Act which is enclosed as <b>Annexure 3C</b> to this Statement. |
| 2.     | Promoters                      |   |
| 3.     | Non-Promoter Shareholders      |   |
| 4.     | Key Managerial Personnel (KMP) |   |
| 5.     | Directors                      | USTPL shall stand dissolved pursuant to the Scheme. The Scheme does not provide for any directors of the Transferor Companies to become directors of the Company unless any such directors are existing directors of the Company.   |
| 6.     | Depositors                     | Not applicable.   |

| Sr No. | Category of Stakeholder               | Effect of the Scheme on the stakeholders  |
|--------|---------------------------------------|---|
| 7.     | Creditors                             | <p>All the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Company, by virtue of the Amalgamation, with effect from the Appointed Date as specified in the Scheme.</p> <p>The assets and net-worth of the Company post-Scheme would be more than sufficient to meet the obligations and liabilities of the Company (including that of the Transferor Companies transferred on amalgamation) and accordingly the present Scheme is in no manner prejudicial to the interests of the creditors of the Transferor Companies. Further, no compromise is proposed with the creditors of the Transferor Companies under the Scheme nor will the liability in respect of any creditor be reduced or extinguished under the Scheme.</p> |
| 8.     | Debenture holders                     | Not applicable.   |
| 9.     | Deposit trustee and debenture trustee | Not applicable.   |
| 10.    | Employees of the Company              | There are no employees in USTPL as on date.   |

**(f) Other details regarding the Scheme required as per Rule 6(3) of the CAA Rules:**

**i. Relationship between the Companies:**

SDL and USTPL are the wholly owned subsidiaries of UFO. Entire share capital of SDL and USTPL are held by UFO and its nominees.

**ii. Appointed Date, Effective Date for the Scheme:**

**“Appointed Date”** means April 1, 2024, or any other date as may be approved by the Appropriate Authority;

**“Effective Date”** means the last of the dates on which the conditions specified in Clause 19 of the Scheme are fulfilled with respect to a particular part of the Scheme;

References in this Scheme to the words “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date;

**iii. Consideration for the Amalgamation:**

Equity Shareholders: The entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

**iv. Non - applicability of valuation report and fairness opinion:**

a. The proposed scheme provides for:

- Amalgamation of Transferor Companies with the Transferee Company; and
- Upon effecting the amalgamation, utilisation of the Securities Premium Account of the Company against the debit balance of the Profit and Loss Account, the debit balance of the Amalgamation Deficit Reserve Account, and any debit balance of the Amalgamation Deficit Reserve Account that arises on this Amalgamation as provided in clause 15 of the Scheme.

b. The entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

c. Thus, in view of the above, valuation report and fairness opinion are not applicable.

v. **Details of capital restructuring:**

- a. As stated above, the entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.
- b. Further, the Scheme provides for utilisation of the Securities Premium Account of the Company against the debit balance of the Profit and Loss Account, the debit balance of the Amalgamation Deficit Reserve Account, and any debit balance of the Amalgamation Deficit Reserve Account that arises on this Amalgamation as provided in clause 15 of the Scheme. Proposed utilisation of Securities Premium Account of the Company does not involve the reduction of the issued, subscribed and paid-up share capital of the Company. Hence, there will be no change in post Scheme paid up share capital of the Company on account of the Scheme.

vi. **Details of debt restructuring:**

There is no debt restructuring envisaged in the Scheme.

vii. **Amount due to unsecured creditors:**

The amount due to unsecured creditors of the Company, as on September 30, 2024 is INR 44,97,86,484/-. The amount due to unsecured creditors of the Transferor Company 1, as on September 30, 2024 is INR 57,87,413/-. The amount due to unsecured creditors of the Transferor Company 2, as on September 30, 2024 is Nil.

viii. **Rationale & benefits of the Scheme:**

The Proposed Scheme would inter alia have the following benefits:

Amalgamation of Transferor Companies into Transferee Company

- a. The Transferor Companies are wholly owned subsidiaries of the Transferee Company.
- b. The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
- c. Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
- d. The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.
- e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
- f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

Utilisation of Securities Premium Account

- g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".
- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.

- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
  - j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
  - k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.
- ix. The Board Reports of the Companies are enclosed as **Annexures 3A – 3C** respectively.
- x. The pre-scheme and post-scheme shareholding patterns of the Company, SDL and USTPL as on September 30, 2024, are enclosed as **Annexure 4**.
- xi. **Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme:**
- a. In terms of Regulation 37 of the SEBI Listing Regulations read with SEBI Circular SEBI/HO/CFD/POD-2/P/ CIR/2023/93 dated June 20, 2023, BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), by their letters, dated October 30, 2024 and October 31, 2024, respectively have issued their observations on the Scheme to the Company. Copies of the said observation letters issued by BSE and NSE to the Company are enclosed as **Annexure 5** and **Annexure 6** respectively. Further, in terms of the said SEBI Circular the Company has not received any complaint relating to the Scheme and "NIL" complaint reports were filed by the Company with BSE and NSE, copies of which are enclosed as **Annexure 7** and **Annexure 8** respectively.
  - b. In addition to the approval of the Hon'ble Tribunal, the Company and / or the Transferor Companies will obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.
  - c. A copy of the Scheme has been filed by the Company and the Transferor Companies respectively with the Registrar of Companies, Mumbai.
- xii. Certificates from the Statutory Auditors of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act is included at **Annexure 9**.
- xiii. Investigation or proceedings, if any, pending against the Companies under the Act**
- a. No investigation proceedings have been instituted or are pending in relation to the Company and the Transferor Companies under Chapter XIV of the Act or under the corresponding provisions of the Companies Act, 1956.
  - b. To the knowledge of the Company and the Transferor Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Companies Act, 1956.

**xiv. Additional information**

As per comments contained in the observation letters of BSE and NSE:

- a. Information pertaining to the unlisted Companies involved in the Scheme (i.e. the Transferor Companies) in the format prescribed for abridged prospectus as specified in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 10A and 10B**.
- b. Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are enclosed as **Annexure 11**.
- c. Details of assets, liabilities, revenue and net worth of the Company, SDL and USTPL, both pre and post scheme of arrangement, along with a write up on the history of the Transferor Companies certified by Chartered Accountant (CA) is enclosed as **Annexure 12**.

d. Impact of scheme on revenue generating capacity of Company:

The Transferor Company 1 is engaged into the digital cinema business which had generated revenues of INR 13.59 crores for the year ended March 31, 2024. The Transferor Company 2 is engaged in providing software solutions and development. Pursuant to amalgamation, entire businesses of Transferor Companies along with its revenue generating capacity would be transferred to the Company. Further, as the Transferor Companies are wholly owned subsidiaries of Company, there would not be any impact on consolidated revenue generating capacity of the Company.

e. Need and rationale of the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme:

- Need and rationale of the Scheme is included in the clause (viii) above. Further, recital (C) of the Scheme explains the rationale of the amalgamation and utilisation of securities premium in a detailed manner.

- Impact of the scheme on shareholders

As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), the amalgamation of the Transferor Companies with the Company will not result in any dilution of holding of promoter shareholders or non-promoters' shareholders in the Company. The Transferor Companies are wholly owned subsidiaries of Company and therefore there would be no issue of shares by the Company in this regard. Proposed utilization of securities amount would not result in any change in current capital structure of Company. Accordingly, the Scheme would not have any adverse impact on the shareholders.

- Cost benefit analysis of the scheme.

As stated in the rationale, the benefits of the Scheme would far outweigh the cost of implementation of the Scheme.

f. Certificate issued by M/s. Jelvis Henriques & Co., Chartered Accountant certifying pre scheme and post scheme net-worth of SDL, USTPL and the Company is enclosed as **Annexure 13A to 13C**. Pre scheme and post scheme balance in the Securities Premium Account of the Company is included in **Annexure 13C**.

g. There are no arrangements or agreements between the Transferee Company and the Transferor Companies, their creditors, shareholders, promoters, and / or directors, which may have any implications on the Scheme or on the shareholders of listed Transferee Company.

h. CA certificate certifying:

- relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of Securities premium;
- built up and nature of reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account; and
- built up of the accumulated losses over the years, is enclosed as **Annexure 14**.

i. CA certificate certifying relevant sections of Companies Act, 2013, applicable Indian Accounting Standards and Accounting treatment, is enclosed as **Annexure 15**.

j. As the Scheme involves amalgamation of a wholly owned subsidiaries with its parent company and accordingly no consideration will be discharged in form of shares. Accordingly, shareholding of companies involved in the scheme would be constant at each stage.

k. CA certificate certifying share capital built-up of unlisted entity/entities i.e. the Transferor Companies is enclosed as **Annexure 16A and 16B**.

l. There are no material actions taken by or pending with any government, regulatory body or agency of a substantially like nature against all the entities involved in the Scheme for the period of the recent eight years.

m. Benefits that shall accrue to the public shareholders of the listed Transferee Company:

- As Scheme involves amalgamation of a wholly owned subsidiaries with its parent company and accordingly no consideration will be discharged. Hence, the interest of shareholders will be protected.
- The combined businesses of the amalgamated entity will be carried on more efficiently and economically pursuant to the amalgamation as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies, reduction in overheads, costs and expenses, economies of scale and reduction of compliance requirements that are currently carried out by multiple entities.
- The amalgamation will lead to reduction of multiple entities in the group and result in a more simplified corporate structure of the Transferee Company.
- The adjustment/set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company. Further, it does not involve any financial outlay and therefore, would not affect the ability or liquidity of the Transferee Company. It would also not in any way adversely affect the ordinary operations of the Transferee Company.

n. Tax/other liability/benefit arising to the entities involved in the scheme, if any:

In terms of Part 5.2 of the Scheme, the scheme has been drawn up to comply with the conditions relating to “Amalgamation” as defined under Section 2(1B) of the Income Tax Act and Amalgamation of Scrabble Digital Limited and UFO Software Technologies Private Limited into UFO Moviez India Limited shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

- o. The Company confirms that accounting treatment specified in the scheme is in compliance with the applicable Accounting Standards/Indian Accounting Standards.
- p. The Company confirms that the Scheme of Arrangement is in accordance with the applicable provisions of the Securities laws.
- q. The Company confirms that the arrangement proposed in the Scheme is yet to be executed.

**xv. Inspection of documents:**

Copies of the following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the Equity Shareholders of the Company, at the Registered Office of the Company during business hours on all working days from the date of dispatch of Notice upto the date of the Meeting.

An advance notice should be given by e-mail to the Company at [investors@ufomoviez.com](mailto:investors@ufomoviez.com), if it is desired to obtain copies of this Notice from the Registered Office of the Company. Alternatively, a request for obtaining an electronic/soft copy of this Notice may be made by writing an email to [investors@ufomoviez.com](mailto:investors@ufomoviez.com). Additionally, a copy of the Notice and Explanatory Statement will also be hosted on the website of the Company at <https://www.ufomoviez.com/investor> and will also be available on the website of BSE and NSE at <https://www.bseindia.com/> and <https://www.nseindia.com/>

1. Certified copy of the order passed by the NCLT Mumbai Bench in Company Application No. C.A. (CAA) 216/MB-I/2024 pronounced on December 04, 2024, directing the Company, to convene a Meeting;
2. Copy of the Scheme;
3. Copies of the latest audited financial statements of the Companies including consolidated financial statements, wherever applicable;
4. Certificates issued by the statutory auditors of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
5. Copy of the Audit & Risk Management Committee Report dated June 03, 2024 of the Company;
6. Copy of the resolution passed by the Board of Directors of the Company dated June 03, 2024, approving the Scheme;
7. Observation Letter dated October 30, 2024 issued by BSE to the Company;



8. Observation Letter dated October 31, 2024 issued by NSE to the Company;
9. Copy of Reports adopted by the Board of Directors of the Company, SDL and USTPL pursuant to Section 232(2) (c) of the Act; and
10. Certificate issued by Navigant Corporate Advisors Limited, SEBI Registered Merchant Banker, certifying the accuracy and adequacy of disclosures made.

**xvi. Brief background and salient features of the Scheme:**

**(a) The Scheme, inter alia, provides for the following:**

- i. The amalgamation of Transferor Companies into the Transferee Company, by way of a merger and the dissolution of Transferor Companies without winding up and the consequent cancellation of the equity shares held by the Transferee Company in Transferor Companies, in accordance with this Scheme (hereinafter referred to as 'Amalgamation');
- ii. Utilisation of the Securities Premium Account available with the Transferee Company as on the Appointed Date after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of Amalgamation against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on Amalgamation pursuant to clause 7 of the Scheme) in the books of the Transferee Company; and
- iii. Various other matters incidental, consequential or otherwise integrally connected therewith, including combination of the authorized share capital of the Transferee Company, pursuant to provisions of Sections 230 – 232 and other applicable/relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961 and other applicable regulatory requirements.

**(b) The relevant clauses of the Scheme are as under:**

- 1.3 '**Appointed Date**' means April 1, 2024, or any other date as may be approved by the Appropriate Authority;
- 1.6 '**Effective Date**' means the last of the dates on which the conditions specified in Clause 19 of the Scheme are fulfilled with respect to a particular part of the Scheme;

References in this Scheme to the words 'coming into effect of this Scheme' or 'effectiveness of this Scheme' shall mean the Effective Date;

**6 CONSIDERATION**

- 6.1 The entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Transferee Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

**15. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEE COMPANY:**

- 15.1 Immediately after Part II of the Scheme becoming effective and with effect from the Appointed Date, the balance in securities premium account available with the Transferee Company after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of amalgamation, would be utilized against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of the Transferee Company
- 15.2 This utilization of securities premium and consequential capital reduction of the Transferee Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Companies and the Transferee Company

to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and / or creditors for obtaining their approval sanctioning the reduction of the securities premium account of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 and section 52 of the Act.

**15.3 ACCOUNTING TREATMENT FOR REDUCTION OF SECURITIES PREMIUM ACCOUNT AS PER CLAUSE 15.1 AND 15.2 ABOVE:**

Debit balance in Profit and Loss Account as on Appointed Date; and debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of Transferee Company as on the Appointed Date shall be adjusted against credit balance of Securities Premium Account.

15.4 For the sake of completeness, it is clarified that the rights/ interests of the shareholders shall remain unaltered.

15.5 The Transferee Company shall not be required to add the words “and reduced” as a suffix to its name consequent upon the reduction of capital under Clause 15 of this Part III above.

15.6 The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**16 COMBINATION OF AUTHORIZED SHARE CAPITAL**

16.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, Maharashtra at Mumbai by the authorized share capital of the respective Transferor Companies and the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

Present authorized share capital of the Transferor Companies is as under:

| <b>Authorized Capital</b>               | <b>Amount in INR</b> |
|---|----------------------|
| <b>Transferor Company 1</b>             |                      |
| 7,50,000 equity shares of Rs. 10/- each | 75,00,000            |
| <b>Total</b>                            | <b>75,00,000</b>     |
| <b>Transferor Company 2</b>             |                      |
| 2,50,000 equity shares of Rs. 10/- each | 25,00,000            |
| <b>Total</b>                            | <b>25,00,000</b>     |

16.3 The consent / resolution approving the Scheme shall be deemed to be the approval of increase and reclassification in the Authorized Share Capital of the Transferee Company under Section 13, 14, 61, 64 and other applicable provisions of the Act.

16.4 Clause ‘V’ of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association:

"V. (a) Authorised Share Capital of the Company is Rs. 2,31,41,45,000/- (Rupees Two hundred thirty one crores forty-one lakhs and forty five thousand only) divided into 7,49,14,500 (Seven Crores Forty Nine Lakhs Fourteen Thousand and Five Hundred only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 15,65,000 (Fifteen lakh sixty five thousand) Preference Shares of Rs. 1,000/- (Rupees One thousand only) each."

A copy of the proposed Scheme is Annexure 1 to this Company Application. The Scheme is not prejudicial to the interests of the shareholders and creditors of the Companies.

**The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the Equity Shareholders are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.**

xvii. Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the shareholders.

xviii. The Directors and KMPs, as applicable, of the Company and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

Date: December 09, 2024

Place: Delhi

**Registered Office:**

Valuable Techno Park,  
Plot No. 53/1, Road No. 7,  
MIDC, Marol, Andheri (East),  
Mumbai – 400093  
CIN: L22120MH2004PLC285453  
Website: [www.ufomoviez.com](http://www.ufomoviez.com)  
Email: [investors@ufomoviez.com](mailto:investors@ufomoviez.com)

**Mukesh Mittal**

Chairperson appointed for the Meeting

# SCHEME OF ARRANGEMENT

AMONGST

SCRABBLE DIGITAL LIMITED

("the Transferor Company 1" or "SDL")

AND

UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

("the Transferor Company 2" or "USTPL")

AND

UFO MOVIEZ INDIA LIMITED

("the Transferee Company" or "UFO")

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER)

## (A) PREAMBLE

This Scheme is presented pursuant to the provisions of Sections 230 to 232 read with section 66 and Section 52 and other relevant provisions of the Companies Act, 2013, and Rules made thereunder, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961 as applicable for amalgamation of Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") and (together known as "Transferor Companies" with UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders, followed by reduction of securities premium of UFO and various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

## (B) DESCRIPTION OF COMPANIES

1. SDL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093. SDL is engaged in the business of providing Digital Cinema Services. SDL is a wholly owned subsidiary of the Transferee Company.
2. USTPL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai-400093. USTPL is engaged in providing software solutions and development. USTPL is a wholly owned subsidiary of the Transferee Company.
3. UFO is a listed public company whose equity shares are listed on BSE Limited and National Stock Exchange of India Limited. UFO was incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end-to-end service provider for all DCI and non-DCI related cinema solutions.

## (C) RATIONALE

The Proposed Scheme would inter alia have the following benefits:

### Amalgamation of Transferor Companies into Transferee Company

- a. The Transferor Companies are wholly owned subsidiaries of the Transferee Company.

- b. The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
- c. Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
- d. The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.
- e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
- f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

#### Utilisation of Securities Premium Account

- g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".
- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.
- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
- j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
- k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

#### **(D) OVERVIEW OF THIS SCHEME:**

This Scheme is divided into the following parts:

- **PART I** - Definitions and Share Capital;
- **PART II** – Amalgamation of the Transferor Companies with the Transferee Company;
- **PART III** – Reduction of securities premium account of Transferee Company; and
- **PART IV** – General Terms and Conditions.

### **PART I**

#### **DEFINITIONS AND SHARE CAPITAL**

##### **1 DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean Companies Act, 1956 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof;
- 1.2 **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;

- 1.3 **“Appointed Date”** means April 1, 2024, or any other date as may be approved by the Appropriate Authority;
- 1.4 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited, to Securities and Exchange Board of India (SEBI), Stock Exchanges, Registrar of Companies, Regional Director and National Company Law Tribunal (NCLT);
- 1.5 **“Board”** or **“Board of Directors”** means the Board of Directors of USTPL, SDL and / or UFO, as the context may require and include any Committee of the Board (if any) constituted for the implementation of this Scheme;
- 1.6 **“Effective Date”** means the last of the dates on which the conditions specified in Clause 19 of the Scheme are fulfilled with respect to a particular part of the Scheme;
- References in this Scheme to the words **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;
- 1.7 **“NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act;
- 1.8 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form submitted to the NCLT or any Appropriate Authority for its sanction with or without any modification(s) / amendment(s) as may be directed by the NCLT or any Appropriate Authority;
- 1.9 **“Transferee Company”** or **“UFO”** means UFO Moviez India Limited, a public company limited by shares incorporated under the provisions Indian Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. L22120MH2004PLC285453 and having its Registered Office at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai – 400093;
- 1.10 **“Transferor Company 1”** or **“SDL”** means Scrabble Digital Limited, a company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. U74999MH2011PLC213170 and having its Registered Office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093;
- 1.11 **“Transferor Company 2”** or **“USTPL”** means UFO Software Technologies Private Limited, a company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. U59121MH2005PTC284653 and having its Registered Office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai – 400093;
- 1.12 **“Transferor Companies”** means Transferor Company 1 and Transferor Company 2 collectively.

## 2 INTERPRETATION

- 2.1 In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.
- 2.2 The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.
- 2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Boards of USTPL, SDL and UFO and for the time being in force;
  - all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - all statutory instruments or orders made pursuant to a statutory provision; and
  - any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

In this Scheme, unless the context otherwise requires:

- the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
- any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

- (iii) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (v) the term “Clause” or “Sub-Clause” refers to the specified clause of this Scheme, as the case may be;
- (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- (vii) Words in the singular shall include the plural and *vice versa*.

### 3 SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of SDL as on date of Board approval to the Scheme i.e. June 03, 2024 is as under:

| Particulars   | Amount in INR    |
|---|------------------|
| <b>Authorized</b>                                     |                  |
| 7,50,000 equity shares of Rs. 10/- each               | 75,00,000        |
| <b>Total</b>  | <b>75,00,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                 |                  |
| 5,93,142 equity shares of Rs. 10/- each fully paid up | 59,31,420        |
| <b>Total</b>  | <b>59,31,420</b> |

The entire issued, subscribed and paid-up share capital of SDL is held by UFO.

3.2 The authorized, issued, subscribed and paid-up share capital of USTPL as on date of Board approval to the Scheme i.e. June 03, 2024 is as under:

| Particulars   | Amount in INR    |
|---|------------------|
| <b>Authorized</b>                                     |                  |
| 2,50,000 equity shares of Rs. 10/- each               | 25,00,000        |
| <b>Total</b>  | <b>25,00,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                 |                  |
| 2,48,219 equity shares of Rs. 10/- each fully paid up | 24,82,190        |
| <b>Total</b>  | <b>24,82,190</b> |

The entire issued, subscribed and paid-up share capital of USTPL is held by UFO.

3.3 The authorized, issued, subscribed and paid-up share capital of UFO as on date of Board approval to the Scheme i.e. June 03, 2024 is as under:

| Particulars  | Amount in INR         |
|--|-----------------------|
| <b>Authorized</b>  |                       |
| 7,39,14,500 equity shares of Rs. 10/- each               | 73,91,45,000          |
| 15,65,000 preference shares of Rs. 1,000/- each          | 1,56,50,00,000        |
| <b>Total</b>   | <b>2,30,41,45,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                    |                       |
| 3,85,81,208 equity shares of Rs. 10/- each fully paid up | 38,58,12,080          |
| <b>Total</b>   | <b>38,58,12,080</b>   |

### 4 DATE OF TAKING EFFECT AND OPERATIVE DATE

Each section of the Scheme set out herein in its present form or with any modification (s) shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

## **PART II**

### **AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY**

#### **5 AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY**

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the the entire business and whole of the undertaking(s) of the Transferor Companies (including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including investments, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, development of rights, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever) and all nature of liabilities shall, under the provisions of Sections 230 to 232 and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 5.2 The amalgamation of the Transferor Companies with the Transferee Company will combine the business, activities and operations of the Transferor Companies and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendment(s) thereto. If any term of provision of this Scheme is found or interpreted to be inconsistent with the said provisions at a current date or later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said sections of the Income-tax Act, 1961 shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax, 1961. Such modification will however not affect the other parts of the Scheme.
- 5.3 Without prejudice to the generality of Clause 5.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- a. In respect of such assets owned and belonging to the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies and shall become the property of the Transferee Company in pursuance of the provisions of Sections 230 to 232 and other applicable provisions of the Act.
  - b. In respect of movables other than those dealt with in Clause 5.3 (a) above including without any further act, instrument or deed of the Transferor Companies, the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- 5.4 Without prejudice to the generality of Clause 5.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- a. All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry creditors, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, under the provisions of Sections 230 to 232 and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Companies only



as are vested in the Transferee Company by virtue of the Scheme.

- 5.5 Transferor Companies may be entitled to various benefits under incentive schemes and policies under various laws, regulations and notifications. Pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including tax concessions (not limited to income tax, tax deducted at source, tax holiday, special economic zone related benefits, tax losses, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, goods and service tax, Minimum Alternate Tax Credit entitlement ("MAT Credit") whether recognized or not, unutilized deposits or credits, benefits under the VAT/Sales Tax Law, VAT/Sales Tax set off, benefits of any unutilized MODVAT/CENVAT/Service Tax credits, input credit balances (including SGST, CGST and IGST credits) under the Goods and Service Tax laws etc. and others) and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Transferor Companies. Further, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies whether in India or abroad shall stand transferred and vested with the Transferee Company.
- 5.6 Upon the coming into effect of this Scheme, all agreements, rights, contracts (including customer contracts), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), the benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, environmental approvals and consents, goods and service tax registrations, or other licenses and consents, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies shall stand transferred and vested with the Transferee Company.
- 5.7 Upon the coming into effect of this Scheme, all intellectual property rights, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies shall stand transferred and vested with the Transferee Company.
- 5.8 Upon the coming into effect of this Scheme, amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred and vested with the Transferee Company.
- 5.9 Upon the coming into effect of this Scheme, the right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, shall stand transferred and vested with the Transferee Company.

## **6 CONSIDERATION**

- 6.1 The entire issued, subscribed and paid-up equity share capital of the Transferor Companies is held by the Transferee Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

## **7 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY**

- 7.1 Upon the Scheme coming into effect and with effect from Appointed Date, since the Scheme involves entities which are under common control before and after the Amalgamation, the Transferee Company shall account for in its books of account in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business Combination under common control) notified under the provisions of the Act.

- 7.2 All the assets and liabilities recorded in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as appearing in the books of the Transferor Companies.
- 7.3 Inter-company balances /investment, if any, will stand cancelled.
- 7.4 All the reserves of the Transferor Companies under different heads shall become the corresponding reserves of the Transferee Company.
- 7.5 The difference, if any, between the carrying value of investment in the equity shares of the Transferor Companies in the books of the Transferee Company and the amount of equity share capital of the Transferor Companies, being deficit, arising pursuant to the Scheme shall be accounted as amalgamation deficit reserve account, based on the accounting principle prescribed under Appendix C of the Ind AS-103.

## **8 STAFF EMPLOYEES & WORKMEN**

- 8.1 Upon the coming into effect of this Scheme, all the employees of the Transferor Companies shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable.
- 8.2 The Transferee Company agrees that the service of all employees engaged in Transferor Companies immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Companies immediately prior to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Companies shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees engaged in or in Transferor Companies and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Companies.
- 8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Companies for employees, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Transferor Companies.
- 8.5 The employees of the Transferor Companies once they become the employees of the Transferee Company on the Effective Date, shall continue to stand covered under and as per the terms and conditions of the Employee Stock Option Plans of Transferee Company.
- 8.6 Employee stock options of the Transferee Company granted to the employees of the Transferor Companies shall not be prejudicially affected by reason of the Scheme.

## **9 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

- 9.1 The Transferor Companies shall carry on and be deemed to have carried on business and activities and shall stand possessed of all its assets and properties referred to above, in trust for the Transferee Company and shall account for the same to the Transferee Company. The Transferor Companies shall hold the said assets with utmost prudence until the Effective Date.
- 9.2 All profits or income arising or accruing in favour of the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, Service tax, goods and service tax, taxes withheld / paid in foreign country, value added tax credit, CENVAT credit etc.) or losses / expenses arising or incurred by the Transferor Companies shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses or expenses, as the case may be, of the Transferee Company.
- 9.3 All assets acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been acquired in trust for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

9.4 Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.

## **10 LEGAL PROCEEDINGS**

10.1 Upon the coming into effect of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Transferor Companies or anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

10.2 On and from the Effective Date, the Transferee Company shall be entitled to initiate or continue all legal proceedings in relation to the Transferor Companies vested with the Transferee Company.

## **11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

11.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto.

11.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the amalgamation occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies is a party as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings and to carry out or perform all formalities or compliances required for the purposes referred to above.

11.3 Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of the Transferor Companies shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Transferee Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Transferee Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the NCLT.

## **12 TREATMENT OF TAXES**

12.1 All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by Transferor Companies, before the Appointed Date, shall be on account of Transferor Companies, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

12.2 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate is received in the name of the Transferor Companies, it shall be deemed to have been received by and in the name of the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.

12.3 Upon the coming into effect of this Scheme, Transferor Companies and the Transferee Company are expressly permitted to revise their respective tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Companies and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of forms.

12.4 In respect of unutilized input credits of goods and service tax of Transferor Companies the same shall be transferred to the Transferee Company in accordance with the Applicable Law.

### **13 SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Companies before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

### **14 WINDING UP**

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up and its name shall be struck off from the records of the Registrar of companies.

## **PART III**

### **REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEE COMPANY**

### **15 REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEE COMPANY**

15.1 Immediately after Part II of the Scheme becoming effective and with effect from the Appointed Date, the balance in securities premium account available with the Transferee Company after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of amalgamation, would be utilized against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of the Transferee Company

15.2 This utilization of securities premium and consequential capital reduction of the Transferee Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and / or creditors for obtaining their approval sanctioning the reduction of the securities premium account of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 and section 52 of the Act.

#### **15.3 ACCOUNTING TREATMENT FOR REDUCTION OF SECURITIES PREMIUM ACCOUNT AS PER CLAUSE 15.1 AND 15.2 ABOVE:**

Debit balance in Profit and Loss Account as on Appointed Date; and debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of Transferee Company as on the Appointed Date shall be adjusted against credit balance of Securities Premium Account.

15.4 For the sake of completeness, it is clarified that the rights/ interests of the shareholders shall remain unaltered.

15.5 The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon the reduction of capital under Clause 15 of this Part III above.

15.6 The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

## **PART IV**

## GENERAL TERMS AND CONDITIONS

### 16 COMBINATION OF AUTHORIZED SHARE CAPITAL

16.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, Maharashtra at Mumbai by the authorized share capital of the respective Transferor Companies and the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

Present authorized share capital of the Transferor Companies is as under:

| Authorized Capital                      | Amount in INR    |
|---|------------------|
| <b>Transferor Company 1</b>             |                  |
| 7,50,000 equity shares of Rs. 10/- each | 75,00,000        |
| <b>Total</b>                            | <b>75,00,000</b> |
| <b>Transferor Company 2</b>             |                  |
| 2,50,000 equity shares of Rs. 10/- each | 25,00,000        |
| <b>Total</b>                            | <b>25,00,000</b> |

16.2 Consequent upon the amalgamation, the authorized share capital of the Transferee Company will be as under:

| Authorized Capital  | Amount in INR         |
|---|-----------------------|
| 7,49,14,500 Equity shares of Rs 10 each                         | 74,91,45,000          |
| 15,65,000 Preference shares of Rs. 1,000/- each                 | 1,56,50,00,000        |
| <b>Total Authorized Share Capital of the Transferee Company</b> | <b>2,31,41,45,000</b> |

16.3 The consent / resolution approving the Scheme shall be deemed to be the approval of increase and reclassification in the Authorized Share Capital of the Transferee Company under Section 13, 14, 61, 64 and other applicable provisions of the Act.

16.4 Clause 'V' of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association:

*"V. (a) Authorised Share Capital of the Company is Rs. 2,31,41,45,000/- (Rupees Two hundred thirty one crores forty-one lakhs and forty five thousand only) divided into 7,49,14,500 (Seven Crores Forty Nine Lakhs Fourteen Thousand and Five Hundred only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 15,65,000 (Fifteen lakh sixty five thousand) Preference Shares of Rs. 1,000/- (Rupees One thousand only) each."*

### 17 APPLICATION TO NCLT

17.1 The Transferor Companies and Transferee Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 read with section 66 and Section 52 of the Act and other applicable provisions of the Act.

### 18 MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 Subject to approval of the NCLT, the Transferor Companies and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to any modifications or amendments to the Scheme, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts,

deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the respective Boards without approaching the NCLT, as the case may be.

18.1 The Transferor Companies and the Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration is / are imposed by the NCLT or any other authority is unacceptable to them or otherwise if so mutually agreed.

18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Companies and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

## **19 CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

19.1 The Transferee Company having obtained no-objection/observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

19.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors (as may be required under the Act) , subject to any dispensation that may be granted by the NCLT;

19.3 The Scheme being approved by the public shareholders of Transferee Company through e-voting in terms of Part – I (A)(10)(a) of the SEBI Circular and the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme is more than the number of vote cast by the public shareholders against it.

19.4 Sanctions and order under the provisions of Section 230 to 232 read with Section 66 and Section 52 of the Act being obtained by the NCLT; and

19.5 The certified copy / copies of the order/s referred to on this Scheme being filed with the Registrar of Companies in India.

## **20 SEVERABILITY**

20.1 Each Section is independent of the other Section of the Scheme and is severable. The Scheme shall be effective upon sanction of the NCLT. However, failure of any one part or one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

## **21 EFFECT OF NON-RECEIPT OF APPROVALS**

21.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2026 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **22 COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

## 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.

| <b>Revenue Recognition on advertisement, content delivery charges and lease rental income revenue</b>  |  |
|--|--|
| <b>See Note 2.6 (h) and 21 to consolidated financial statements</b>  |  |
| <b>The key audit matter</b>  | <b>How the matter was addressed in our audit</b>   |
| <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"> <li>The Group recognizes revenue primarily from Advertisements, CDC revenue, lease rental income, distribution income, digitisation income, registration fees and sale of products.</li> <li>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.</li> <li>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.</li> <li>There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing.</li> <li>Also, revenue is one of the key performance indicators of the Group which makes it susceptible to misstatement.</li> </ul> | <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"> <li>Assessed the Group's accounting policies relating to revenue recognition by comparing them to applicable accounting standard;</li> <li>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;</li> <li>Assessed the design, implementation and operating effectiveness of Group's key internal controls over revenue recognition;</li> <li>Involved our internal IT specialists, assessed the design, implementation and operating effectiveness of Group's key internal IT controls over the scheduling and billing;</li> <li>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;</li> <li>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;</li> </ul> <p>On samples selected statistically, we</p> <ul style="list-style-type: none"> <li>gathered understanding of the process by which revenue is determined by the relevant billing system</li> <li>verified underlying records such as agreement, sales contracts, release orders, invoices, logs for advertisements and content displayed</li> <li>verified the underlying documents for the existence of the customers.</li> </ul> |
| <b>Impairment of Goodwill</b>  |  |
| <b>See Note 3.4 to consolidated financial statements</b>   |  |
| <b>The key audit matter</b>  | <b>How the matter was addressed in our audit</b>   |
| <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"> <li>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;</li> <li>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;</li> <li>reconciled input data to approved budgets and tested mathematical accuracy;</li> <li>performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes both individually or in aggregate, could impact the analysis;</li> <li>Discussed management's strategic and operational plans for the foreseeable future; and</li> <li>Assessed the appropriateness of the Group's disclosures in respect of impairment assessment of goodwill in accordance with the accounting standards</li> </ul>   |



## **Other Information**

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

Place: Mumbai  
 Date: 23 May 2024

Membership Number: 103145  
 ICAI UDIN:24103145BKFWLD3915

## 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*

Place: Mumbai

Date: 23 May 2024.

Membership Number: 103145

ICAI UDIN:24103145BKFWLD3915

## Consolidated Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars   | Notes | March 31, 2024   | March 31, 2023   |
|---|-------|------------------|------------------|
| <b>Assets</b>   |       |                  |                  |
| <b>Non-current assets</b>                               |       |                  |                  |
| 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           |
| <b>Total Non-current assets (A)</b>                     |       | <b>29,463.88</b> | <b>35,412.86</b> |
| <b>Current assets</b>                                   |       |                  |                  |
| 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         |
| <b>Total Current assets (B)</b>                         |       | <b>24,626.87</b> | <b>17,705.71</b> |
| <b>Total Assets (A+B)</b>                               |       | <b>54,090.75</b> | <b>53,118.57</b> |
| <b>Equity and liabilities</b>                           |       |                  |                  |
| <b>Equity</b>   |       |                  |                  |
| (i) Share capital                                       | 13    | 3,858.12         | 3,817.62         |
| (ii) Other equity                                       | 14    | 24,874.43        | 23,047.69        |
| <b>Total equity (C)</b>                                 |       | <b>28,732.55</b> | <b>26,865.31</b> |
| <b>Liabilities</b>                                      |       |                  |                  |
| <b>Non-current liabilities</b>                          |       |                  |                  |
| 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           |
| <b>Total non-current liabilities (D)</b>                |       | <b>10,819.46</b> | <b>8,978.58</b>  |



₹ in lacs

| Particulars   | Notes | March 31, 2024   | March 31, 2023   |
|---|-------|------------------|------------------|
| <b>Current liabilities</b>  |       |                  |                  |
| 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         |
| <b>Total current liabilities (E)</b>  |       | <b>14,538.74</b> | <b>17,274.68</b> |
| <b>Total liabilities (D+E) = (F)</b>  |       | <b>25,358.20</b> | <b>26,253.26</b> |
| <b>Total equity and liabilities (C+F)</b>   |       | <b>54,090.75</b> | <b>53,118.57</b> |
| <b>Significant accounting policies</b>  | 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 Profit and Loss for the year ended March 31, 2024

|   |       | ₹ in lacs        |                   |
|---|-------|------------------|-------------------|
| Particulars   | Notes | March 31, 2024   | March 31, 2023    |
| <b>Income</b>   |       |                  |                   |
| Revenue from operations   | 21    | 40,823.93        | 39,591.92         |
| Other income  | 22    | 183.89           | 183.40            |
| <b>Total income (I)</b>   |       | <b>41,007.82</b> | <b>39,775.32</b>  |
| <b>Expenses</b>   |       |                  |                   |
| Operating direct costs  | 23    | <b>17,653.97</b> | <b>18,826.65</b>  |
| 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          |
| <b>Total expenses (II)</b>  |       | <b>34,247.87</b> | <b>36,387.24</b>  |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b> |       | <b>6,759.95</b>  | <b>3,388.08</b>   |
| 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)          |
| <b>Profit / (Loss) before tax and share of profit from associates</b>                   |       | <b>2,005.69</b>  | <b>(2,187.81)</b> |
| Share of Profit / (Loss) from associates (net of tax)                                   |       | 407.62           | 740.60            |
| <b>Profit / (Loss) before tax and after share of profit from associates</b>             |       | <b>2,413.31</b>  | <b>(1,447.21)</b> |
| <b>Exceptional items (Note 44)</b>  |       | <b>(143.48)</b>  | <b>-</b>          |
| <b>Profit before tax</b>  |       | <b>2,269.83</b>  | <b>(1,447.21)</b> |
| <b>Tax expenses</b>   |       |                  |                   |
| Current tax for the year  | 7A    | 63.55            | 131.56            |
| Deferred tax (credit)/ Charge   | 7A    | 570.24           | (257.95)          |
| <b>Total tax expenses</b>   |       | <b>633.79</b>    | <b>(126.39)</b>   |
| <b>Profit / (Loss) for the year</b>   |       | <b>1,636.04</b>  | <b>(1,320.82)</b> |
| <b>Other Comprehensive Income</b>   |       |                  |                   |
| (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             |       | -                | -                 |
| <b>Total Comprehensive Income / (Loss) for the year, net of tax</b>                     |       | <b>1,652.35</b>  | <b>(877.12)</b>   |
| <b>Profit / (Loss) for the year attributable to</b>                                     |       |                  |                   |
| a) Owners of the Company  |       | <b>1,636.04</b>  | <b>(1,320.82)</b> |
| b) Non-controlling interests  |       | -                | -                 |
| <b>Other comprehensive income attributable to</b>                                       |       |                  |                   |
| a) Owners of the Company  |       | <b>16.31</b>     | <b>443.70</b>     |
| b) Non-controlling interests  |       | -                | -                 |
| <b>Total Comprehensive Income / (Loss) for the year attributable to</b>                 |       | <b>1,652.35</b>  | <b>(877.12)</b>   |
| a) Owners of the Company  |       | -                | -                 |
| b) Non-controlling interests  |       | -                | -                 |
| <b>Earnings per equity share (Face value of share of ₹ 10 each)</b>                     | 28    |                  |                   |
| Basic   |       | 4.26             | (3.47)            |
| Diluted   |       | 4.24             | (3.47)            |
| <b>Material accounting policies</b>   | 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

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

**of UFO Moviez India Limited**

CIN : L22120MH2004PLC285453

**Sanjay Gaikwad**

Managing Director

DIN No.: 01001173

**Rajesh Mishra**

Executive Director and Group CEO

DIN No.: 00103157

**Ashish Malushte**

Chief Financial Officer

**Kavita Thadeshwar**

Company Secretary

Membership No.: A18651

Place: Mumbai

Date: May 23, 2024

## 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             |

₹ 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             |
| <b>Closing Balance as at March 31, 2023</b>             | <b>1,566.76</b>      | <b>38,609.10</b>   | <b>274.07</b>               | <b>182.93</b> | <b>371.72</b>   | <b>(2,183.04)</b>   | <b>(15,970.25)</b> | <b>196.40</b>   | <b>-</b>                             | <b>23,047.69</b> | <b>-</b>                 | <b>23,047.69</b>   |

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    |
|---|-------|-----------------|-------------------|
| <b>Cash flow from / (used in) operating activities</b>  |       |                 |                   |
| <b>Loss before share of profit / (loss) from associates and tax</b>   |       | <b>2,005.69</b> | <b>(2,187.81)</b> |
| 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)          |
| <b>Operating Profit before working capital changes</b>  |       | <b>6,492.39</b> | <b>3,031.19</b>   |
| <b>Movements in working capital</b>   |       |                 |                   |
| 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 financial 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)          |
| <b>Cash generated from operations</b>   |       | <b>5,544.36</b> | <b>1,282.86</b>   |
| Direct taxes paid (net of refunds)  |       | 2,175.62        | (676.66)          |
| <b>Net cash flow generated from / (used in) operating activities (A)</b>  |       | <b>7,719.98</b> | <b>606.20</b>     |
| <b>Cash flows from / (used in) investing activities</b>   |       |                 |                   |
| 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        | -                 |

₹ in lacs

| Particulars  | Notes | March 31, 2024    | March 31, 2023    |
|--|-------|-------------------|-------------------|
| Interest received  |       | 363.25            | 297.82            |
| Dividends received   |       | 82.50             | 222.02            |
| <b>Net cash flow generated from (used in) investing activities (B)</b>                   |       | <b>(3,883.00)</b> | <b>1,463.82</b>   |
| <b>Cash flows from / (used in) financing activities</b>                                  |       |                   |                   |
| 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)          |
| <b>Net cash flow from / (used in) financing activities (C)</b>                           |       | <b>(4,232.88)</b> | <b>(2,211.38)</b> |
| <b>Net Increase / (decrease) in cash and cash equivalents (A + B + C)</b>                |       | <b>(395.90)</b>   | <b>(141.36)</b>   |
| <b>Increase in cash and cash equivalents on account of associate becoming subsidiary</b> |       | 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          |
| <b>Cash and cash equivalents at the end of the year</b>                                  |       | <b>2,682.91</b>   | <b>1,431.65</b>   |
| <b>Components of cash and cash equivalents</b>   |       |                   |                   |
| 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               |       |                   |                   |
| <b>Cash and cash equivalents (refer note 12 )</b>  |       | <b>2,682.91</b>   | <b>1,431.65</b>   |

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

| Particulars                          | Non-current borrowing* | Current borrowing |
|--------------------------------------|------------------------|-------------------|
| Opening balance as on 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 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 used 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<br>Improve-<br>ments | Plant and<br>Machinery<br>(refer<br>note 31<br>for assets<br>given on<br>lease) | Computer<br>Systems | Office<br>Equipment | Furniture<br>and<br>Fixtures | Electrical<br>Equipments<br>and<br>Installations | Vehicles        | Total            |
|--|--------------------------------|---|---------------------|---------------------|------------------------------|--|-----------------|------------------|
| <b>Cost as at April 1, 2022</b>  | <b>1,086.27</b>                | <b>28,937.75</b>  | <b>565.79</b>       | <b>360.17</b>       | <b>124.90</b>                | <b>38.60</b>                                     | <b>2,318.94</b> | <b>33,432.42</b> |
| 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            |
| <b>Cost as at March 31, 2023</b>   | <b>1,077.07</b>                | <b>28,955.43</b>  | <b>728.50</b>       | <b>356.98</b>       | <b>127.46</b>                | <b>38.36</b>                                     | <b>2,115.88</b> | <b>33,399.68</b> |
| "Addition on conversion of<br>associate to subsidiary<br>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            |
| <b>Cost as at March 31, 2024</b>   | <b>1,076.65</b>                | <b>29,290.25</b>  | <b>663.84</b>       | <b>365.98</b>       | <b>145.50</b>                | <b>38.36</b>                                     | <b>2,034.28</b> | <b>33,614.86</b> |
| <b>Accumulated Depreciation/<br/>Amortisation</b>                                  |                                |   |                     |                     |                              |  |                 |                  |
| <b>At April 1, 2022</b>  | <b>904.56</b>                  | <b>18,536.87</b>  | <b>446.02</b>       | <b>268.37</b>       | <b>75.99</b>                 | <b>37.93</b>                                     | <b>1,970.66</b> | <b>22,240.40</b> |
| 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)          |
| <b>At March 31, 2023</b>   | <b>969.89</b>                  | <b>19,850.93</b>  | <b>496.61</b>       | <b>264.40</b>       | <b>87.68</b>                 | <b>38.30</b>                                     | <b>1,857.99</b> | <b>23,565.80</b> |
| <b>Addition on conversion of<br/>associate to subsidiary<br/>Refer note 43 (a)</b> | 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)          |
| <b>At March 31, 2024</b>   | <b>995.05</b>                  | <b>20,426.51</b>  | <b>500.09</b>       | <b>285.47</b>       | <b>102.98</b>                | <b>38.33</b>                                     | <b>1,841.85</b> | <b>24,190.26</b> |
| <b>Net carrying amount</b>   |                                |   |                     |                     |                              |  |                 |                  |
| <b>At March 31, 2023</b>   | <b>107.18</b>                  | <b>9,104.50</b>   | <b>231.89</b>       | <b>92.58</b>        | <b>39.78</b>                 | <b>0.06</b>                                      | <b>257.89</b>   | <b>9,833.88</b>  |
| <b>At March 31, 2024</b>   | <b>81.60</b>                   | <b>8,863.74</b>   | <b>163.75</b>       | <b>80.51</b>        | <b>42.52</b>                 | <b>0.03</b>                                      | <b>192.43</b>   | <b>9,424.60</b>  |

**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

| ₹ in lacs               |                |                 |
|-------------------------|----------------|-----------------|
| Particulars             | 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          |
| <b>Closing</b>          | <b>707.33</b>  | <b>1,145.75</b> |

**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

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

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

#### 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   |                 |
|---|-----------------|
| <b>Cost as at March 31, 2022</b>                                    | <b>2,921.23</b> |
| Additions   | 2,429.08        |
| Disposals   | (119.70)        |
| <b>Cost as at March 31, 2023</b>                                    | <b>5,230.61</b> |
| Addition on conversion of associate to subsidiary Refer note 43 (a) | 30.71           |
| Additions   | 732.76          |
| Disposals   | (104.72)        |
| <b>Cost as at March 31, 2024</b>                                    | <b>5,889.36</b> |

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

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

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

### 3.4 Goodwill

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

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           |
| <b>Cost as at April 1, 2022</b>  | <b>689.17</b>     | <b>790.00</b>                                     | <b>1,479.17</b> |
| Additions                        | 2.53              | -   | 2.53            |
| Disposals                        | 4.69              | -   | 4.69            |
| <b>Cost as at March 31, 2023</b> | <b>687.01</b>     | <b>790.00</b>                                     | <b>1,477.01</b> |
| Additions                        | -                 | -   | -               |
| Disposals                        | -                 | -   | -               |
| <b>Cost as at March 31, 2024</b> | <b>687.01</b>     | <b>790.00</b>                                     | <b>1,477.01</b> |

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

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

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

₹ in lacs

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

## 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  |
| <b>Unquoted equity instruments (at cost)</b>   |                 |                 |
| 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           |
| <b>Unquoted Preference shares (at cost)</b>  |                 |                 |
| 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          |
|  | <b>1,015.97</b> | <b>2,807.67</b> |
| <b>Other disclosures:</b>  |                 | ₹ 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 |
| <b>Unsecured (Considered doubtful)</b>    |                |                |                |                |
| 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)        |
|   | <b>-</b>       | <b>-</b>       | <b>116.66</b>  | <b>59.32</b>   |
| *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 | -   | -  | -   | -  |
|                         | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>-</b>   |

### 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)        |
|  | <b>732.14</b>  | <b>1,861.50</b> | <b>471.81</b>  | <b>231.06</b>  |

## 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   |
|---|------------------|------------------|
| <b>a Deferred tax assets</b>                                |                  |                  |
| 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         |
| <b>Gross deferred tax assets</b>                            | <b>10,123.64</b> | <b>10,433.46</b> |
| <b>b Deferred tax liabilities</b>                           |                  |                  |
| Property, Plant and Equipment and Intangible Assets         | -                | 2.78             |
| Undistributed profit of foreign subsidiaries and associates | 953.50           | 720.76           |
| <b>Gross deferred tax liabilities</b>                       | <b>953.50</b>    | <b>723.54</b>    |
| <b>Net deferred tax assets</b>                              | <b>9,170.14</b>  | <b>9,709.92</b>  |

#### Movement in Deferred tax Assets and Liabilities

₹ in lacs

| Movement during the year ended<br>March 31, 2023            | As at<br>April 1, 2022 | Credit/<br>(Charge) in the<br>Statement of<br>Profit and Loss | Credit/<br>(Charge) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2023 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred tax assets / (liabilities)</b>                  |                        |   |   |                         |
| 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)                |
| <b>Total</b>  | <b>9,523.10</b>        | <b>256.14</b>   | <b>(69.32)</b>  | <b>9,709.92</b>         |

₹ in lacs

| Movement during the year ended<br>March 31, 2024                        | As at<br>April 1, 2023 | Credit/<br>(Charge) in the<br>Statement of<br>Profit and Loss | Credit/<br>(Charge) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2024 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred tax assets /(liabilities)</b>                               |                        |   |   |                         |
| 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)                |
| <b>Total</b>  | <b>9,709.92</b>        | <b>(570.24)</b>   | <b>30.45</b>  | <b>9,170.14</b>         |

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

₹ in lacs

|  | March 31, 2024 | March 31, 2023  |
|--|----------------|-----------------|
| <b>Reconciliation of tax expense and the accounting profit for the year is as under:</b> |                |                 |
| 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)        |
| <b>Impact on account of:</b>   |                |                 |
| 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)          |
| <b>Total</b>   | <b>633.79</b>  | <b>(126.39)</b> |
| <b>Tax expense as per Statement of Profit and Loss</b>                                   | <b>633.79</b>  | <b>(126.39)</b> |

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 |
| <b>Total</b>    |                         | <b>2,369.07</b> | <b>596.25</b>                |                |

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        |
|   | <b>2,494.16</b> | <b>4,375.59</b> |

### 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            |
|                       | <b>262.34</b>  | <b>206.22</b>  | <b>2,462.45</b> | <b>2,717.55</b> |

### 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            |
|                          | <b>1,224.89</b> | <b>1,265.60</b> |

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 |
|--|----------------|----------------|
| <b>Unquoted mutual funds - carried at fair value through profit and loss</b> |                |                |
| Investment in mutual funds   | 724.02         | 52.48          |
|  | <b>724.02</b>  | <b>52.48</b>   |

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)      |
| <b>Total</b>  | <b>9,614.49</b> | <b>6,604.06</b> |

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         |
| <b>Total</b>   | <b>7,994.90</b>  | <b>688.59</b>    | <b>981.79</b> | <b>311.27</b> | <b>1,912.95</b>   | <b>11,889.51</b> |
| ADD: Trade Receivables- Unbilled (Undisputed not due)                              |  |                  |               |               |                   | 230.75           |
| <b>Total Trade receivable</b>  |  |                  |               |               |                   | <b>12,120.26</b> |
| Less: Loss allowance   |  |                  |               |               |                   | (2,505.77)       |
| <b>Total Trade receivable (Net of Allowance for doubtful trade receivable)</b>     |  |                  |               |               |                   | <b>9,614.49</b>  |

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        |
| <b>Total</b>   | <b>6,019.38</b>  | <b>624.80</b>    | <b>102.46</b> | <b>114.92</b> | <b>1,999.31</b>   | <b>8,860.88</b> |
| ADD: Trade Receivables- Unbilled (Undisputed not due)                              |  |                  |               |               |                   | 275.22          |
| <b>Total Trade receivable</b>  |  |                  |               |               |                   | <b>9,136.10</b> |
| Less: Loss allowance   |  |                  |               |               |                   | (2,532.04)      |
| <b>Total Trade receivable (Net of Allowance for doubtful trade receivable)</b>     |  |                  |               |               |                   | <b>6,604.06</b> |

\*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            |
| <b>Total (A)</b>   | <b>-</b>       | <b>-</b>        | <b>2,682.91</b> | <b>1,431.65</b> |
| 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          |
| <b>Total (B)</b>   | <b>241.08</b>  | <b>1,238.07</b> | <b>6,378.47</b> | <b>4,669.94</b> |
| - 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            |
| <b>Total (C)</b>   | <b>-</b>       | <b>-</b>        | <b>951.17</b>   | <b>674.05</b>   |
| Amount disclosed under non - current financial assets (Refer note 6)             | (241.08)       | (1,238.07)      | -               | -               |
| <b>Total (B+C)</b>   | <b>-</b>       | <b>-</b>        | <b>7,329.64</b> | <b>5,343.99</b> |

#### 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   |
|--|------------------|------------------|
| <b>Authorised share capital</b>  |                  |                  |
| 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        |
|  | <b>23,041.45</b> | <b>20,955.00</b> |
| <b>Share capital</b>   |                  |                  |
| Issued, subscribed and fully paid up shares  |                  |                  |
| 3,85,81,208 (March 31, 2023: 38,176,230) equity shares of ₹10 each fully paid - up | 3,858.12         | 3,817.62         |
| <b>Total issued, subscribed and fully paid up share capital</b>                    | <b>3,858.12</b>  | <b>3,817.62</b>  |

## 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 | <b>3,85,81,208</b> | <b>3,858.12</b> | <b>3,81,76,230</b> | <b>3,817.62</b> |

### (b) Terms/ rights attached to equity shares

#### Voting Rights

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

#### 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     |
|--|--------------------|--------------------|
| <b>Reserve and Surplus</b>   |                    |                    |
| <b>Other Reserve (on purchase of Non-controlling interest stake)</b>                                   |                    |                    |
| Balance as at the beginning of year  | (2,183.04)         | (2,183.04)         |
| Add: Addition during the year  | -                  | -                  |
| <b>Balance as at the end of year</b>   | <b>(2,183.04)</b>  | <b>(2,183.04)</b>  |
| <b>Securities Premium</b>  |                    |                    |
| 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              |
| <b>Balance as at the end of year</b>   | <b>38,934.83</b>   | <b>38,609.10</b>   |
| <b>Share based payment reserves</b>  |                    |                    |
| 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)            |
| <b>Balance as at the end of year</b>   | <b>122.73</b>      | <b>274.07</b>      |
| <b>General Reserves</b>  |                    |                    |
| Balance as at the beginning of year  | 371.72             | 371.72             |
| Add : Transfer on employee stock options expired during the year                                       | -                  | -                  |
| <b>Balance as at the end of year</b>   | <b>371.72</b>      | <b>371.72</b>      |
| <b>Legal Reserve</b>   |                    |                    |
| Opening and Closing balance  | <b>182.93</b>      | <b>182.93</b>      |
| <b>Retained earnings</b>   |                    |                    |
| Balance as at the beginning of year  | (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             |
| <b>Balance as at the end of year</b>   | <b>(14,422.90)</b> | <b>(15,970.25)</b> |
| <b>Capital Reserve</b>   |                    |                    |
| Balance as at the beginning of year  | 1,566.76           | 1,566.76           |
| Add: On acquisition of additional stake in associate   | -                  | -                  |
| <b>Balance as at the end of year</b>   | <b>1,566.76</b>    | <b>1,566.76</b>    |
| <b>Foreign Currency Translation Reserve (FCTR)</b>   |                    |                    |
| 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)           |
| <b>Balance as at the end of year</b>   | <b>301.40</b>      | <b>196.40</b>      |
| <b>Total</b>   | <b>24,874.43</b>   | <b>23,047.69</b>   |

- 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  |
| <b>Term loans</b>  |                 |                 |                 |                 |
| 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        |
| <b>Sub total</b>   | <b>3,212.27</b> | <b>2,188.16</b> | <b>1,973.29</b> | <b>5,021.13</b> |
| <b>Other Loans</b>   |                 |                 |                 |                 |
| 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           |
|  | <b>20.36</b>    | <b>31.42</b>    | <b>11.06</b>    | <b>10.17</b>    |
|  | <b>3,232.63</b> | <b>2,219.58</b> | <b>1,984.35</b> | <b>5,031.30</b> |
| Less :Amount disclosed under the head "Current borrowings" (Refer note 19)                                   | -               | -               | (1,984.35)      | (5,031.30)      |
| <b>Net amount</b>  | <b>3,232.63</b> | <b>2,219.58</b> | <b>-</b>        | <b>-</b>        |

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  |
| <b>Other financial liabilities carried at amortised cost</b> |                 |                 |                 |                 |
| 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           |
|  | <b>2,195.26</b> | <b>2,319.43</b> | <b>2,020.02</b> | <b>1,947.24</b> |

\* 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 |
| <b>Provision for Employee Benefits</b>             |                 |                |                |                |
| 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         |
| <b>Others</b>                                      |                 |                |                |                |
| Provision for warranties (refer note a below)      | -               | -              | -              | 0.78           |
|  | <b>1,678.95</b> | <b>838.24</b>  | <b>181.26</b>  | <b>410.10</b>  |

#### a. Provision for warranties

A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions. The 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)         |
| <b>At the end of the year</b> | <b>-</b>       | <b>0.78</b>    |
| 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        |
| <b>Statutory dues payable</b>        |                 |                |                 |                 |
| Employee related liabilities         | -               | -              | 65.42           | 88.33           |
| Value added tax payable              | -               | -              | 72.70           | 2.63            |
| Tax deducted at source payable       | -               | -              | 262.55          | 296.95          |
|                                      | <b>1,007.00</b> | <b>889.54</b>  | <b>2,854.52</b> | <b>2,690.92</b> |

### 19. Current Borrowings

₹ in lacs

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

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        |
| <b>Total</b>  | <b>6,823.79</b> | <b>5,927.35</b> |

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   |
|-------------------------------|------------------|------------------|
| <b>Sale of Services</b>       |                  |                  |
| 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           |
| <b>(A)</b>                    | <b>31,172.63</b> | <b>29,457.24</b> |
| <b>Sales of Products</b>      |                  |                  |
| Lamps                         | 3,530.32         | 3,166.85         |
| Digital cinema equipments     | 5,289.89         | 5,783.44         |
| <b>(B)</b>                    | <b>8,820.21</b>  | <b>8,950.29</b>  |
| <b>Other Operating Income</b> |                  |                  |
| Sundry balances written back  | 506.11           | 861.70           |
| Freight income                | 324.98           | 322.69           |
| <b>(C)</b>                    | <b>831.09</b>    | <b>1,184.39</b>  |
| <b>Total A+B+C</b>            | <b>40,823.93</b> | <b>39,591.92</b> |

### 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          |
|                                | <b>183.89</b>  | <b>183.40</b>  |

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

## Notes to 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         |
| <b>(Increase) / Decrease in inventories of digital cinema equipments</b>                          |                  |                  |
| 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           |
|   | <b>35.33</b>     | <b>(60.51)</b>   |
| <b>(Increase) / Decrease in inventories of lamps</b>  |                  |                  |
| 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           |
|   | <b>349.24</b>    | <b>(89.61)</b>   |
| <b>Content Cost</b>   |                  |                  |
| 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)           |
|   | <b>10.15</b>     | <b>5.87</b>      |
| <b>Consumables and spares</b>   |                  |                  |
| 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)         |
|   | <b>359.06</b>    | <b>467.32</b>    |
|   | <b>17,653.97</b> | <b>18,826.65</b> |

### 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          |
|   | <b>9,231.50</b> | <b>9,843.83</b> |

## 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            |
|   | <b>7,362.40</b> | <b>7,716.77</b> |

#### 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 lacs |                        |
|-----|--|-----------|------------------------|
|     |  | 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                  |
| ii) | On purposes other than (i) above                     | 2.36      | -                      |

|     |  | ₹ in lacs |                        |
|-----|--|-----------|------------------------|
|     |  | 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                 |
| ii) | On purposes other than (i) above                     | 43.98     | -                      |

|     |  | ₹ in lacs      |                |
|-----|--|----------------|----------------|
|     |  | 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)

|                 |                             | ₹ in lacs                                   |                              |                               |                 |                             |
|-----------------|-----------------------------|---|------------------------------|-------------------------------|-----------------|-----------------------------|
| Opening Balance |                             | Amount required to be spent during the year | Amount spent during the year |                               | Closing Balance |                             |
| With Group      | In Separate CSR Unspent A/c |   | From Company's bank A/c      | From Separate CSR Unspent A/c | With Group      | In Separate CSR Unspent A/c |
| 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

|  |  | ₹ in lacs       |                 |
|--|--|-----------------|-----------------|
|  |  | 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          |
|  |  | <b>1,270.69</b> | <b>1,113.03</b> |

## 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          |
|                                    | <b>795.46</b>  | <b>489.66</b>  |

\* 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     |
|---|--------------------|--------------------|
| <b>Basic</b>  |                    |                    |
| 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        |
| <b>Earning per share (₹) (Face value of ₹ 10 each)</b>              | <b>4.26</b>        | <b>(3.47)</b>      |
| <b>Diluted</b>  |                    |                    |
| 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)  | <b>3,85,59,233</b> | <b>3,83,88,268</b> |
| <b>Earning per share (₹) (Face value of ₹ 10 each)</b>              | <b>4.24</b>        | <b>(3.47)</b>      |

### 29. Gratuity and other post-employment benefit plans

#### a) Defined Contribution plan

The Group has recognised and included in Note no 24 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

₹ in lacs

|   | 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 |
|--|----------------------------|---------------------------|----------------------|
| <b>Gratuity cost charged to Statement of Profit and Loss</b>               |                            |                           |                      |
| <b>As at April 1, 2023</b>   | <b>1,489.20</b>            | <b>677.83</b>             | <b>811.37</b>        |
| 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)              |
| <b>Recognised in Statement of profit and loss</b>                          | <b>519.71</b>              | <b>43.85</b>              | <b>475.86</b>        |
| 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               |
| <b>Adjustment on account of associate to subsidiary</b>                    | <b>18.21</b>               |                           | <b>18.21</b>         |
| Contribution by employer   | -                          | 13.09                     | (13.09)              |
| <b>As at March 31, 2024</b>  | <b>1,942.60</b>            | <b>542.42</b>             | <b>1,400.19</b>      |

### 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 |
|--|----------------------------|---------------------------|----------------------|
| <b>Gratuity cost charged to Statement of Profit and Loss</b>               |                            |                           |                      |
| <b>As at April 1, 2022</b>   | <b>1,610.73</b>            | <b>608.05</b>             | <b>1,002.68</b>      |
| Service Cost   | 130.38                     | -                         | 130.38               |
| Net Interest cost  | 92.66                      | -                         | 92.66                |
| Investment Income  | -                          | 37.19                     | (37.19)              |
| <b>Recognised in Statement of profit and loss</b>                          | <b>223.04</b>              | <b>37.19</b>              | <b>185.85</b>        |
| 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                         |                            |                           |                      |
| <b>Recognised in Other comprehensive Income</b>                   | <b>(284.01)</b>            | <b>(3.17)</b>             | <b>(280.85)</b>      |
| Contribution by employer  | -                          | 92.59                     | (92.59)              |
| <b>As at March 31, 2023</b>                                       | <b>1,489.20</b>            | <b>677.83</b>             | <b>811.37</b>        |

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 |
|---|----------------|----------------|
| <b>Gratuity</b>   |                |                |
| 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 |
|---|----------------|----------------|
| <b>Expected future cash flows (valued on undiscounted basis):</b> |                |                |
| 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:**

- 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.
- 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 (₹) |
| <b>Outstanding at the beginning of the year*(refer note above)</b> | <b>716,379</b>    | <b>50.00</b>                        | <b>782,816</b>    | <b>50.00</b>                        |
| 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      | -                 | -                                   | -                 | -                                   |
| <b>Outstanding at the end of the year</b>                          | <b>2,76,901</b>   | <b>50.00</b>                        | <b>716,379</b>    | <b>50.00</b>                        |
| <b>Exercisable at the end of the year</b>                          | <b>2,76,901</b>   | <b>50.00</b>                        | <b>716,379</b>    | <b>50.00</b>                        |
| 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         |
|   | <b>435.97</b>  | <b>439.78</b>  |

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

₹ in lacs

| Particulars   | March 31, 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                                 | -               | -              |
|   | <b>3,494.50</b> | <b>642.16</b>  |

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

₹ in lacs

| Particulars   | March 31, 2024  | March 31, 2023  |
|---|-----------------|-----------------|
| <b>Balance at the beginning</b>                                 |                 |                 |
| 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)        |
| <b>Balance at the end</b>                                       | <b>2,426.92</b> | <b>2,453.02</b> |

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        |
|                               | <b>2,426.92</b> | <b>2,453.02</b> |

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            |
|   | <b>3,026.44</b> | <b>3,103.33</b> |

## 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 |
|---------------------------------------|----------------|----------------|
| <b>Revenue by Geographical Market</b> |                |                |
| - 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 |
|----------|---|----------------|----------------|
|          | <b>Nature of transaction/Name of the Parties</b>  |                |                |
| <b>1</b> | <b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b> |                |                |
| <b>A</b> | <b>Expenses reimbursed</b>  |                |                |
|          | i) 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>B</b> | <b>Technical and professional services (expense)</b>    |                |                |
|          | i) Deco Works LLP                                       | -              | 6.61           |
| <b>C</b> | <b>Direct Expenses (Licensee fees)</b>                  |                |                |
|          | i) Impact Media Exchange Limited                        | 36.00          | 36.00          |
| <b>D</b> | <b>Licensee fee- Club X (income)</b>                    |                |                |
|          | i) Valuable Media Private Limited                       | 3.85           | 2.56           |
| <b>E</b> | <b>Rent paid (expense)</b>                              |                |                |
|          | i) Media Infotek Park                                   | 562.68         | 624.99         |
| <b>F</b> | <b>Rent income (Miscellaneous receipts)</b>             |                |                |
|          | i) Valuable Media Private Limited                       | 0.33           | 0.66           |
| <b>G</b> | <b>Advertisement revenue Censor</b>                     |                |                |
|          | i) Jeevangani Films                                     | -              | 0.05           |
|          | ii) IPSAA Holding Private Limited                       | -              | 2.95           |
| <b>H</b> | <b>Purchase of product</b>                              |                |                |
|          | i) The Simple Brew                                      | -              | 1.70           |
| <b>I</b> | <b>Sales of Spare (Income)</b>                          |                |                |
|          | i) Valuable Media Private Limited                       | 49.27          | 56.08          |
| <b>J</b> | <b>X86 Media Artists Private Limited</b>                |                |                |
|          | i) Invested   | 10.00          | -              |
|          | ii) Disinvested   | (10.00)        | -              |
| <b>2</b> | <b>Associate Enterprises</b>                            |                |                |
| <b>A</b> | <b>Sale of goods</b>                                    |                |                |
|          | i) Scrabble Digital Services DMCC                       | 53.39          | -              |
|          | ii) Scrabble Audio Visual Equipment Trading LLC         | 80.90          | 510.63         |
| <b>B</b> | <b>Content Income</b>                                   |                |                |
|          | i) Mukta V N Films Limited                              | 17.58          | 82.53          |
| <b>C</b> | <b>Content provisioning income</b>                      |                |                |
|          | i) Mumbai Movie Studios Private Limited                 | 1.23           | 14.16          |
| <b>E</b> | <b>Management Service Fees (Miscellaneous receipts)</b> |                |                |
|          | i) Mumbai Movie Studios Private Limited                 | -              | 307.67         |
| <b>F</b> | <b>Dividend received</b>                                |                |                |
|          | i) Scrabble Digital DMCC                                | -              | 223.28         |
| <b>J</b> | <b>Unsecured loan given</b>                             |                |                |
|          | i) Cinestaan Digital Private Limited                    | -              | 285.00         |
|          | ii) Scrabble Digital Services DMCC, Dubai               | -              | 59.32          |
| <b>K</b> | <b>Interest income on loans</b>                         |                |                |
|          | i) Cinestaan Digital Private Limited                    | -              | 19.17          |
| <b>L</b> | <b>Unsecured loan repayment received</b>                |                |                |
|          | 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 |
|----------|--|----------------|----------------|
| <b>M</b> | <b>Service Income</b>  |                |                |
|          | i) Mumbai Movies Studio Private Limited                                  | -              | 4.84           |
| <b>3</b> | <b>Key Managerial Personnel and their relatives</b>                      |                |                |
| <b>A</b> | <b>Short Term benefits to key managerial personnel- Remuneration</b>     |                |                |
|          | 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>B</b> | <b>Directors sitting fee and remuneration (please refer (c) below)</b>   |                |                |
|          | 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          |
| <b>C</b> | <b>Sale of Motor Car</b>   |                |                |
|          | 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 |
|----------|--|----------------|----------------|
| <b>1</b> | <b>Enterprises owned or significantly influenced by Key Management Personnel and their relatives</b> |                |                |
| <b>A</b> | <b>Trade Receivables</b>   |                |                |
|          | i) Valuable Media Private Limited  | 9.75           | 1.14           |
|          | ii) Valuable Infotainment Private Limited  | 0.27           | 0.27           |
|          | iii) Valuable Edutainment Private Limited  | -              | 2.50           |
| <b>B</b> | <b>Deposit receivable</b>  |                |                |
|          | i) Media Infotek Park  | 359.66         | 359.66         |
| <b>C</b> | <b>Deposit payable</b>   |                |                |
|          | i) Valuable Media Private Limited  | 0.06           | 0.12           |
|          | ii) Valuable Infotainment Private Limited  | 0.06           | 0.06           |
|          | iii) Valuable Edutainment Private Limited  | -              | 0.64           |
| <b>D</b> | <b>Trade Payable</b>   |                |                |
|          | i) Impact Media Exchange Limited   | 3.24           | 12.48          |

## 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                            | -              | -              |
| <b>2</b> | <b>Associate enterprise</b>                                  |                |                |
| <b>A</b> | <b>Amount receivable</b>                                     |                |                |
|          | i) Mukta V N Films Limited                                   | 21.71          | 18.01          |
|          | ii) Mumbai Movie Studios Private Limited                     | 0.03           | -              |
| <b>B</b> | <b>Amount payable</b>  |                |                |
|          | i) Mumbai Movie Studios Private Limited                      | -              | 0.66           |
|          | ii) Scrabble Digital DMCC                                    |                |                |
| <b>C</b> | <b>Corporate Guarantee given on borrowing (Refer note a)</b> | -              | 1.33           |
|          | i) Mukta V N Films Limited                                   | 200.00         | 200.00         |
| <b>D</b> | <b>Unsecured loan</b>  |                |                |
|          | i) Scrabble Digital Services DMCC, Dubai                     | -              | 59.32          |
| <b>3</b> | <b>Key managerial personnel</b>                              |                |                |
| <b>A</b> | <b>Payable to Independent and Non executive directors</b>    |                |                |
|          | 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>B</b> | <b>i) Mr. Sanjay Gaikwad</b>                                 | 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           |
| <b>C</b> | <b>Leave benefit payable</b>                                 |                |                |
|          | 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         |
|  | <b>912.29</b>  | <b>558.70</b>  |

### 35. Contingent liabilities

₹ in lacs

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

- 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 |
|--|----------------|--------|-------|-----------------------|------------------|
| <b>Financial Assets</b>                            |                |        |       |                       |                  |
| 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           |
| <b>Total</b>                                       |                |        |       | <b>22,570.98</b>      | <b>22,570.98</b> |
| <b>Financial Liabilities</b>                       |                |        |       |                       |                  |
| 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         |
| <b>Total</b>                                       |                |        |       | <b>18,682.97</b>      | <b>18,682.97</b> |

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 |
|--|----------------|-------|-------|-----------------------|------------------|
| <b>Financial Assets</b>                            |                |       |       |                       |                  |
| 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           |
| <b>Total</b>                                       |                |       |       | <b>18,332.41</b>      | <b>18,332.41</b> |
| <b>Financial Liabilities</b>                       |                |       |       |                       |                  |
| 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         |
| <b>Total</b>                                       |                |       |       | <b>20,700.92</b>      | <b>20,700.92</b> |

## 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  |
| <b>Financial Assets at Fair Value through Profit or Loss</b> |                |               |                      |               |          |
| Investment in mutual funds                                   | 724.02         | 724.02        | -                    | 724.02        | -        |
| <b>Total</b>   | <b>724.02</b>  | <b>724.02</b> | <b>-</b>             | <b>724.02</b> | <b>-</b> |

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  |
| <b>Financial Assets at Fair Value through Profit or Loss</b> |                |              |                      |              |          |
| Investment in mutual funds                                   | 52.48          | 52.48        | -                    | 52.48        | -        |
| <b>Total</b>   | <b>52.48</b>   | <b>52.48</b> | <b>-</b>             | <b>52.48</b> | <b>-</b> |

The management assessed that cash and bank balances, trade receivables, loans (current) trade payables, borrowings (cash credits and working capital loans) and other financial assets and liabilities (current) approximate their carrying amounts largely due to the short term maturities of these financial instruments.

The management assessed that fair value of non-current loan, long-term borrowing and non-current liabilities approximate their carrying amount since they are carried at amortised cost in these financial statements.

During the reporting 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 |
|--|----------------|----------------|
| <b>Trade Receivable</b>                          | 52.15          | 47.46          |
| In USD (in lacs)                                 | 0.63           | 0.58           |
| <b>Trade Payable</b>                             | -              | 6.22           |
| In USD (in lacs)                                 | -              | 0.08           |
| <b>Advance to supplier</b>                       | 62.23          | 9.11           |
| In USD (in lacs)                                 | 0.75           | 0.11           |
| <b>Advance from Customer</b>                     | 14.00          | 13.80          |
| In USD (in lacs)                                 | 0.17           | 0.17           |
| <b>Payable for property, plant and equipment</b> | 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:

| ₹ in lacs  |                  |                  |
|--|------------------|------------------|
| Particulars  | 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           |
| <b>Total</b>                                       | <b>21,671.67</b> | <b>15,584.06</b> |

Trade receivables and contract assets are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the 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   |
| <b>At March 31, 2024</b>                            |                    |                      |              |                  |                  |
| 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                                       |                    | -                    | -            | -                | -                |
| <b>Total</b>  |                    |                      |              | <b>18,682.97</b> | <b>18,682.97</b> |
| <b>At March 31, 2023</b>                            |                    |                      |              |                  |                  |
| 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         |
| <b>Total</b>  |                    |                      |              | <b>20,700.92</b> | <b>20,700.92</b> |

### 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      |
| <b>Gearing Ratio</b>                        | <b>18.16%</b>  | <b>26.99%</b>  |

## 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 |
|---|----------------|----------------|
| <b>Unbilled Receivables</b>   |                |                |
| 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         |
| <b>Closing balance March 31, 2024</b>   | <b>230.75</b>  | <b>275.23</b>  |

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

₹ in lacs

| Particulars  | March 31, 2024  | March 31, 2023  |
|--|-----------------|-----------------|
| <b>Contract Liabilities (Advance or deferred income)</b>   |                 |                 |
| <b>Opening balance</b>   | <b>1,523.67</b> | <b>769.94</b>   |
| 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        |
| <b>Closing balance</b>   | <b>1,660.26</b> | <b>1,523.67</b> |

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           |
| <b>Contracted price with the customers</b>   | <b>40,916.04</b> | <b>40,385.70</b> |
| 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       |
| <b>A. UFO Moviez India Limited</b>                              | 89.63%   | 25,753.88        | 24.55%                              | 401.65          | -541.29%                             | (88.27)        | 18.97%                              | 313.38          |
| <b>B. Subsidiaries and step down subsidiaries</b>               |  |                  |                                     |                 |                                      |                |                                     |                 |
| <b>I. Indian</b>  |  |                  |                                     |                 |                                      |                |                                     |                 |
| (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)          |
| <b>II. Foreign</b>  |  | -                |                                     | -               |                                      | -              |                                     | -               |
| (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)         |
| <b>C. Non Controlling Interest in all subsidiaries</b>          | 0.00%  | -                | 0.00%                               | -               | 0.00%                                | -              | 0.00%                               | -               |
| <b>D. Associates (Investment as per equity method)</b>          |  |                  |                                     |                 |                                      | -              |                                     |                 |
| <b>I. Indian</b>  |  |                  |                                     |                 |                                      | -              |                                     |                 |
| (i) Mukta V N Films Limited                                     | 0.00%  | -                | 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)         |
| <b>II. Foreign</b>  |  |                  |                                     |                 |                                      |                |                                     |                 |
| (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           |
| <b>Total</b>  | <b>100.00%</b>   | <b>28,732.55</b> | <b>100.00%</b>                      | <b>1,636.04</b> | <b>100.00%</b>                       | <b>16.31</b>   | <b>100.00%</b>                      | <b>1,652.35</b> |

## 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      |
| <b>A. UFO Moviez India Limited</b>                     | 110.57%  | 29,706.00      | 227.81%                             | (3,009.00)     | 42.24%                               | 187.41         | 321.69%                             | (2,821.59)     |
| <b>B. Subsidiaries and step down subsidiaries</b>      |  |                |                                     |                |                                      |                |                                     |                |
| <b>I. Indian</b>                                       |  |                |                                     |                |                                      |                |                                     |                |
| (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         |
| <b>II. Foreign</b>                                     |  | -              |                                     | -              |                                      | -              |                                     | -              |
| (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)        |
| <b>C. Non Controlling Interest in all subsidiaries</b> | 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       |
| <b>D. Associates (Investment as per equity method)</b>         |  |                  |                                     |                   |                                      | -              |                                     |                 |
| <b>I. Indian</b>   |  |                  |                                     |                   |                                      | -              |                                     |                 |
| (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)          |
| <b>II. Foreign</b>   |  |                  |                                     |                   |                                      |                |                                     |                 |
| (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)      |
| <b>Total</b>   | <b>100.00%</b>   | <b>26,865.31</b> | <b>100.00%</b>                      | <b>(1,320.82)</b> | <b>100.00%</b>                       | <b>443.70</b>  | <b>100.00%</b>                      | <b>(877.12)</b> |

**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               | Sri Lanka |
| 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**

|     | 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"> <li>The Company recognizes revenue primarily from Advertisements, CDC revenue, lease rental income, distribution income, digitisation income, registration fees and sale of products.</li> <li>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</li> </ul> | <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"> <li>Assessed the Company's accounting policies relating to revenue recognition by comparing them to applicable accounting standard;</li> <li>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;</li> <li>Assessed the design, implementation and operating effectiveness of Company's key internal controls over revenue recognition;</li> <li>Involved our internal IT specialists, assessed the design, implementation and operating effectiveness of Company's key internal IT controls over the scheduling and billing;</li> <li>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;</li> </ul> |

| 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"> <li>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.</li> <li>There is presumption of fraud risk with regard to revenue recognition as per the Standards on Auditing.</li> <li>Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement.</li> </ul> | <ul style="list-style-type: none"> <li>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;</li> <li>On samples selected statistically, we</li> <li>gathered understanding of the process by which revenue is determined by the relevant billing system</li> <li>verified underlying records such as agreement, sales contracts, release orders, invoices, logs for advertisements and content displayed</li> <li>verified the underlying documents for the existence of the customers</li> </ul> |

| 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"> <li>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;</li> <li>assessed the recoverable amount based on the valuation carried out by the Company using discounted cash flow model. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements;</li> <li>reconciled input data to approved budgets and tested mathematical accuracy;</li> <li>performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in the aggregate, could impact the analysis;</li> <li>obtain clearance from internal expert on the valuation, where applicable; and discussed management's strategic and operational plans for the foreseeable future.</li> </ul> |

#### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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 an 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:

| 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:24103145BKFWLC9784

**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

**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 23 May 2024

Membership No.: 103145

ICAI UDIN:24103145BKFWLC9784

## Standalone Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars   | Note | March 31, 2024   | Restated<br>March 31, 2023 |
|---|------|------------------|----------------------------|
| <b>Assets</b>   |      |                  |                            |
| <b>Non-current Assets</b>                               |      |                  |                            |
| 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                     |
| <b>Total Non-current Assets (A)</b>                     |      | <b>31,067.66</b> | <b>35,546.63</b>           |
| <b>Current Assets</b>                                   |      |                  |                            |
| 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                   |
| <b>Total Current Assets (B)</b>                         |      | <b>16,608.58</b> | <b>13,647.17</b>           |
| <b>Total Assets (A+B)</b>                               |      | <b>47,676.24</b> | <b>49,193.80</b>           |
| <b>Equity And Liabilities</b>                           |      |                  |                            |
| <b>Equity</b>   |      |                  |                            |
| (i) Share capital                                       | 14   | 3,858.12         | 3,817.62                   |
| (ii) Other equity                                       | 15   | 21,788.52        | 21,298.93                  |
| <b>Total Equity (C)</b>                                 |      | <b>25,646.64</b> | <b>25,116.55</b>           |

## Standalone Balance Sheet as at March 31, 2024

₹ in lacs

| Particulars   | Note | March 31, 2024   | Restated<br>March 31, 2023 |
|---|------|------------------|----------------------------|
| <b>Liabilities</b>  |      |                  |                            |
| 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                     |
| <b>Total Non-current Liabilities (D)</b>  |      | <b>9,468.76</b>  | <b>8,212.22</b>            |
| <b>Current Liabilities</b>  |      |                  |                            |
| 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                   |
| <b>Total Current Liabilities (E)</b>  |      | <b>12,560.84</b> | <b>15,865.03</b>           |
| <b>Total Liabilities (D+E)</b>  |      | <b>22,029.60</b> | <b>24,077.25</b>           |
| <b>Total Equity And Liabilities (C+D+E)</b>   |      | <b>47,676.24</b> | <b>49,193.80</b>           |
| <b>Material accounting policies</b>   | 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 profit and loss for the year ended March 31, 2024

| ₹ in lacs   |      |                  |                            |
|---|------|------------------|----------------------------|
| Particulars   | Note | March 31, 2024   | Restated<br>March 31, 2023 |
| <b>Income</b>   |      |                  |                            |
| Revenue from operations   | 22   | 32,090.71        | 29,727.27                  |
| Other income  | 23   | 200.81           | 141.59                     |
| <b>Total Income (I)</b>   |      | <b>32,291.52</b> | <b>29,868.86</b>           |
| <b>Expenses</b>   |      |                  |                            |
| <b>Operating direct cost</b>  | 24   | <b>12,253.01</b> | <b>12,883.18</b>           |
| 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                   |
| <b>Total Expenses (II)</b>  |      | <b>27,206.19</b> | <b>28,835.14</b>           |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b> |      | <b>5,085.33</b>  | <b>1,033.72</b>            |
| 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)                 |
| <b>Profit / (loss) before tax</b>   |      | <b>736.01</b>    | <b>(2,665.50)</b>          |
| <b>Tax Expense:</b>   |      |                  |                            |
| - Current tax   | 7    | -                | 36.52                      |
| - Deferred tax credit   | 7    | 332.54           | (509.58)                   |
| <b>Total Tax Expense</b>  |      | <b>332.54</b>    | <b>(473.06)</b>            |
| <b>Profit / (loss) for the year</b>   |      | <b>403.47</b>    | <b>(2,192.44)</b>          |
| <b>Other Comprehensive Income</b>   |      |                  |                            |
| 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           |      |                  |                            |
| <b>Total Comprehensive profit / (loss) for the year</b>                                 |      | <b>315.20</b>    | <b>(1,994.10)</b>          |
| <b>Earnings per equity share (Face value of share of ₹ 10 each)</b>                     |      |                  |                            |
| (1) Basic   | 29   | 1.05             | (5.76)                     |
| (2) Diluted   | 29   | 1.05             | (5.76)                     |
| <b>Material accounting policies</b>   | 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

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

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

### Sanjay Gaikwad

Managing Director

DIN No.: 01001173

### Rajesh Mishra

Executive Director and Group CEO

DIN No.: 00103157

### Ashish Malushte

Chief Financial Officer

### Kavita Thadeshwar

Company Secretary

Membership No.: A18651

Place : Mumbai

Date : May 23, 2024

# 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) | General reserve | Amalgamation Deficit | Retained earnings |              |
|  |                                       |                 | Outstanding                   |                 |                      |                   |              |
| 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

### Rajesh Mehra

Partner

Membership No: 103145

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

of UFO Moviez India Limited

CIN : L22120MH2004PLC285453

### Sanjay Gaikwad

Managing Director

DIN No.: 01001173

### Rajesh Mishra

Executive Director and Group CEO

DIN No.: 00103157

### Ashish Malushte

Chief Financial Officer

### Kavita Thadeshwar

Company Secretary

Membership No.: A18651

Place : Mumbai

Date : May 23, 2024

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

| ₹ in lacs  |                   |                            |
|--|-------------------|----------------------------|
| Particulars  | March 31, 2024    | Restated<br>March 31, 2023 |
| <b>Cash flow from operating activities</b>   |                   |                            |
| Profit / (loss) before tax   | 736.01            | (2,665.50)                 |
| <b>Adjustments to reconcile loss before tax to net cash flows</b>  |                   |                            |
| 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                     |
| <b>Operating (loss) before working capital changes</b>   | <b>5,369.46</b>   | <b>1,887.64</b>            |
| <b>Movement in working capital :</b>   |                   |                            |
| 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)                   |
| <b>Cash generated / (used) in operations</b>   | <b>5,245.04</b>   | <b>775.58</b>              |
| Net direct taxes refund / (paid)   | 2,257.12          | (546.21)                   |
| <b>Net cash flow generated / (used) in operating activities (A)</b>  | <b>7,502.16</b>   | <b>229.37</b>              |
| <b>Cash flow from / (used in) investing activities</b>   |                   |                            |
| Purchase of property, plant and equipment, including intangible, capital work in progress and capital advances | (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                     |
| <b>Net cash flow from / (used in) investing activities (B)</b>   | <b>(3,221.24)</b> | <b>1,829.53</b>            |

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

| ₹ in lacs   |                   |                            |
|---|-------------------|----------------------------|
| Particulars   | March 31, 2024    | Restated<br>March 31, 2023 |
| <b>Cash flow from / (used in) financing activities</b>                    |                   |                            |
| 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)                     |
| <b>Net cash flow from financing activities (C)</b>                        | <b>(4,224.09)</b> | <b>(2,145.67)</b>          |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b> | <b>56.83</b>      | <b>(86.77)</b>             |
| 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                      |
| <b>Cash and cash equivalents at the end of the year</b>                   | <b>651.99</b>     | <b>595.16</b>              |
| <b>Components of cash and cash equivalents</b>                            |                   |                            |
| Cash on hand  | 0.97              | 1.64                       |
| Balance with banks:   |                   |                            |
| - in current accounts   | 651.02            | 593.52                     |
| <b>Cash and cash equivalents (refer note 13)</b>                          | <b>651.99</b>     | <b>595.16</b>              |

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

| Particulars                                 | Non-current borrowings* | Current borrowings |
|---|-------------------------|--------------------|
| <b>Opening balance as at April 1, 2023</b>  | 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                     | -                       | -                  |
| <b>Closing balance as at March 31, 2024</b> | <b>5,216.98</b>         | <b>-</b>           |

\* Includes current maturities of non-current borrowing.

### Notes:

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

Place : Mumbai

Date : May 23, 2024

**Ashish Malushte**

Chief Financial Officer

**Kavita Thadeshwar**

Company Secretary

Membership No.: A18651

## Notes to standalone financial statements as at and for the year ended March 31, 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            |
|--|------------------------|---|------------------|------------------|------------------------|---|-----------------|------------------|
| <b>Cost</b>                                  |                        |   |                  |                  |                        |   |                 |                  |
| <b>As at April 1, 2022</b>                   | <b>855.59</b>          | <b>28,228.67</b>  | <b>480.86</b>    | <b>324.03</b>    | <b>107.45</b>          | <b>38.60</b>                            | <b>2,086.49</b> | <b>32,121.69</b> |
| 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         |
| <b>Restated at March 31, 2023</b>            | <b>845.48</b>          | <b>28,151.51</b>  | <b>596.57</b>    | <b>316.69</b>    | <b>109.46</b>          | <b>38.36</b>                            | <b>1,878.08</b> | <b>31,936.15</b> |
| 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         |
| <b>At March 31, 2024</b>                     | <b>842.48</b>          | <b>28,359.92</b>  | <b>563.42</b>    | <b>323.81</b>    | <b>114.04</b>          | <b>38.36</b>                            | <b>1,795.32</b> | <b>32,037.35</b> |
| <b>Accumulated Depreciation/Amortisation</b> |                        |   |                  |                  |                        |   |                 |                  |
| <b>As at April 1, 2022</b>                   | <b>758.78</b>          | <b>18,263.66</b>  | <b>401.36</b>    | <b>245.80</b>    | <b>66.46</b>           | <b>37.93</b>                            | <b>1,768.12</b> | <b>21,542.11</b> |
| 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         |
| <b>Restated at March 31, 2023</b>            | <b>788.54</b>          | <b>19,409.85</b>  | <b>457.71</b>    | <b>237.15</b>    | <b>75.67</b>           | <b>38.30</b>                            | <b>1,637.57</b> | <b>22,644.79</b> |
| 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         |
| <b>At March 31, 2024</b>                     | <b>818.16</b>          | <b>19,868.93</b>  | <b>462.29</b>    | <b>253.25</b>    | <b>88.14</b>           | <b>38.32</b>                            | <b>1,627.04</b> | <b>23,156.13</b> |
| <b>Net Block</b>                             |                        |   |                  |                  |                        |   |                 |                  |
| <b>Restated at March 31, 2023</b>            | <b>56.94</b>           | <b>8,741.66</b>   | <b>138.86</b>    | <b>79.54</b>     | <b>33.79</b>           | <b>0.06</b>                             | <b>240.51</b>   | <b>9,291.36</b>  |
| <b>At March 31, 2024</b>                     | <b>24.32</b>           | <b>8,490.99</b>   | <b>101.13</b>    | <b>70.56</b>     | <b>25.90</b>           | <b>0.04</b>                             | <b>168.28</b>   | <b>8,881.22</b>  |

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 |
|-------------------------|----------------|-------------------------|
| <b>Opening</b>          | 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                  |
| <b>Closing</b>          | <b>656.07</b>  | <b>1,132.96</b>         |

#### 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

| <b>CWIP</b>                    | <b>Less than 1 year</b> | <b>1-2 years</b> | <b>2-3 years</b> | <b>More than 3 years</b> | <b>Total</b> |
|--------------------------------|-------------------------|------------------|------------------|--------------------------|--------------|
| Projects in progress           | 1,043.87                | 34.31            | -                | 54.78                    | 1,132.96     |
| Projects temporarily suspended | -                       | -                | -                | -                        | -            |

### 3.2 Right of Use Assets

₹ in lacs

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

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

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

### 3.4 Intangible Assets

₹ in lacs

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

\* 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                 |
| <b>Total</b>   | <b>99.63</b>          |

- 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)
- 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<br>March 31, 2023 |
|---|-----------------|----------------------------|
| <b>Unquoted equity instruments (at cost)</b>  |                 |                            |
| <b>Investment in subsidiaries</b>   |                 |                            |
| 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                       |
| <b>Investment in Associates</b>   |                 |                            |
| 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                      |
| <b>Unquoted Preference shares (at cost)</b>   |                 |                            |
| <b>Investment in subsidiaries</b>   |                 |                            |
| 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          | -                          |
| <b>Total</b>  | <b>5,400.43</b> | <b>5,564.85</b>            |
| 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<br>March 31, 2023 | March 31, 2024 | Restated<br>March 31, 2023 |
| Loans to related party (refer note 43) |                |                            | 339.85         | 339.85                     |
| <b><u>Unsecured - Doubtful</u></b>     |                |                            |                |                            |
| Loans to related party (refer note 43) |                |                            | 689.58         | 689.58                     |
| Less : Allowance for doubtful balances |                |                            | (689.58)       | (689.58)                   |
|  |                |                            | <b>339.85</b>  | <b>339.85</b>              |

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<br>March 31, 2023 | March 31, 2024 | Restated<br>March 31, 2023 |
| <b><u>Unsecured - Considered good</u></b>                                |                |                            |                |                            |
| 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                   |                |                            |
| <b><u>Unsecured - Doubtful</u></b>                                       |                |                            |                |                            |
| Interest accrued on loan to related parties (refer note 33)              |                |                            | 268.42         | 268.42                     |
| Less : Allowance for doubtful balances                                   |                |                            | (268.42)       | (268.42)                   |
|  | <b>725.09</b>  | <b>1,852.82</b>            | <b>586.66</b>  | <b>349.48</b>              |

## 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<br>March 31, 2023 |
|---|------------------|----------------------------|
| <b>A) Deferred tax asset</b>  |                  |                            |
| 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                     |
| <b>Total deferred tax assets</b>  | <b>10,005.10</b> | <b>10,308.57</b>           |
| <b>B) Deferred tax liabilities</b>  |                  |                            |
| Fair value of investment  | (2.16)           | -                          |
| Liability arising on account of timing difference:  | -                | (2.78)                     |
| <b>Total deferred tax liabilities</b>   | <b>(2.16)</b>    | <b>(2.78)</b>              |
| <b>Deferred taxes assets (net)</b>  | <b>10,002.94</b> | <b>10,305.79</b>           |

₹ in lacs

| Movement during the year ended<br>March 31, 2024  | Restated<br>March 31, 2023 | Credit/<br>(Charge) in the<br>statement of<br>Profit and Loss | Credit/(Charge)<br>in Other<br>Comprehensive<br>Income | As at<br>March 31, 2024 |
|---|----------------------------|---|--|-------------------------|
| Deferred tax assets /(liabilities)  |                            |   |  |                         |
| Property, Plant and Equipment and Intangible Assets   | 3,280.54                   | (111.08)  | -  | 3,169.46                |
| 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                  |
| <b>Total</b>  | <b>10,305.79</b>           | <b>(332.54)</b>   | <b>29.69</b>   | <b>10,002.94</b>        |

## 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<br>March 31, 2023  | As at<br>March 31, 2022 | Credit/<br>(Charge) in the<br>statement of<br>Profit and Loss | Credit/(Charge)<br>in Other<br>Comprehensive<br>Income | Restated<br>March 31, 2023 |
|---|-------------------------|---|--|----------------------------|
| <b>Deferred tax assets /(liabilities)</b>   |                         |   |  |                            |
| Property, Plant and Equipment and Intangible Assets   | 3,293.00                | (12.46)   | -  | 3,280.54                   |
| 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                     |
| <b>Total</b>  | <b>9,862.92</b>         | <b>509.58</b>   | <b>(66.71)</b>   | <b>10,305.79</b>           |

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

₹ in lacs

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

₹ in lacs

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

## 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<br>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)                   |
| <b>Impact on account of:</b>   |                |                            |
| 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                       |
| <b>Tax expense as per Statement of profit and loss</b>                     | <b>332.54</b>  | <b>(473.06)</b>            |

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<br>March 31, 2023 |
|---|-----------------|----------------------------|
| Income tax assets (net of provision for income tax ₹ 21,168.08 lacs<br>(March 31, 2023 : ₹ 21,168.08 lacs)) | 2,224.75        | 4,125.43                   |
|   | <b>2,224.75</b> | <b>4,125.43</b>            |

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

₹ in lacs

|   | Non-current    |                            | Current         |                            |
|---|----------------|----------------------------|-----------------|----------------------------|
|   | March 31, 2024 | Restated<br>March 31, 2023 | March 31, 2024  | Restated<br>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                   |
|   | <b>189.74</b>  | <b>169.17</b>              | <b>2,147.95</b> | <b>2,360.56</b>            |

## 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<br>March 31, 2023 |
|---------------------------------|----------------|----------------------------|
| Traded goods (Lamps) and spares | 144.48         | 240.84                     |
| Consumables                     | 641.69         | 620.48                     |
| Content cost                    | 8.78           | 0.96                       |
|                                 | <b>794.95</b>  | <b>862.28</b>              |

### 11. Current investments

₹ in lacs

|   | March 31, 2024 | Restated<br>March 31, 2023 |
|---|----------------|----------------------------|
| <b>Carried at FVTPL</b>                                       |                |                            |
| <b>Unquoted mutual funds</b>                                  |                |                            |
| Investment in mutual funds                                    | 708.54         | -                          |
|   | <b>708.54</b>  | -                          |
| <b>Aggregate amount of unquoted investments</b>               | <b>708.54</b>  | -                          |
| <b>NAV of unquoted investments</b>                            | <b>708.54</b>  | -                          |
| <b>Aggregate amount of impairment in value of investments</b> | -              | -                          |

Aggregate market value of investment in unquoted mutual funds units held by company based on NAV declared on the balance sheet date by mutual fund is ₹ 708.54 lacs (March 31, 2023 : ₹ Nil)

### 12. Trade receivables

₹ in lacs

|  | March 31, 2024  | Restated<br>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)                 |
| <b>Net trade receivable Total</b>                                | <b>6,422.73</b> | <b>5,186.20</b>            |

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        |
| <b>Total</b>   | <b>5,946.97</b>  | <b>391.26</b>   | <b>348.06</b> | <b>92.72</b> | <b>1,431.21</b>   | <b>8,210.22</b> |
| Add : Trade receivables - Unbilled   |  |                 |               |              |                   | 230.75          |
| <b>Trade receivables</b>   |  |                 |               |              |                   | <b>8,440.97</b> |
| Less : Allowance for doubtful trade receivable                                     |  |                 |               |              |                   | (2,018.24)      |
| <b>Trade receivables (Net of allowance for doubtful trade receivable)</b>          |  |                 |               |              |                   | <b>6,422.73</b> |

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        |
| <b>Total</b>   | <b>4,682.90</b>  | <b>582.92</b>   | <b>105.54</b> | <b>93.48</b> | <b>1,640.32</b>   | <b>7,105.16</b> |
| Add : Trade receivables - Unbilled   |  |                 |               |              |                   | 225.08          |
| <b>Trade receivables</b>   |  |                 |               |              |                   | <b>7,330.24</b> |
| Less : Allowance for doubtful trade receivable                                     |  |                 |               |              |                   | (2,144.04)      |
| <b>Trade receivables (Net of allowance for doubtful trade receivable)</b>          |  |                 |               |              |                   | <b>5,186.20</b> |

\* 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<br>March 31, 2023 | March 31, 2024  | Restated<br>March 31, 2023 |
| <b>Cash and cash equivalents</b>                                       |                |                            |                 |                            |
| Balances with banks :  |                |                            |                 |                            |
| – In current accounts  |                |                            | 651.02          | 593.52                     |
| Cash on hand   |                |                            | 0.97            | 1.64                       |
|  |                |                            | <b>651.99</b>   | <b>595.16</b>              |
| <b>Other bank balances</b>   |                |                            |                 |                            |
| – 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                     |
|  | <b>216.60</b>  | <b>835.07</b>              | <b>4,004.74</b> | <b>3,279.59</b>            |
| – 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                       |
|  | <b>241.08</b>  | <b>1,238.07</b>            | <b>4,955.91</b> | <b>3,953.64</b>            |
| Amount disclosed under non-current financial assets (refer note 6)     | (241.08)       | (1,238.07)                 |                 |                            |
|  | <b>-</b>       | <b>-</b>                   | <b>5,607.90</b> | <b>4,548.80</b>            |

#### 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<br>March 31, 2023 |
|---|------------------|----------------------------|
| <b>Authorised share capital</b>   |                  |                            |
| 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                  |
|   | <b>23,041.45</b> | <b>23,041.45</b>           |
| <b>Share capital</b>  |                  |                            |
| <b>Issued, subscribed and fully paid up shares</b>                                |                  |                            |
| 38,581,208 (March 31, 2023 : 38,176,230) equity shares of ₹ 10 each fully paid-up | 3,858.12         | 3,817.62                   |
| <b>Total issued, subscribed and fully paid up share capital</b>                   | <b>3,858.12</b>  | <b>3,817.62</b>            |



## 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           |
| <b>Outstanding at the end of the year</b> | <b>38,581,208</b> | <b>3,858.12</b> | <b>38,176,230</b>       | <b>3,817.62</b> |

### (b) Terms/rights attached to equity shares

#### Voting rights

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

#### 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 |
|--|--------------------|-------------------------|
| <b>Securities premium</b>  |                    |                         |
| 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                   |
| <b>Balance as at end of the year</b>   | <b>38,856.58</b>   | <b>38,530.85</b>        |
| <b>Capital reserve</b>   |                    |                         |
| Balance as at beginning of the year  | 2,265.66           | 2,265.66                |
| <b>Closing balance</b>   | <b>2,265.66</b>    | <b>2,265.66</b>         |
| <b>General reserve</b>   |                    |                         |
| Balance as at beginning of the year  | 371.72             | 371.72                  |
| Add : Transferred on employee stock options expired during the year              | -                  | -                       |
| <b>Closing balance</b>   | <b>371.72</b>      | <b>371.72</b>           |
| <b>Amalgamation Deficit Reserve</b>  | <b>(6,746.49)</b>  | <b>(6,746.49)</b>       |
| <b>Employee stock options outstanding</b>  |                    |                         |
| 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)                 |
| <b>Closing balance</b>   | <b>122.74</b>      | <b>274.08</b>           |
| <b>Surplus in the statement of profit and loss</b>                               |                    |                         |
| Balance as at beginning of the year  | (13,396.89)        | (11,402.79)             |
| Profit / (loss) for the year   | 315.20             | (1,994.10)              |
| <b>Closing balance</b>   | <b>(13,081.69)</b> | <b>(13,396.89)</b>      |
| <b>Total other equity</b>  | <b>21,788.52</b>   | <b>21,298.93</b>        |

## 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<br>March 31, 2023 | March 31, 2024  | Restated<br>March 31, 2023 |
| <b>Term loans (valued at amortised cost)</b>   |                 |                            |                 |                            |
| 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          | -                          |
| <b>Sub Total</b>   | <b>3,212.27</b> | <b>2,188.16</b>            | <b>1,973.29</b> | <b>5,021.13</b>            |
| <b>Other Loans</b>   |                 |                            |                 |                            |
| 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                      |
|  | <b>20.36</b>    | <b>31.42</b>               | <b>11.06</b>    | <b>10.17</b>               |
| Amount disclosed under "Other financial liabilities" (refer note 20)   | -               | -                          | (1,984.35)      | (5,031.30)                 |
| <b>Net amount</b>  | <b>3,232.63</b> | <b>2,219.58</b>            | <b>-</b>        | <b>-</b>                   |

## 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<br>March 31, 2023 | March 31, 2024  | Restated<br>March 31, 2023 |
| <b>Financial liabilities at amortised cost</b>         |                 |                            |                 |                            |
| 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                     |
| <b>Other payables</b>                                  |                 |                            |                 |                            |
| Payables for purchase of property, plant and equipment |                 |                            | 190.40          | 319.21                     |
| Salary and reimbursement payable                       |                 |                            | 797.94          | 691.96                     |
|  | <b>2,203.68</b> | <b>2,326.09</b>            | <b>1,978.82</b> | <b>1,879.29</b>            |

- (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<br>March 31, 2023 | March 31, 2024 | Restated<br>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                     |
|  | <b>1,365.00</b> | <b>859.25</b>              | <b>172.50</b>  | <b>113.20</b>              |

## 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<br>March 31, 2023 | March 31, 2024  | Restated<br>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                     |
|  | <b>1,007.40</b> | <b>889.13</b>              | <b>2,210.06</b> | <b>2,257.28</b>            |

\* 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          |
|                        |  | <b>319.97</b> | <b>368.45</b> |

### 20. Borrowings (Secured)

₹ in lacs

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

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<br>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                   |
|   | <b>5,574.35</b> | <b>5,297.95</b>            |

\* 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 | -                | -             | -             | -                 | -               |
| <b>Total</b>                | <b>3,796.36</b>  | <b>941.86</b> | <b>463.76</b> | <b>372.37</b>     | <b>5,574.35</b> |

**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 | -                | -             | -             | -                 | -               |
| <b>Total</b>                | <b>3,971.38</b>  | <b>784.85</b> | <b>430.08</b> | <b>111.64</b>     | <b>5,297.95</b> |

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

### 22. Revenue from operations

₹ in lacs

|                                   | March 31, 2024   | Restated<br>March 31, 2023 |
|-----------------------------------|------------------|----------------------------|
| <b>Sale of services</b>           |                  |                            |
| 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               | 5,679.74         | 5,420.23                   |
| Digitisation income               | 585.09           | 626.53                     |
| Maintenance service fee           | 161.86           | 199.49                     |
| Registration fees income          | 36.81            | 40.34                      |
| Distribution Income               | 79.72            | 1,620.88                   |
| Other revenue                     | 81.30            | 264.65                     |
|                                   | <b>28,964.01</b> | <b>26,946.36</b>           |
| <b>Sale of products</b>           |                  |                            |
| Lamp and spares sale              | 1,160.12         | 1,405.73                   |
| Sale of digital cinema equipments | 1,595.14         | 1,117.74                   |
|                                   | <b>2,755.26</b>  | <b>2,523.47</b>            |
| <b>Other operating income</b>     |                  |                            |
| Sundry balances written back      | 371.44           | 257.44                     |
|                                   | <b>371.44</b>    | <b>257.44</b>              |
|                                   | <b>32,090.71</b> | <b>29,727.27</b>           |

### 23. Other income \*

₹ in lacs

|                                      | March 31, 2024 | Restated<br>March 31, 2023 |
|--------------------------------------|----------------|----------------------------|
| Miscellaneous income **              | 199.80         | 128.00                     |
| Foreign exchange gain (net)          | 1.01           | 5.41                       |
| Profit on sale of fixed assets (net) | -              | 8.18                       |
|                                      | <b>200.81</b>  | <b>141.59</b>              |

\* 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<br>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                     |
|  | <b>11,787.45</b> | <b>12,403.77</b>           |
| <b><u>(Increase) / decrease in inventories of traded goods (lamps)</u></b> |                  |                            |
| Inventories at the beginning of the year                                   | 240.84           | 247.08                     |
| Less : Inventories at the end of the year                                  | (144.48)         | (240.84)                   |
|  | <b>96.36</b>     | <b>6.24</b>                |
| <b><u>Content cost</u></b>   |                  |                            |
| 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)                     |
|  | <b>10.15</b>     | <b>5.87</b>                |
| <b><u>Consumables and spares</u></b>                                       |                  |                            |
| Opening stock  | 620.48           | 359.44                     |
| Add : Purchases  | 380.26           | 728.34                     |
| Less : Closing stock   | (641.69)         | (620.48)                   |
|  | <b>359.05</b>    | <b>467.30</b>              |
|  | <b>12,253.01</b> | <b>12,883.18</b>           |

### 25. Employee benefits expenses

₹ in lacs

|  | March 31, 2024  | Restated<br>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                     |
|  | <b>7,957.89</b> | <b>8,615.90</b>            |



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

### 26. Other expenses

₹ in lacs

|  | March 31, 2024  | Restated<br>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                     |
|  | <b>6,995.29</b> | <b>7,336.06</b>            |

#### (i) Payment to auditor

₹ in lacs

|                                     | March 31, 2024 | Restated<br>March 31, 2023 |
|-------------------------------------|----------------|----------------------------|
| <b><u>Statutory auditor</u></b>     |                |                            |
| 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                       |
| <b><u>In other capacity</u></b>     |                |                            |
| Other services (certification fees) | 5.75           | 2.00                       |
|                                     | <b>92.88</b>   | <b>79.25</b>               |

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

### 27. Finance costs

₹ in lacs

|  | March 31, 2024  | Restated<br>March 31, 2023 |
|--|-----------------|----------------------------|
| <b>Interest on</b>   |                 |                            |
| - 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                      |
|  | <b>1,256.65</b> | <b>1,096.46</b>            |

### 28. Finance income

₹ in lacs

|  | March 31, 2024 | Restated<br>March 31, 2023 |
|--|----------------|----------------------------|
| <b>Interest on:</b>  |                |                            |
| - 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                   |
|  | <b>911.62</b>  | <b>2,075.14</b>            |

\* 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<br>March 31, 2023 |
|--|----------------|----------------------------|
| <b>Basic</b>   |                |                            |
| Net profit after tax as per the statement of profit and loss (₹ In lacs) | 403.47         | (2,192.44)                 |
| <b>Net profit for calculation of basic EPS</b>                           | <b>403.47</b>  | <b>(2,192.44)</b>          |
| Weighted average number of equity shares in calculating basic EPS        | 38,412,898     | 38,078,230                 |
| <b>Earning per share (₹) (Face value of ₹ 10 each)</b>                   | <b>1.05</b>    | <b>(5.76)</b>              |
| <b>Diluted</b>   |                |                            |
| 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                 |
| <b>Earning per share (₹) (Face value of ₹ 10 each)</b>                   | <b>1.05</b>    | <b>(5.76)</b>              |

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<br>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                       |
|  | <b>363.93</b>  | <b>438.07</b>              |

#### b) Defined benefit plan-Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables 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 |
| <b>Gratuity cost charged to Statement of Profit and Loss</b>               |                            |                           |                       |
| 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)               |
| <b>Recognised in the statement of profit and loss</b>                      | <b>480.21</b>              | <b>42.62</b>              | <b>437.59</b>         |
| <b>Benefit paid</b>  | <b>(183.68)</b>            | <b>(183.68)</b>           | <b>-</b>              |
| <b>Remeasurement gains/losses in other comprehensive income</b>            |                            |                           |                       |
| 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                         | -                          | -                         | -                     |
| <b>Recognised in other comprehensive income</b>                            | <b>109.28</b>              | <b>(8.68)</b>             | <b>117.96</b>         |
| Contribution by employer   | -                          | 20.63                     | (20.63)               |
| <b>As at March 31, 2024</b>  | <b>1,605.01</b>            | <b>492.65</b>             | <b>1,112.36</b>       |

## 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 |
|--|----------------------------|---------------------------|-----------------------|
| <b>Gratuity cost charged to statement of profit and loss</b>               |                            |                           |                       |
| 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)               |
| <b>Recognised in the statement of profit and loss</b>                      | <b>184.60</b>              | <b>37.18</b>              | <b>147.42</b>         |
| <b>Benefit paid</b>  | <b>(56.83)</b>             | <b>(56.83)</b>            | <b>-</b>              |
| <b>Remeasurement gains/losses in other comprehensive income</b>            |                            |                           |                       |
| 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                         | -                          | -                         | -                     |
| <b>Recognised in other comprehensive income</b>                            | <b>(269.02)</b>            | <b>(3.97)</b>             | <b>(265.05)</b>       |
| Contribution by employer   | -                          | 86.12                     | (86.12)               |
| <b>Restated as at March 31, 2023</b>                                       | <b>1,199.20</b>            | <b>621.76</b>             | <b>577.44</b>         |

### 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<br>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<br>March 31, 2023 |
|---|-----------------|----------------------------|
| Within the next 12 months(next annual reporting period) | 1,215.71        | 638.69                     |
| <b>Total</b>  | <b>1,215.71</b> | <b>638.69</b>              |

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<br>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<br>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                            | <b>276,901</b>    | <b>50</b>                           | <b>716,379</b>          | <b>50</b>                           |
| 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<br>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                     |
| <b>Total</b>   | <b>402.14</b>  | <b>402.89</b>              |

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

₹ in lacs

| Particulars   | March 31, 2024  | Restated<br>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                                 | -               | -                          |
| <b>Total</b>  | <b>3,493.58</b> | <b>3,586.10</b>            |

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

₹ in lacs

| Particulars   | March 31, 2024  | Restated<br>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)                   |
| <b>Balance at the end</b>                                       | <b>2,300.81</b> | <b>2,401.18</b>            |

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

₹ in lacs

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

## 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<br>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                     |
| <b>Total</b>  | <b>3,025.52</b> | <b>3,012.49</b>            |

### 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<br>March 31, 2023 |
|---|-----------------|----------------------------|
| Lease income recognised in Statement of profit and loss | 5,679.74        | 5,420.23                   |
| <b>Total</b>  | <b>5,679.74</b> | <b>5,420.23</b>            |

₹ in lacs

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

### 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

|                                |  |
|--------------------------------|--|
| <b>Associate of subsidiary</b> | 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

|                                 |   |
|---------------------------------|---|
| <b>Key management personnel</b> | 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)                       |

|   |                                       |
|---|---------------------------------------|
| <b>Enterprises owned or significantly influenced by key management personnel or their relatives</b> | 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<br>March 31, 2023 |
|----------|--|----------------|----------------------------|
| <b>1</b> | <b>Nature of transaction and name of the parties</b> |                |                            |
|          | <b>Subsidiary companies</b>                          |                |                            |
| 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<br>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                       |
| <b>2</b> | <b>Enterprises owned or significantly influenced by key management personnel or their relatives</b> |                |                            |
| 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<br>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                       |
| <b>3</b> | <b>Associates of company</b>  |                |                            |
| 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                      |
| <b>4</b> | <b>Key managerial personnel and their relatives</b>                   |                |                            |
| 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<br>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<br>March 31, 2023 |
|----------|---|----------------|----------------------------|
| <b>1</b> | <b>Subsidiaries companies</b>   |                |                            |
| 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                      |
| <b>2</b> | <b>Enterprises owned or significantly influenced by key management personnel or their relatives</b> |                |                            |
| 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<br>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                       |
| <b>3</b> | <b>Key management personnel</b>  |                |                            |
| 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                       |
| <b>4</b> | <b>Associates of company</b>   |                |                            |
| 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<br>March 31, 2023 |
|--------------|----------------|----------------------------|
| Remuneration | 561.61         | 852.51                     |

#### Notes:

- 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.
- 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.

### 34. Capital and other commitments

₹ in lacs

|   | March 31, 2024 | Restated<br>March 31, 2023 |
|---|----------------|----------------------------|
| Capital commitments<br>(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                     |
|   | <b>912.29</b>  | <b>558.70</b>              |

### 35. Contingent liabilities

₹ in lacs

|  | March 31, 2024 | Restated<br>March 31, 2023 |
|--|----------------|----------------------------|
| <b>Pending litigations / matters</b>                     |                |                            |
| <b>In respect of Indirect Tax matters (refer note b)</b> |                |                            |
| VAT matters  | 35.00          | 35.00                      |
|  | <b>35.00</b>   | <b>35.00</b>               |

#### Notes:

- 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.
- 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:

| ₹ in lacs  |                |                            |
|--|----------------|----------------------------|
| Particular   | March 31, 2024 | Restated<br>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:

| ₹ in lacs  |                  |   |                                   |                      |           |
|--|------------------|---|-----------------------------------|----------------------|-----------|
| Particulars  | Amortised cost*  | Fair value through other comprehensive income | Fair value through profit or loss | Total carrying value | Hierarchy |
| <b>Financial Assets</b>                            |                  |   |                                   |                      |           |
| 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             |           |
| <b>Total</b>                                       | <b>19,082.66</b> | <b>-</b>                                      | <b>708.54</b>                     | <b>19,791.20</b>     |           |
| <b>Financial Liabilities</b>                       |                  |   |                                   |                      |           |
| 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             |           |
| <b>Total</b>                                       | <b>17,274.64</b> | <b>-</b>                                      | <b>-</b>                          | <b>17,274.64</b>     |           |

## 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 |
|--|------------------|---|-----------------------------------|----------------------|-----------|
| <b>Financial Assets</b>                            |                  |   |                                   |                      |           |
| 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             |           |
| <b>Total</b>                                       | <b>17,842.00</b> | <b>-</b>                                      | <b>-</b>                          | <b>17,842.00</b>     |           |
| <b>Financial Liabilities</b>                       |                  |   |                                   |                      |           |
| 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             |           |
| <b>Total</b>                                       | <b>19,958.39</b> | <b>-</b>                                      | <b>-</b>                          | <b>19,958.39</b>     |           |

\* The Company considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 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<br>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                     |
| <b>Total</b>                                     | <b>13,541.17</b> | <b>11,085.61</b>           |

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international credit rating agencies.

Credit risk 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    |
|-----------------------------------|------------------|--------------|-------------------|----------|
| <b>At March 31, 2024</b>          |                  |              |                   |          |
| 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 |
| <b>Restated at March 31, 2023</b> |                  |              |                   |          |
| 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<br>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                     |
| <b>Closing balance</b>  | <b>230.83</b>  | <b>227.15</b>              |

₹ in lacs

| Contract liabilities (Advance or deferred income)   | March 31, 2024 | Restated<br>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                     |
| <b>Closing balance</b>  | <b>442.84</b>  | <b>317.13</b>              |

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets 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<br>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)                     |
| <b>Contracted price with the customers</b>                                  | <b>32,212.74</b> | <b>29,740.33</b>           |

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<br>March 31, 2023 |
|---|----------------|----------------------------|
| Long term debt including current maturities | 5,216.98       | 7,250.88                   |
| Total equity                                | 25,646.64      | 25,116.55                  |
| <b>Gearing ratio</b>                        | <b>20.34%</b>  | <b>28.87%</b>              |

#### 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<br>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:            | <b>In cash</b> | <b>Yet to be paid in cash</b> |
|     |  |                | <b>Total</b>                  |
| i)  | Construction / acquisition of any asset                          | 98.55          | 20.70                         |
| ii) | On purposes other than (i) above                                 | -              | -                             |
| d)  | Amount spent during the year ended on March 31, 2023:            | <b>In cash</b> | <b>Yet to be paid in cash</b> |
|     |  |                | <b>Total</b>                  |
| i)  | Construction / acquisition of any asset                          | 86.77          | 119.25                        |
| ii) | On purposes other than (i) above                                 | 27.76          | -                             |

₹ in lacs

| e) Details related to spent / unspent obligations | March 31, 2024 | Restated<br>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        |
| <b>Total</b> |                              |                  | <b>1,029.43</b>         | <b>-</b>              | <b>-</b>                    | <b>1,029.43</b> |

The loan given to the above mentioned subsidiaries is repayable on demand for purpose of working capital requirement and capital expenditure for the business.

### 44. Scheme of arrangement and amalgamation

- 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").
- 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.
- 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.
- In accordance with the Scheme :
  - 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.

## 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            |
|---|------------------|-----------------|--------------------|-----------------|-----------------|--------------------|------------------|
| <b>Assets</b>   |                  |                 |                    |                 |                 |                    |                  |
| <b>Non-current Assets</b>                               |                  |                 |                    |                 |                 |                    |                  |
| 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         |
| <b>Financial Assets</b>                                 |                  |                 |                    |                 |                 |                    |                  |
| (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           |
| <b>Total Non-Current Assets (A)</b>                     | <b>40,258.89</b> | <b>5,383.17</b> | <b>565.28</b>      | <b>52.60</b>    | <b>5.02</b>     | <b>(10,714.80)</b> | <b>35,550.16</b> |
| <b>Current Assets</b>                                   |                  |                 |                    |                 |                 |                    |                  |
| Inventories   | 811.23           | 51.05           | -                  | -               | -               | (0.00)             | 862.28           |
| <b>Financial Assets</b>                                 |                  |                 |                    |                 |                 |                    |                  |
| (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         |
| <b>Total Current Assets (B)</b>                         | <b>12,531.15</b> | <b>1,111.15</b> | <b>138.59</b>      | <b>41.35</b>    | <b>63.65</b>    | <b>(240.50)</b>    | <b>13,645.39</b> |
| <b>Total (A+B)</b>                                      | <b>52,790.04</b> | <b>6,494.32</b> | <b>703.87</b>      | <b>93.95</b>    | <b>68.67</b>    | <b>(10,955.30)</b> | <b>49,195.55</b> |
| <b>Equity and liabilities</b>                           |                  |                 |                    |                 |                 |                    |                  |
| <b>Equity</b>   |                  |                 |                    |                 |                 |                    |                  |
| 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        |
| <b>Total Equity (C)</b>                                 | <b>29,705.57</b> | <b>5,032.37</b> | <b>685.04</b>      | <b>(134.68)</b> | <b>(447.24)</b> | <b>(9,725.28)</b>  | <b>25,115.78</b> |

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

| Particulars   | UFO              | SEL             | Scrabble Mauritius | Plexigo       | Zinglin       | Adjustment         | Total            |
|---|------------------|-----------------|--------------------|---------------|---------------|--------------------|------------------|
| <b>Liabilities</b>  |                  |                 |                    |               |               |                    |                  |
| <b>Non-current liabilities</b>  |                  |                 |                    |               |               |                    |                  |
| 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           |
| <b>Total non-current liabilities (D)</b>  | <b>7,920.40</b>  | <b>362.05</b>   | <b>-</b>           | <b>227.78</b> | <b>359.91</b> | <b>(935.29)</b>    | <b>7,934.85</b>  |
| <b>Current liabilities</b>  |                  |                 |                    |               |               |                    |                  |
| <b>Financial Liabilities</b>  |                  |                 |                    |               |               |                    |                  |
| 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         |
| <b>Total current liabilities (E)</b>  | <b>15,164.07</b> | <b>1,099.90</b> | <b>18.83</b>       | <b>0.85</b>   | <b>156.00</b> | <b>(294.73)</b>    | <b>16,144.92</b> |
| <b>Total Liabilities (D+E) = (F)</b>  | <b>23,084.47</b> | <b>1,461.95</b> | <b>18.83</b>       | <b>228.63</b> | <b>515.91</b> | <b>(1,230.02)</b>  | <b>24,079.77</b> |
| <b>Total equity and liabilities (C+F)</b>   | <b>52,790.04</b> | <b>6,494.32</b> | <b>703.87</b>      | <b>93.95</b>  | <b>68.67</b>  | <b>(10,955.30)</b> | <b>49,195.55</b> |

Note :

1. All related financial captions (as applicable) of financials statements has been eliminated.
2. 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

#### **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

UFO MOVIEZ INDIA LIMITED  
STATEMENT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2024

Rs. in Lacs

| Sr. No. | Particulars  | Standalone    |              |                       |                 |                       |               | Consolidated  |              |                       |                 |                       |               |
|---------|--|---------------|--------------|-----------------------|-----------------|-----------------------|---------------|---------------|--------------|-----------------------|-----------------|-----------------------|---------------|
|         |  | Quarter ended |              |                       | Half year ended |                       |               | Quarter ended |              |                       | Half year ended |                       |               |
|         |  | 30-Sep-24     | 30-Jun-24    | 30-Sep-23             | 30-Sep-24       | 30-Sep-23             | 31-Mar-24     | 30-Sep-24     | 30-Jun-24    | 30-Sep-23             | 30-Sep-24       | 30-Sep-23             | 31-Mar-24     |
|         |  | Unaudited     | Unaudited    | Restated Refer Note 4 | Unaudited       | Restated Refer Note 4 | Audited       | Unaudited     | Unaudited    | Restated Refer Note 4 | Unaudited       | Restated Refer Note 4 | Audited       |
| 1       | <b>Income from operations</b>  |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
|         | Net sales / income from operations   | 7,383         | 7,625        | 7,556                 | 15,008          | 14,824                | 32,091        | 9,663         | 9,405        | 8,656                 | 19,068          | 17,146                | 40,824        |
|         | Other income   | 15            | 52           | 57                    | 67              | 108                   | 201           | 16            | 46           | 58                    | 62              | 102                   | 184           |
|         | <b>Total income from operations</b>  | <b>7,398</b>  | <b>7,677</b> | <b>7,613</b>          | <b>15,075</b>   | <b>14,932</b>         | <b>32,292</b> | <b>9,679</b>  | <b>9,451</b> | <b>8,714</b>          | <b>19,130</b>   | <b>17,248</b>         | <b>41,008</b> |
| 2       | <b>Expenses</b>  |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
|         | (a) Operating direct costs   |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
|         | - Cost of consumables and spares consumed  | 147           | 160          | 111                   | 307             | 199                   | 369           | 147           | 160          | 111                   | 307             | 199                   | 369           |
|         | - Purchases of digital cinema equipment and lamps                                      | 429           | 1,051        | 499                   | 1,480           | 981                   | 2,103         | 1,715         | 1,957        | 1,077                 | 3,672           | 2,081                 | 6,564         |
|         | - Changes in inventories   | 34            | (22)         | (34)                  | 12              | 30                    | 96            | (35)          | 47           | (87)                  | 12              | 58                    | 385           |
|         | - Advertisement revenue share  | 1,582         | 1,643        | 1,207                 | 3,325           | 2,257                 | 5,373         | 1,682         | 1,643        | 1,207                 | 3,325           | 2,257                 | 5,373         |
|         | - Virtual print fees sharing   | 327           | 314          | 191                   | 641             | 454                   | 1,016         | 327           | 314          | 191                   | 641             | 454                   | 1,016         |
|         | - Other operating direct cost  | 853           | 829          | 682                   | 1,682           | 1,433                 | 3,295         | 862           | 873          | 747                   | 1,735           | 1,604                 | 3,947         |
|         | (b) Employee benefits expense  | 1,872         | 1,869        | 1,802                 | 3,741           | 3,452                 | 7,958         | 2,254         | 2,191        | 2,083                 | 4,445           | 3,998                 | 9,232         |
|         | (c) Provision for impairment/write off of investments and loans to associates          | -             | -            | -                     | -               | -                     | 564           | -             | -            | -                     | -               | -                     | 141           |
|         | (d) Other expenses   | 1,364         | 1,336        | 1,480                 | 2,700           | 2,877                 | 6,431         | 1,708         | 1,608        | 1,616                 | 5,316           | 3,197                 | 7,221         |
|         | <b>Total expenses</b>  | <b>6,708</b>  | <b>7,180</b> | <b>5,938</b>          | <b>13,888</b>   | <b>11,683</b>         | <b>27,205</b> | <b>8,660</b>  | <b>8,793</b> | <b>6,945</b>          | <b>17,453</b>   | <b>13,848</b>         | <b>34,248</b> |
| 3       | <b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (1-2)</b>     | <b>690</b>    | <b>497</b>   | <b>1,675</b>          | <b>1,187</b>    | <b>3,249</b>          | <b>5,087</b>  | <b>1,019</b>  | <b>658</b>   | <b>1,769</b>          | <b>1,677</b>    | <b>3,400</b>          | <b>6,760</b>  |
| 4       | Depreciation and amortisation expense  | (880)         | (897)        | (987)                 | (1,777)         | (2,021)               | (4,004)       | (948)         | (962)        | (1,045)               | (1,910)         | (2,147)               | (4,279)       |
| 5       | Finance cost   | (303)         | (285)        | (323)                 | (588)           | (685)                 | (1,257)       | (306)         | (293)        | (324)                 | (599)           | (687)                 | (1,271)       |
| 6       | Finance income   | 126           | 220          | 180                   | 346             | 287                   | 912           | 135           | 137          | 84                    | 272             | 173                   | 795           |
| 7       | <b>Profit/(Loss) before share of profit from Associates, Exceptional items and tax</b> | <b>(367)</b>  | <b>(465)</b> | <b>545</b>            | <b>(832)</b>    | <b>830</b>            | <b>738</b>    | <b>(100)</b>  | <b>(460)</b> | <b>484</b>            | <b>(560)</b>    | <b>739</b>            | <b>2,005</b>  |
| 8       | Share of profit of associates (net of taxes)   | -             | -            | -                     | -               | -                     | -             | 36            | 38           | 206                   | 74              | 308                   | 408           |
| 9       | <b>Profit/(loss) before Exceptional Items and Tax</b>                                  | <b>(367)</b>  | <b>(465)</b> | <b>545</b>            | <b>(832)</b>    | <b>830</b>            | <b>738</b>    | <b>(64)</b>   | <b>(422)</b> | <b>690</b>            | <b>(486)</b>    | <b>1,047</b>          | <b>2,413</b>  |
| 10      | Exceptional Items (Refer note 3)   | -             | -            | -                     | -               | -                     | -             | -             | -            | (143)                 | -               | (143)                 | (143)         |
| 11      | <b>Profit/(Loss) before Tax</b>  | <b>(367)</b>  | <b>(465)</b> | <b>545</b>            | <b>(832)</b>    | <b>830</b>            | <b>738</b>    | <b>(64)</b>   | <b>(422)</b> | <b>547</b>            | <b>(486)</b>    | <b>904</b>            | <b>2,270</b>  |
| 12      | <b>Tax expense</b>   |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
|         | - Current tax  | -             | -            | -                     | -               | 10                    | -             | 79            | 30           | 9                     | 109             | 40                    | 64            |
|         | - Deferred tax charge/(credit)   | (117)         | (114)        | 161                   | (231)           | 247                   | 333           | (55)          | (38)         | 210                   | (93)            | 284                   | 570           |
|         | <b>Total tax expense</b>   | <b>(117)</b>  | <b>(114)</b> | <b>161</b>            | <b>(231)</b>    | <b>257</b>            | <b>333</b>    | <b>24</b>     | <b>(8)</b>   | <b>219</b>            | <b>16</b>       | <b>324</b>            | <b>634</b>    |
| 13      | <b>Profit/(loss) for the period (11 - 12)</b>  | <b>(250)</b>  | <b>(351)</b> | <b>384</b>            | <b>(601)</b>    | <b>573</b>            | <b>405</b>    | <b>(88)</b>   | <b>(414)</b> | <b>328</b>            | <b>(502)</b>    | <b>580</b>            | <b>1,636</b>  |
| 14      | <b>Other comprehensive income (OCI)</b>  |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
| A       | (i) Items that will not be reclassified to profit or loss                              | -             | -            | -                     | -               | -                     | (118)         | -             | -            | -                     | -               | -                     | (119)         |
|         | (ii) Income tax relating to items that will not be reclassified to profit or loss      | -             | -            | -                     | -               | -                     | 30            | -             | -            | -                     | -               | -                     | 30            |
| B       | (i) Items that will be reclassified to profit or loss                                  | -             | -            | 9                     | -               | 8                     | -             | 18            | -            | 21                    | 18              | 20                    | 105           |
|         | (ii) Income tax relating to items that will be reclassified to profit or loss          | -             | -            | -                     | -               | -                     | -             | -             | -            | -                     | -               | -                     | -             |
| 15      | <b>Total comprehensive income/(loss) for the period</b>                                | <b>(250)</b>  | <b>(351)</b> | <b>393</b>            | <b>(601)</b>    | <b>581</b>            | <b>317</b>    | <b>(70)</b>   | <b>(414)</b> | <b>349</b>            | <b>(484)</b>    | <b>600</b>            | <b>1,652</b>  |
| 16      | <b>Net profit/(loss) attributable to</b>   |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
| a)      | Equity shareholders of the company   | (250)         | (351)        | 384                   | (601)           | 573                   | 405           | (88)          | (414)        | 328                   | (502)           | 580                   | 1,636         |
| b)      | Non-controlling interest   | -             | -            | -                     | -               | -                     | -             | -             | -            | -                     | -               | -                     | -             |
| 17      | <b>Other comprehensive income attributable to</b>                                      |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
| a)      | Equity shareholders of the company   | -             | -            | 9                     | -               | 8                     | (88)          | 18            | -            | 21                    | 18              | 20                    | 16            |
| b)      | Non-controlling interest   | -             | -            | -                     | -               | -                     | -             | -             | -            | -                     | -               | -                     | -             |
| 18      | <b>Total comprehensive income for the period attributable to</b>                       |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
| a)      | Equity shareholders of the company   | (250)         | (351)        | 393                   | (601)           | 581                   | 317           | (70)          | (414)        | 349                   | (484)           | 600                   | 1,652         |
| b)      | Non-controlling interest   | -             | -            | -                     | -               | -                     | -             | -             | -            | -                     | -               | -                     | -             |
| 19      | <b>Paid-up equity share capital (Face Value of Rs. 10/- each)</b>                      | <b>3,861</b>  | <b>3,860</b> | <b>3,839</b>          | <b>3,861</b>    | <b>3,839</b>          | <b>3,858</b>  | <b>3,861</b>  | <b>3,860</b> | <b>3,839</b>          | <b>3,861</b>    | <b>3,839</b>          | <b>3,858</b>  |
| 20      | <b>Other equity</b>  | -             | -            | -                     | -               | -                     | 21,789        | -             | -            | -                     | -               | -                     | 24,874        |
| 21      | <b>Earnings per share of Rs. 10/- each (not annualized):</b>                           |               |              |                       |                 |                       |               |               |              |                       |                 |                       |               |
| (a)     | Basic (in Rs.)   | (0.65)        | (0.91)       | 1.00                  | (1.56)          | 1.50                  | 1.05          | (0.23)        | (1.07)       | 0.85                  | (1.30)          | 1.51                  | 4.26          |
| (b)     | Diluted (in Rs.)   | (0.65)        | (0.91)       | 1.00                  | (1.56)          | 1.49                  | 1.05          | (0.23)        | (1.07)       | 0.85                  | (1.30)          | 1.51                  | 4.24          |



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**UFO MOVIEZ INDIA LIMITED**  
**BALANCE SHEET AS AT 30 SEPTEMBER 2024**

Rs. in Crores

| Sr. No.  | Particulars   | Standalone               |                        | Consolidated             |                        |
|----------|---|--------------------------|------------------------|--------------------------|------------------------|
|          |   | 30-Sep-24<br>(Unaudited) | 31-Mar-24<br>(Audited) | 30-Sep-24<br>(Unaudited) | 31-Mar-24<br>(Audited) |
|          | <b>Assets</b>   |                          |                        |                          |                        |
| <b>A</b> | <b>Non-current assets</b>   |                          |                        |                          |                        |
|          | Property, plant and equipment   | 9,152                    | 8,881                  | 9,688                    | 9,425                  |
|          | Capital work-in-progress  | 1,004                    | 656                    | 1,172                    | 707                    |
|          | Right-of-use assets   | 1,791                    | 2,157                  | 1,909                    | 2,290                  |
|          | Goodwill (including Goodwill on consolidation)  | 730                      | 730                    | 2,311                    | 2,311                  |
|          | Other Intangible assets   | 112                      | 100                    | 116                      | 103                    |
|          | <b>Financial Assets</b>   |                          |                        |                          |                        |
|          | (i) Investments in Subsidiaries and Associates  | 5,709                    | 5,400                  | 901                      | 1,016                  |
|          | (ii) Loans receivables  | -                        | -                      | -                        | -                      |
|          | (iii) Other financial assets  | 984                      | 725                    | 991                      | 732                    |
|          | Deferred tax assets (net)   | 10,234                   | 10,003                 | 10,354                   | 10,124                 |
|          | Income tax assets (net)   | 2,355                    | 2,225                  | 2,460                    | 2,494                  |
|          | Other non-current assets  | 288                      | 190                    | 328                      | 262                    |
|          | <b>Total non-current assets</b>   | <b>32,359</b>            | <b>31,067</b>          | <b>30,230</b>            | <b>29,464</b>          |
| <b>B</b> | <b>Current assets</b>   |                          |                        |                          |                        |
|          | Inventories   | 639                      | 795                    | 1,071                    | 1,225                  |
|          | <b>Financial assets</b>   |                          |                        |                          |                        |
|          | (i) Investments   | -                        | 709                    | 285                      | 724                    |
|          | (ii) Trade receivables  | 5,984                    | 6,423                  | 8,753                    | 9,614                  |
|          | (iii) Cash and cash equivalents   | 378                      | 652                    | 2,200                    | 2,683                  |
|          | (iv) Bank balances other than cash and cash equivalents                                   | 4,549                    | 4,956                  | 6,988                    | 7,330                  |
|          | (v) Loans receivables   | 340                      | 340                    | 40                       | 117                    |
|          | (vi) Other financial assets   | 612                      | 588                    | 430                      | 472                    |
|          | Other current assets  | 2,112                    | 2,147                  | 3,519                    | 2,462                  |
|          | <b>Total current assets</b>   | <b>14,614</b>            | <b>16,610</b>          | <b>23,286</b>            | <b>24,627</b>          |
|          | <b>Total (A+B)</b>  | <b>46,973</b>            | <b>47,677</b>          | <b>53,516</b>            | <b>54,091</b>          |
|          | <b>Equity and liabilities</b>   |                          |                        |                          |                        |
| <b>C</b> | <b>Equity</b>   |                          |                        |                          |                        |
|          | Share capital   | 3,861                    | 3,858                  | 3,861                    | 3,858                  |
|          | Other equity  | 21,199                   | 21,789                 | 24,401                   | 24,874                 |
|          | <b>Equity attributable to owners</b>  | <b>25,060</b>            | <b>25,647</b>          | <b>28,262</b>            | <b>28,732</b>          |
|          | Non-controlling interest  | -                        | -                      | -                        | -                      |
|          | <b>Total equity</b>   | <b>25,060</b>            | <b>25,647</b>          | <b>28,262</b>            | <b>28,732</b>          |
|          | <b>Liabilities</b>  |                          |                        |                          |                        |
| <b>D</b> | <b>Non-current liabilities</b>  |                          |                        |                          |                        |
|          | <b>Financial liabilities</b>  |                          |                        |                          |                        |
|          | (i) Borrowings  | 4,032                    | 3,233                  | 4,032                    | 3,233                  |
|          | (ii) Lease liabilities  | 1,391                    | 1,660                  | 1,466                    | 1,752                  |
|          | (iii) Other financial liabilities   | 2,253                    | 2,204                  | 2,245                    | 2,195                  |
|          | Provisions  | 1,365                    | 1,365                  | 1,690                    | 1,679                  |
|          | Deferred tax liabilities (net)  | -                        | -                      | 1,017                    | 954                    |
|          | Other non-current liabilities   | 1,011                    | 1,007                  | 1,011                    | 1,007                  |
|          | <b>Total non-current liabilities</b>  | <b>10,052</b>            | <b>9,469</b>           | <b>11,461</b>            | <b>10,820</b>          |
| <b>E</b> | <b>Current liabilities</b>  |                          |                        |                          |                        |
|          | <b>Financial liabilities</b>  |                          |                        |                          |                        |
|          | (i) Borrowings  | 1,856                    | 1,984                  | 1,856                    | 1,984                  |
|          | (ii) Lease liabilities  | 648                      | 641                    | 684                      | 675                    |
|          | (iii) Trade payables  |                          |                        |                          |                        |
|          | a) Total outstanding dues of micro enterprises and small enterprises                      | -                        | -                      | -                        | -                      |
|          | b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,642                    | 5,574                  | 6,776                    | 6,824                  |
|          | (iv) Other financial liabilities  | 1,779                    | 1,979                  | 1,807                    | 2,020                  |
|          | Provisions  | 198                      | 173                    | 244                      | 181                    |
|          | Other current liabilities   | 1,738                    | 2,210                  | 2,426                    | 2,855                  |
|          | <b>Total current liabilities</b>  | <b>11,861</b>            | <b>12,561</b>          | <b>13,793</b>            | <b>14,539</b>          |
|          | <b>Total liabilities (D+E)</b>  | <b>21,913</b>            | <b>22,030</b>          | <b>25,254</b>            | <b>25,359</b>          |
|          | <b>Total equity and liabilities (C+F)</b>   | <b>46,973</b>            | <b>47,677</b>          | <b>53,516</b>            | <b>54,091</b>          |



**UFO MOVIEZ INDIA LIMITED**  
STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024

Rs. in Lacs

| PARTICULARS   | Standalone   |                          | Consolidated |                |
|---|--------------|--------------------------|--------------|----------------|
|   | 30-Sep-24    | 30-Sep-23                | 30-Sep-24    | 30-Sep-23      |
|   |              | Restated<br>Refer Note 4 |              |                |
| <b>Cash flow generated from / (used in) operating activities</b>  |              |                          |              |                |
| <b>Profit / (Loss) before share of profit from associates, exceptional items and tax</b>                        | <b>(832)</b> | <b>830</b>               | <b>(560)</b> | <b>739</b>     |
| Adjustment to reconcile profit/(loss) before tax to net cash flows:   |              |                          |              |                |
| Depreciation and amortization expense   | 1,777        | 2,021                    | 1,910        | 2,147          |
| Bad debts written off   | 56           | 61                       | 56           | 63             |
| Provision for doubtful debts  | -            | 6                        | 3            | 6              |
| Unrealised foreign exchange (gain) / loss (net)   | (1)          | (0)                      | (3)          | (2)            |
| (Gain)/Loss on sale of property, plant and equipments   | (25)         | 5                        | (32)         | 22             |
| Sundry balances written back  | (119)        | (221)                    | (119)        | (228)          |
| Net gain on current investments   | (23)         | -                        | (23)         | (2)            |
| ESOP compensation   | 2            | 7                        | 2            | 8              |
| Interest cost on financial liabilities carried at amortised cost  | 162          | 189                      | 162          | 189            |
| Interest expense on lease liabilities   | 113          | 124                      | 116          | 125            |
| Gain on lease concession and modification   | -            | (5)                      | -            | (5)            |
| Provision for slow and non moving inventory   | -            | -                        | -            | (3)            |
| Finance cost  | 285          | 355                      | 285          | 356            |
| Interest income   | (240)        | (205)                    | (246)        | (172)          |
| Dividend income   | (83)         | (83)                     | -            | -              |
| <b>Operating Profit before working capital changes</b>  | <b>1,072</b> | <b>3,084</b>             | <b>1,551</b> | <b>3,243</b>   |
| <b>Movements in working capital</b>   |              |                          |              |                |
| Increase/(Decrease) in trade payables   | 69           | (853)                    | (155)        | (827)          |
| (Decrease) in other financial liabilities (current and non-current)   | (716)        | (726)                    | (378)        | (362)          |
| (Decrease) / Increase in other liabilities (current and non-current)  | (349)        | (26)                     | (268)        | 169            |
| Increase in provisions (current and non-current)  | 26           | 129                      | 41           | 144            |
| Decrease/ (Increase) in trade receivables   | 383          | 180                      | 956          | (371)          |
| Decrease / (Increase) in financial assets (current and non-current)   | 99           | 28                       | (331)        | 17             |
| (Increase)/Decrease in other assets (current and non-current)   | (35)         | 286                      | (1,123)      | 206            |
| Decrease in inventories   | 156          | 121                      | 156          | 155            |
| <b>Cash generated from operations</b>   | <b>705</b>   | <b>2,223</b>             | <b>449</b>   | <b>2,374</b>   |
| Net direct taxes paid   | (120)        | (491)                    | (34)         | (541)          |
| <b>Net cash generated from operating activities (A)</b>   | <b>585</b>   | <b>1,732</b>             | <b>415</b>   | <b>1,833</b>   |
| <b>Cash flows generated from / (used in) investing activities</b>   |              |                          |              |                |
| Purchase of property, plant and equipments, including capital work in progress and capital advances             | (1,684)      | (763)                    | (1,883)      | (769)          |
| Proceeds from sale of property, plant and equipments including capital work in progress                         | 47           | 21                       | 60           | 26             |
| Payment of purchase consideration for purchase of shares / warrant of a associates                              | -            | (125)                    | -            | -              |
| Payment of purchase consideration for purchase of shares of a subsidiary  | -            | -                        | -            | (35)           |
| Payment of purchase consideration for purchase of preference shares of a subsidiary                             | (298)        | -                        | -            | -              |
| Purchase of current investments (including dividend reinvestment)   | (1,590)      | -                        | (1,590)      | -              |
| Proceeds from sale / redemption of current investments  | 2,322        | -                        | 2,056        | -              |
| Proceeds from sale of associate   | -            | -                        | -            | 208            |
| Proceeds from Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net) | 140          | 595                      | 85           | 597            |
| Interest received   | 103          | 57                       | 275          | 74             |
| Dividend received   | 83           | 83                       | 189          | 83             |
| <b>Net cash flow (used in) / generated from investing activities (B)</b>  | <b>(877)</b> | <b>(132)</b>             | <b>(808)</b> | <b>184</b>     |
| <b>Cash flows from financing activities</b>   |              |                          |              |                |
| Proceeds from issuance of equity share capital(including premium)   | 12           | 109                      | 12           | 109            |
| Share Issue expenses  | -            | -                        | (5)          | (5)            |
| Proceeds from Long term borrowing   | 1,752        | 235                      | 1,752        | 235            |
| Proceeds from short term borrowing (net)  | -            | 59                       | -            | 59             |
| (Repayment) of long-term borrowings   | (1,081)      | (1,494)                  | (1,081)      | (1,494)        |
| Interest paid   | (291)        | (361)                    | (380)        | (361)          |
| Repayment of Lease liabilities  | (374)        | (399)                    | (393)        | (399)          |
| <b>Net cash flow (used in) / generated from financing activities (C)</b>  | <b>18</b>    | <b>(1,851)</b>           | <b>(95)</b>  | <b>(1,856)</b> |
| <b>Net (decrease)/ increase in cash and cash equivalents (A + B + C)</b>  | <b>(274)</b> | <b>(251)</b>             | <b>(488)</b> | <b>161</b>     |
| Increase in cash and cash equivalents on account of associate becoming subsidiary                               | -            | -                        | -            | 1,640          |
| Unrealised gain on foreign currency cash and cash equivalents   | -            | 2                        | 5            | 5              |
| Cash and cash equivalents at the beginning of the period  | 652          | 595                      | 2,683        | 1,432          |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>378</b>   | <b>346</b>               | <b>2,200</b> | <b>3,238</b>   |
| <b>Components of cash and cash equivalents</b>  |              |                          |              |                |
| Bank balance  | 24           | 2                        | 26           | 3              |
| Balance with banks:   |              |                          |              |                |
| Current accounts  | 354          | 344                      | 2,174        | 3,235          |
| <b>Cash and cash equivalents</b>  | <b>378</b>   | <b>346</b>               | <b>2,200</b> | <b>3,238</b>   |



**NOTES:**

1. The above standalone and consolidated financial results for the quarter and half year ended September 30, 2024 of UFO Moviez India Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 29, 2024. The Statutory Auditors of the Company have carried out a Limited review of the above standalone and consolidated financial results pursuant to Regulation 33 of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended and issued unmodified Limited review opinions thereon.
2. 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, 2024, 8,30,474 options have been exercised by the eligible employees and 88,625 options have lapsed due to the resignation of eligible employees. During the half year ended September 30, 2024, further 24,779 options have been exercised by the eligible employees and 1,125 options have lapsed due to the resignation of eligible employees. As at September 30, 2024, 2,50,997 options are in force and exercisable.
3. Exceptional items in consolidated results for the quarter and half year ended 30 September 2023 and year ended 31 March 2024 show a net loss of Rs 143 lacs due to :
  - (a) Loss on sale of stake in an associate during the quarter amounting to Rs 266 lacs; and
  - (b) Gain (including fair value gain upon re-measurement of Group's existing investments) of Rs 123 lacs during the quarter on acquiring full control of an associate by purchasing the shares from the existing shareholder.
4. The standalone results for the quarter and half year ended September 30, 2023 were restated to give effect to the Order of Amalgamation of The National Company Law Tribunal (NCLT) of January 17, 2024 approving the Amalgamation Scheme of it's four wholly owned subsidiaries including its step down subsidiary viz. Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited and Scrabble Entertainment (Mauritius) Limited with UFO Moviez India Limited. The Scheme was effective from February 21, 2024 with effect from the appointed date of April 01, 2023.
5. Based on the management approach, the performance of digital cinema services including new ventures and the sale of digital cinema equipment is evaluated currently as single operating segment.

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



*Rajesh Mishra*



**Rajesh Mishra**  
Executive Director and Group CEO  
Place of signature: Mumbai  
Date: October 29, 2024



# B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of UFO Moviez India Limited for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

## To the Board of Directors of UFO Moviez India Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of UFO Moviez India Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associates for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We did not review the interim financial information of one (1) subsidiary included in the Statement, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 5,533 lakhs as at 30 September 2024 and total revenues (before consolidation adjustments) of Rs. 1,518 lakhs and Rs. 2,177 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 195 lakhs and Rs. 199 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 195 lakhs and Rs. 199 lakhs, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and cash inflows (net) (before consolidation adjustments) of Rs. 486 lakhs for the period from 01 April 2024 to 30 September 2024, as considered in the Statement. This interim financial information has been reviewed by other auditor whose report has been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

The said subsidiary is located outside India whose interim financial information has been prepared in accordance with accounting principles generally accepted in its country and which has been reviewed by other auditor under generally accepted auditing standards applicable in its country. The Parent's management has converted the interim financial information of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

7. The Statement includes the interim financial information of eight (8) subsidiaries which have not been reviewed, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 6,203 lakhs as at 30 September 2024 and total revenues (before consolidation adjustments) of Rs. 852 lakhs and Rs. 2,048 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 104 lakhs and Rs. 157 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 104 lakhs and Rs. 157 lakhs, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and cash outflows (net) (before consolidation adjustments) of Rs. 695 lakhs for the period from 01 April 2024 to 30 September 2024, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 36 lakhs and Rs. 74 lakhs and total comprehensive income of Rs. 36 lakhs and Rs. 74 lakhs, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively as considered in the Statement, in respect of six (6) associates, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.



B S R & Co. LLP

Limited Review Report (*Continued*)

UFO Moviez India Limited

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Rajesh Mehra**

*Partner*

Mumbai

29 October 2024

Membership No.: 103145

UDIN:24103145BKFWMO2229

## Annexure I

List of entities included in unaudited consolidated financial results.

| Sr. No | Name of component                           | Relationship   |
|--------|---|--|
| 1      | UFO Moviez India Limited                    | Holding Company or Parent  |
| 2      | Nova Cinemaz Private Limited                | Subsidiary   |
| 3      | UFO Software Technologies Private Limited   | Subsidiary   |
| 4      | UFO Lanka Private Limited                   | Subsidiary   |
| 5      | Scrabble Digital Limited                    | Subsidiary   |
| 6      | Scrabble Entertainment DMCC                 | Subsidiary   |
| 7      | Scrabble Entertainment Lebanon Sari         | Subsidiary   |
| 8      | Scrabble Audio Visual Equipment Trading LLC | Associate upto 28 September 2023, Step down subsidiary thereafter. |
| 9      | Upmarch Media Network Private Limited       | Joint Venture upto 22 March 2024, Subsidiary thereafter            |
| 10     | Scrabble Digital Inc.                       | Subsidiary   |
| 11     | Mukta VN Limited                            | Associate  |
| 12     | Cinestaan Digital Private Limited           | Associate  |
| 13     | Scrabble Digital DMCC                       | Associate  |
| 14     | Mumbai Movies Studio Private Limited        | Associate  |



Limited Review Report (Continued)

UFO Moviez India Limited

|    |   |                                  |
|----|---|----------------------------------|
| 15 | Scrabble Digital Services DMCC              | Associate                        |
| 16 | Scrabble Ventures S. de. R. L. de CV Mexico | Associate                        |
| 17 | Scrabble Ventures LLC                       | Associate upto 10 April 2023     |
| 18 | X86 Media Artists Private Limited           | Joint Venture upto 22 March 2024 |



# B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited standalone financial results of UFO Moviez India Limited for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

## To the Board of Directors of UFO Moviez India Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of UFO Moviez India Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

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



Rajesh Mehra

Partner

Mumbai

29 October 2024

Membership No.: 103145

UDIN:24103145BKFWMN5504

## SCRABBLE DIGITAL LIMITED

Valuable Techno Park, Plot No. 53/1,  
Road No. 7, MIDC, Andheri (East)  
Mumbai - 400093

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### AUDITED STANDALONE FINANCIAL STATEMENTS FINANCIAL YEAR 2023-24

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#### M/s. Shetty Naik & Associates Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SCRABBLE DIGITAL LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **SCRABBLE DIGITAL LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("ICAI") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our 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 during the course of our 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 Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for 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 financial 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in





our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 the 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.

#### **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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) According to information and explanations given to us, the company is required to report on Internal Financial Control under section 143(3)(i) of the companies act 2013 and a report on the same has been enclosed herewith in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us, the company has paid no remuneration to its directors during the current Financial year.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no material impact of pending litigations on its financial position in its Ind AS financial statements.
  - ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred in Investor Education and Protection Fund by the Company.



- iv. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. As informed by the Management, the audit trail (edit log) feature was enabled from 1st April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts, which has a feature of recording audit trail (edit log) facility with effect from 31<sup>st</sup> March, 2023.

In continuation to the above and based on our examination it is seen that the audit trail provides the list of altered records. Based on our test check, we did not come across any instance of the audit trail feature being tampered with.

- v. As per Rule 11(e), we report as under:

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that

the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures 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 (a) and (b) above, contain any material misstatement.





**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

vi. As stated in Note 10.5 to the standalone financial statements:

- (a) No final dividend was proposed by the company during the previous year;
- (b) No interim dividend was declared and paid by the Company during the year;
- (c) No final dividend has been proposed by the Board of Directors of the Company during the year.

**For Shetty Naik & Associates**  
**Chartered Accountants**

Firm Registration No.: 124851W



CA. Jagdish Shetty

Partner

Membership No.: 111936

Place: Mumbai

Date: 22<sup>nd</sup> May 2024

UDIN: 24111936BKCJBK1585

**Annexure referred to the Auditors' Report**

**"Annexure A" to Independent Auditors' Report referred to in Paragraph 1 under the heading of  
"Report on other legal and regulatory requirements" of our report of even date.**

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular program of physical verification of Property, Plant and Equipment and right-of-use, the periodicity of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Fixed Assets are verified in a phased manner and accordingly, certain Property, Plant and Equipment were due for verification during the year and majority of the assets were physically verified by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company does not own any immovable property and therefore reporting under clause 3(i)(c) of the order is not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.



- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year. The Board of Directors of the company had entered into a triparty agreement with its holding company UFO Moviez India Limited for investment in joint venture company under the name and style of "X86 Media Artists Private Limited"; however, it was later mutually decided by the companies to not to go ahead with the said investment and arrangement. Accordingly, the company did not have any such investment as at the end of the year and therefore Clause 3(iii) of the order is not applicable to the company.
- iv. In our Opinion and according to information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of section 73, 74, 75 and 76 or any other provisions of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Business Activities carried out by the Company. Hence Clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of Customs Duty, Excise, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, employees' state insurance, Income -Tax, Sales Tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears







as at 31st March 2024 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and the information and explanations given to us, there are no disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, Cess which have not been deposited by the Company on account of disputes, except for the following :

| Nature of the Statute    | Nature of Dues | Forum where dispute is pending       | Period to which the amount relates | Amount (Rs.) |
|--------------------------|----------------|--------------------------------------|------------------------------------|--------------|
| The Income Tax Act, 1961 | Income Tax     | Commissioner of Income Tax (Appeals) | AY 2017-18                         | 1,14,57,906  |
| The Income Tax Act, 1961 | Income Tax     | Commissioner of Income Tax (Appeals) | AY 2023-24                         | 67,422       |

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has







not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints have been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. Based on information and explanations provided to us, the Company does not fall within the purview of prescribed class of companies defined under section 138 of the Act. Accordingly, clause 3(xiv) of the order is not applicable to the Company.



- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred any cash losses during the current Financial Year or previous financial year covered by our audit.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. 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 financial statements and 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 indicating that 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. (a) The company has not utilised the unspent amounts towards other than ongoing projects, therefore, compliance with the provisions of Sub-section (6) of Section 135 of The Act and reporting under this clause is not applicable.





**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

(b) In respect of ongoing projects, the Company has already spent the entire amount of CSR on Ongoing projects during the year and therefore, compliance with the provision of section 135(6) of the Act is not applicable.

For Shetty Naik & Associates  
Chartered Accountants  
Firm Registration No.: 124851W

CA. Jagdish Shetty  
Partner  
Membership No.: 111936



Place: Mumbai  
Date: 22<sup>nd</sup> May, 2024  
UDIN: 24111936BKCJBK1585

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Scrabble Digital Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under clause (i) of Sub - Section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SCRABBLE DIGITAL LIMITED ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal





**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

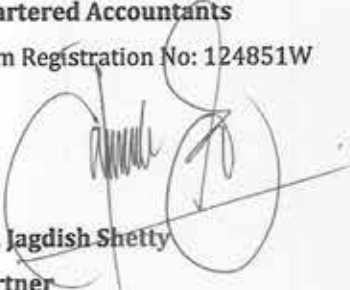
**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2024, based on the internal control over financial reporting 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 Accountant of India.

**For Shetty Naik and Associates.**

**Chartered Accountants**

Firm Registration No: 124851W

  
**CA. Jagdish Shetty**  
**Partner**



**Membership No.: 111936**

**Place: Mumbai**

**Date: 22<sup>nd</sup> May, 2024**

**UDIN: 24111936BKCJBK1585**



**Scrabble Digital Limited**  
**Balance Sheet as at 31st March, 2024**

| Particulars   | Notes | (Amount in Lacs)          |                           |
|---|-------|---------------------------|---------------------------|
|   |       | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>I. ASSETS</b>  |       |                           |                           |
| <b>Non-Current Assets</b>   |       |                           |                           |
| (a) Property, Plant and Equipments  | 2     | 208.10                    | 293.16                    |
| (b) Intangible Assets   |       | 0.03                      | 0.78                      |
| (c) Right of Use Assets   | 2.1   | 0.87                      | 2.17                      |
| (d) Financial Assets:   |       |                           |                           |
| (i) Other Financial Assets  | 3     | 15.37                     | 15.34                     |
| (e) Deferred Tax Assets (Net)   | 4     | 120.71                    | 124.90                    |
| (f) Other Non Current Assets  | 5     | 204.80                    | 186.14                    |
| <b>Sub-Total</b>  |       | <b>549.88</b>             | <b>622.49</b>             |
| <b>Current Assets</b>   |       |                           |                           |
| (a) Financial Assets:   |       |                           |                           |
| (i) Investments   | 6     | 15.48                     | 52.48                     |
| (ii) Trade Receivables  | 7     | 1,435.45                  | 1,219.14                  |
| (iii) Cash and Cash Equivalents   | 8     | 49.38                     | 33.57                     |
| (b) Other Current Assets  | 9     | 52.93                     | 43.43                     |
| <b>Sub-Total</b>  |       | <b>1,553.24</b>           | <b>1,348.62</b>           |
| <b>Total Assets (A+B)</b>   |       | <b>2,103.12</b>           | <b>1,971.11</b>           |
| <b>II. EQUITY AND LIABILITIES</b>   |       |                           |                           |
| <b>Equity</b>   |       |                           |                           |
| (a) Equity Share Capital  | 10    | 59.31                     | 59.31                     |
| (b) Other Equity  | 11    | 1,832.79                  | 1,628.41                  |
| <b>Sub-Total</b>  |       | <b>1,892.10</b>           | <b>1,687.72</b>           |
| <b>Liabilities</b>  |       |                           |                           |
| <b>Non Current Liabilities</b>  |       |                           |                           |
| (a) Lease Liabilities   | 12    | -                         | 0.91                      |
| (b) Provisions  | 13    | 48.71                     | 49.44                     |
| <b>Sub-Total</b>  |       | <b>48.71</b>              | <b>50.35</b>              |
| <b>Current Liabilities</b>  |       |                           |                           |
| (a) Financial Liabilities   |       |                           |                           |
| (i) Trade Payables  |       |                           |                           |
| (A) Total Outstanding dues of Micro Enterprises & Small Enterprises; and                  | 14    | -                         | -                         |
| (B) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises. |       | 71.39                     | 152.40                    |
| (ii) Other Financial Liabilities  | 15    | 7.08                      | 6.20                      |
| (iv) Borrowings   |       |                           |                           |
| (a) Lease Liabilities   | 16    | 0.92                      | 1.26                      |
| (b) Provisions  | 17    | 8.49                      | 5.99                      |
| (c) Other Current Liabilities   | 18    | 74.43                     | 67.19                     |
| <b>Sub-Total</b>  |       | <b>162.31</b>             | <b>233.04</b>             |
| <b>Total Equity and Liabilities</b>   |       | <b>2,103.12</b>           | <b>1,971.11</b>           |

Significant accounting policies and Notes on Financial Statements 1  
Notes referred to above form an integral part of Financial Statements

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 22nd May, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 22nd May, 2024







**Scrabble Digital Limited**  
**Statement of Profit & Loss for the Year Ended 31st March, 2024**

| Particulars  | Notes   | (Amount in Lacs)               |                                |
|--|---------|--------------------------------|--------------------------------|
|  |         | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
| I. Revenue from operations   | 19      | 1,359.39                       | 1,903.69                       |
| II. Other Income   | 20      | 11.14                          | 8.75                           |
| III. Total Income (I + II)   |         | <u>1,370.53</u>                | <u>1,912.44</u>                |
| IV. Expenses   |         |                                |                                |
| (a) Operating Direct Cost  | 21      | 553.99                         | 744.30                         |
| (b) Employee Benefit Expenses  | 22      | 313.24                         | 351.87                         |
| (c) Other Expenses   | 23      | 121.26                         | 114.37                         |
| Total Expenses   |         | <u>988.49</u>                  | <u>1,210.54</u>                |
| V. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)                 |         | 382.04                         | 701.90                         |
| Depreciation and Amortization Expense  | 2 & 2.1 | 109.98                         | 118.88                         |
| Finance Cost   | 24      | 0.44                           | 0.62                           |
| Finance Income   | 25      | (3.25)                         | (2.84)                         |
| VI. Profit / (Loss) Before Tax   |         | <u>274.87</u>                  | <u>585.24</u>                  |
| VII. Tax Expense   |         |                                |                                |
| (a) Current Tax  |         | 63.29                          | 94.54                          |
| (b) Deferred tax   |         | 4.95                           | 55.03                          |
| Total Tax Expense  |         | <u>68.24</u>                   | <u>149.57</u>                  |
| VIII. Profit/ (Loss) after tax from Continuing Operations                                |         | <u>206.63</u>                  | <u>435.67</u>                  |
| IX. Other Comprehensive Income (OCI)   |         |                                |                                |
| (i) OCI not to be reclassified to Profit/(Loss) in subsequent period                     |         |                                |                                |
| (a) Re-measurement gains /(losses) on defined benefit plans (net of tax impact)          |         | (3.01)                         | 10.39                          |
| (b) Income Tax related to items that will not be reclassified to Profit/(loss)           |         | 0.76                           | (2.61)                         |
|  |         | <u>(2.25)</u>                  | <u>7.78</u>                    |
| X. Total Comprehensive Income for the period   |         | <u>204.38</u>                  | <u>443.46</u>                  |
| XI. Earnings per Equity Share (For Continuing Operations)<br>(Face value of Rs. 10 each) |         |                                |                                |
| (i) Basic  |         | 34.84                          | 73.45                          |
| (ii) Diluted   | 26      | 34.84                          | 73.45                          |

Significant accounting policies and Notes on financial statements  
Notes referred to above form an integral part of financial statements

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 22nd May, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 22nd May, 2024





| Particulars  | 31st March, 2024 | 31st March, 2023 |
|--|------------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                   |                  |                  |
| Net Profit Before Tax & Extraordinary Items for the year                       | 274.87           | 585.24           |
| Adjustment for :   |                  |                  |
| Depreciation and Amortization Expense  | 109.98           | 118.88           |
| Bad Debts Written-Off  | -                | 0.39             |
| Provision for Doubtful Debts   | 0.38             | (1.65)           |
| (Profit) / Loss on Sale of Fixed Assets  | (1.65)           | (4.42)           |
| Sundry Balance Write Back/Off  | (9.49)           | (2.68)           |
| Net Gain on Current Investments  | 0.24             | (1.79)           |
| Interest Expense   | -                | 0.34             |
| Interest on Lease Liability  | 0.13             | 0.07             |
| Interest Income  | -                | (0.34)           |
| Provision for Gratuity   | 7.66             | 8.77             |
| Provision for Compensated Absences   | 3.87             | (1.50)           |
| Notional Income on Security Deposits   | -                | (0.01)           |
| Profit on Sale of Current Investments (Net)                                    | -                | (0.70)           |
| Exchange Rate Fluctuation  | 0.19             | 0.03             |
| <b>Operating Profit before Working Capital Changes</b>                         | <b>386.18</b>    | <b>700.63</b>    |
| <b>Movements in Working Capital:</b>   |                  |                  |
| Increase / (Decrease) in Trade Payables  | (81.02)          | 16.09            |
| Increase / (Decrease) in Other financial Current Liabilities                   | 0.88             | 1.95             |
| Increase / (Decrease) in Other Current liabilities                             | 7.23             | 3.66             |
| Increase / (Decrease) in Short-Term Provisions                                 | 2.50             | (0.99)           |
| Increase / (Decrease) in Long-Term Provisions                                  | (15.28)          | 0.52             |
| (Increase) / Decrease in Trade Receivables                                     | (207.20)         | (447.88)         |
| Decrease / (Increase) in Current Other financial Assets                        | (0.03)           | 0.63             |
| (Increase) / Decrease in Other Current Assets                                  | (9.50)           | 25.79            |
| Cash Generated from Operations   | <b>83.77</b>     | <b>300.40</b>    |
| Income Taxes Paid (Net of Refunds)   | (82.12)          | (129.40)         |
| <b>Net Cash (Used In) / Generated by Operating Activities</b>                  | <b>1.65</b>      | <b>171.00</b>    |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                   |                  |                  |
| Purchase of PPE Including CWIP   | (22.93)          | (167.62)         |
| Proceeds from Sale of Fixed Assets / Capital Work in Progress                  | 1.71             | 9.64             |
| Investment - X86 Media Artists Private Limited                                 | (10.00)          | -                |
| Disinvestment - X86 Media Artists Private Limited                              | 10.00            | -                |
| Purchase of Current Investments  | -                | (75.00)          |
| Sale / Redemption of Current Investments                                       | 36.76            | 25.00            |
| Inter Company Deposit to Related Party   | -                | 35.00            |
| Repayment of Inter Company Deposit received from related Party                 | -                | (35.00)          |
| Interest Received  | -                | 0.34             |
| <b>Net Cash Generated by / (Used In) Investing Activities</b>                  | <b>15.54</b>     | <b>(207.64)</b>  |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |                  |                  |
| Interest Paid  | -                | (0.34)           |
| Lease Liability Payment  | (1.39)           | (1.30)           |
| <b>Net Cash (used in)/ Generated by Financing Activities</b>                   | <b>(1.39)</b>    | <b>(1.64)</b>    |
| <b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>                     | <b>15.80</b>     | <b>(38.28)</b>   |
| Exchange difference on translation of foreign currency Cash & Cash Equivalents | -                | -                |
| Cash and Cash Equivalents at the beginning of the year                         | 33.57            | 71.85            |
| <b>Cash and Cash Equivalents at the end of the year</b>                        | <b>49.38</b>     | <b>33.57</b>     |
| <b>Components of Cash and Cash Equivalents</b>                                 |                  |                  |
| Cash on hand   | 0.10             | 0.15             |
| <b>Balance with banks:</b>   |                  |                  |
| On Current Accounts  | 49.28            | 33.42            |
| <b>Total Cash and Cash Equivalents (refer Note 8)</b>                          | <b>49.38</b>     | <b>33.57</b>     |

**Notes to Cash Flow Statement**

- Components of Cash and Cash Equivalents include cash and bank balances in current account
- The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard "Ind AS-7 Cash Flow Statement."

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213370

Ashish Sadanand Malushte Pankaj Jaysinh Madhani  
Director Director  
DIN No: 00024923 DIN No: 01564221  
Place: Mumbai Place: Mumbai  
Date: 22nd May, 2024 Date: 22nd May, 2024





Scrabble Digital Limited  
Notes on Changes in Equity Statement as at 31st March, 2024

**A. Equity Share Capital**

| (1) Current Reporting Period                             |  |   |   |  | (Amount in Lacs) |  |
|--|--|---|---|--|------------------|--|
| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |                  |  |
| 59.31  | -  | 59.31   | -   | 59.31  |                  |  |
| (2) Previous Reporting Period                            |  |   |   |  | (Amount in Lacs) |  |
| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |                  |  |
| 59.31  | -  | 59.31   | -   | 59.31  |                  |  |

**B. Other Equity**

| Particulars   | (1) Current Reporting Period |                    |                 |                   |   | (Amount in Lacs)                                      |          |  |
|---|------------------------------|--------------------|-----------------|-------------------|---|---|----------|--|
|   | Capital Reserve              | Securities Premium | General Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Total    |  |
| Balance at the beginning of the current reporting period          | -                            | 1,137.68           | 22.47           | 462.75            | -   | 5.51  | 1,628.41 |  |
| Changes in accounting policy or prior period errors               | -                            | -                  | -               | -                 | -   | -   | -        |  |
| Restated balance at the beginning of the current reporting period | -                            | 1,137.68           | 22.47           | 462.75            | -   | 5.51  | 1,628.41 |  |
| Total Comprehensive Income for the current year                   | -                            | -                  | -               | -                 | -   | (2.25)  | (2.25)   |  |
| Dividends   | -                            | -                  | -               | -                 | -   | -   | -        |  |
| Transfer to retained earnings                                     | -                            | -                  | -               | 206.63            | -   | -   | 206.63   |  |
| Balance at the end of the current reporting period                | -                            | 1,137.68           | 22.47           | 669.38            | -   | 3.26  | 1,832.79 |  |



| (2) Previous Reporting Period<br>Particulars                      | Reserves and Surplus |                    |                 |                   |   | (Amount in Lacs)                                      |          |
|---|----------------------|--------------------|-----------------|-------------------|---|---|----------|
|   | Capital Reserve      | Securities Premium | General Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Total    |
| Balance at the beginning of the current reporting period          | -                    | 1,137.68           | 22.47           | 27.08             | -   | (2.27)  | 1,184.96 |
| Changes in accounting policy or prior period errors               | -                    | -                  | -               | -                 | -   | -   | -        |
| Restated balance at the beginning of the current reporting period | -                    | 1,137.68           | 22.47           | 27.08             | -   | (2.27)  | 1,184.96 |
| Total Comprehensive Income for the current year                   | -                    | -                  | -               | -                 | -   | 7.78  | 7.78     |
| Dividends   | -                    | -                  | -               | -                 | -   | -   | -        |
| Transfer to retained earnings                                     | -                    | -                  | -               | 435.67            | -   | -   | 435.67   |
| Balance at the end of the current reporting period                | -                    | 1,137.68           | 22.47           | 462.75            | -   | 5.51  | 1,628.41 |

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 22nd May, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 22nd May, 2024

**Scrabble Digital Limited****(Erstwhile known as Scrabble Digital Pvt. Ltd)****CIN: U74999MH2011PLC213170****Notes to Financial Statements as at and for the year ended 31st March 2024**

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**1. Corporate Information**

Scrabble Digital Limited ("the Company") is a public company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 08<sup>th</sup> February 2011. The Company is into the business of providing Digital Cinema Services. The Company is a subsidiary of Scrabble Entertainment Limited ("the Parent Company). The registered office and principal place of business of Company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai Mumbai – 400093.

**2. Significant Accounting Policies****2.1 Statement of Compliance & Basis of Preparation**

These financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods from and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 22<sup>nd</sup> May, 2024.

Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments covered under para note no 2.3(i))



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**2.2 Current versus Non-Current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period; or
- Cash or cash equivalents unless 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 current when:

- It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period; or
- There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified a period of twelve months as its operating cycle.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of lakh, unless otherwise stated.



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**2.3 Summary of significant accounting policies****a. Use of Estimates**

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**b. Cash Flow Statement (IAS 7)**

The statement of cash flows have been prepared under Indirect Method as set out in Indian Accounting Standard-7, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**c. Property, Plant and Equipment (PPE):****i. Recognition and measurement**

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired



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Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

ii. Subsequent expenditure

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components 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 are charged to profit or loss during the reporting period in which they are incurred.

d. Depreciation on PPE

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

Up till 30<sup>th</sup> September 2018, Depreciation was provided under the written down method, based on useful lives of assets as prescribed in Schedule II to the Act. Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year. Leasehold land is amortized over the lease period. Leasehold improvements are depreciated over the lease period on straight line basis. Gains and



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losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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

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

| Particulars  | Useful lives as per management's estimate (in years) |
|--|--|
| Plant & Machinery comprising of Projector & related Equipments | 6 - 7  |
| Computer   | 3  |
| Furniture and Fixtures   | 6  |
| Office Equipments  | 5  |

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold improvements are written off over the period of lease or over a period of 4 years whichever is lower.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.





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**e. Intangible assets**

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

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

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

| Particulars       | Useful lives as per management's estimate (years) |
|-------------------|---|
| Computer Software | 6   |

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

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

**f. Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and



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only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

**g. Leases**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Prior to the current financial year, the company has been recording lease rentals and the corresponding security deposits as per AS 19 – Accounting for leases.

The company has recognised a right-of-use asset and a lease liability at the lease commencement date and in case of lease term commencing before the date of initial application, from the date of initial application accordingly. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments or amount of prepaid rent made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The company has used the interest rate implicit in the lease, i.e., the risk free rate of interest as per the prevailing market rates.



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Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

Classification of Short Term leases

The company has entered into lease transactions with companies covered under the same group. In this regard, the company has no enforceable obligation with respect to the lease term and the said lease can be terminated by giving a one month notice as per the decision of the company. Therefore, by applying para B34 of Ind AS 116, the company is not bound by any non-cancellable and lock in period and thereby there are no enforceable rights and obligations existing between the lessee and lessor beyond that term. Accordingly, such lease agreements qualify as a short term lease within the meaning of the standard and thereby the company chooses to avail the exemption available for short term leases.

Presentation

The company has presented the right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Long Term Provisions' & 'Other Current Liabilities' which are subject to current maturities in the financial statements.



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**h. Revenue recognition**

- i. In accordance with Ind AS 18, when the outcome of a transaction involving rendering of Services can be estimated reliably, revenue associated with the transaction shall be recognised.
- ii. Dividend income is recognised when the right to receive payment is established.
- iii. Interest income is recognized in accordance with the Effective Interest Method (EIM) as specified in Ind AS 39.

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.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The company has accordingly recorded the security deposits with the landlord in respect of leases by discounting the estimated future cash flow at an appropriate discounting rate through the expected lease term.

**i. Foreign currency translation**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.



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Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

**A. Initial recognition**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), 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 Statement of Profit and Loss.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**B. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-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

**C. 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 recognized as income or as expenses in the year in which they arise.



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**j. Fair Value Measurement:**

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Associates and Joint Ventures) 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:

- i. In the principal market for the asset or liability, or
- ii. 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, maximising 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



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

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

**k. Financial Instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**A. Initial Recognition and Measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

**Classification and Subsequent Measurement:****• Financial Assets:**

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

- (i) Business model for managing the financial assets, and
- (ii) The contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:





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- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

**1. Employee benefits**

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

**A. Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**B. Post-Employment Employee Benefits****Defined contribution plans**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

**Defined benefit plans**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.





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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company's, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**C. Other Long-Term Benefits:**

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. 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.

**m. Current income taxes and deferred tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**Current 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.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of



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items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized, 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 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 taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax 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.



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**Minimum alternate tax (MAT):**

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**n. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**o. Provisions, Contingent Liabilities and Contingent Assets :-**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting



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period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities and Contingent Assets are neither recognized nor disclosed in the financial statements.

**p. Cash and cash equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**q. 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 Company.

**r. Measurement of EBITDA:**

As per Guidance Note on Division II- Ind As Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**s. Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution



is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**t. Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of FS, 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 FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. 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.

**A. Judgements:**

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

**B. 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 FS 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



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lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

• **Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. Also, the cost of leave encashment payable to the employees in respect of un-availed balance leaves have also been recorded as per actuarial valuation. 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 (m) above

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

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

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

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



**Scrabble Digital Limited****(Erstwhile known as Scrabble Digital Pvt. Ltd)****CIN: U74999MH2011PLC213170****Notes to Financial Statements as at and for the year ended 31st March 2024**

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**• Impairment of non-financial assets:**

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. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.



**Scrabble Digital Limited**  
Notes on Financial Statements for the Year Ended 31st March, 2024

Note : 2. Property, Plant and Equipments & Intangible Assets

| Note : Z. Property, Plant and equipments & Intangible Assets |                             |                        |           |           |   |                        |           |           |                      |                          |                            |
|--|-----------------------------|------------------------|-----------|-----------|---|------------------------|-----------|-----------|----------------------|--------------------------|----------------------------|
| Sr. No.  | Particulars                 | Gross Block / Cost     |           |           | Accumulated Depreciation / Amortisation |                        |           | Net Block |                      |                          |                            |
|  |                             | As on 01st April, 2023 | Additions | Disposals | As at 31st Mar, 2024                    | As on 01st April, 2023 | Additions | Disposals | As at 31st Mar, 2024 | WDV as at 31st Mar, 2024 | WDV as at 31st March, 2023 |
| 1  | Computers & Printers        | 268.21                 | 5.41      | 43.59     | 230.03                                  | 181.92                 | 38.76     | 43.59     | 177.09               | 52.94                    | 86.29                      |
| 2  | Office Equipment            | 63.50                  | 2.77      | 0.08      | 66.19                                   | 57.65                  | 2.64      | 0.02      | 60.27                | 5.92                     | 5.85                       |
| 3  | Plant & Machinery           | 1,425.27               | 14.75     | -         | 1,440.02                                | 1,227.45               | 63.44     | -         | 1,290.89             | 149.13                   | 197.82                     |
| 4  | Furniture & Fixture         | 14.53                  | -         | -         | 14.53                                   | 14.30                  | 0.12      | -         | 14.42                | 0.11                     | 0.23                       |
| 5  | Leasehold Improvement       | 311.34                 | -         | -         | 311.34                                  | 308.37                 | 2.97      | -         | 311.34               | 0.00                     | 2.97                       |
|  | Total Tangible Assets (A)   | 2,082.85               | 22.93     | 43.67     | 2,062.11                                | 1,789.69               | 107.93    | 43.61     | 1,854.01             | 208.10                   | 293.16                     |
| 6  | Intangible Assets           | 32.35                  | -         | -         | 32.35                                   | 31.57                  | 0.75      | -         | 32.32                | 0.03                     | 0.78                       |
|  | Total Intangible Assets (B) | 32.35                  | -         | -         | 32.35                                   | 31.57                  | 0.75      | -         | 32.32                | 0.03                     | 0.78                       |
|  | Total Assets (A+B)          | 2,115.20               | 22.93     | 43.67     | 2,094.46                                | 1,821.26               | 108.68    | 43.61     | 1,886.33             | 208.13                   | 293.94                     |
|  | PREVIOUS YEAR               | 2,009.65               | 167.62    | 62.07     | 2,115.20                                | 1,760.45               | 117.66    | 56.85     | 1,821.26             | 293.94                   | 249.20                     |

Note : 2.1 Right to use Assets

| Sr. No. | Particulars               | Gross Block / Cost     |           |           | Accumulated Depreciation / Amortisation |                        |           | Net Block |                      |                          |                            |
|---------|---------------------------|------------------------|-----------|-----------|---|------------------------|-----------|-----------|----------------------|--------------------------|----------------------------|
|         |                           | As on 01st April, 2023 | Additions | Disposals | As at 31st Mar, 2024                    | As on 01st April, 2023 | Additions | Disposals | As at 31st Mar, 2024 | WDV as at 31st Mar, 2024 | WDV as at 31st March, 2023 |
| 1       | Right to use Assets       | 4.97                   | -         | -         | 4.97                                    | 2.80                   | 1.30      | -         | 4.10                 | 0.87                     | 2.17                       |
|         | Total Right to use Assets | 4.97                   | -         | -         | 4.97                                    | 2.80                   | 1.30      | -         | 4.10                 | 0.87                     | 2.17                       |
|         | PREVIOUS YEAR             | 2.37                   | 2.60      | -         | 4.97                                    | 1.58                   | 1.22      | -         | 2.80                 | 2.17                     | 0.79                       |





| Scrabble Digital Limited                                   |  |  |                           |           |           |                   |          |
|--|--|--|---------------------------|-----------|-----------|-------------------|----------|
| Notes to Financial Statements as at 31st March, 2024       |  |  |                           |           |           |                   |          |
| Note : 3 Other Financial Assets - Non Current              |  |  |                           |           |           |                   |          |
| (Amount in Lacs)   |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | As at<br>31st March, 2024                                  | As at<br>31st March, 2023 |           |           |                   |          |
|  |  | Total  | Total                     |           |           |                   |          |
| 1  | Security Deposits  |  |                           |           |           |                   |          |
|  | Rental Deposits  | 13.32  | 13.29                     |           |           |                   |          |
|  | Less: Considered as Current Assets   | -  | -                         |           |           |                   |          |
|  | Other Security Deposits  | 2.05   | 2.05                      |           |           |                   |          |
|  | Total  | 15.37  | 15.34                     |           |           |                   |          |
| Note : 4 Deferred Tax Asset                                |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | As at<br>31st March, 2024                                  | As at<br>31st March, 2023 |           |           |                   |          |
|  |  | Total  | Total                     |           |           |                   |          |
| 1  | Deferred Tax Asset arising on account of timing difference:                  |  |                           |           |           |                   |          |
|  | Opening Balance  | 124.90   | 182.54                    |           |           |                   |          |
|  | Add: Deferred Tax Credit   | (4.19)   | (57.64)                   |           |           |                   |          |
|  | Total  | 120.71   | 124.90                    |           |           |                   |          |
| Note : 4.1 Break up of Deferred Tax Asset is given below : |  |  |                           |           |           |                   |          |
|  | Property, Plant and Equipment & Intangible Assets                            | 100.89   | 105.20                    |           |           |                   |          |
|  | Provisions for Doubtful Debts  | 4.60   | 6.34                      |           |           |                   |          |
|  | Provisions for Employee Benefits (Gratuity & Leave Encashment)               | 14.46  | 14.38                     |           |           |                   |          |
|  | Arising on account of timing difference of disallowance u/s 40(a)(ia)        | -  | (0.60)                    |           |           |                   |          |
|  | Income Tax related to items that will not be reclassified to Profit or loss  | 0.76   | (0.42)                    |           |           |                   |          |
|  | Net Deferred Tax Liability   | 120.71   | 124.90                    |           |           |                   |          |
| Note : 5 Other Non Current Assets                          |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | As at<br>31st March, 2024                                  | As at<br>31st March, 2023 |           |           |                   |          |
|  |  | Total  | Total                     |           |           |                   |          |
| 1  | Income Tax (Net of Provision)  | 204.80   | 186.14                    |           |           |                   |          |
|  | Total  | 204.80   | 186.14                    |           |           |                   |          |
| Note : 6 Current Investments                               |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | As at<br>31st March, 2024                                  | As at<br>31st March, 2023 |           |           |                   |          |
|  |  | Total  | Total                     |           |           |                   |          |
| 1  | Investment in Mutual Fund  |  |                           |           |           |                   |          |
|  | Measured at FVTPL  |  |                           |           |           |                   |          |
|  | Quoted   |  |                           |           |           |                   |          |
|  | Axis Liquid Fund - Direct Growth (Market Value)                              | 15.48  | 52.48                     |           |           |                   |          |
|  | (Investment Value ₹13.94 Lakhs)  | -  | -                         |           |           |                   |          |
|  | Total  | 15.48  | 52.48                     |           |           |                   |          |
| Note : 7 Trade Receivables                                 |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | As at<br>31st March, 2024                                  | As at<br>31st March, 2023 |           |           |                   |          |
|  |  | Total  | Total                     |           |           |                   |          |
| 1  | Trade Receivable   |  |                           |           |           |                   |          |
|  | Considered Good Others   |  |                           |           |           |                   |          |
|  | Secured  | 166.88   | 233.13                    |           |           |                   |          |
|  | Unsecured  |  |                           |           |           |                   |          |
|  | Considered Good Related Parties  | 1,268.57   | 986.01                    |           |           |                   |          |
|  | Trade Receivable which have significant increase in Credit Risk              |  |                           |           |           |                   |          |
|  | Trade Receivable - Credit Impaired   | 18.26  | 25.18                     |           |           |                   |          |
|  | Less: Provision for Doubtful Debts   | (18.26)  | (25.18)                   |           |           |                   |          |
|  | Total  | 1,435.45   | 1,219.14                  |           |           |                   |          |
| Trade Receivable Ageing Schedule                           |  |  |                           |           |           |                   |          |
| As at March 31, 2024                                       |  |  |                           |           |           |                   |          |
| Sr. No   | Particulars  | Outstanding for following periods from due date of payment |                           |           |           |                   |          |
|  |  | Less than 6 months   | 6 months - 1 year         | 1-2 Years | 2-3 years | More than 3 years | Total    |
| (i)  | Undisputed Trade receivables -considered good                                | 334.12   | 231.28                    | 632.81    | 213.03    | 24.21             | 1,435.45 |
| (ii)   | Undisputed Trade Receivables -which have significant increase in credit risk | -  | -                         | -         | -         | -                 | -        |
| (iii)  | Undisputed Trade Receivables -credit Impaired                                | -  | -                         | -         | -         | 18.26             | 18.26    |
| (iv)   | Disputed Trade Receivables-considered good                                   | -  | -                         | -         | -         | -                 | -        |
| (v)  | Disputed Trade Receivables - which have significant increase in credit risk  | -  | -                         | -         | -         | -                 | -        |
| (vi)   | Disputed Trade Receivables - credit impaired                                 | -  | -                         | -         | -         | -                 | -        |



| Trade Receivable Aging Schedule  |  |  |                  |           |           |                   |          |
|----------------------------------|--|--|------------------|-----------|-----------|-------------------|----------|
| As at March 31, 2023             |  |  |                  |           |           |                   |          |
| (Amount in Lacs)                 |  |  |                  |           |           |                   |          |
| Sr. No                           | Particulars  | Outstanding for following periods from due date of payment |                  |           |           |                   |          |
|                                  |  | Less than 6 months   | 6 months-1 year  | 1-2 Years | 2-3 years | More than 3 years | Total    |
| (i)                              | Undisputed Trade receivables –considered good                                | 555.80   | 371.04           | 244.12    | 47.18     | 1.00              | 1,219.14 |
| (ii)                             | Undisputed Trade Receivables –which have significant increase in credit risk | -  | -                | -         | -         | -                 | -        |
| (iii)                            | Undisputed Trade Receivables –credit impaired                                | -  | -                | -         | -         | 25.18             | 25.18    |
| (iv)                             | Disputed Trade Receivables–considered good                                   | -  | -                | -         | -         | -                 | -        |
| (v)                              | Disputed Trade Receivables – which have significant increase in credit risk  | -  | -                | -         | -         | -                 | -        |
| (vi)                             | Disputed Trade Receivables – credit impaired                                 | -  | -                | -         | -         | -                 | -        |
| Note : 8 Cash & Cash Equivalents |  |  |                  |           |           |                   |          |
| Sr. No                           | Particulars  | As at  | As at            |           |           |                   |          |
|                                  |  | 31st March, 2024   | 31st March, 2023 |           |           |                   |          |
|                                  |  | Total  | Total            |           |           |                   |          |
| 1                                | Balances with Banks  |  |                  |           |           |                   |          |
|                                  | (a) Current Accounts   | 49.28  | 33.42            |           |           |                   |          |
| 2                                | Cheques, Drafts on hand  | -  | -                |           |           |                   |          |
| 3                                | Cash-in-Hand   | 0.10   | 0.15             |           |           |                   |          |
|                                  | Total  | 49.38  | 33.57            |           |           |                   |          |
| Note : 9 Other Current Assets    |  |  |                  |           |           |                   |          |
| Sr. No                           | Particulars  | As at  | As at            |           |           |                   |          |
|                                  |  | 31st March, 2024   | 31st March, 2023 |           |           |                   |          |
|                                  |  | Total  | Total            |           |           |                   |          |
| 1                                | Advances to Supplier   | 0.69   | 3.64             |           |           |                   |          |
| 2                                | Prepaid Expenses   | 5.30   | 5.16             |           |           |                   |          |
| 3                                | Loans and Advances to Employees  | -  | 0.00             |           |           |                   |          |
| 4                                | GST Credit Receivable  | 46.94  | 34.63            |           |           |                   |          |
|                                  | Total  | 52.93  | 43.43            |           |           |                   |          |



| Scrabble Digital Limited   |   |                           |                           |                        |                           |
|--|---|---------------------------|---------------------------|------------------------|---------------------------|
| Notes to Financial Statements as at 31st March, 2024   |   |                           |                           |                        |                           |
| Note : 10 Share Capital  |   |                           |                           |                        |                           |
| (Amount in Lacs)   |   |                           |                           |                        |                           |
| Sr. No   | Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                        |                           |
|  |   | Total                     | Total                     |                        |                           |
| 1  | <b>AUTHORIZED CAPITAL</b><br>7,50,000 Equity Shares (as at 31st March 2023 - 7,50,000 Equity Shares) of Rs.10 each  | 75.00                     | 75.00                     |                        |                           |
| 2  | <b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b><br>5,93,142 equity shares (as at 31st March 2023 - 5,93,142 Equity Shares) of Rs 10/- each fully paid up | 59.31                     | 59.31                     |                        |                           |
|  | <b>Total</b>  | <b>59.31</b>              | <b>59.31</b>              |                        |                           |
| (10.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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. |   |                           |                           |                        |                           |
| (10.2) The reconciliation of number of shares outstanding as on March 31, 2024 is set below:-  |   |                           |                           |                        |                           |
|  | Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                        |                           |
|  | Number of shares at the beginning   | 5,93,142                  | 5,93,142                  |                        |                           |
|  | Add/less: Shares issued/ buyback / redeemed during the year   | -                         | -                         |                        |                           |
|  | Number of Shares at the end   | 5,93,142                  | 5,93,142                  |                        |                           |
| (10.3) Shares held by each shareholder holding more than 5% shares   |   |                           |                           |                        |                           |
| Sr.No.   | Name of Shareholders  | As at 31st March, 2024    |                           | As at 31st March, 2023 |                           |
|  |   | % of Total Shares         | Number of Shares          | % of Total Shares      | Number of Shares          |
| 1  | UFO Moviez India Limited.<br>(Scrabble Entertainment Limited Merged with UFO Moviez India Limited. w.e.f. 21-02-2024) Appointed Date 01-04-2023           | 100%                      | 5,93,142                  | 100%                   | 5,93,142                  |
|  | <b>Total</b>  | <b>100%</b>               | <b>5,93,142</b>           | <b>100%</b>            | <b>5,93,142</b>           |
| (10.4) As per the records of the company, including its register of shareholders/members and others declaration received from the shareholders regarding beneficial interests. The above shareholding represents both legal and beneficial ownership of shares.  |   |                           |                           |                        |                           |
| (10.5) During the period ended March 31, 2024 company has not declared Dividend.   |   |                           |                           |                        |                           |
| (10.6) Disclosure of Shareholding of Promoters   |   |                           |                           |                        |                           |
| Shares held by promoters at the end of the year  |   |                           |                           |                        | As at<br>31st March, 2024 |
| S.No.  | Promoter Name   | No. of shares             | % of Total Shares         | % change during        |                           |
| 1  | UFO Moviez India Limited.<br>(Scrabble Entertainment Limited Merged with UFO Moviez India Limited. w.e.f. 21-02-2024) Appointed Date 01-04-2023           | 5,93,142                  | 100%                      | -                      |                           |
|  | <b>Total</b>  | <b>5,93,142</b>           | <b>100%</b>               | <b>-</b>               |                           |
| (10.6a) Disclosure of Shareholding of Promoters  |   |                           |                           |                        |                           |
| Shares held by promoters at the end of the year  |   |                           |                           |                        | As at<br>31st March, 2023 |
| S.No.  | Promoter Name   | No. of shares             | % of Total Shares         | % change during        |                           |
| 1  | UFO Moviez India Limited.<br>(Scrabble Entertainment Limited Merged with UFO Moviez India Limited. w.e.f. 21-02-2024) Appointed Date 01-04-2023           | 5,93,142                  | 100%                      | -                      |                           |
|  | <b>Total</b>  | <b>5,93,142</b>           | <b>100%</b>               | <b>-</b>               |                           |
| (10.7) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts- NA   |   |                           |                           |                        |                           |
| (10.8) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date-NA   |   |                           |                           |                        |                           |
| (10.9) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)- NA  |   |                           |                           |                        |                           |
| (10.10) Forfeited shares (amount originally paid-up)- NA   |   |                           |                           |                        |                           |
| Note : 11 Other Equity   |   |                           |                           |                        |                           |
| Sr. No   | Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                        |                           |
|  |   | Total                     | Total                     |                        |                           |
| 1  | <b>Share Premium</b><br>Balance carried forward from Previous Year  | 1,137.68                  | 1,137.68                  |                        |                           |
|  | During the year   | -                         | -                         |                        |                           |
|  | <b>Closing Balance</b>  | <b>1,137.68</b>           | <b>1,137.68</b>           |                        |                           |
| 2  | <b>General Reserve</b><br>Balance carried forward from Previous Year  | 22.47                     | 22.47                     |                        |                           |
|  | Closing Balance   | 22.47                     | 22.47                     |                        |                           |
| 3  | <b>Other Comprehensive Income</b><br>Balance carried forward from Previous Year   | 5.51                      | (2.27)                    |                        |                           |
|  | During the year   | (2.25)                    | 7.78                      |                        |                           |
|  | <b>Closing Balance</b>  | <b>3.26</b>               | <b>5.51</b>               |                        |                           |
| 4  | <b>Retained Earning</b><br>Balance carried forward from Previous Year   | 462.75                    | 27.08                     |                        |                           |
|  | Add: Surplus  | 206.63                    | 435.67                    |                        |                           |
|  | <b>Sub Total</b>  | <b>669.38</b>             | <b>462.75</b>             |                        |                           |
|  | <b>Total</b>  | <b>1,832.79</b>           | <b>1,628.41</b>           |                        |                           |



| Note : 12 Lease Liabilities   |  |                           |                           | (Amount in Lacs) |                   |        |
|---|--|---------------------------|---------------------------|------------------|-------------------|--------|
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Lease Liability  | -                         | 0.91                      |                  |                   |        |
|   | Total  | -                         | 0.91                      |                  |                   |        |
| Note : 13 Provisions Non Current                                      |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Provision for Employee Benefits  |                           |                           |                  |                   |        |
|   | Gratuity   | 34.10                     | 33.87                     |                  |                   |        |
|   | Leave Encashment   | 14.61                     | 15.57                     |                  |                   |        |
|   | Total  | 48.71                     | 49.44                     |                  |                   |        |
| Note : 14 Trade Payables  |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Trade Payables for Goods   |                           |                           |                  |                   |        |
|   | - Total Outstanding dues of Micro Enterprises and Small Enterprises                      | -                         | -                         |                  |                   |        |
|   | - Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises | 71.39                     | 152.40                    |                  |                   |        |
| 2   | Trade Payables for Expenses  |                           |                           |                  |                   |        |
|   | - Total Outstanding dues of Micro Enterprises and Small Enterprises                      | -                         | -                         |                  |                   |        |
|   | - Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises | -                         | -                         |                  |                   |        |
|   | (Refer Note No. 37 for MSME Disclosure)  |                           |                           |                  |                   |        |
|   | Total  | 71.39                     | 152.40                    |                  |                   |        |
| Trade Payables Includes:  |  |                           |                           |                  |                   |        |
| Payable to related parties is Nil, Refer Note No. 35 for the details. |  |                           |                           |                  |                   |        |
| Trade Payable Aging Schedule  |  |                           |                           |                  |                   |        |
| As at Mar 31, 2024  |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | Less than 1 year          | 1-2 years                 | 2-3 years        | More than 3 years | Total  |
| (i)   | MSME   | -                         | -                         | -                | -                 | -      |
| (ii)  | Others   | 70.96                     | 0.10                      | 0.33             | -                 | 71.39  |
| (iii)   | Disputed dues – MSME   | -                         | -                         | -                | -                 | -      |
| (iv)  | Disputed dues - Others   | -                         | -                         | -                | -                 | -      |
| As at March 31, 2023  |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | Less than 1 year          | 1-2 years                 | 2-3 years        | More than 3 years | Total  |
| (i)   | MSME   | -                         | -                         | -                | -                 | -      |
| (ii)  | Others   | 151.41                    | 0.21                      | 0.18             | 0.60              | 152.40 |
| (iii)   | Disputed dues – MSME   | -                         | -                         | -                | -                 | -      |
| (iv)  | Disputed dues - Others   | -                         | -                         | -                | -                 | -      |
| Note : 15 Other Financial Liabilities - Current                       |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Reimbursement & Other Payables   | 7.08                      | 6.20                      |                  |                   |        |
|   | Total  | 7.08                      | 6.20                      |                  |                   |        |
| Note : 16 Lease Liabilities   |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Lease Liability  | 0.92                      | 1.26                      |                  |                   |        |
|   | Total  | 0.92                      | 1.26                      |                  |                   |        |
| Note : 17 Provisions - Current  |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Provision for Leave Encashment   | 2.59                      | 1.87                      |                  |                   |        |
| 2   | Provision for Gratuity   | 5.90                      | 4.12                      |                  |                   |        |
|   | Total  | 8.49                      | 5.99                      |                  |                   |        |
| Note : 18 Other Current Liabilities                                   |  |                           |                           |                  |                   |        |
| Sr No.  | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |                  |                   |        |
|   |  | Total                     | Total                     |                  |                   |        |
| 1   | Revenue Received in Advance  | 67.61                     | 58.61                     |                  |                   |        |
| 2   | Statutory Liability  |                           |                           |                  |                   |        |
|   | TDS Payable  | 4.35                      | 4.50                      |                  |                   |        |
|   | Professional Tax Payable   | 0.05                      | 0.08                      |                  |                   |        |
|   | Provident Fund Payable   | 2.41                      | 3.99                      |                  |                   |        |
|   | ESIC Payable   | 0.01                      | 0.01                      |                  |                   |        |
|   | Total  | 74.43                     | 67.19                     |                  |                   |        |



**Scrabble Digital Limited**  
**Notes on Financial Statements for the Year Ended 31st March, 2024**

**Note : 19 Revenue from Operations**

(Amount in Lacs)

| Sr. No | Particulars              | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |
|--------|--------------------------|--------------------------------|------------------------------|
|        |                          | <b>Total</b>                   | <b>Total</b>                 |
| 1      | Sale of Products         | -                              | -                            |
| 2      | Sale of Services         |                                |                              |
|        | a) DCP Duplication Fees  | 1,058.89                       | 1,515.24                     |
|        | b) Mastering Fees        | 254.32                         | 324.56                       |
|        | c) Other Income          | 46.18                          | 63.89                        |
| 3      | Other Operating Revenues | -                              | -                            |
|        | Less: Excise Duty        |                                |                              |
|        | <b>Total</b>             | <b>1,359.39</b>                | <b>1,903.69</b>              |

**Note : 20 Other Income**

| Sr. No | Particulars                    | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |
|--------|--------------------------------|--------------------------------|------------------------------|
|        |                                | <b>Total</b>                   | <b>Total</b>                 |
| 1      | Sundry Balances Written Back   | 9.49                           | 2.68                         |
| 2      | Provision for Doubtful Debts   | -                              | 1.65                         |
| 3      | Profit on Sale of Fixed Assets | 1.65                           | 4.42                         |
|        | <b>Total</b>                   | <b>11.14</b>                   | <b>8.75</b>                  |

**Note : 21 Operating Direct Cost**

| Sr. No | Particulars                   | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |
|--------|-------------------------------|--------------------------------|------------------------------|
|        |                               | <b>Total</b>                   | <b>Total</b>                 |
| 1      | Content Distribution Expenses | 553.79                         | 743.21                       |
| 2      | Other Expenses                | 0.20                           | 1.09                         |
|        | <b>Total</b>                  | <b>553.99</b>                  | <b>744.30</b>                |

**Note : 22 Employee Benefit Expenses**

| Sr. No | Particulars                             | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |
|--------|---|--------------------------------|------------------------------|
|        |   | <b>Total</b>                   | <b>Total</b>                 |
| 1      | Salaries, Wages and Bonus               | 274.96                         | 311.04                       |
| 2      | Contribution to Provident & Other Funds | 17.83                          | 20.92                        |
| 3      | Compensated Absences                    | 3.87                           | -                            |
| 4      | Gratuity                                | 7.66                           | 8.77                         |
| 5      | Staff Welfare Expenses                  | 8.92                           | 11.14                        |
|        | <b>Total</b>                            | <b>313.24</b>                  | <b>351.87</b>                |



| Note : 23 Other Expenses     |  |                                |                              | (Amount in Lacs) |
|------------------------------|--|--------------------------------|------------------------------|------------------|
| Sr. No                       | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |                  |
|                              |  | Total                          | Total                        |                  |
| 1                            | Communication Expenses   | 17.49                          | 17.02                        |                  |
| 2                            | Travelling & Conveyance Expenses                                     | 2.12                           | 5.18                         |                  |
| 3                            | Electricity Expenses   | 9.82                           | 8.25                         |                  |
| 4                            | Legal Professional Expenses  | 15.14                          | 3.81                         |                  |
| 5                            | Rate & Taxes   | 0.55                           | 0.06                         |                  |
| 6                            | Rent   | 42.61                          | 40.82                        |                  |
| 7                            | Repair & Maintenance   | 5.99                           | 12.83                        |                  |
| 8                            | Security Charges   | 10.28                          | 10.15                        |                  |
| 9                            | Printing & Stationery Expenses                                       | 4.13                           | 3.68                         |                  |
| 10                           | Freight & Forwarding Charges   | -                              | 0.80                         |                  |
| 11                           | Insurance Expenses   | 0.36                           | 0.41                         |                  |
| 12                           | Provision for Doubtful Debts   | 0.38                           | -                            |                  |
| 13                           | Bad Debts  |                                |                              |                  |
|                              | Bad Debts Written off during the year                                | 7.30                           | 3.89                         |                  |
|                              | Less : - Provisions Utilised during the year                         | (7.30)                         | (3.89)                       |                  |
| 14                           | CSR Expenditure (refer note 39)                                      | 2.35                           | -                            |                  |
| 15                           | Audit Fees (Auditor's Remuneration refer note 27)                    | 3.60                           | 3.60                         |                  |
| 16                           | Miscellaneous Expenses   | 6.25                           | 7.34                         |                  |
| 17                           | Exchange Fluctuation Loss (Net)                                      | 0.19                           | 0.03                         |                  |
| 18                           | Assets Written Off   | -                              | 0.39                         |                  |
|                              | <b>Total</b>   | <b>121.26</b>                  | <b>114.37</b>                |                  |
| Note : 24 Finance Cost       |  |                                |                              |                  |
| Sr. No                       | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |                  |
|                              |  | Total                          | Total                        |                  |
| 1                            | Bank Charges   | 0.07                           | 0.21                         |                  |
| 2                            | Interest & Penalty Charges   | -                              | 0.34                         |                  |
| 3                            | Interest on Notional Lease Rental Liability                          | 0.13                           | 0.07                         |                  |
| 4                            | Revaluation of Mutual Fund   | 0.24                           | -                            |                  |
|                              | <b>Total</b>   | <b>0.44</b>                    | <b>0.62</b>                  |                  |
| Note : 25 Finance Income     |  |                                |                              |                  |
| Sr. No                       | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |                  |
|                              |  | Total                          | Total                        |                  |
| 1                            | Notional Interest on Security Deposit                                | 0.01                           | 0.01                         |                  |
| 2                            | Revaluation of Mutual Fund   | -                              | 1.79                         |                  |
| 3                            | Interest on Loan (Income)  | -                              | 0.34                         |                  |
| 4                            | Profit on Redemption of MF   | 3.24                           | 0.70                         |                  |
|                              | <b>Total</b>   | <b>3.25</b>                    | <b>2.84</b>                  |                  |
| Note : 26 Earnings Per Share |  |                                |                              |                  |
| Sr. No                       | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |                  |
|                              |  | Total                          | Total                        |                  |
| 1                            | Profit/(Loss ) attributable to Equity Shareholders                   | 206.63                         | 435.67                       |                  |
| 2                            | Weighted average number of equity shares outstanding (No. of Shares) | 5,93,142                       | 5,93,142                     |                  |
| 3                            | Earnings per Share (basic and diluted)                               | 34.84                          | 73.45                        |                  |
| 4                            | Nominal Value per share (Amount in Rs.)                              | 10                             | 10                           |                  |



| Note : 27 Auditors Remuneration |                              |                                |  |
|---------------------------------|------------------------------|--------------------------------|--|
| Sr no                           | Particulars                  | Year Ended<br>31st March, 2024 | (Amount in Lacs)<br>Year Ended<br>March 31, 2023 |
| 1                               | Audit Fees (Statutory Audit) |                                |  |
| 2                               | Tax Audit                    | 3.10                           | 3.10   |
|                                 |                              | 0.50                           | 0.50   |
|                                 | <b>Total</b>                 | <b>3.60</b>                    | <b>3.60</b>                                      |

Note : 28

(i) As per IND AS 19 "Employee Benefit", the disclosures as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

| Particulars                               | Year Ended<br>31st March, 2024 | Year Ended<br>March 31, 2023 |
|---|--------------------------------|------------------------------|
| Employer's Contribution to Provident Fund |                                |                              |
|   | 16.95                          | 19.93                        |

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan in India (unfunded). 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 company's defined benefit gratuity plan is a final salary plan for employees, which require contributions to be made to a separate administered fund. Gratuity is paid from the company as and when it becomes due and is paid as per company scheme of Gratuity.

**(ii) Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

| Particulars                                     | Gratuity<br>(Unfunded)<br>2023-24 | Gratuity<br>(Unfunded)<br>2022-23 |
|---|-----------------------------------|-----------------------------------|
| Defined Benefit obligation at beginning of year |                                   |                                   |
| Interest Cost                                   | 37.99                             | 42.62                             |
| Current Service Cost                            | 2.84                              | 2.98                              |
| Past Service Cost                               | 4.83                              | 5.78                              |
| Benefits paid                                   | -                                 | -                                 |
| Actuarial (gain) / loss                         | (8.66)                            | (3.01)                            |
| Defined Benefit obligation at year end          | 3.01                              | (10.39)                           |
|   | 40.01                             | 37.99                             |

**(iii) Change in Plan Asset**

| Particulars                        | Gratuity<br>(Unfunded)<br>2023-24 | Gratuity<br>(Unfunded)<br>2022-23 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Present value of obligation        |                                   |                                   |
| Fair value of Plan assets          | 40.01                             | 37.99                             |
| Amount recognised in Balance Sheet | -                                 | -                                 |
|                                    | 40.01                             | 37.99                             |

**(iv) Expenses recognised in statement of Profit and Loss during the year**

| Particulars                  | Gratuity<br>(Unfunded)<br>2023-24 | (Amount in Lacs)<br>Gratuity<br>(Unfunded)<br>2022-23 |
|------------------------------|-----------------------------------|---|
| Current Service Cost         |                                   |   |
| Interest Cost                | 4.83                              | 5.78  |
| Past Service Cost            | 2.84                              | 2.98  |
| Expenses recognised in P & L | -                                 | -   |
|                              | 7.67                              | 8.76  |

**(iv) Expenses recognised in Other Comprehensive Income (OCI) during the year**

| Particulars                  | Gratuity<br>(Unfunded)<br>2023-24 | Gratuity<br>(Unfunded)<br>2022-23 |
|------------------------------|-----------------------------------|-----------------------------------|
| Actuarial (gain) / loss      |                                   |                                   |
| Benefits paid                | 3.01                              | (10.39)                           |
| Expenses recognised in P & L | -                                 | -                                 |
|                              | 3.01                              | (10.39)                           |



| (vi) Actuarial assumptions  |                                   |   |
|---|-----------------------------------|---|
| Particulars   | Gratuity<br>(Unfunded)<br>2023-24 | Gratuity<br>(Unfunded)<br>2022-23                     |
| Mortality Table (LIC)   | 100% of IALM 2012-14              | 100% of IALM 2012-14                                  |
| Discount rate (p.a.)  | 7.15%                             | 7.45%   |
| Rate of Employee Turnover   | 13%                               | 7%  |
| Retirement age (years)  | 58 Years                          | 58 Years  |
| Expected rate of return on plan assets (p.a.)   | 0                                 | 0   |
| Rate of escalation in salary (p.a.)   | 8%                                | 0% for First 1 Year & 6% thereafter                   |
| 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.   |                                   |   |
| Maturity of Defined Benefit Obligation<br>(Weighted average duration (based on Discounted cashflows - 9 Years)  |                                   |   |
| Particulars   | Gratuity<br>(Unfunded)<br>2023-24 | (Amount in Lacs)<br>Gratuity<br>(Unfunded)<br>2022-23 |
| 1 Year  | 5.90                              | 4.12  |
| 2 to 5 Years  | 20.53                             | 12.39   |
| 6 to 10 Years   | 19.83                             | 20.96   |
| More than 10 Years  | 18.84                             | 44.48   |
| Sensitivity Analysis  |                                   |   |
|   | Decrease                          | Increase  |
| Projected Benefit Obligation on Current Assumptions   | 40.01                             | 37.99   |
| As at 31st March, 2024  |                                   |   |
| Delta Effect of Change in Rate of Discounting   | 42.42                             | 37.80   |
| Delta Effect of Change in Rate of Salary Growth   | 37.77                             | 42.42   |
| Delta Effect of Change in Attrition Rate  | 38.87                             | 40.58   |
| Delta Effect of Change in Mortality Rate  | 39.99                             | 40.00   |
| As at 31st March, 2023  |                                   |   |
| Delta Effect of Change in Rate of Discounting   | 41.40                             | 35.00   |
| Delta Effect of Change in Rate of Salary Growth   | 34.91                             | 41.44   |
| Delta Effect of Change in Attrition Rate  | 36.69                             | 38.81   |
| Delta Effect of Change in Mortality Rate  | 37.97                             | 37.99   |
| Gratuity is defined benefit plan and company is exposed to the following risks:   |                                   |   |
| Interest rate risk: A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.   |                                   |   |
| Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, as adjustment in the salary of the members more than assumed level will increase the plans liability.   |                                   |   |
| Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on as you go basis from own funds.  |                                   |   |
| Mortality risk: Since the benefit under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.  |                                   |   |
| During the year there was no plan amendments, curtailments. Gratuity plan is unfunded. Since the scheme is managed on unfunded basis, the next year contribution is taken as Nil.   |                                   |   |
| Compensated absences (Refer Note 22)  |                                   |   |
| 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. 3.87 Lakhs (March 31, 2023: Rs. Nil) is recognised as an expense in the Statement of profit and loss. |                                   |   |





**Scrabble Digital Limited**  
Notes to Financial Statements for the Year Ended 31st March, 2024

Note : 29 Tax Expense

(Amount in Lacs)

a. The major components of income tax expense are as follows:

| Particulars                                       | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
|---|--|--|
| <b>Current Income Tax:</b>                        |  |  |
| Current Income Tax Charge                         | (63.29)                                | (94.54)                                |
| Tax Expense relating to Prior Years               | -                                      | -                                      |
| <b>Total</b>                                      | <b>(63.29)</b>                         | <b>(94.54)</b>                         |
| <b>Deferred Tax:</b>                              |  |  |
| Origination and reversal of temporary differences | (4.95)                                 | (55.03)                                |
| <b>Total</b>                                      | <b>(4.95)</b>                          | <b>(55.03)</b>                         |
| <b>Tax expense for the year</b>                   | <b>(68.24)</b>                         | <b>(149.57)</b>                        |

b. Reconciliation of Tax Expense and the accounting profit for the year is as under:

| Particulars   | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
|---|--|--|
| Accounting Profit Before Tax  | 274.87                                 | 585.24                                 |
| Income tax expense calculated at corporate tax rate                           | -                                      | -                                      |
| Tax effect of adjustment to reconcile expected income tax expense to reported | 69.19                                  | 147.31                                 |
| <b>Less: Deductible expenses for tax purposes:</b>                            |  |  |
| Income which is exempt  | -                                      | -                                      |
| Deduction under the Tax Laws  | (3.64)                                 | (1.49)                                 |
| Other deductible expenses   | (31.36)                                | (36.21)                                |
| <b>Non-deductible expenses for tax purposes:</b>                              |  |  |
| Permanent disallowance of Expenses  | 0.94                                   | (0.05)                                 |
| Other non-deductible expenses   | 28.16                                  | 29.29                                  |
| DTA on loss as per IT Computation   | -                                      | -                                      |
| Add / (Less) : Deferred Tax Liability / (Deferred Tax Asset)                  | 4.95                                   | 55.03                                  |
| Add / (Less) : Tax Expenses relating to prior years                           | -                                      | (44.31)                                |
| <b>Total</b>  | <b>68.24</b>                           | <b>149.57</b>                          |



**Scrabble Digital Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

Note : 30

**Financial Instruments – Fair Values and Risk Management**

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value

| <b>(Amount in Lacs)</b>       |                        |               |                       |              |   |  |  |
|-------------------------------|------------------------|---------------|-----------------------|--------------|---|--|--|
| <b>As at 31st March, 2024</b> | <b>Carrying amount</b> |               |                       |              | <b>Fair value</b>                               |  |  |
| <b>Particulars</b>            | <b>FVTPL</b>           | <b>FVTOCI</b> | <b>Amortised Cost</b> | <b>Total</b> | <b>Level 1 - Quoted price in active markets</b> | <b>Level 2 - Significant observable inputs</b> | <b>Level 3 - Significant unobservable inputs</b> |
| <b>Financial Assets</b>       |                        |               |                       |              |   |  |  |
| <b>Non-current</b>            |                        |               |                       |              |   |  |  |
| Other Financial Assets        | -                      | -             | 15.37                 | 15.37        | -   | -  | -  |
| <b>Current</b>                |                        |               |                       |              |   |  |  |
| Investments                   | 15.48                  | -             | -                     | 15.48        | 15.48   | -  | -  |
| Trade and other receivables   | -                      | -             | 1,435.45              | 1,435.45     | -   | -  | -  |
| Cash and cash equivalents     | -                      | -             | 49.38                 | 49.38        | -   | -  | -  |
| Other Financial Assets        | -                      | -             | -                     | -            | -   | -  | -  |
|                               | 15.48                  | -             | 1,500.21              | 1,515.68     | 15.48   | -  | -  |
| <b>Financial Liabilities</b>  |                        |               |                       |              |   |  |  |
| <b>Current</b>                |                        |               |                       |              |   |  |  |
| Trade and other payables      | -                      | -             | 71.39                 | 71.39        | -   | -  | -  |
| Other financial Liability     | -                      | -             | 7.08                  | 7.08         | -   | -  | -  |
|                               | -                      | -             | 78.47                 | 78.47        | -   | -  | -  |
| <b>As at 31st March, 2023</b> |                        |               |                       |              |   |  |  |
| <b>Particulars</b>            | <b>FVTPL</b>           | <b>FVTOCI</b> | <b>Amortised Cost</b> | <b>Total</b> | <b>Level 1 - Quoted price in active markets</b> | <b>Level 2 - Significant observable inputs</b> | <b>Level 3 - Significant unobservable inputs</b> |
| <b>Financial Assets</b>       |                        |               |                       |              |   |  |  |
| <b>Non-current</b>            |                        |               |                       |              |   |  |  |
| Other Financial Assets        | -                      | -             | 15.34                 | 15.34        | -   | -  | -  |
| <b>Current</b>                |                        |               |                       |              |   |  |  |
| Investments                   | 52.48                  | -             | -                     | 52.48        | 52.48   | -  | -  |
| Trade and other receivables   | -                      | -             | 1,219.14              | 1,219.14     | -   | -  | -  |
| Cash and cash equivalents     | -                      | -             | 33.57                 | 33.57        | -   | -  | -  |
| Other Financial Assets        | -                      | -             | -                     | -            | -   | -  | -  |
|                               | 52.48                  | -             | 1,268.05              | 1,320.53     | 52.48   | -  | -  |
| <b>Financial Liabilities</b>  |                        |               |                       |              |   |  |  |
| <b>Current</b>                |                        |               |                       |              |   |  |  |
| Trade and Other Payables      | -                      | -             | 152.40                | 152.40       | -   | -  | -  |
| Other financial Liability     | -                      | -             | 6.20                  | 6.20         | -   | -  | -  |
|                               | -                      | -             | 158.60                | 158.60       | -   | -  | -  |

**B. Measurement of fair values**

**i) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.



**Scrabble Digital Limited**  
**Notes to Financial Statements for the year ended 31st March 2024**

**Note : 31**

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

**a. Trade and Other Receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of routine customers to which the Company grants credit terms in the normal course of business. For the new customers the company prefers taking advance payments before provisioning the services to the customers. Group Companies concentrate 92% of total receivable.

The Company uses the expected credit loss model as per Ind AS 109 - Financial Instruments to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers.

**b. Cash and cash equivalents**

Credit Risk on Cash and Cash Equivalents is limited as the Company invests with credit worthy banks. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**c. Security deposits given to lessors**

The Company has different types of lease agreements for its various branches and offices. The security deposit majorly pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by counter-parties.

d. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**Note : 32**

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/low mark to market risks.

**Note : 33**

**Market Risk**

**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 market risk for changes in interest rates relates to fixed deposits and is limited as these deposits are held with credit worthy banks.

**b. Foreign Currency Risk**

The Company imports the capital goods and also provide services internationally. The export of services forms a negligible part of the revenue and therefore the currency risk on the same is limited. The Company imports capital goods for which the Company monitors its exchange rate risks closely considering that such payables are not on long term basis and paid off within short period of time.



**Scrabble Digital Limited**  
**Notes to Financial Statements for the Year Ended 31st March, 2024**

Note : 34 Disclosure related to Lease rentals as per Ind AS 116

**A) Summary of Property, Plant & Equipment**

(Amount in Lacs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Right to Use assets, except for Investment property | 0.87                      | 2.17                      |

**B) Carrying value of Right of use asset as at the end of Reporting period**

| Particulars                            | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| Opening Balance                        | 2.17                      | 0.79                      |
| Addition during the year               | -                         | 2.60                      |
| Less: Depreciation charge for the year | (1.30)                    | (1.22)                    |
| Closing Balance                        | 0.87                      | 2.17                      |

**C) Maturity Analysis of Lease Liabilities**

| Maturity Analysis – Contractual undiscounted cash flows                   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Less than One year  | 0.92                      | 1.39                      |
| One to Five years   | -                         | 0.92                      |
| More than five Years  | -                         | -                         |
| <b>Total Undiscounted lease liabilities (Excluding Short term leases)</b> | <b>0.92</b>               | <b>2.31</b>               |
| <b>Lease liabilities included in the statement of Financial position</b>  | <b>0.92</b>               | <b>2.17</b>               |
| Current   | 0.92                      | 1.26                      |
| Non-current   | -                         | 0.91                      |

**D) Amounts recognised in Profit & loss Account**

| Particulars  | For the year ended<br>on 31st March, 2024<br>Amount (Lacs) | For the year ended<br>on 31st March, 2023<br>Amount (Lacs) |
|--|--|--|
| Interest on Lease Liabilities  | 0.13   | 0.07   |
| Variable lease payments not included in the measurement of lease liabilities                     | -  | -  |
| Income from sub-leasing right-of-use assets  | -  | -  |
| Expenses relating to short-term leases (Undiscounted Rent Expense)                               | 42.61  | 40.82  |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | -  | -  |



| <b>Scrabble Digital Limited</b><br><b>Notes to Financial Statements for the Year Ended 31st March 2024</b>  |   |                                |
|---|---|--------------------------------|
| <b>Note : 35 Related Party Disclosure (In accordance with Ind AS 24)</b><br><b>Related Parties</b>  |   |                                |
| Name  | Relationship  |                                |
| UFO Moviez India Limited<br>(Scrabble Entertainment Limited Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024)<br>Appointed Date : 01-04-2023<br>Nova Cinemaz Private Limited<br>Mumbai Movie Studios Private Limited<br>Cinestaan Digital Private Limited<br>XB6 Media Artists Private Limited | Holding Company<br><br>Fellow Subsidiary<br>Associate of Holding Company<br>Associate of Holding Company<br>Associate Company from 19-08-2023 To 21-03-2024<br>Disinvested on 22-03-2024. |                                |
| Particulars   | (Amount in Lacs)  |                                |
|   | Year Ended<br>31st March, 2024  | Year Ended<br>31st March, 2023 |
| Scrabble Entertainment Limited (Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024 Appointed Date : 01-04-2023)  |   |                                |
| - Service Income  | -   | 36.61                          |
| - Expenses  | -   | 15.58                          |
| UFO Moviez India Limited  |   |                                |
| - Sale of Capital Goods   | -   | 5.01                           |
| - Service Income  | 385.75  | 501.94                         |
| - Expenses  | 24.74   | 7.86                           |
| - Security Deposit Paid   | 0.01  | 0.29                           |
| Nova Cinemaz Private Limited (Formerly known as Valuable Digital Screens Private Limited)   |   |                                |
| - Service Income  | -   | 0.06                           |
| - Expenses  | -   | 0.04                           |
| Cinestaan Digital Private Limited   |   |                                |
| - Other Income  |   |                                |
| - Interest on Inter Company Deposit   | -   | 0.34                           |
| - Inter Company Deposit paid  | -   | 35.00                          |
| - Inter Company Deposit repaid back   | -   | 35.00                          |
| XB6 Media Artists Private Limited   |   |                                |
| - Invested  | 10.00   | -                              |
| - Disinvested   | (10.00)   | -                              |
| Mumbai Movie Studios Private Limited  |   |                                |
| - Service Income  | -   | 4.84                           |
| Balance Outstanding   |   |                                |
|   | Year Ended<br>31st March, 2024  | Year Ended<br>31st March, 2023 |
| (A) Trade Payable   |   |                                |
| UFO Moviez India Limited (Rent Provision)   | 9.49  | 1.59                           |
| (A) Trade Receivable  |   |                                |
| Scrabble Entertainment Limited (Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024 Appointed Date : 01-04-2023)  | -   | 164.47                         |
| UFO Moviez India Limited  | 1,268.54  | 821.02                         |
| Mumbai Movie Studios Pvt. Ltd.  | 0.03  | 0.52                           |
| Scrabble Entertainment Ltd (Unbilled Revenue) (Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024 Appointed Date:01-04-2023)   | -   | (0.20)                         |
| UFO Moviez India Limited (Unbilled Revenue)   | 8.09  | (0.84)                         |
| (B) Security Deposit Receivable   |   |                                |
| Scrabble Entertainment Limited (Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024 Appointed Date : 01-04-2023)  | -   | 5.27                           |
| UFO Moviez India Limited  | 8.33  | 3.05                           |



**Note 36: Segment Reporting**

The company is primarily engaged in only one business segment i.e. digital conversion fees and only one geographical segment i.e. INDIA. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment" (Segment Reporting).

**Note 37: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 38: Leases**

| Particulars | (Amount in Lacs)               |                                |
|-------------|--------------------------------|--------------------------------|
|             | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
| Rent        | 42.61                          | 40.82                          |

**Note 39: Corporate Social Responsibility****Details of CSR expenditure**

|   |         | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|---|---------|--------------------------------|--------------------------------|
| a) Gross amount required to be spent during the year        |         | 2.35                           | -                              |
| b) Amount approved by the Board to be spent during the year |         | 2.35                           | -                              |
| c) Amount spent during the year ending on 31st March 2024:  |         |                                |                                |
|   | In cash | Yet to be paid<br>in cash      | Total                          |
| i) Construction/acquisition of any asset                    | -       | -                              | -                              |
| ii) On purposes other than (i) above                        | 2.35    | -                              | 2.35                           |
| d) Amount spent during the year ending on 31st March 2023:  |         |                                |                                |
|   | In cash | Yet to be paid<br>in cash      | Total                          |
| i) Construction/acquisition of any asset                    | -       | -                              | -                              |
| ii) On purposes other than (i) above                        | 16.21   | -                              | 16.21                          |
| e) Details related to spent / unspent obligations           |         | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
| i) Contribution to Public Trust                             |         | -                              | -                              |
| ii) Contribution to Charitable Trust                        |         | -                              | -                              |
| iii) Unspent amount in relation to:                         |         | 2.35                           | 16.21                          |
| Ongoing project - Spent                                     |         | -                              | -                              |
| Ongoing project - Unspent                                   |         | -                              | -                              |
| Other than ongoing project                                  |         | -                              | -                              |

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

| Opening Balance |                                | Amount required<br>to be spent during<br>the year | Amount spent during the year |                                  | Closing Balance |                                |
|-----------------|--------------------------------|---|------------------------------|----------------------------------|-----------------|--------------------------------|
| With Company    | In Separate CSR Unspent<br>A/c |   | From Company's<br>bank A/c   | From Separate CSR<br>Unspent A/c | With Company    | In Separate CSR<br>Unspent A/c |
| FY 2023-24      | -                              | 2.35  | 2.35                         | -                                | -               | -                              |

**In case of S. 135(5) (Other than ongoing project)**

| Opening Balance | Amount deposited<br>in Specified Fund of<br>Sch. VII within 6<br>months | Amount required to be<br>spent during the year | Amount spent<br>during the year | Closing Balance |
|-----------------|---|--|---------------------------------|-----------------|
| -               | -   | -  | -                               | -               |



| Scrabble Digital Limited   |  |   |                  |                  |          |   |
|--|--|---|------------------|------------------|----------|---|
| Notes to Financial Statements for the Year Ended 31st March 2024 |  |   |                  |                  |          |   |
| Note 40 : Ratio Analysis and its elements                        |  |   |                  |                  |          |   |
| Ratio  | Numerator  | Denominator   | 31st March, 2024 | 31st March, 2023 | % change | Reason for variance   |
| Current ratio  | Current Assets   | Current Liabilities   | 9.57             | 5.79             | 65.36%   | Increase in trade receivable in current year on account of slower realisation                       |
| Debt- Equity Ratio   | Total Debt   | Shareholder's Equity  | -                | -                | -        | -   |
| Debt Service Coverage ratio                                      | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments                 | -                | -                | -        | -   |
| Return on Equity ratio   | Net Profits after taxes – Preference Dividend                                    | Average Shareholder's Equity  | 348.36%          | 734.52%          | -52.57%  | Decrease in Sales in current year resulted decrease in profits                                      |
| Inventory Turnover ratio   | Cost of goods sold   | Average Inventory   | -                | -                | -        | -   |
| Trade Receivable Turnover Ratio                                  | Net credit sales = Gross credit sales - sales return                             | Average Trade Receivable  | 0.26             | 0.48             | -46.46%  | Negative variation in Trade receivable turnover ratio on account of slower realisation therefrom.   |
| Trade Payable Turnover Ratio                                     | Net credit purchases = Gross credit purchases - purchase return                  | Average Trade Payables  | 6.03             | 5.95             | 1.42%    | -   |
| Net Capital Turnover Ratio                                       | Net sales = Total sales - sales return   | Working capital = Current assets – Current liabilities                          | 0.98             | 1.71             | -42.73%  | Decrease in Net Capital Turnover Ratio in current year due to decrease in sales and working capital |
| Net Profit ratio   | Net Profit   | Net sales = Total sales - sales return  | 15.20%           | 22.89%           | -33.58%  | Decrease in profits in current year due to decrease in sales.                                       |
| Return on Capital Employed                                       | Earnings before interest and taxes   | Capital Employed = Tangible Net Worth + Long Term Debt + Deferred Tax Liability | 20.19%           | 41.59%           | -51.45%  | Decrease in sales and resultant decrease in Earnings before interest and Tax                        |
| Return on Investment   | Interest (Finance Income)  | Investment  | 0.00%            | 0.00%            | -        | -   |



**Note 41 : Additional Regulatory Information**

**a) Title deeds of Immovable Properties not held in the name of company -**

The Company does not have any immovable property therefore this disclosure is not applicable.

**b) Revaluation of Property Plant and Equipment and Right-of-Use Assets**

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

**c) Loans or Advances in nature of loans granted to Promoters, Directors, KMPs and the Related Parties (severally or jointly)**

The Company has not granted any loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

**d) Capital-Work-In Progress (CWIP)**

The Company does not have any Capital Work-In-Progress, therefore this disclosure is not applicable.

**e) Intangible assets under development**

The Company does not have any Intangibles Work-in-Progress, therefore this disclosure is not applicable.

**f) Details of Benami Property held**

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, therefore this disclosure is not applicable.

**g) Utilisation of Borrowed funds and share premium**

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries), therefore this disclosure is not applicable.

(B) 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), therefore this disclosure is not applicable.

**h) Borrowings from banks and financial institutions on the basis of security of the current assets**

The Company has been not sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets, therefore this disclosure is not applicable.

**i) Willful Defaulter**

The company has not availed any loans or borrowings from banks or financial institutions and therefore has not been declared wilful defaulter by any bank or financial institution or other lender, therefore this disclosure is not applicable.

**j) Relationship with Struck off Companies**

The company does not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, therefore this disclosure is not applicable.

**k) Registration of charges or satisfaction with Registrar of Companies**

The Company has not availed any secured loan. Therefore, registration or satisfaction of charges with the Registrar of Companies (ROC) is not applicable.

**l) Compliance with number of layers of companies**

The Company does not have any subsidiary during the financial year, Hence the restrictions prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

**m) Compliance with approved Scheme(s) of Arrangements**

The Company is not under any scheme of Arrangements as prescribed under sections 230 to 237 of the Companies Act, 2013. Hence, there is no effect of such schemes in the books of accounts as at end of the year.

**n) Undisclosed Income**

The Company does not recorded any transaction 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), therefore this disclosure is not applicable.

**o) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year, therefore this disclosure is not applicable.

**Note 42:**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 904851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 22nd May, 2024



Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 22nd May, 2024



**Jagdish B. Shetty**  
B. Com., F. C. A., D. I. S. A. (ICAI), L. L. B. (Gen.)



**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

**Santosh J. Naik**  
B. Com., L. L. B., F. C. A., D. I. S. A. (ICAI)

31, Madhuban Industrial Estate, Plot No. 30, Off Mahakali Caves Road, Andheri (E), Mumbai - 400 093.  
Tel.: 022 4214 8484 / 6149 8484 (15 Lines) Fax : 022 4214 8485 Email : sna@snachartereds.com www.snachartereds.com

## INDEPENDENT AUDITOR'S REPORT ON CONDENSED FINANCIAL STATEMENTS

TO,

THE BOARD OF DIRECTORS

SCRABBLE DIGITAL LIMITED

### Opinion

We have audited the accompanying condensed financial statements of **SCRABBLE DIGITAL LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at September 30, 2024, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the six months period ended on that date and notes to the Condensed Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "condensed financial statements"). The Condensed Financial Statements have been prepared by the management of the company in connection with the proposed Composite Scheme of Arrangement amongst Scrabble Digital Limited ("Demerged Company") and UFO Moviez India Limited ("Resulting Company" or "Transferee Company") and their respective shareholders and creditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the six months period ended on that date.

### Basis for Opinion

We conducted our audit of the condensed financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Condensed Financial Statements section of our report. We are independent of the Company in accordance with the Code of





## **SHETTY NAIK & ASSOCIATES** **Chartered Accountants**

Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the condensed financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the condensed financial statements.

### **Management's Responsibilities for the Condensed Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 ("the Act") with respect to the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India.

This responsibility also includes 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 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 condensed financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Condensed Financial Statements**

Our objectives are to obtain reasonable assurance about whether the condensed 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 condensed 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 condensed 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed 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 Condensed financial statements, including the disclosures, and whether the Condensed 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.





**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

- We also provide those charged with governance with a statement that we have complied with the 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.


**Basis of Accounting & Restriction on Use**

Without modifying your opinion, we draw your attention to Note 39 of the Condensed Financial Statements which describes the purpose and basis of preparation. The Condensed Financial Statements have been prepared by the Company's Management solely for the purpose as mentioned in the 'Opinion' Paragraph above and accordingly, the condensed Financial Statements may not be suitable for any other purpose. It should not be used by any parties other than the company or the Transferee Company or the demerged Company. It should not be distributed for any purpose other than to meet the legal/regulatory requirements. We do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save as expressly agreed by our prior consent in writing.

**For Shetty Naik & Associates**

**Chartered Accountants**

Firm Registration No. 124851W

  
**CA. Jagdish Shetty**

**Partner**

**Membership No.: 111936**



**Place: Mumbai**

**Date: 19<sup>th</sup> November, 2024**

**UDIN: 24111936BCJIP3525**



**Scrabble Digital Limited**  
**Balance Sheet as at 30th September, 2024**

(Amount in Lakhs)

| Particulars   | Notes | As at<br>30th September, 2024 | As at<br>31st March, 2024 |
|---|-------|-------------------------------|---------------------------|
| <b>I. ASSETS</b>  |       |                               |                           |
| <b>Non-Current Assets</b>   |       |                               |                           |
| (a) Property, Plant and Equipments  | 2     | 162.91                        | 208.10                    |
| (b) Intangible Assets   |       | 0.01                          | 0.03                      |
| (c) Right of Use Assets   | 2.1   | 0.22                          | 0.87                      |
| (d) Financial Assets:   |       |                               |                           |
| (i) Other Financial Assets  | 3     | 15.37                         | 15.37                     |
| (e) Deferred Tax Assets (Net)   | 4     | 120.27                        | 120.71                    |
| (f) Other Non Current Assets  | 5     | 39.90                         | 204.80                    |
| <b>Sub-Total</b>  |       | <b>338.68</b>                 | <b>549.88</b>             |
| <b>Current Assets</b>   |       |                               |                           |
| (a) Financial Assets:   |       |                               |                           |
| (i) Investments   | 6     | 284.92                        | 15.48                     |
| (ii) Trade Receivables  | 7     | 1,589.48                      | 1,435.45                  |
| (iii) Cash and Cash Equivalents   | 8     | 13.86                         | 49.38                     |
| (iv) Other balances with bank   | 8     | -                             | -                         |
| (b) Other Current Assets  | 9     | 52.52                         | 52.93                     |
| <b>Sub-Total</b>  |       | <b>1,940.78</b>               | <b>1,553.24</b>           |
| <b>Total Assets (A+B)</b>   |       | <b>2,279.46</b>               | <b>2,103.12</b>           |
| <b>II. EQUITY AND LIABILITIES</b>   |       |                               |                           |
| <b>Equity</b>   |       |                               |                           |
| (a) Equity Share Capital  | 10    | 59.31                         | 59.31                     |
| (b) Other Equity  | 11    | 2,058.78                      | 1,832.79                  |
| <b>Sub-Total</b>  |       | <b>2,118.09</b>               | <b>1,892.10</b>           |
| <b>Liabilities</b>  |       |                               |                           |
| <b>Non Current Liabilities</b>  |       |                               |                           |
| (a) Lease Liabilities   | 12    | -                             | -                         |
| (b) Provisions  | 13    | 38.58                         | 48.71                     |
| <b>Sub-Total</b>  |       | <b>38.58</b>                  | <b>48.71</b>              |
| <b>Current Liabilities</b>  |       |                               |                           |
| (a) Financial Liabilities   |       |                               |                           |
| (i) Trade Payables  |       |                               |                           |
| (A) Total Outstanding dues of Micro Enterprises & Small Enterprises; and                  |       |                               |                           |
| (B) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises. | 14    | 52.60                         | 71.39                     |
| (ii) Other Financial Liabilities  | 15    | -                             | 7.08                      |
| (iv) Borrowings   |       |                               |                           |
| (a) Lease Liabilities   | 16    | 0.25                          | 0.92                      |
| (b) Provisions  | 17    | 14.25                         | 3.49                      |
| (c) Other Current Liabilities   | 18    | 55.69                         | 74.43                     |
| <b>Sub-Total</b>  |       | <b>122.79</b>                 | <b>162.31</b>             |
| <b>Total Equity and Liabilities</b>   |       | <b>2,279.46</b>               | <b>2,103.12</b>           |

Significant accounting policies and Notes on Financial Statements  
Notes referred to above form an integral part of Financial Statements

1

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 19th November, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 19th November, 2024





**Scrabble Digital Limited**  
**Statement of Profit & Loss for the Period Ended 30th September, 2024**

| Particulars   | Notes   | (Amount in Lakhs)                    |                                |
|---|---------|--------------------------------------|--------------------------------|
|   |         | Period Ended<br>30th September, 2024 | Year Ended<br>31st March, 2024 |
| I. Revenue from operations  | 19      | 599.00                               | 1,359.39                       |
| II. Other Income  | 20      | 16.03                                | 11.14                          |
| III. Total Income (I + II)  |         | <b>615.03</b>                        | <b>1,370.53</b>                |
| IV. Expenses  |         |                                      |                                |
| (a) Operating Direct Cost   | 21      | 57.42                                | 553.99                         |
| (b) Employee Benefit Expenses   | 22      | 139.21                               | 313.24                         |
| (c) Other Expenses  | 23      | 67.98                                | 121.26                         |
| Total Expenses  |         | <b>264.61</b>                        | <b>988.49</b>                  |
| V. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)        |         | <b>350.42</b>                        | <b>382.04</b>                  |
| Depreciation and Amortization Expense   | 2 & 2.1 | 49.60                                | 109.98                         |
| Finance Cost  | 24      | 0.05                                 | 0.44                           |
| Finance Income  | 25      | (3.46)                               | (3.25)                         |
| VI. Profit / (Loss) Before Tax  |         | <b>304.23</b>                        | <b>274.87</b>                  |
| VII. Tax Expense  |         |                                      |                                |
| (a) Current Tax   |         | 77.80                                | 63.29                          |
| (b) Deferred tax  |         | 0.44                                 | 4.95                           |
| Total Tax Expense   |         | <b>78.24</b>                         | <b>68.24</b>                   |
| VIII. Profit/ (Loss) after tax from Continuing Operations                       |         | <b>225.99</b>                        | <b>206.63</b>                  |
| IX. Other Comprehensive Income (OCI)  |         |                                      |                                |
| (i) OCI not to be reclassified to Profit/(Loss) in subsequent period            |         |                                      |                                |
| (a) Re-measurement gains /(losses) on defined benefit plans (net of tax impact) |         | -                                    | (3.01)                         |
| (b) Income Tax related to items that will not be reclassified to Profit/(loss)  |         | -                                    | 0.76                           |
|   |         | -                                    | (2.25)                         |
| X. Total Comprehensive Income for the period                                    |         | <b>225.99</b>                        | <b>204.38</b>                  |
| XI. Earnings per Equity Share (For Continuing Operations)                       |         |                                      |                                |
| (Face value of Rs. 10 each)   |         |                                      |                                |
| (i) Basic   |         | 38.10                                | 34.84                          |
| (ii) Diluted  | 26      | 38.10                                | 34.84                          |

Significant accounting policies and Notes on financial statements  
Notes referred to above form an integral part of financial statements

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 19th November, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 19th November, 2024



**Scrabble Digital Limited**  
**Statement of Cash Flows for the Period Ended 30th September, 2024**

|          | Particulars  | 30th September, 2024 | (Amount in Lakhs)<br>31st March, 2024 |
|----------|--|----------------------|---------------------------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |                      |                                       |
|          | Net Profit Before Tax & Extraordinary Items for the year                       | 304.23               | 274.87                                |
|          | Adjustment for :   |                      |                                       |
|          | Depreciation and Amortization Expense  | 49.60                | 109.98                                |
|          | Provision for Doubtful Debts   | 4.88                 | 0.38                                  |
|          | (Profit) / Loss on Sale of Fixed Assets  | (0.18)               | (1.65)                                |
|          | Sundry Balance Write Back/Off  | -                    | (9.49)                                |
|          | Net Gain on Current Investments  | -                    | 0.24                                  |
|          | Interest on Lease Liability  | 0.03                 | 0.13                                  |
|          | Interest Income  | (15.85)              | -                                     |
|          | Provision for Gratuity   | 3.83                 | 7.66                                  |
|          | Provision for Compensated Absences   | 1.94                 | 3.87                                  |
|          | Profit on Sale of Current Investments (Net)                                    | (3.45)               | -                                     |
|          | Exchange Rate Fluctuation  | 0.03                 | 0.19                                  |
|          | <b>Operating Profit before Working Capital Changes</b>                         | <b>345.06</b>        | <b>386.18</b>                         |
|          | <b>Movements in Working Capital:</b>   |                      |                                       |
|          | Increase / (Decrease) in Trade Payables  | (18.79)              | (81.02)                               |
|          | Increase / (Decrease) in Other financial Current Liabilities                   | (7.08)               | 0.88                                  |
|          | Increase / (Decrease) in Other Current liabilities                             | (18.74)              | 7.23                                  |
|          | Increase / (Decrease) in Short-Term Provisions                                 | 5.76                 | 2.50                                  |
|          | Increase / (Decrease) in Long-Term Provisions                                  | (15.89)              | (15.28)                               |
|          | (Increase) / Decrease in Trade Receivables                                     | (158.92)             | (207.20)                              |
|          | Decrease / (Increase) in Current Other financial Assets                        | 0.00                 | (0.03)                                |
|          | (Increase) / Decrease in Other Current Assets                                  | 0.41                 | (9.50)                                |
|          | Cash Generated from Operations   | <b>131.81</b>        | <b>83.77</b>                          |
|          | Income Taxes Paid (Net of Refunds)   | 87.08                | (82.12)                               |
|          | <b>Net Cash (Used in) / Generated by Operating Activities</b>                  | <b>218.89</b>        | <b>1.65</b>                           |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |                      |                                       |
|          | Purchase of PPE including CWIP   | (3.73)               | (22.93)                               |
|          | Proceeds from Sale of Fixed Assets / Capital Work in Progress                  | 0.18                 | 1.71                                  |
|          | Investment - X86 Media Artists Private Limited                                 | -                    | (10.00)                               |
|          | Disinvestment - X86 Media Artists Private Limited                              | -                    | 10.00                                 |
|          | Purchase / Redemption of Current Investments (₹3,50,00,000-₹1350-₹84,00,000)   | (265.99)             | 36.76                                 |
|          | Interest Received  | 15.85                | -                                     |
|          | <b>Net Cash Generated by / (Used in) Investing Activities</b>                  | <b>(253.69)</b>      | <b>15.54</b>                          |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |                      |                                       |
|          | Lease Liability Payment  | (0.69)               | (1.39)                                |
|          | <b>Net Cash (used in)/ Generated by Financing Activities</b>                   | <b>(0.69)</b>        | <b>(1.39)</b>                         |
|          | <b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>                     | <b>(35.49)</b>       | <b>15.80</b>                          |
|          | Exchange difference on translation of foreign currency Cash & Cash Equivalents | (0.03)               | -                                     |
|          | Cash and Cash Equivalents at the beginning of the year                         | 49.38                | 33.57                                 |
|          | <b>Cash and Cash Equivalents at the end of the year</b>                        | <b>13.86</b>         | <b>49.38</b>                          |
|          | <b>Components of Cash and Cash Equivalents</b>                                 |                      |                                       |
|          | Cash on hand   | 0.10                 | 0.10                                  |
|          | <b>Balance with banks:</b>   |                      |                                       |
|          | On Current Accounts  | 13.76                | 49.28                                 |
|          | <b>Total Cash and Cash Equivalents (refer Note 8)</b>                          | <b>13.86</b>         | <b>49.38</b>                          |

**Notes to Cash Flow Statement**

- Components of Cash and Cash Equivalents include cash and bank balances in current account
- The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard "Ind AS-7 Cash Flow Statement".

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024



For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte Pankaj Jaysinh Madhani  
Director Director  
DIN No: 00024923 DIN No: 01564221  
Place: Mumbai Place: Mumbai  
Date: 19th November, 2024 Date: 19th November, 2024







**Scrabble Digital Limited**  
Notes on Changes in Equity Statement as at 30th September, 2024

**A. Equity Share Capital**

**(1) Current Reporting Period** (Amount in Lakhs)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 59.31  | -  | 59.31   | -   | 59.31  |

**(2) Previous Reporting Period**

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 59.31  | -  | 59.31   | -   | 59.31  |

**B. Other Equity**

**(1) Current Reporting Period** (Amount in Lakhs)

| Particulars   | Reserves and Surplus |                    |                 |                   |   |   | Total    |
|---|----------------------|--------------------|-----------------|-------------------|---|---|----------|
|   | Capital Reserve      | Securities Premium | General Reserve | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income |          |
| Balance at the beginning of the current reporting period          |                      | 1,137.68           | 22.47           | 669.38            | -   | 3.26  | 1,832.79 |
| Changes in accounting policy or prior period errors               | -                    | -                  | -               | -                 | -   | -   | -        |
| Restated balance at the beginning of the current reporting period | -                    | 1,137.68           | 22.47           | 669.38            | -   | 3.26  | 1,832.79 |
| Total Comprehensive Income for the current year                   | -                    | -                  | -               | -                 | -   | -   | -        |
| Dividends   | -                    | -                  | -               | -                 | -   | -   | -        |
| Transfer to retained earnings                                     | -                    | -                  | -               | 225.99            | -   | -   | 225.99   |
| Balance at the end of the current reporting period                |                      | 1,137.68           | 22.47           | 895.37            | -   | 3.26  | 2,058.78 |



| (2) Previous Reporting Period                                     |                      |                    |                 |                   |   |   | (Amount in Lakhs) |
|---|----------------------|--------------------|-----------------|-------------------|---|---|-------------------|
| Particulars   | Reserves and Surplus |                    |                 |                   |   |   | Total             |
|   | Capital Reserve      | Securities Premium | General Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income |                   |
| Balance at the beginning of the current reporting period          | -                    | 1,137.68           | 22.47           | 462.75            | -   | 5.51  | 1,628.41          |
| Changes in accounting policy or prior period errors               | -                    | -                  | -               | -                 | -   | -   | -                 |
| Restated balance at the beginning of the current reporting period | -                    | 1,137.68           | 22.47           | 462.75            | -   | 5.51  | 1,628.41          |
| Total Comprehensive Income for the current year                   | -                    | -                  | -               | -                 | -   | (2.25)  | (2.25)            |
| Dividends   | -                    | -                  | -               | -                 | -   | -   | -                 |
| Transfer to retained earnings                                     | -                    | -                  | -               | 206.63            | -   | -   | 206.63            |
| Balance at the end of the current reporting period                | -                    | 1,137.68           | 22.47           | 669.38            | -   | 3.26  | 1,832.79          |

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024

For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 19th November, 2024

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 19th November, 2024



## **Scrabble Digital Limited**

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

**Notes to Financial Statements as at and for the period ended 30th September 2024**

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### **1. Corporate Information**

Scrabble Digital Limited ("the Company") is a public company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 08<sup>th</sup> February 2011. The Company is into the business of providing Digital Cinema Services. The Company is a subsidiary of Scrabble Entertainment Limited ("the Parent Company"). The registered office and principal place of business of Company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai Mumbai - 400093.

### **2. Significant Accounting Policies**

#### **2.1 Statement of Compliance & Basis of Preparation**

These financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods from and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 30th September, 2024, the Statement of Profit and Loss for the period ended 30th September, 2024, the Statement of Cash Flows for the period ended 30th September, 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 19th November 2024.



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

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Notes to Financial Statements as at and for the period ended 30th September 2024

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Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments covered under para note no 2.3(i))

### 2.2 Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period; or
- Cash or cash equivalents unless 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 current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified a period of twelve months as its operating cycle.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

### Notes to Financial Statements as at and for the period ended 30th September 2024

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The financial statements have been presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of lakh, unless otherwise stated.

#### 2.3 Summary of significant accounting policies

##### a. Use of Estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### b. Cash Flow Statement (IAS 7)

The statement of cash flows have been prepared under Indirect Method as set out in Indian Accounting Standard-7, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

##### c. Property, Plant and Equipment (PPE):

###### i. Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the period ended 30th September 2024

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- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

ii. **Subsequent expenditure**

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components 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 are charged to profit or loss during the reporting period in which they are incurred.

d. **Depreciation on PPE**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

Up till 30<sup>th</sup> September 2018, Depreciation was provided under the written down method, based on useful lives of assets as prescribed in Schedule II to the Act.

**Scrabble Digital Limited****(Erstwhile known as Scrabble Digital Pvt. Ltd)****CIN: U74999MH2011PLC213170****Notes to Financial Statements as at and for the period ended 30th September 2024**

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Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year. Leasehold land is amortized over the lease period. Leasehold improvements are depreciated over the lease period on straight line basis. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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

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

| Particulars  | Useful lives as per management's estimate (in years) |
|--|--|
| Plant & Machinery comprising of Projector & related Equipments | 6 - 7  |
| Computer   | 3  |
| Furniture and Fixtures   | 6  |
| Office Equipments  | 5  |

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold improvements are written off over the period of lease or over a period of 4 years whichever is lower.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



**Scrabble Digital Limited****(Erstwhile known as Scrabble Digital Pvt. Ltd)****CIN: U74999MH2011PLC213170****Notes to Financial Statements as at and for the period ended 30th September 2024**

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**e. Intangible assets**

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

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

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

| Particulars       | Useful lives as per management's estimate (years) |
|-------------------|---|
| Computer Software | 6   |

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

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

**f. Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired.



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

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Notes to Financial Statements as at and for the period ended 30th September 2024

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The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

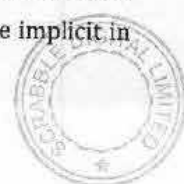
### **g. Leases**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Prior to the current financial year, the company has been recording lease rentals and the corresponding security deposits as per AS 19 – Accounting for leases.

The company has recognised a right-of-use asset and a lease liability at the lease commencement date and in case of lease term commencing before the date of initial application, from the date of initial application accordingly. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments or amount of prepaid rent made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in





## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the period ended 30th September 2024

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the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The company has used the interest rate implicit in the lease, i.e., the risk free rate of interest as per the prevailing market rates.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

### Classification of Short Term leases

The company has entered into lease transactions with companies covered under the same group. In this regard, the company has no enforceable obligation with respect to the lease term and the said lease can be terminated by giving a one month notice as per the decision of the company. Therefore, by applying para B34 of Ind AS 116, the company is not bound by any non-cancellable and lock in period and thereby there are no enforceable rights and obligations existing between the lessee and lessor beyond that term. Accordingly, such lease agreements qualify as a short term lease within the meaning of the standard and thereby the company chooses to avail the exemption available for short term leases.

### Presentation



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the period ended 30th September 2024

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The company has presented the right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Long Term Provisions' & 'Other Current Liabilities' which are subject to current maturities in the financial statements.

### **h. Revenue recognition**

- i. In accordance with Ind AS 18, when the outcome of a transaction involving rendering of Services can be estimated reliably, revenue associated with the transaction shall be recognised.
- ii. Dividend income is recognised when the right to receive payment is established.
- iii. Interest income is recognized in accordance with the Effective Interest Method (EIM) as specified in Ind AS 39

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.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The company has accordingly recorded the security deposits with the landlord in respect of leases by discounting the estimated future cash flow at an appropriate discounting rate through the expected lease term.

### **i. Foreign currency translation**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.



Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

**A. Initial recognition**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), 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 Statement of Profit and Loss.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**B. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-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

**C. 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 recognized as income or as expenses in the year in which they arise.



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### j. Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Associates and Joint Ventures) 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:

- i. In the principal market for the asset or liability, or
- ii. 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, maximising 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



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

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

### k. Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### A. Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

#### Classification and Subsequent Measurement:

##### • Financial Assets:

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

- (i) Business model for managing the financial assets, and
- (ii) The contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:



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- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

### 1. Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

#### A. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### B. Post-Employment Employee Benefits

##### Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

##### Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.





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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company's, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### **C. Other Long-Term Benefits:**

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. 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.

### **m. Current income taxes and deferred tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### **Current 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.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of



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items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized, 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 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 taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax 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.





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### Minimum alternate tax (MAT):

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### n. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

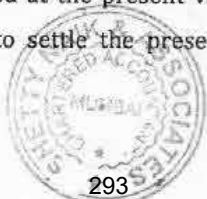
Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

### o. Provisions, Contingent Liabilities and Contingent Assets :-

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting



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period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities and Contingent Assets are neither recognized nor disclosed in the financial statements.

**p. Cash and cash equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**q. 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 Company.

**r. Measurement of EBITDA:**

As per Guidance Note on Division II- Ind As Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**s. Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution



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is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**t. Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of FS, 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 FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. 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.

**A. Judgements:**

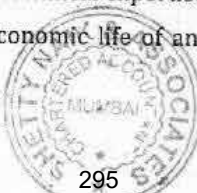
In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the FS.

**B. 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 FS 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



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lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**• Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. Also, the cost of leave encashment payable to the employees in respect of un-availed balance leaves have also been recorded as per actuarial valuation. 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 (m) above

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

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

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

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



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**• Impairment of non-financial assets:**

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. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.



# Scrabble Digital Limited

## Notes on Financial Statements for the Period Ended 30th September, 2024

### Note : 2 Property, Plant and Equipments & Intangible Assets

| Sr. No. | Particulars                        | Gross Block / Cost     |              |              | Accumulated Depreciation / Amortisation |                        | Net Block             |                            |
|---------|------------------------------------|------------------------|--------------|--------------|---|------------------------|-----------------------|----------------------------|
|         |                                    | As on 01st April, 2024 | Additions    | Disposals    | As at 30th Sept, 2024                   | As on 01st April, 2024 | As at 30th Sept, 2024 | WDV as at 31st March, 2024 |
| 1       | Computers & Printers               | 230.04                 | 3.53         | 5.93         | 227.64                                  | 177.09                 | 191.23                | 36.41                      |
| 2       | Office Equipment                   | 66.19                  | 0.20         | -            | 66.39                                   | 60.27                  | 61.66                 | 4.73                       |
| 3       | Plant & Machinery                  | 1,440.02               | -            | -            | 1,440.02                                | 1,290.89               | 1,318.33              | 121.69                     |
| 4       | Furniture & Fixture                | 14.53                  | -            | -            | 14.53                                   | 14.41                  | 14.45                 | 0.08                       |
| 5       | Leasehold Improvement              | 311.34                 | -            | -            | 311.34                                  | 311.34                 | 311.34                | 0.00                       |
|         | <b>Total Tangible Assets (A)</b>   | <b>2,062.12</b>        | <b>3.73</b>  | <b>5.93</b>  | <b>2,059.92</b>                         | <b>1,854.00</b>        | <b>1,897.01</b>       | <b>162.91</b>              |
| 6       | Intangible Assets                  | 32.35                  | -            | -            | 32.35                                   | 32.33                  | 32.32                 | 0.01                       |
|         | <b>Total Intangible Assets (B)</b> | <b>32.35</b>           | <b>-</b>     | <b>-</b>     | <b>32.35</b>                            | <b>32.33</b>           | <b>32.32</b>          | <b>0.01</b>                |
|         | <b>Total Assets (A+B)</b>          | <b>2,094.47</b>        | <b>3.73</b>  | <b>5.93</b>  | <b>2,092.27</b>                         | <b>1,886.33</b>        | <b>1,929.35</b>       | <b>162.92</b>              |
|         | <b>PREVIOUS YEAR</b>               | <b>2,115.20</b>        | <b>22.93</b> | <b>43.67</b> | <b>2,094.46</b>                         | <b>1,822.26</b>        | <b>1,886.33</b>       | <b>208.13</b>              |

### Note : 2.1 Right to use Assets

| Sr. No. | Particulars                      | Gross Block / Cost     |           |           | Accumulated Depreciation / Amortisation |                        | Net Block             |                            |
|---------|----------------------------------|------------------------|-----------|-----------|---|------------------------|-----------------------|----------------------------|
|         |                                  | As on 01st April, 2024 | Additions | Disposals | As at 30th Sept, 2024                   | As on 01st April, 2024 | As at 30th Sept, 2024 | WDV as at 31st March, 2024 |
| 1       | Right to use Assets              | 4.97                   | -         | -         | 4.97                                    | 4.10                   | 4.75                  | 0.22                       |
|         | <b>Total Right to use Assets</b> | <b>4.97</b>            | <b>-</b>  | <b>-</b>  | <b>4.97</b>                             | <b>4.10</b>            | <b>4.75</b>           | <b>0.22</b>                |
|         | <b>PREVIOUS YEAR</b>             | <b>4.97</b>            | <b>-</b>  | <b>-</b>  | <b>4.97</b>                             | <b>2.80</b>            | <b>4.10</b>           | <b>0.87</b>                |

| <b>Scrabble Digital Limited</b><br><b>Notes to Financial Statements as at 30th September, 2024</b> |   |                                  |                           |
|--|---|----------------------------------|---------------------------|
| <b>Note: 3 Other Financial Assets - Non Current</b>  |   |                                  |                           |
| <b>(Amount in Lakhs)</b>   |   |                                  |                           |
| Sr. No   | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|  |   | <b>Total</b>                     | <b>Total</b>              |
| 1  | Security Deposits   |                                  |                           |
|  | Rental Deposits   | 13.32                            | 13.32                     |
|  | Less: Considered as Current Assets  | -                                | -                         |
|  | Other Security Deposits   | 2.05                             | 2.05                      |
|  | <b>Total</b>  | <b>15.37</b>                     | <b>15.37</b>              |
| <b>Note: 4 Deferred Tax Asset</b>  |   |                                  |                           |
| Sr. No   | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|  |   | <b>Total</b>                     | <b>Total</b>              |
| 1  | <u>Deferred Tax Asset arising on account of timing difference:</u>  |                                  |                           |
|  | Opening Balance   | 120.71                           | 124.89                    |
|  | Add: Deferred Tax Credit  | (0.44)                           | (4.19)                    |
|  | <b>Total</b>  | <b>120.27</b>                    | <b>120.71</b>             |
| <b>Note: 4.1 Break up of Deferred Tax Asset is given below:</b>                                    |   |                                  |                           |
|  | Property, Plant and Equipment & Intangible Assets   | 100.37                           | 100.89                    |
|  | Provisions for Doubtful Debts   | 5.84                             | 4.60                      |
|  | Provisions for Employee Benefits (Gratuity & Leave Encashment)  | 13.30                            | 14.46                     |
|  | Income Tax related to items that will not be reclassified to Profit or loss   | 0.76                             | 0.76                      |
|  | <b>Net Deferred Tax Liability</b>   | <b>120.27</b>                    | <b>120.71</b>             |
| <b>Note: 5 Other Non Current Assets</b>  |   |                                  |                           |
| Sr. No   | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|  |   | <b>Total</b>                     | <b>Total</b>              |
| 1  | Income Tax (Net of Provision)   | 39.90                            | 204.80                    |
|  | <b>Total</b>  | <b>39.90</b>                     | <b>204.80</b>             |
| <b>Note: 6 Current Investments</b>   |   |                                  |                           |
| Sr. No   | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|  |   | <b>Total</b>                     | <b>Total</b>              |
| 1  | Investment in Mutual Fund<br>Measured at FVTPL<br>Quoted<br>Axis Liquid Fund - Direct Growth (Market Value)<br>(Investment Value ₹282.69 Lakhs) | 284.92                           | 15.48                     |
|  | <b>Total</b>  | <b>284.92</b>                    | <b>15.48</b>              |
| <b>Note: 7 Trade Receivables</b>   |   |                                  |                           |
| Sr. No   | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|  |   | <b>Total</b>                     | <b>Total</b>              |
| 1  | Trade Receivable  |                                  |                           |
|  | Considered Good Others  |                                  |                           |
|  | Secured   | 148.62                           | 166.88                    |
|  | Unsecured   |                                  |                           |
|  | Considered Good Related Parties   | 1,440.86                         | 1,268.57                  |
|  | Trade Receivable which have significant increase in Credit Risk   |                                  |                           |
|  | Trade Receivable - Credit Impaired  | 23.19                            | 18.26                     |
|  | Less: Provision for Doubtful Debts  | (23.19)                          | (18.26)                   |
|  | <b>Total</b>  | <b>1,589.48</b>                  | <b>1,435.45</b>           |



| <b>Trade Receivable Ageing Schedule</b> |  |  |                  |           |           |                   |          |
|---|--|--|------------------|-----------|-----------|-------------------|----------|
| As at September 30, 2024                |  |  |                  |           |           |                   |          |
| Sr. No                                  | 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                                | 389.37   | 147.92           | 550.57    | 444.79    | 56.84             | 1,589.48 |
| (ii)                                    | Undisputed Trade Receivables –which have significant increase in credit risk | -  | -                | -         | -         | -                 | -        |
| (iii)                                   | Undisputed Trade Receivables –credit impaired                                | -  | -                | -         | -         | 23.19             | 23.19    |
| (iv)                                    | Disputed Trade Receivables–considered good                                   | -  | -                | -         | -         | -                 | -        |
| (v)                                     | Disputed Trade Receivables – which have significant increase in credit risk  | -  | -                | -         | -         | -                 | -        |
| (vi)                                    | Disputed Trade Receivables – credit impaired                                 | -  | -                | -         | -         | -                 | -        |

| <b>Trade Receivable Ageing Schedule</b> |  |  |                  |           |           |                   |          |
|---|--|--|------------------|-----------|-----------|-------------------|----------|
| As at March 31, 2024                    |  |  |                  |           |           |                   |          |
| (Amount In Lakhs)                       |  |  |                  |           |           |                   |          |
| Sr. No                                  | 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                                | 334.12   | 231.28           | 632.81    | 213.03    | 24.21             | 1,435.45 |
| (ii)                                    | Undisputed Trade Receivables –which have significant increase in credit risk | -  | -                | -         | -         | -                 | -        |
| (iii)                                   | Undisputed Trade Receivables –credit impaired                                | -  | -                | -         | -         | 18.26             | 18.26    |
| (iv)                                    | Disputed Trade Receivables–considered good                                   | -  | -                | -         | -         | -                 | -        |
| (v)                                     | Disputed Trade Receivables – which have significant increase in credit risk  | -  | -                | -         | -         | -                 | -        |
| (vi)                                    | Disputed Trade Receivables – credit impaired                                 | -  | -                | -         | -         | -                 | -        |

**Note : 8 Cash & Cash Equivalents**

| Sr. No | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|--------|---|----------------------------------|---------------------------|
|        |   | Total                            | Total                     |
| 1      | Balances with Banks<br>In Current Accounts  | 13.76                            | 49.28                     |
| 2      | Cash on Hand  | 0.10                             | 0.10                      |
| 3      | Other Balances With Bank<br>Fixed Deposits (With initial Maturity exceeding 3 months) | -                                | -                         |
|        | <b>Total</b>  | <b>13.86</b>                     | <b>49.38</b>              |

**Note : 9 Other Current Assets**

| Sr. No | Particulars                     | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|--------|---------------------------------|----------------------------------|---------------------------|
|        |                                 | Total                            | Total                     |
| 1      | Advances to Supplier            | 1.82                             | 0.69                      |
| 2      | Prepaid Expenses                | 11.90                            | 5.30                      |
| 3      | Loans and Advances to Employees | 2.00                             | -                         |
| 4      | GST Credit Receivable           | 36.80                            | 46.94                     |
|        | <b>Total</b>                    | <b>52.52</b>                     | <b>52.93</b>              |



| Scrabble Digital Limited   |  |                                  |                           |                                  |                  |
|--|--|----------------------------------|---------------------------|----------------------------------|------------------|
| Notes to Financial Statements as at 30th September, 2024   |  |                                  |                           |                                  |                  |
| Note : 10 Share Capital  |  |                                  |                           |                                  |                  |
| (Amount in Lakhs)  |  |                                  |                           |                                  |                  |
| Sr. No   | Particulars  | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |                                  |                  |
|  |  | Total                            | Total                     |                                  |                  |
| 1  | <b>AUTHORIZED CAPITAL</b><br>7,50,000 Equity Shares (as at 31st March 2024 - 7,50,000 Equity Shares) of Rs.10 each                                       | 75.00                            | 75.00                     |                                  |                  |
| 2  | <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b><br>5,93,142 equity shares (as at 31st March 2024 - 5,93,142 Equity Shares) of Rs.10/- each fully paid up | 59.31                            | 59.31                     |                                  |                  |
|  | <b>Total</b>   | <b>59.31</b>                     | <b>59.31</b>              |                                  |                  |
| (10.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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. |  |                                  |                           |                                  |                  |
| (10.2) The reconciliation of number of shares outstanding as on September 30, 2024 is set below:   |  |                                  |                           |                                  |                  |
|  | Particulars  | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |                                  |                  |
|  | Number of shares at the beginning  | 5,93,142                         | 5,93,142                  |                                  |                  |
|  | Add/less: Shares issued/ buyback / redeemed during the year  | -                                | -                         |                                  |                  |
|  | Number of Shares at the end  | 5,93,142                         | 5,93,142                  |                                  |                  |
| (10.3) Shares held by each shareholder holding more than 3% shares   |  |                                  |                           |                                  |                  |
| Sr.No.   | Name of Shareholders   | As at 30th September, 2024       |                           | As at 31st March, 2023           |                  |
|  |  | % of Total Shares                | Number of Shares          | % of Total Shares                | Number of Shares |
| 1  | UFO Movies India Limited,<br>(Scrabble Entertainment Limited Merged with UFO Movies India Limited, w.e.f. 21-02-2024) Appointed Date 01-04-2023          | 100%                             | 5,93,142                  | 100%                             | 5,93,142         |
|  | <b>Total</b>   | <b>100%</b>                      | <b>5,93,142</b>           | <b>100%</b>                      | <b>5,93,142</b>  |
| (10.4) As per the records of the company, including its register of shareholders/members and others declaration received from the shareholders regarding beneficial interests. The above shareholding represents both legal and beneficial ownership of shares.  |  |                                  |                           |                                  |                  |
| (10.5) During the period ended September 30, 2024 company has not declared Dividend.   |  |                                  |                           |                                  |                  |
| (10.6) Disclosure of Shareholding of Promoters   |  |                                  |                           |                                  |                  |
| Shares held by promoters at the end of the year  |  |                                  |                           | As at<br>30th September,<br>2024 |                  |
| S.No.  | Promoter Name  | No. of shares                    | % of Total Shares         | % change<br>during               |                  |
| 1  | UFO Movies India Limited,<br>(Scrabble Entertainment Limited Merged with UFO Movies India Limited, w.e.f. 21-02-2024) Appointed Date 01-04-2023          | 5,93,142                         | 100%                      | -                                |                  |
|  | <b>Total</b>   | <b>5,93,142</b>                  | <b>100%</b>               | <b>-</b>                         |                  |
| (10.6a) Disclosure of Shareholding of Promoters  |  |                                  |                           |                                  |                  |
| Shares held by promoters at the end of the year  |  |                                  |                           | As at<br>31st March, 2024        |                  |
| S.No.  | Promoter Name  | No. of shares                    | % of Total Shares         | % change<br>during               |                  |
| 1  | UFO Movies India Limited,<br>(Scrabble Entertainment Limited Merged with UFO Movies India Limited, w.e.f. 21-02-2024) Appointed Date 01-04-2023          | 5,93,142                         | 100%                      | -                                |                  |
|  | <b>Total</b>   | <b>5,93,142</b>                  | <b>100%</b>               | <b>-</b>                         |                  |
| (10.7) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts: NA   |  |                                  |                           |                                  |                  |
| (10.8) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date-NA   |  |                                  |                           |                                  |                  |
| (10.9) Calls unpaid (showing aggregate value of calls unpaid by directors and officers): NA  |  |                                  |                           |                                  |                  |
| (10.10) Forfeited shares (amount originally paid-up): NA   |  |                                  |                           |                                  |                  |
| Note : 11 Other Equity   |  |                                  |                           |                                  |                  |
| Sr. No   | Particulars  | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |                                  |                  |
|  |  | Total                            | Total                     |                                  |                  |
| 1  | <b>Share Premium</b><br>Balance carried forward from Previous Year   | 1,137.68                         | 1,137.68                  |                                  |                  |
|  | During the year  | -                                | -                         |                                  |                  |
|  | <b>Closing Balance</b>   | <b>1,137.68</b>                  | <b>1,137.68</b>           |                                  |                  |
| 2  | <b>General Reserve</b><br>Balance carried forward from Previous Year   | 22.47                            | 22.47                     |                                  |                  |
|  | During the year  | -                                | -                         |                                  |                  |
|  | <b>Closing Balance</b>   | <b>22.47</b>                     | <b>22.47</b>              |                                  |                  |
| 3  | <b>Other Comprehensive Income</b><br>Balance carried forward from Previous Year  | 3.26                             | 5.51                      |                                  |                  |
|  | During the year  | -                                | (2.25)                    |                                  |                  |
|  | <b>Closing Balance</b>   | <b>3.26</b>                      | <b>3.26</b>               |                                  |                  |
| 4  | <b>Retained Earning</b><br>Balance carried forward from Previous Year  | 868.38                           | 462.75                    |                                  |                  |
|  | Add: Surplus   | 225.99                           | 205.63                    |                                  |                  |
|  | <b>Sub Total</b>   | <b>895.37</b>                    | <b>668.38</b>             |                                  |                  |
|  | <b>Total</b>   | <b>2,058.78</b>                  | <b>1,832.79</b>           |                                  |                  |



| Note : 12 Lease Liabilities   |  | (Amount in Lakhs)             |                           |           |                   |       |
|---|--|-------------------------------|---------------------------|-----------|-------------------|-------|
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Lease Liability  |                               |                           |           |                   |       |
|   | Total  | -                             | -                         |           |                   |       |
| Note : 13 Provisions Non Current  |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Provision for Employee Benefits  |                               |                           |           |                   |       |
|   | Gratuity   | 26.53                         | 34.10                     |           |                   |       |
|   | Leave Encashment   | 12.05                         | 14.61                     |           |                   |       |
|   | Total  | 38.58                         | 48.71                     |           |                   |       |
| Note : 14 Trade Payables  |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Trade Payables for Goods   |                               |                           |           |                   |       |
|   | - Total Outstanding dues of Micro Enterprises and Small Enterprises  | -                             | -                         |           |                   |       |
|   | - Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises   | 52.57                         | 71.39                     |           |                   |       |
| 2   | Trade Payables for Expenses  |                               |                           |           |                   |       |
|   | - Total Outstanding dues of Micro Enterprises and Small Enterprises  | -                             | -                         |           |                   |       |
|   | - Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises (Refer Note No. 37 for MSME Disclosure) | -                             | -                         |           |                   |       |
|   | Total  | 52.57                         | 71.39                     |           |                   |       |
| Trade Payables Includes:<br>Payable to related parties is NIL, Refer Note No. 35 for the details. |  |                               |                           |           |                   |       |
| Trade Payable Ageing Schedule<br>As at September 30, 2024   |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | Less than 1 year              | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)   | MSME   | -                             | -                         | -         | -                 | -     |
| (ii)  | Others   | 52.19                         | -                         | 0.21      | 0.17              | 52.57 |
| (iii)   | Disputed dues – MSME   | -                             | -                         | -         | -                 | -     |
| (iv)  | Disputed dues - Others   | -                             | -                         | -         | -                 | -     |
| As at March 31, 2024  |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | Less than 1 year              | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)   | MSME   | -                             | -                         | -         | -                 | -     |
| (ii)  | Others   | 70.96                         | 0.10                      | 0.33      | -                 | 71.39 |
| (iii)   | Disputed dues – MSME   | -                             | -                         | -         | -                 | -     |
| (iv)  | Disputed dues - Others   | -                             | -                         | -         | -                 | -     |
| Note : 15 Other Financial Liabilities - Current   |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Reimbursement & Other Payables   | -                             | 7.08                      |           |                   |       |
|   | Total  | -                             | 7.08                      |           |                   |       |
| Note : 16 Lease Liabilities   |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Lease Liability  | 0.25                          | 0.92                      |           |                   |       |
|   | Total  | 0.25                          | 0.92                      |           |                   |       |
| Note : 17 Provisions - Current  |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Provision for Leave Encashment   | 4.52                          | 2.59                      |           |                   |       |
| 2   | Provision for Gratuity   | 9.73                          | 5.90                      |           |                   |       |
|   | Total  | 14.25                         | 8.49                      |           |                   |       |
| Note : 18 Other Current Liabilities   |  |                               |                           |           |                   |       |
| Sr No.  | Particulars  | As at<br>30th September, 2024 | As at<br>31st March, 2024 |           |                   |       |
|   |  | Total                         | Total                     |           |                   |       |
| 1   | Revenue Received in Advance (Advance from Customers)   | 52.20                         | 67.61                     |           |                   |       |
| 2   | Statutory Liability  |                               |                           |           |                   |       |
|   | TDS Payable  | 1.03                          | 4.35                      |           |                   |       |
|   | Professional Tax Payable   | 0.05                          | 0.05                      |           |                   |       |
|   | Provident Fund Payable   | 2.40                          | 2.41                      |           |                   |       |
|   | ESIC Payable   | -                             | 0.01                      |           |                   |       |
|   | Total  | 55.68                         | 74.43                     |           |                   |       |

**Scrabble Digital Limited**  
**Notes on Financial Statements for the period ended 30th September, 2024**

**Note : 19 Revenue from Operations**

(Amount in Lakhs)

| Sr. No | Particulars              | Period Ended<br>30th September, 2024 | Year Ended<br>March 31, 2024 |
|--------|--------------------------|--------------------------------------|------------------------------|
|        |                          | Total                                | Total                        |
| 1      | Sale of Products         | -                                    | -                            |
| 2      | Sale of Services         | -                                    | -                            |
|        | a) DCP Duplication Fees  | 480.47                               | 1,058.89                     |
|        | b) Mastering Fees        | 105.93                               | 254.32                       |
|        | c) Other Income          | 12.60                                | 46.18                        |
| 3      | Other Operating Revenues | -                                    | -                            |
|        | Less: Excise Duty        | -                                    | -                            |
|        | <b>Total</b>             | <b>599.00</b>                        | <b>1,359.39</b>              |

**Note : 20 Other Income**

| Sr. No | Particulars                    | Period Ended<br>30th September, 2024 | Year Ended<br>March 31, 2024 |
|--------|--------------------------------|--------------------------------------|------------------------------|
|        |                                | Total                                | Total                        |
| 1      | Sundry Balances Written Back   | -                                    | 9.49                         |
| 2      | Profit on Sale of Fixed Assets | 0.18                                 | 1.65                         |
| 3      | Interest Received on IT Refund | 15.85                                | -                            |
|        | <b>Total</b>                   | <b>16.03</b>                         | <b>11.14</b>                 |

**Note : 21 Operating Direct Cost**

| Sr. No | Particulars                   | Period Ended<br>30th September, 2024 | Year Ended<br>March 31, 2024 |
|--------|-------------------------------|--------------------------------------|------------------------------|
|        |                               | Total                                | Total                        |
| 1      | Content Distribution Expenses | 57.42                                | 553.79                       |
| 2      | Other Expenses                | -                                    | 0.20                         |
|        | <b>Total</b>                  | <b>57.42</b>                         | <b>553.99</b>                |

**Note : 22 Employee Benefit Expenses**

| Sr. No | Particulars                             | Period Ended<br>30th September, 2024 | Year Ended<br>March 31, 2024 |
|--------|---|--------------------------------------|------------------------------|
|        |   | Total                                | Total                        |
| 1      | Salaries, Wages and Bonus               | 121.57                               | 274.96                       |
| 2      | Contribution to Provident & Other Funds | 7.51                                 | 17.83                        |
| 3      | Compensated Absences                    | 1.94                                 | 3.87                         |
| 4      | Gratuity                                | 3.83                                 | 7.66                         |
| 5      | Staff Welfare Expenses                  | 4.36                                 | 8.92                         |
|        | <b>Total</b>                            | <b>139.21</b>                        | <b>313.24</b>                |



| Note : 23 Other Expenses     |  |                      |                | (Amount in Lakhs) |
|------------------------------|--|----------------------|----------------|-------------------|
| Sr. No                       | Particulars  | Period Ended         | Year Ended     |                   |
|                              |  | 30th September, 2024 | March 31, 2024 |                   |
|                              |  | Total                | Total          |                   |
| 1                            | Communication Expenses   | 8.50                 | 17.49          |                   |
| 2                            | Travelling & Conveyance Expenses                                     | 0.69                 | 2.12           |                   |
| 3                            | Electricity Expenses   | 6.13                 | 9.82           |                   |
| 4                            | Legal Professional Expenses  | 3.28                 | 15.14          |                   |
| 5                            | Rate & Taxes   | 0.36                 | 0.55           |                   |
| 6                            | Rent   | 22.12                | 42.61          |                   |
| 7                            | Repair & Maintenance   | 9.65                 | 5.99           |                   |
| 8                            | Security Charges   | 5.18                 | 10.28          |                   |
| 9                            | Printing & Stationery Expenses                                       | 0.68                 | 4.13           |                   |
| 10                           | Freight & Forwarding Charges   | 0.14                 | -              |                   |
| 11                           | Insurance Expenses   | 0.17                 | 0.36           |                   |
| 12                           | Provision for Doubtful Debts   | 4.88                 | 0.38           |                   |
| 13                           | Bad Debts  |                      |                |                   |
|                              | Bad Debts Written off during the year                                | -                    | 7.30           |                   |
|                              | Less : - Provisions Utilised during the year                         | -                    | (7.30)         |                   |
| 14                           | CSR Expenditure (refer note 39)                                      | 2.83                 | 2.35           |                   |
| 15                           | Audit Fees   | -                    | 3.60           |                   |
| 16                           | Miscellaneous Expenses   | 2.96                 | 6.25           |                   |
| 17                           | Exchange Fluctuation Loss (Net)                                      | 0.03                 | 0.19           |                   |
| 18                           | Balance Written Off  | 0.37                 | -              |                   |
|                              | <b>Total</b>   | <b>67.98</b>         | <b>121.26</b>  |                   |
| Note : 24 Finance Cost       |  |                      |                |                   |
| Sr. No                       | Particulars  | Period Ended         | Year Ended     |                   |
|                              |  | 30th September, 2024 | March 31, 2024 |                   |
|                              |  | Total                | Total          |                   |
| 1                            | Bank Charges   | 0.02                 | 0.07           |                   |
| 2                            | Interest on Notional Lease Rental Liability                          | 0.03                 | 0.13           |                   |
| 3                            | Revaluation of Mutual Fund   | -                    | 0.24           |                   |
|                              | <b>Total</b>   | <b>0.05</b>          | <b>0.44</b>    |                   |
| Note : 25 Finance Income     |  |                      |                |                   |
| Sr. No                       | Particulars  | Period Ended         | Year Ended     |                   |
|                              |  | 30th September, 2024 | March 31, 2024 |                   |
|                              |  | Total                | Total          |                   |
| 1                            | Notional interest on Security Deposit                                | 0.01                 | 0.01           |                   |
| 2                            | Profit on Redemption of MF   | 3.45                 | 3.24           |                   |
|                              | <b>Total</b>   | <b>3.46</b>          | <b>3.25</b>    |                   |
| Note : 26 Earnings Per Share |  |                      |                |                   |
| Sr. No                       | Particulars  | Period Ended         | Year Ended     |                   |
|                              |  | 30th September, 2024 | March 31, 2024 |                   |
|                              |  | Total                | Total          |                   |
| 1                            | Profit/(Loss) attributable to Equity Shareholders                    | 225.99               | 206.63         |                   |
| 2                            | Weighted average number of equity shares outstanding (No. of Shares) | 5,93,142             | 5,93,142       |                   |
| 3                            | Earnings per Share (basic and diluted)                               | 38.10                | 34.84          |                   |
| 4                            | Nominal Value per share (Amount in Rs.)                              | 10                   | 10             |                   |



**Scrabble Digital Limited**  
**Notes to Financial Statements for the Period Ended 30th September, 2024**

**Note : 27 Tax Expense**

(Amount in Lakhs)

**a. The major components of income tax expense are as follows:**

| Particulars                                       | For the Period Ended<br>30th September, 2024 | For the Year Ended<br>31st March, 2024 |
|---|--|--|
| <b>Current Income Tax:</b>                        |  |  |
| Current Income Tax Charge                         | (77.80)                                      | (63.29)                                |
| Tax Expense relating to Prior Years               | -  | -                                      |
| <b>Total</b>                                      | <b>(77.80)</b>                               | <b>(63.29)</b>                         |
| <b>Deferred Tax:</b>                              |  |  |
| Origination and reversal of temporary differences | (0.44)                                       | (4.95)                                 |
| <b>Total</b>                                      | <b>(0.44)</b>                                | <b>(4.95)</b>                          |
| <b>Tax expense for the year</b>                   | <b>(78.24)</b>                               | <b>(68.24)</b>                         |

**b. Reconciliation of Tax Expense and the accounting profit for the year is as under:**

| Particulars   | For the Period Ended<br>30th September, 2024 | For the Year Ended<br>31st March, 2024 |
|---|--|--|
| <b>Accounting Profit Before Tax</b>   | <b>304.23</b>                                | <b>274.87</b>                          |
| <b>Income tax expense calculated at corporate tax rate</b>                    |  | -                                      |
| Tax effect of adjustment to reconcile expected income tax expense to reported | 76.57  | 69.19                                  |
| <b>Less: Deductible expenses for tax purposes:</b>                            |  |  |
| Income which is exempt  | -  | -                                      |
| Deduction under the Tax Laws  | (2.80)                                       | (3.64)                                 |
| Other deductible expenses   | (12.68)                                      | (31.36)                                |
| <b>Non-deductible expenses for tax purposes:</b>                              |  |  |
| Permanent disallowance of Expenses  | 0.88   | 0.95                                   |
| Other non-deductible expenses   | 15.82  | 28.16                                  |
| DTA on loss as per IT Computation   | -  | -                                      |
| Add / (Less) : Deferred Tax Liability / (Deferred Tax Asset)                  | 0.44   | 4.95                                   |
| Add / (Less) : Tax Expenses relating to prior years                           | -  | -                                      |
| <b>Total</b>  | <b>78.24</b>                                 | <b>68.24</b>                           |



**Scrabble Digital Limited**

**Notes to Financial Statements for the year ended 30th September, 2024**

**Note : 28**

**Financial Instruments – Fair Values and Risk Management**

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value

| <b>(Amount in Lakhs)</b>            |                        |               |                       |                 |   |  |  |
|-------------------------------------|------------------------|---------------|-----------------------|-----------------|---|--|--|
| <b>As at 30th September, 2024</b>   | <b>Carrying amount</b> |               |                       |                 | <b>Fair value</b>                               |  |  |
| <b>Particulars</b>                  | <b>FVTPL</b>           | <b>FVTOCI</b> | <b>Amortised Cost</b> | <b>Total</b>    | <b>Level 1 - Quoted price in active markets</b> | <b>Level 2 - Significant observable inputs</b> | <b>Level 3 - Significant unobservable inputs</b> |
| <b><u>Financial Assets</u></b>      |                        |               |                       |                 |   |  |  |
| <b>Non-current</b>                  |                        |               |                       |                 |   |  |  |
| Other Financial Assets              | -                      | -             | 15.37                 | 15.37           | -   | -  | -  |
| <b>Current</b>                      |                        |               |                       |                 |   |  |  |
| Investments                         | 284.92                 | -             | -                     | 284.92          | 284.92  | -  | -  |
| Trade and other receivables         | -                      | -             | 1,589.48              | 1,589.48        | -   | -  | -  |
| Cash and cash equivalents           | -                      | -             | 13.86                 | 13.86           | -   | -  | -  |
| Other Financial Assets              | -                      | -             | -                     | -               | -   | -  | -  |
|                                     | <b>284.92</b>          | <b>-</b>      | <b>1,618.71</b>       | <b>1,903.63</b> | <b>284.92</b>                                   | <b>-</b>                                       | <b>-</b>   |
| <b><u>Financial Liabilities</u></b> |                        |               |                       |                 |   |  |  |
| <b>Current</b>                      |                        |               |                       |                 |   |  |  |
| Trade and other payables            | -                      | -             | 52.60                 | 52.60           | -   | -  | -  |
| Other financial Liability           | -                      | -             | -                     | -               | -   | -  | -  |
|                                     | <b>-</b>               | <b>-</b>      | <b>52.60</b>          | <b>52.60</b>    | <b>-</b>  | <b>-</b>                                       | <b>-</b>   |
|                                     |                        |               |                       |                 |   |  |  |
| <b>As at 31st March, 2024</b>       | <b>Carrying amount</b> |               |                       |                 | <b>Fair value</b>                               |  |  |
| <b>Particulars</b>                  | <b>FVTPL</b>           | <b>FVTOCI</b> | <b>Amortised Cost</b> | <b>Total</b>    | <b>Level 1 - Quoted price in active markets</b> | <b>Level 2 - Significant observable inputs</b> | <b>Level 3 - Significant unobservable inputs</b> |
| <b><u>Financial Assets</u></b>      |                        |               |                       |                 |   |  |  |
| <b>Non-current</b>                  |                        |               |                       |                 |   |  |  |
| Other Financial Assets              | -                      | -             | 15.37                 | 15.37           | -   | -  | -  |
| <b>Current</b>                      |                        |               |                       |                 |   |  |  |
| Investments                         | 15.48                  | -             | -                     | 15.48           | 15.48   | -  | -  |
| Trade and other receivables         | -                      | -             | 1,435.45              | 1,435.45        | -   | -  | -  |
| Cash and cash equivalents           | -                      | -             | 49.38                 | 49.38           | -   | -  | -  |
| Other Financial Assets              | -                      | -             | -                     | -               | -   | -  | -  |
|                                     | <b>15.48</b>           | <b>-</b>      | <b>1,500.21</b>       | <b>1,515.68</b> | <b>15.48</b>                                    | <b>-</b>                                       | <b>-</b>   |
| <b><u>Financial Liabilities</u></b> |                        |               |                       |                 |   |  |  |
| <b>Current</b>                      |                        |               |                       |                 |   |  |  |
| Trade and Other Payables            | -                      | -             | 71.39                 | 71.39           | -   | -  | -  |
| Other financial Liability           | -                      | -             | 7.08                  | 7.08            | -   | -  | -  |
|                                     | <b>-</b>               | <b>-</b>      | <b>78.47</b>          | <b>78.47</b>    | <b>-</b>  | <b>-</b>                                       | <b>-</b>   |

**B. Measurement of fair values**

**i) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.



**Scrabble Digital Limited**  
**Notes to Financial Statements for the year ended 31st March 2024**

**Note : 29**

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

**a. Trade and Other Receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of routine customers to which the Company grants credit terms in the normal course of business. For the new customers the company prefers taking advance payments before provisioning the services to the customers. Group Companies concentrate 91% of total receivable.

The Company uses the expected credit loss model as per Ind AS 109 - Financial Instruments to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers

**b. Cash and cash equivalents**

Credit Risk on Cash and Cash Equivalents is limited as the Company invests with credit worthy banks. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**c. Security deposits given to lessors**

The Company has different types of lease agreements for its various branches and offices. The security deposit majorly pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by counter-parties.

d. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**Note : 30**

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/low mark to market risks.

**Note : 31**

**Market Risk**

**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 market risk for changes in interest rates relates to fixed deposits and is limited as these deposits are held with credit worthy banks.

**b. Foreign Currency Risk**

The Company imports the capital goods and also provide services internationally. The export of services forms a negligible part of the revenue and therefore the currency risk on the same is limited. The Company imports capital goods for which the Company monitors its exchange rate risks closely considering that such payables are not on long term basis and paid off within short period of time.



| <b>Scrabble Digital Limited</b><br><b>Notes to Financial Statements for the Period Ended 30th September, 2024</b> |   |   |
|---|---|---|
| <b>Note : 32 Disclosure related to Lease rentals as per Ind AS 116</b>  |   |   |
| <b>A) Summary of Property, Plant &amp; Equipment</b>  |   |   |
|   | (Amount in Lakhs)   |   |
| Particulars   | As at<br>30th September, 2024                             | As at<br>31st March, 2024                           |
| Right to Use assets, except for Investment property   | 0.22  | 0.87  |
| <b>B) Carrying value of Right of use asset as at the end of Reporting period</b>                                  |   |   |
| Particulars   | As at<br>30th September, 2024                             | As at<br>31st March, 2024                           |
| Opening Balance   | 0.87  | 2.17  |
| Addition during the year  | -   | -   |
| Less: Depreciation charge for the year  | (0.65)  | (1.30)  |
| Closing Balance   | 0.22  | 0.87  |
| <b>C) Maturity Analysis of Lease Liabilities</b>  |   |   |
| <b>Maturity Analysis – Contractual undiscounted cash flows</b>  |   |   |
|   | As at<br>30th September, 2024                             | As at<br>31st March, 2024                           |
| Less than One year  | 0.25  | 0.92  |
| One to Five years   | -   | -   |
| More than five Years  | -   | -   |
| <b>Total Undiscounted lease liabilities (Excluding Short term leases)</b>   | <b>0.25</b>   | <b>0.92</b>   |
| <b>Lease liabilities included in the statement of Financial position</b>  | <b>0.25</b>   | <b>0.92</b>   |
| Current   | 0.25  | 0.92  |
| Non-current   | -   | -   |
| <b>D) Amounts recognised in Profit &amp; loss Account</b>   |   |   |
| Particulars   | For the period ended on<br>30th September, 2024<br>Amount | For the year ended<br>on 31st March, 2024<br>Amount |
| Interest on Lease Liabilities   | 0.03  | 0.13  |
| Variable lease payments not included in the measurement of lease liabilities                                      | -   | -   |
| Income from sub-leasing right-of-use assets   | -   | -   |
| Expenses relating to short-term leases (Undiscounted Rent Expense)  | 22.12   | 42.61   |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets                  | -   | -   |





| <b>Scrabble Digital Limited</b><br><b>Notes to Financial Statements for the Period Ended 31st March 2024</b>   |  |   |                                  |  |
|--|--|---|----------------------------------|--|
| <b>Note : 33 Related Party Disclosure (In accordance with Ind AS 24)</b><br><b>Related Parties</b>   |  |   |                                  |  |
| Name   | Relationship   |   |                                  |  |
| UFO Moviez India Limited<br>(Scrabble Entertainment Limited Merged with UFO Moviez India Ltd. w.e.f. 21-02-2024)<br>Appointed Date : 01-04-2023<br>Mumbai Movie Studios Private Limited<br>Cinestaan Digital Private Limited<br>X86 Media Artists Private Limited  | Holding Company<br><br>Associate of Holding Company<br>Associate of Holding Company<br>Associate Company from 19-08-2023 To 21-03-2024<br>Disinvested on 22-03-2024. |   |                                  |  |
| Particulars  | Period Ended<br>30th Sept, 2024  | (Amount in Lakhs)<br>Year Ended<br>31st March, 2024 |                                  |  |
| UFO Moviez India Limited   |  |   |                                  |  |
| - Service Income   | 167.60   |   | 314.55                           |  |
| - Expenses   | 11.92  |   | 24.74                            |  |
| X86 Media Artists Private Limited  |  |   |                                  |  |
| - Invested   | -  |   | 10.00                            |  |
| - Disinvested  | -  |   | (10.00)                          |  |
| Balance Outstanding  |  |   |                                  |  |
| (A) Trade Payable  |  |   |                                  |  |
| UFO Moviez India Limited (Rent Provision)  | 6.32   |   | 9.49                             |  |
| (A) Trade Receivable   |  |   |                                  |  |
| UFO Moviez India Limited   | 1,440.83   |   | 1,268.54                         |  |
| Mumbai Movie Studios Pvt. Ltd.   | 0.03   |   | 0.03                             |  |
| UFO Moviez India Limited (Unbilled Revenue)  | 24.13  |   | 8.09                             |  |
| (B) Security Deposit Receivable  |  |   |                                  |  |
| UFO Moviez India Limited   | 8.33   |   | 8.33                             |  |
| <b>Note : 34 Segment Reporting</b><br>The company is primarily engaged in only one business segment i.e. digital conversion fees and only one geographical segment i.e. INDIA. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment" (Segment Reporting). |  |   |                                  |  |
| <b>Note : 35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006</b><br>Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.          |  |   |                                  |  |
| <b>Note : 36 Leases</b><br><b>Particulars</b>  |  |   |                                  |  |
| Particulars  | Period Ended<br>30th Sept, 2024  | (Amount in Lakhs)<br>Year Ended<br>31st March, 2024 |                                  |  |
| Rent   | 22.12  |   | 42.61                            |  |
| <b>Note : 37 Corporate Social Responsibility</b><br><b>Details of CSR expenditure</b>  |  |   |                                  |  |
| Particulars  | Period Ended<br>30th Sept, 2024  | Year Ended<br>31st March, 2024                      |                                  |  |
| a) Gross amount required to be spent during the year   | 2.83   |   | 2.35                             |  |
| b) Amount approved by the Board to be spent during the year  | 2.83   |   | 2.35                             |  |
| c) Amount spent during the year ending on 30th September 2024:   |  |   |                                  |  |
|  | In cash  | Yet to be paid<br>in cash                           | Total                            |  |
| i) Construction/acquisition of any asset   | -  | -   | -                                |  |
| ii) On purposes other than (i) above   | -  | 2.83  | 2.83                             |  |
| d) Amount spent during the year ending on 31st March 2024:   |  |   |                                  |  |
|  | In cash  | Yet to be paid<br>in cash                           | Total                            |  |
| i) Construction/acquisition of any asset   | -  | -   | -                                |  |
| ii) On purposes other than (i) above   | 2.35   | -   | 2.35                             |  |
| e) Details related to spent / unspent obligations  |  |   |                                  |  |
|  | Period Ended<br>30th Sept, 2024  | Year Ended<br>31st March, 2024                      |                                  |  |
| i) Contribution to Public Trust  | -  |   | 2.35                             |  |
| ii) Contribution to Charitable Trust   | -  |   | -                                |  |
| iii) Unspent amount in relation to:  |  |   |                                  |  |
| Ongoing project - Spent  | -  |   | -                                |  |
| Ongoing project - Unspent  | 2.83   |   | -                                |  |
| Other than ongoing project   | -  |   | -                                |  |
| <b>Details of ongoing project and other than ongoing project</b><br><b>In case of S. 135(6) (Ongoing Project)</b>  |  |   |                                  |  |
| Opening Balance  | Amount required<br>to be spent during<br>the year  | Amount spent during the year                        |                                  | Closing Balance                                |
| With Company   | In Separate CSR Unspent<br>A/c   | From Company's<br>bank A/c                          | From Separate CSR<br>Unspent A/c | With Company<br>In Separate CSR<br>Unspent A/c |
| FY 2024-25   | -  | 2.83  | -                                | 2.83   |
| <b>In case of S. 135(5) (Other than ongoing project)</b>   |  |   |                                  |  |
| Opening Balance  | Amount deposited<br>in Specified Fund of<br>Sch. VII within 6<br>months  | Amount required to be<br>spent during the year      | Amount spent<br>during the year  | Closing Balance                                |
|  | -  | -   | -                                | -  |

| Note : 38 Ratio Analysis and its elements   |  |   |                  |                  |          |  |
|---|--|---|------------------|------------------|----------|--|
| Ratio   | Numerator  | Denominator   | 31st March, 2024 | 31st March, 2023 | % change | Reason for variance  |
| Current ratio   | Current Assets   | Current Liabilities   | 15.81            | 9.57             | 65.17%   | The variation in Current Ratio is on account of increase in current investments and Trade receivables.                         |
| Debt-Equity Ratio   | Total Debt   | Shareholder's Equity  | -                | -                | -        | -  |
| Debt Service Coverage ratio   | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments                 | -                | -                | -        | -  |
| Return on Equity ratio  | Net Profits after taxes – Preference Dividend                                    | Average Shareholder's Equity  | 381.01%          | 348.38%          | 32.63%   | Increase in return of Equity ratio is on account of increase in Profit during the year.  |
| Inventory Turnover ratio  | Cost of goods sold   | Average Inventory   | -                | -                | -        | -  |
| Trade Receivable Turnover Ratio   | Net credit sales – Gross credit sales – sales return                             | Average Trade Receivable  | 0.10             | 0.76             | -61.92%  | Decrease in Trade Receivables Turnover ratio is on account of reduction in the balance of Debtors as at the end of the period. |
| Trade Payable Turnover Ratio  | Net credit purchases = Gross credit purchases – purchase return                  | Average Trade Payables  | 2.02             | 6.03             | -66.45%  | Decrease in Trade Payables Turnover ratio is on account of reduction in the balance of Creditors as at the end of the period.  |
| Net Capital Turnover Ratio  | Net sales – Total sales – sales return   | Working capital = Current assets – Current liabilities                          | 0.33             | 0.98             | -66.29%  | Decrease in net capital turnover ratio in current year due to decrease in sales and working capital                            |
| Net Profit ratio  | Net Profit   | Net sales = Total sales – sales return  | 37.73%           | 15.20%           | 22.53%   | -  |
| Return on Capital Employed  | Earnings before interest and taxes   | Capital Employed = Tangible Net Worth + Long Term Debt + Deferred Tax Liability | 16.54%           | 20.19%           | -3.65%   | -  |
| Return on Investment  | Interest (Finance Income)  | Investment  | 0.00%            | 0.00%            | 0.00%    | -  |
| <p><b>Note : 39 Special Purpose for Interim Financial Statements</b></p> <p>On June 03, 2024, the Board of Directors of the Company approved proposed Scheme of Arrangement for Amalgamation Amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") with UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders (the "Scheme") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 from appointed date April 01, 2024. The Scheme has been approved by Stock Exchanges and now pending before National Company Law Tribunal; The Company has prepared interim condensed financial statements for the period ended 30th September 2024 as special purpose financial statements in connection with the Scheme.</p> |  |   |                  |                  |          |  |



**Note : 40 Additional Regulatory Information**

**a) Title deeds of immovable Properties not held in the name of company -**

The Company does not have any immovable property therefore this disclosure is not applicable.

**b) Revaluation of Property Plant and Equipment and Right-of-Use Assets**

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

**c) Loans or Advances in nature of loans granted to Promoters, Directors, KMPs and the Related Parties (severally or jointly)**

The Company has not granted any loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

**d) Capital-Work-In Progress (CWIP)**

The Company does not have any Capital Work-In-Progress, therefore this disclosure is not applicable.

**e) Intangible assets under development**

The Company does not have any intangibles Work-in-Progress, therefore this disclosure is not applicable.

**f) Details of Benami Property held**

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, therefore this disclosure is not applicable.

**g) Utilisation of Borrowed funds and share premium**

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries), therefore this disclosure is not applicable.

(B) 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), therefore this disclosure is not applicable.

**h) Borrowings from banks and financial institutions on the basis of security of the current assets**

The Company has been not sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets, therefore this disclosure is not applicable.

**i) Willful Defaulter**

The company has not availed any loans or borrowings from banks or financial institutions and therefore has not been declared willful defaulter by any bank or financial institution or other lender, therefore this disclosure is not applicable.

**j) Relationship with Struck off Companies**

The company does not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, therefore this disclosure is not applicable.

**k) Registration of charges or satisfaction with Registrar of Companies**

The Company has not availed any secured loan. Therefore, registration or satisfaction of charges with the Registrar of Companies (ROC) is not applicable.

**l) Compliance with number of layers of companies**

The Company does not have any subsidiary during the financial year, Hence the restrictions prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

**m) Compliance with approved Scheme(s) of Arrangements**

The company is not under any scheme of Arrangements as prescribed under sections 230 to 237 of the Companies Act, 2013. Hence, there is no effect of such schemes in the books of accounts as at end of the year.

**n) Undisclosed Income**

The Company does not recorded any transaction 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), therefore this disclosure is not applicable.

**o) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year, therefore this disclosure is not applicable.

**Note : 41**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advance in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

For Shetty Naik & Associates  
Chartered Accountants  
Firm Reg. No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024

For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC233170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 19th November, 2024

Pankaj Jaysinh Madhant  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 19th November, 2024

**UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED**

OFFICE No. 902, 9<sup>th</sup> FLOOR, AKRUTI STAR BUILDING, CENTRAL MAIN  
ROAD, MIDC, ANDHERI (E)  
MUMBAI - 400069

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**AUDITED STANDALONE FINANCIAL  
STATEMENTS**  
for Financial Year 2023-24

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**M/s. Shetty Naik & Associates**  
**Chartered Accountants**

31, Madhuban Industrial Estate, Plot No. 30,  
Off Mahakali Caves Road, Near Paper Box Industry,  
Andheri East, Mumbai -400093.

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of **UFO Software Technologies Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED ("the Company"), which comprises of the balance sheet as at 31<sup>st</sup> March 2024, and the statement of Profit and Loss (including other Comprehensive Income), the cash flow statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024,
- b) In the case of the Statement of Profit and Loss, of the Profit of the Company including other comprehensive income, for the year ended on that date,
- c) In the case of Cash Flow Statement, of the cash flows,
- d) In the case of the Statement of Changes in Equity, changes in equity for the year ended on that date, and
- e) and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

**Basis for Opinion**

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 (ICAI) together with the independence 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements, and our 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 during the course of our 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.

**Responsibility of Management for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total 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 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.





**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2020 issued by the department of Companies Affairs in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matter specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (i) 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.
  - (ii) 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.
  - (iii) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - (iv) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.





- (vi) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and operating effectiveness of such control, refer to our separate Report in "Annexure B".
- (vii) 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 does not have any pending litigations which would impact its financial position.
  - 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. As per Rule 11(e), we report as under:
    - i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the





- Funding Party ("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, 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. Therefore, Rule 11(f) with regards to compliance with section 123 of the Companies Act, 2013 is not applicable to the company for the report as on the date.
- f. has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **SHETTY NAIK & ASSOCIATES**

Chartered Accountants

ICAI Reg. No.:124851W

**CA. JAGDISH SHETTY**

**Partner**

Membership No: 111936

Place: Mumbai

Date: 22<sup>nd</sup> May, 2024

UDIN: 24111936BKCJBM8995



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment (PPE) and Intangible Assets (IA):
  - (a) The Company does not have any PPE & IA and accordingly reporting under this clause is not applicable.
  - (b) The Company does not have any PPE & IA and accordingly reporting under this clause is not applicable.
  - (c) According to the information and explanations given to us, the company does not own any immovable property and therefore reporting under clause 3(i)(c) of the order is not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year and therefore Clause 3(iii) of the order is not applicable to the company.





- iv. In our Opinion and according to information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of section 73, 74, 75 and 76 or any other provisions of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Business Activities carried out by the Company. Hence Clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of Customs Duty, Excise, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, employees' state insurance, Income -Tax, Sales Tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax and value added tax which have not been deposited on account of any dispute, except the following:

| Nature of the Statute    | Nature of Dues | Forum where dispute is pending | Period to which the amount relates | Amount (Rs.)   |
|--------------------------|----------------|--------------------------------|------------------------------------|----------------|
| The Income Tax Act, 1961 | Income Tax     | Income Tax Officer             | AY 2009-10                         | Rs. 1.46 Lakhs |
| The Income Tax Act, 1961 | TDS            | Traces                         | FY 2007-08                         | Rs. 3.67 Lakhs |



- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not received or availed any loan and hence the reporting under clause 3(ix)(a) of the order is not applicable.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised funds raised on a short-term basis have and hence the reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans on the pledge of any securities during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints have been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit



procedures.

- xii. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The provisions of Section 177 of the Companies Act, 2013 relating to the Audit Committee are not applicable to the company during the year. According to the information and explanation given to us and based on our examination of the records of the Company, the provision of Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. In our opinion the provisions of section 138 are not applicable to the Company and hence reporting under clause 3(xiv)(a) and (b) of the Order are not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion and based on the representation received from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred any cash losses during the current Financial Year ending on 31<sup>st</sup> March 2024 as well as the immediately preceding Financial Year ending on 31<sup>st</sup> March 2023.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.







- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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 provisions of section 135 of Companies Act 2013, related to Corporate Social Responsibilities are not applicable to the company and hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- xxi. Clause (xxi) of the Order is not applicable to the Standalone Financial Statements.

**For SHETTY NAIK & ASSOCIATES**

**Chartered Accountants**

ICAI Reg. No.:124851W

**CA. JAGDISH SHETTY**

**Partner**

Membership No: 111936

Date: 22<sup>nd</sup> May, 2024

UDIN: 24111936BKCJBM8995





“Appendix B” to Independent Auditors ‘Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

**1. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Nova Cinemaz Private Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**2. Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”). 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 Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**3. Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 these standalone Ind AS financial statements was 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 these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS 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 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 these standalone Ind AS financial statements.

**4. Meaning of Internal Financial Controls with reference to these Standalone Ind AS Financial Statements**

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are





**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

being made only in accordance with authorisations of management and directors of the company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

**5. Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statement**

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

**6. Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For SHETTY NAIK & ASSOCIATES**

**Chartered Accountants**

ICAI Reg. No.:124851W

**CA. JAGDISH SHETTY**

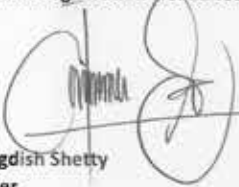
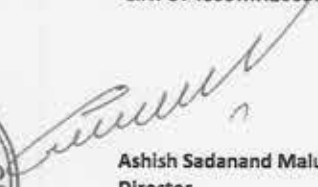


**Partner**

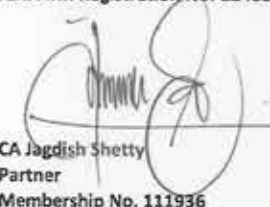

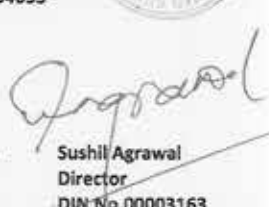
Membership No: 111936

Date: 22<sup>nd</sup> May, 2024

UDIN: 24111936BKCJBM8995



| UFO Software Technologies Private Limited   |       |  |                           |
|---|-------|--|---------------------------|
| Balance Sheet as at 31st March, 2024  |       |  |                           |
| (Amount in Lacs)  |       |  |                           |
| Particulars   | Notes | As at<br>31st March, 2024  | As at<br>31st March, 2023 |
| <b>ASSETS</b>   |       |  |                           |
| <u>Financial Assets</u>   |       |  |                           |
| Cash and cash equivalents   | 2     | 37.18  | 38.56                     |
| Other Financial Assets  | 3     | 3.94   | 1.10                      |
| Other Current Assets  | 4     | 0.54   | 0.52                      |
| <b>Total Current Assets (A)</b>   |       | <b>41.66</b>   | <b>40.18</b>              |
| <b>Total Assets (A)</b>   |       | <b>41.66</b>   | <b>40.18</b>              |
| <b>EQUITY AND LIABILITIES</b>   |       |  |                           |
| <u>Equity</u>   |       |  |                           |
| Equity Share Capital  | 5     | 24.82  | 24.82                     |
| Other Equity  | 6     | 14.12  | 13.06                     |
| <b>Total Equity (B)</b>   |       | <b>38.94</b>   | <b>37.88</b>              |
| <u>Liabilities</u>  |       |  |                           |
| <u>Current Liabilities</u>  |       |  |                           |
| <u>Financial Liabilities</u>  |       |  |                           |
| Trade Payables  |       |  |                           |
| (A) Total outstanding dues of Micro Enterprises & Small Enterprises; and  | 7     | -  | -                         |
| (B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises.   |       | 0.31   | 0.27                      |
| Short-Term Provisions   | 8     | 2.41   | 2.03                      |
| <b>Total Current Liabilities (C)</b>  |       | <b>2.72</b>  | <b>2.30</b>               |
| <b>Total Equity and Liabilities (B+C)</b>   |       | <b>41.66</b>   | <b>40.18</b>              |
| Significant accounting policies and Notes on Financial Statements 1   |       |  |                           |
| Notes referred to above form an integral part of Financial Statements   |       |  |                           |
| For Shetty Naik & Associates<br>Chartered Accountants<br>ICAI Firm Registration No. 124851W   |       | For and on behalf of Board of Directors of<br>UFO Software Technologies Private Limited<br>CIN: U74899MH2005PTC284653  |                           |
| <br>CA Jagdish Shetty<br>Partner<br>Membership No. 111936<br>Place: Mumbai<br>Date: 22nd May, 2024 |       | <br>Ashish Sadanand Malushte<br>Director<br>DIN No.00024923<br>Place: Mumbai<br>Date: 22nd May, 2024 |                           |
|    |       | <br>Sushil Agrawal<br>Director<br>DIN No.00003163<br>Place: Mumbai<br>Date: 22nd May, 2024          |                           |

| UFO Software Technologies Private Limited  |       |   |                                |  |
|--|-------|---|--------------------------------|--|
| Statement of Profit & Loss for the Year Ended 31st March, 2024   |       |   |                                |  |
| (Amount in Lacs)   |       |   |                                |  |
| Particulars  | Notes | Year Ended<br>31st March, 2024  | Year Ended<br>31st March, 2023 |  |
| <b>Income</b>  |       |   |                                |  |
| Revenue from Operations  |       | -   | -                              |  |
| Other Income   |       | -   | -                              |  |
| <b>Total Income (I)</b>  |       | -   | -                              |  |
| <b>Expenses</b>  |       |   |                                |  |
| Operating Direct Cost  | 9     | -   | (0.25)                         |  |
| Employee Benefit Expenses  |       | -   | -                              |  |
| Other Expenses   | 10    | 0.99  | 0.41                           |  |
| <b>Total Expenses (II)</b>   |       | 0.99  | 0.16                           |  |
| <b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (I - II)</b>  |       | (0.99)  | (0.16)                         |  |
| Depreciation and Amortization Expense  |       | -   | -                              |  |
| Finance Cost   | 11    | 0.16  | 0.13                           |  |
| Finance Income   | 12    | (2.61)  | (2.32)                         |  |
| <b>Profit / (Loss) Before Tax</b>  |       | 1.46  | 2.03                           |  |
| <b>Tax Expense</b>   |       |   |                                |  |
| Current Tax  |       | 0.38  | 0.55                           |  |
| Tax Expenses relating to prior years   |       | 0.02  | -                              |  |
| Deferred tax charge / (credit)   |       | -   | -                              |  |
| <b>Total Tax Expense</b>   |       | 0.40  | 0.55                           |  |
| <b>Profit / (Loss) from continuing operations</b>  |       | 1.06  | 1.48                           |  |
| <b>Other Comprehensive Income (OCI)</b>  |       |   |                                |  |
| A) OCI not to be reclassified to profit or loss in subsequent period   |       | -   | -                              |  |
| B) Re-measurement gains /(losses) on defined benefit plans (net of tax impact)   |       | -   | -                              |  |
| <b>Other Comprehensive Income (OCI)</b>  |       | -   | -                              |  |
| <b>Total Comprehensive Income for the year</b>   |       | 1.06  | 1.48                           |  |
| <b>Earnings per equity share (Face Value of Rs. 10 each)</b>   | 13    |   |                                |  |
| Basic  |       | 0.43  | 0.60                           |  |
| Diluted  |       | 0.43  | 0.60                           |  |
| Significant accounting policies and Notes on financial statements  |       |   |                                |  |
| Notes referred to above form an integral part of financial statements  |       |   |                                |  |
| <b>For Shetty Naik &amp; Associates</b><br>Chartered Accountants<br>ICAI Firm Registration No. 124851W   |       | <b>For and on behalf of Board of Directors of</b><br><b>UFO Software Technologies Private Limited</b><br>CIN: U74899MH2005PTC284653   |                                |  |
| <br><b>CA Jagdish Shetty</b><br>Partner<br>Membership No. 111936<br>Place: Mumbai<br>Date: 22nd May, 2024 |       | <br><b>Ashish Sadanand Malushte</b><br>Director<br>DIN No.00024923<br>Place: Mumbai<br>Date: 22nd May, 2024 |                                |  |
|  |       | <br><b>Sushil Agrawal</b><br>Director<br>DIN No.00003163<br>Place: Mumbai<br>Date: 22nd May, 2024          |                                |  |

**UFO Software Technologies Private Limited**  
**Statement of Cash Flows for the Year Ended 31st March, 2024**

(Amount in Lacs)

| Particulars   | 31st March, 2024 | 31st March, 2023 |
|---|------------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                  |                  |
| Net Profit Before Tax & Extraordinary items                   | 1.46             | 2.03             |
| Adjustments for reconcile profit before tax to net cash flows |                  |                  |
| Interest Income   | (2.61)           | (2.32)           |
| Operating Profit before Working Capital Changes               | (1.15)           | (0.29)           |
| Movements in working capital:                                 |                  |                  |
| Increase / (decrease) in trade payables                       | 0.04             | (0.56)           |
| (Decrease) in short-term provisions                           | -                | (0.18)           |
| Decrease / (increase) in current other financial assets       | (2.58)           | 0.09             |
| Decrease / (increase) in other current assets                 | (0.02)           | (0.10)           |
| Cash generated from operations                                | (3.71)           | (1.04)           |
| Direct taxes paid (net of refunds)                            | (0.26)           | (0.23)           |
| Non Cash Effect of Previous Year Income Tax                   | (0.02)           | -                |
| Net Cash Flow from Operating Activities                       | (3.99)           | (1.27)           |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                  |                  |
| Income from Investing Activities                              | 2.61             | 2.32             |
| Net Cash from / (used) in Investing activities                | 2.61             | 2.32             |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                  |                  |
| Net Cash used in Financing activities                         | -                | -                |
| Net increase in cash & Cash Equivalents (A+B+C)               | (1.38)           | 1.05             |
| Cash and Cash equivalents at the beginning of the year        | 38.56            | 37.51            |
| Cash and Cash equivalents at the end of the year              | 37.18            | 38.56            |
| Components of cash and cash equivalents                       |                  |                  |
| Cash on hand  | 0.01             | 0.01             |
| Balance with banks:   |                  |                  |
| on Current accounts   | 0.72             | 0.59             |
| on Fixed deposits   | 36.45            | 37.96            |
| Total Cash and Cash Equivalents (Refer note 2)                | 37.18            | 38.56            |

**Notes to Cash Flow Statement**

- Components of Cash and Cash Equivalents include cash and bank balances in current account
- The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard "Ind AS-7 Cash Flow Statement".

For Shetty Naik & Associates  
Chartered Accountants  
ICAI Firm Registration No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
UFO Software Technologies Private Limited  
CIN: U74899MH2005PTC284653


Ashish Sadanand Malushte  
Director  
DIN No. 00024923  
Place: Mumbai  
Date: 22nd May, 2024



Sushil Agrawal  
Director  
DIN No. 00003163  
Place: Mumbai  
Date: 22nd May, 2024



| (2) Previous reporting period                                     |  | Reserves and Surplus |  |                                  |                   |   | (Amount in Lacs)                                      |  |                                       |       |
|---|--|----------------------|--|----------------------------------|-------------------|---|---|--|---------------------------------------|-------|
| Particulars   |  | Capital Reserve      | Transaction Cost on Issue of Equity Shares | Unamortised Share Issue Expenses | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Other Items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
| Balance at the beginning of the current reporting period          |  | -                    | -  | -                                | 11.58             | -   | -   | -  | -                                     | 11.58 |
| Changes in accounting policy or prior period errors               |  | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Restated balance at the beginning of the current reporting period |  | -                    | -  | -                                | 11.58             | -   | -   | -  | -                                     | 11.58 |
| Total Comprehensive Income for the current year                   |  | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Dividends   |  | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Transfer to retained earnings                                     |  | -                    | -  | -                                | 1.48              | -   | -   | -  | -                                     | 1.48  |
| Balance at the end of the current reporting period                |  | -                    | -  | -                                | 13.06             | -   | -   | -  | -                                     | 13.06 |

**For Shetty Naik & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 424851W




CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024

**For and on behalf of Board of Directors of**  
UFO Software Technologies Private Limited  
CIN: U74899MH2005PTC284653

Ashish Sadanand Malushte  
Director  
DIN No. 00024923  
Place: Mumbai  
Date: 22nd May, 2024



Sushil Agrawal  
Director  
DIN No. 00003163  
Place: Mumbai  
Date: 22nd May, 2024

| <b>UFO Software Technologies Private Limited</b><br><b>Notes on Changes in Equity Statement as at 31st March, 2024</b> |                      |  |                                  |  |   |  |
|--|----------------------|--|----------------------------------|--|---|--|
| <b>A. Equity Share Capital</b>   |                      |  |                                  |  |   |  |
| <b>(1) Current reporting period</b>  |                      |  |                                  |  |   |  |
| Balance at the beginning of the current reporting period   | 24.82                | Changes in Equity Share Capital due to prior period errors | -                                | Restated balance at the beginning of the current | 24.82   | (Amount in Lacs)<br>Balance at the end of the current reporting        |
|  |                      |  |                                  |  |   | 24.82  |
| <b>(2) Previous reporting period</b>   |                      |  |                                  |  |   |  |
| Balance at the beginning of the current reporting period   | 24.82                | Changes in Equity Share Capital due to prior period errors | -                                | Restated balance at the beginning of the current | 24.82   | (Amount in Lacs)<br>Balance at the end of the current reporting        |
|  |                      |  |                                  |  |   | 24.82  |
| <b>B. Other Equity</b>   |                      |  |                                  |  |   |  |
| <b>(1) Current reporting period</b>  |                      |  |                                  |  |   |  |
| Particulars  | Reserves and Surplus |  |                                  | (Amount in Lacs)                                 |   |  |
|  | Capital Reserve      | Transaction Cost on Issue of Equity Shares                 | Unamortised Share Issue Expenses | Retained Earnings                                | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income (specify nature) |
| Balance at the beginning of the current reporting period   | -                    | -  | -                                | 13.06  | -   | -  |
| Changes in accounting policy or prior period errors  | -                    | -  | -                                | -  | -   | -  |
| Restated balance at the beginning of the current reporting period  | -                    | -  | -                                | 13.06  | -   | -  |
| Total Comprehensive Income for the current year  | -                    | -  | -                                | -  | -   | -  |
| Dividends  | -                    | -  | -                                | -  | -   | -  |
| Transfer to retained earnings  | -                    | -  | -                                | 1.06   | -   | -  |
| Balance at the end of the current reporting period   | -                    | -  | -                                | 14.12  | -   | -  |
|  |                      |  |                                  |  |   | 13.06  |
|  |                      |  |                                  |  |   | 13.06  |
|  |                      |  |                                  |  |   | -  |
|  |                      |  |                                  |  |   | 1.06   |
|  |                      |  |                                  |  |   | 14.12  |





## UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653

Notes to Financial Statements as at and for the year ended 31st March 2024

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### 1. Corporate Information

UFO Software Technologies Private Limited ("the Company") is a private company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 20<sup>th</sup> September 2005. The Company is into the business of providing software solutions and development. The registered office of the Company is located at Office No.902, 9<sup>th</sup> Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai Thane MH 400093.

### 2. Significant Accounting Policies

#### 2.1 Going Concern:

The financial statements are prepared on going concern basis.

#### 2.2 Basis of Preparation

These financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods up to and for the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 22<sup>nd</sup> May 2024.

#### Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



**UFO Software Technologies Private Limited**

**CIN: U74899MH2005PTC284653**

**Notes to Financial Statements as at and for the year ended 31st March 2024**

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All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been presented in Indian Rupees (INR), which is the company's functional currency

**2.3 Summary of significant accounting policies**

**(a) Use of Estimates**

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(b) Property, Plant and Equipment (PPE):**

**i. Recognition and measurement**

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:



- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

ii. Subsequent expenditure

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components 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 are charged to profit or loss during the reporting period in which they are incurred.

(c) Depreciation on Tangible Fixed Assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.



**UFO Software Technologies Private Limited**

**CIN: U74899MH2005PTC284653**

**Notes to Financial Statements as at and for the year ended 31st March 2024**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Currently, the company does not have any fixed assets.

**(d) Revenue recognition**

- i. In accordance with Ind AS 115, when the outcome of a transaction involving rendering of Services can be estimated reliably and there is no pending performance obligation, revenue associated with the transaction shall be recognised.
- ii. Dividend income, if any, is recognized when the right to receive payment is established.
- iii. Interest income, if any, is recognized in accordance with the Effective Interest Method (EIM) as specified in Ind AS 39, if applicable.
- iv. 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.

**(e) Foreign currency translation**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

**(f) Current income taxes and deferred tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**Current 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.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

**Deferred Tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.



**UFO Software Technologies Private Limited**

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**Notes to Financial Statements as at and for the year ended 31st March 2024**

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

- When the deferred tax asset/liability 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.
- There is no probability for reversal of such Deferred Tax Asset / Liability in foreseeable future.

In respect of deductible differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that 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 utilized.

Current and deferred tax 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.

Currently, there is no recognition of Deferred Tax in the companies financials as there is no revenue from the operations except for other income.

**(f) Financial Instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**i. Initial Recognition and Measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

**ii. Classification and Subsequent Measurement**

**• Financial Assets:**

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

- (i) Business model for managing the financial assets, and



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**Notes to Financial Statements as at and for the year ended 31st March 2024**

(ii) The contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

• **Financial Liabilities and Equity Instruments**

a) **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) **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 or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:





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**Notes to Financial Statements as at and for the year ended 31st March 2024**

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

**d) Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**(g) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**(h) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



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**Notes to Financial Statements as at and for the year ended 31st March 2024**

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 Assets are neither recognized nor disclosed in the financial statements.

**(i) Cash and cash equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**(j) Measurement of EBITDA:**

As per Guidance Note on Division II- Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**(k) Significant Accounting Judgements, Estimates and Assumptions:**

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

**(i) Judgements:**

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





UFO Software Technologies Private Limited

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Notes to Financial Statements as at and for the year ended 31st March 2024

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**(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 FS 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.

**(iii) Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note (h) above.



| <b>UFO Software Technologies Private Limited</b><br><b>Notes to Financial Statements as at 31st March, 2024</b> |                                      |                           |                           |
|---|--------------------------------------|---------------------------|---------------------------|
| <b>Note : 2 Cash &amp; Cash Equivalent</b>  |                                      |                           | <b>(Amount in Lacs)</b>   |
| Sr. No  | Particulars                          | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|   |                                      | Total                     | Total                     |
| 1   | Cash-in-Hand                         | 0.01                      | 0.01                      |
| 2   | Balance with Banks (Current Account) | 0.72                      | 0.59                      |
| 3   | Bank Fixed deposit                   | 36.45                     | 37.96                     |
|   | <b>Total</b>                         | <b>37.18</b>              | <b>38.56</b>              |
| <b>Note : 3 Other Financial Assets - Current</b>  |                                      |                           |                           |
| Sr. No  | Particulars                          | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|   |                                      | Total                     | Total                     |
| 1   | Interest Accrued but not Due         | 3.11                      | 0.81                      |
| 2   | TDS Receivable & Income Tax (SA Tax) | 0.83                      | 0.29                      |
|   | <b>Total</b>                         | <b>3.94</b>               | <b>1.10</b>               |
| <b>Note : 4 Other Current Assets</b>  |                                      |                           |                           |
| Sr. No  | Particulars                          | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|   |                                      | Total                     | Total                     |
| 1   | TDS                                  | 0.13                      | 0.13                      |
| 2   | GST Credit Receivable                | 0.41                      | 0.39                      |
|   | <b>Total</b>                         | <b>0.54</b>               | <b>0.52</b>               |



UFO Software Technologies Private Limited

Notes to Financial Statements as at 31st March, 2024

Note : 5 Equity Share Capital

(Amount in Lacs)

| Sr. No | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--------|--|---------------------------|---------------------------|
|        |  | Total                     | Total                     |
| 1      | <b>AUTHORIZED CAPITAL</b><br>2,50,000 Equity Shares (as at 31st March 2023 2,50,000 Equity Shares) of Rs.10 each                                       | 25.00                     | 25.00                     |
| 2      | <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b><br>2,48,219 equity shares (as at 31st March 2023 2,48,219 Equity Shares) of Rs 10/- each fully paid up | 24.82                     | 24.82                     |
|        | <b>Total</b>   | <b>24.82</b>              | <b>24.82</b>              |

(5.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(5.2) The reconciliation of number of shares outstanding as on March 31, 2024 is set below:-

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Number of shares at the beginning                           | 2,48,219                  | 2,48,219                  |
| Add/Less: Shares issued/ buyback / redeemed during the year | -                         | -                         |
| Number of shares at the end                                 | 2,48,219                  | 2,48,219                  |

(5.3) Shares held by each shareholder holding more than 5% shares

| Sr.No. | Name of Shareholders  | As at 31st March, 2024 |                  | As at 31st March, 2023 |                     |
|--------|---|------------------------|------------------|------------------------|---------------------|
|        |   | % of Total<br>Shares   | Number of Shares | % of Total<br>Shares   | Number of<br>Shares |
| 1      | UFO Moviez India Limited<br>(Inclldg. Nominee Shareholders) | 100%                   | 2,48,219         | 100%                   | 2,48,219            |
|        | <b>Total</b>  | <b>100%</b>            | <b>2,48,219</b>  | <b>100%</b>            | <b>2,48,219</b>     |

(5.4) As per the records of the company, including its register of shareholders/members and others declaration received from the shareholders regarding beneficial interests. The above shareholding represents both legal and beneficial ownership of shares.

(5.5) During the year ended March 31, 2024 company has not declared Dividend.

(5.6) Disclosure of Shareholding of Promoters as at 31st March 2024 is as follows:

Shares held by promoters at the end of the year

| S.No. | Promoter Name            | As at 31st March, 2024 |                      | As at 31st March, 2023 |                      | % change<br>during the year |
|-------|--------------------------|------------------------|----------------------|------------------------|----------------------|-----------------------------|
|       |                          | Number of Shares       | % of Total<br>Shares | Number of Shares       | % of Total<br>Shares |                             |
| 1     | UFO Moviez India Limited | 2,48,219               | 100%                 | 2,48,219               | 100%                 | 0%                          |
|       | <b>Total</b>             | <b>2,48,219</b>        | <b>100%</b>          | <b>2,48,219</b>        | <b>100%</b>          | <b>0%</b>                   |

(5.6a) Disclosure of Shareholding of Promoters as at 31st March 2023 is as follows:

Shares held by promoters at the end of the year

| S.No. | Promoter Name            | As at 31st March, 2023 |                      | As at 31st March, 2022 |                      | % change<br>during the year |
|-------|--------------------------|------------------------|----------------------|------------------------|----------------------|-----------------------------|
|       |                          | Number of Shares       | % of Total<br>Shares | Number of Shares       | % of Total<br>Shares |                             |
| 1     | UFO Moviez India Limited | 2,48,219               | 100%                 | 2,48,219               | 100%                 | 0%                          |
|       | <b>Total</b>             | <b>2,48,219</b>        | <b>100%</b>          | <b>2,48,219</b>        | <b>100%</b>          | <b>0%</b>                   |

Note : 6 Other Equity

| Sr. No | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--------|--|---------------------------|---------------------------|
|        |  | Total                     | Total                     |
| 1      | <b>Profit &amp; Loss Account</b><br>Balance carried forward from Previous Year | 13.06                     | 11.58                     |
|        | Add: Profit for the year   | 1.06                      | 1.48                      |
|        | <b>Total</b>   | <b>14.12</b>              | <b>13.06</b>              |



| Note : 7 Trade Payables        |  | (Amount in Lacs)          |                           |           |                   |       |
|--------------------------------|--|---------------------------|---------------------------|-----------|-------------------|-------|
| Sr No.                         | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |           |                   |       |
|                                |  | Total                     | Total                     |           |                   |       |
| 1                              | Trade Payables for Services  |                           |                           |           |                   |       |
|                                | Total Outstanding dues of Micro and small enterprises                      | -                         | -                         |           |                   |       |
|                                | Total Outstanding dues of creditors other than micro and small enterprises | 0.31                      | 0.27                      |           |                   |       |
|                                | Total  | 0.31                      | 0.27                      |           |                   |       |
| Trade Payable Aging Schedule   |  |                           |                           |           |                   |       |
| As at March 31, 2024           |  |                           |                           |           |                   |       |
| Sr No.                         | Particulars  | Less than 1 year          | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)                            | MSME   | -                         | -                         | -         | -                 | -     |
| (ii)                           | Others   | 0.31                      | -                         | -         | -                 | 0.31  |
| (iii)                          | Disputed dues – MSME   | -                         | -                         | -         | -                 | -     |
| (iv)                           | Disputed dues - Others   | -                         | -                         | -         | -                 | -     |
| As at March 31, 2023           |  |                           |                           |           |                   |       |
| Sr No.                         | Particulars  | Less than 1 year          | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)                            | MSME   | -                         | -                         | -         | -                 | -     |
| (ii)                           | Others   | 0.27                      | -                         | -         | -                 | 0.27  |
| (iii)                          | Disputed dues – MSME   | -                         | -                         | -         | -                 | -     |
| (iv)                           | Disputed dues - Others   | -                         | -                         | -         | -                 | -     |
| Note : 8 Short Term Provisions |  |                           |                           |           |                   |       |
| Sr No.                         | Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |           |                   |       |
|                                |  | Total                     | Total                     |           |                   |       |
| 1                              | Income Tax Provision   | 2.41                      | 2.03                      |           |                   |       |
|                                | Total  | 2.41                      | 2.03                      |           |                   |       |



**UFO Software Technologies Private Limited**  
**Notes to Financial Statements for the Year Ended 31st March, 2024**

**Note : 9 Direct Expenses**

(Amount in Lacs)

| Sr. No | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|--------|--------------|--------------------------------|--------------------------------|
|        |              | Total                          | Total                          |
| 1      | AWS Expenses | -                              | (0.25)                         |
|        | <b>Total</b> | <b>-</b>                       | <b>(0.25)</b>                  |

**Note : 10 Other Expenses**

| Sr. No | Particulars                         | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|--------|-------------------------------------|--------------------------------|--------------------------------|
|        |                                     | Total                          | Total                          |
| 1      | Legal & Professional Expenses       | 0.71                           | 0.14                           |
| 2      | Rate & Taxes                        | 0.02                           | 0.02                           |
| 3      | Audit Fees                          | 0.25                           | 0.25                           |
| 4      | Interest Paid on Outstanding Demand | 0.01                           | -                              |
|        | <b>Total</b>                        | <b>0.99</b>                    | <b>0.41</b>                    |

**Note : 11 Finance Cost**

| Sr. No | Particulars                                  | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|--------|--|--------------------------------|--------------------------------|
|        |  | Total                          | Total                          |
| 1      | Bank Charges                                 | 0.13                           | 0.13                           |
| 2      | Interest Paid on Outstanding Demand (SA Tax) | 0.03                           | -                              |
|        | <b>Total</b>                                 | <b>0.16</b>                    | <b>0.13</b>                    |

**Note : 12 Finance Income**

| Sr. No | Particulars                | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|--------|----------------------------|--------------------------------|--------------------------------|
|        |                            | Total                          | Total                          |
| 1      | Interest on Fixed Deposits | 2.61                           | 2.32                           |
| 2      | Interest on Income Tax     | -                              | 0.00                           |
|        | <b>Total</b>               | <b>2.61</b>                    | <b>2.32</b>                    |

**Note : 13 Earnings Per Share**

| Sr. No | Particulars  | Year Ended<br>31st March, 2024 | Year Ended<br>31st March, 2023 |
|--------|--|--------------------------------|--------------------------------|
|        |  | Total                          | Total                          |
| 1      | Profit-Loss attributable to Equity Shareholders (Rs. in Lakhs)       | 1.06                           | 1.48                           |
| 2      | Weighted average number of equity shares outstanding (No. of Shares) | 2,48,219                       | 2,48,219                       |
| 3      | Earnings per Share (basic and diluted) (Rs.)                         | 0.43                           | 0.60                           |
| 4      | Nominal Value per share (Amount in Rs.)                              | 10.00                          | 10.00                          |



**UFO Software Technologies Private Limited**  
**Notes to Financial Statements for the Year Ended 31st March 2024**

**Note : 14 Related Party Disclosure (in accordance with Ind AS 24)**

**Related Parties**

| Name                     | Relationship    |
|--------------------------|-----------------|
| UFO Moviez India Limited | Holding Company |
| Ashish Sadanand Malushte | Director        |
| Sushil Kumar Agrawal     | Director        |
| Rajesh Bhagwati Mishra   | Director        |

**Note : 15 Segment Reporting**

The company is primarily engaged in only one business segment i.e. digital conversion fees and only one geographical segment i.e. INDIA. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment" (Segment Reporting).

**Note : 16 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006**

Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note : 17 Ratio Analysis and its elements**

| Ratio                           | Numerator  | Denominator  | 31st March, 2024 | 31st March, 2023 | % change | Reason for variance   |
|---------------------------------|--|--|------------------|------------------|----------|---|
| Current ratio                   | Current Assets   | Current Liabilities  | 15.29            | 17.46            | -12.42%  | -   |
| Debt- Equity Ratio              | Total Debt (Borrowings)  | Shareholder's Equity   | -                | -                | -        | -   |
| Debt Service Coverage ratio     | Earnings for debt service = Net profit after taxes + Non-cash operating expenses                             | Debt service = Interest & Lease Payments + Principal Repayments    | -                | -                | -        | -   |
| Return on Equity ratio (%)      | Net Profits after taxes - Preference Dividend  | Average Shareholder's Equity                                       | 2.76%            | 3.96%            | -1.22%   | -   |
| Inventory Turnover ratio        | Cost of goods sold   | Average Inventory  | -                | -                | -        | -   |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return   | Average Trade Receivable   | -                | -                | -        | -   |
| Trade Payable Turnover Ratio    | Net purchases = (Gross purchases + other expenses) - purchase return<br>(As credit and non-credit purchases) | Average Trade Payables   | 3.41             | 0.29             | 1063.97% | Due to minimal amounts of Trade Payables in the books of the Company. |
| Net Capital Turnover Ratio      | Net sales = Total sales - sales return   | Working capital = Current assets - Current liabilities             | -                | -                | -        | -   |
| Net Profit ratio (%)            | Net Profit   | Net sales = Total sales - sales return                             | -                | -                | -        | -   |
| Return on Capital Employed (%)  | Earnings before Interest and taxes   | Capital Employed = Net Worth + Total Debt + Deferred Tax Liability | -2.54%           | -0.42%           | -2.12%   | -   |
| Return on Investment (%)        | Interest (Finance Income)  | Investment   | 7.17%            | 6.11%            | 1.07%    | -   |

**Note : 18 Contingent Liability**

The company does not have any contingent liability except for a demand as reflected on traces portal under TAN no. of the company for the FY 2007-08 amounting to Rs. 3.67 Lacs & Rs. 1.46 Lacs pertaining to Income Tax for AY 2009-2010. The company has not specifically received any notice for the said demand. However, the management will look into the reason and attempt to rectify the same.

**Note : 19 Additional Regulatory Information**

i) Title deeds of immovable properties not held in the name of company - There are no Immovable Properties in the name of Company.

ii) Revaluation of Property Plant and Equipment and Right-of-Use Assets

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

iii) Loans or Advances in nature of loans granted to promoters, directors, KMPs and the related parties (severally or jointly)

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

iv) Capital-Work-in Progress (CWIP)

The Company does not have any capital-work-in progress. Therefore, this disclosure is not applicable.

v) Intangible assets under development

The Company does not have any intangible asset under development. Therefore, this disclosure is not applicable.



**vi) Details of Benami Property held**

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vii) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

**viii) Wilful Defaulter**

The company has not availed any loans or borrowings from banks or financial institutions and therefore has not been declared wilful defaulter by any bank or financial institution or other lender.

**ix) Relationship with Struck off Companies**

The company do not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**x) Registration of charges or satisfaction with Registrar of Companies**

The Company has not availed any secured loan. Therefore, registration or satisfaction of charges with the Registrar of Companies (ROC) is not applicable.

**xi) Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, therefore, no additional disclosure is required under this clause.

**xii) Compliance with approved Scheme(s) of Arrangements**

The company is not under any scheme of Arrangements as prescribed under sections 230 to 237 of the Companies Act, 2013. Hence, there is no effect of such schemes in the books of accounts as at end of the year.

**xiii) Utilisation of Borrowed funds and share premium**

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries).

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

**xiv) Undisclosed Income**

The Company does not have any transaction 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).

xv) Corporate Social Responsibility - The provisions of CSR is not applicable to the Company.

**xvi) Details of Crypto Currency or Virtual Currency**

The Company has not been traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note : 20**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advance in the ordinary course of business would not be significantly less than the amount at which they are stated in the Balance Sheet.

For Shetty Naik & Associates  
Chartered Accountants  
ICAI Firm Registration No. 124851W

CA Jyadish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 22nd May, 2024



For and on behalf of Board of Directors of  
UFO Software Technologies Private Limited  
CIN: U74899MH2005PTC284653

Ashish Sadanand Malushte  
Director  
DIN No.00024923  
Place: Mumbai  
Date: 22nd May, 2024

Sushil Agrawal  
Director  
DIN No.00003163  
Place: Mumbai  
Date: 22nd May, 2024



*Jagdish B. Shetty*  
B. Com., F. C. A., D. I. S. A. (ICAI), L. L. B. (Gen.)



**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

*Santosh J. Naik*  
B. Com., L. L. B., F. C. A., D. I. S. A. (ICAI)

31, Madhuban Industrial Estate, Plot No. 30, Off Mahakali Caves Road, Andheri (E), Mumbai - 400 093.  
Tel.: 022 4214 8484 / 6149 8484 (15 Lines) Fax : 022 4214 8485 Email : sna@snachartereds.com www.snachartereds.com

## INDEPENDENT AUDITOR'S REPORT ON CONDENSED FINANCIAL STATEMENTS

TO,

THE BOARD OF DIRECTORS

UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653.

### Opinion

We have audited the accompanying condensed financial statements of **UFO Software Technologies Private Limited (CIN: U74899MH2005PTC284653)** (the "Company"), which comprise the Condensed Balance Sheet as at September 30, 2024, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the six months period ended on that date and notes to the Condensed Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "condensed financial statements"). The Condensed Financial Statements have been prepared by the management of the company in connection with the proposed Composite Scheme of Arrangement amongst UFO Software Technologies Private Limited ("Demerged Company") and UFO Moviez India Limited ("Resulting Company" or "Transferee Company") and their respective shareholders and creditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the six months period ended on that date.





**Basis for Opinion**

We conducted our audit of the condensed financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Condensed 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the condensed financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the condensed financial statements.

**Management's Responsibilities for the Condensed Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 ("the Act") with respect to the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India.

This responsibility also includes 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 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 condensed financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.





### **Auditor's Responsibilities for the Condensed Financial Statements**

Our objectives are to obtain reasonable assurance about whether the condensed 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 condensed 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 condensed 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed 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.





**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

- Evaluate the overall presentation, structure and content of the Condensed financial statements, including the disclosures, and whether the Condensed 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 the 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.


**Basis of Accounting & Restriction on Use**

Without modifying your opinion, we draw your attention to Note 18 of the Condensed Financial Statements which describes the purpose and basis of preparation. The Condensed Financial Statements have been prepared by the Company's Management solely for the purpose as mentioned in the 'Opinion' Paragraph above and accordingly, the condensed Financial Statements may not be suitable for any other purpose. It should not be used by any parties other than the company or the Transferee Company or the demerged Company. It should not be distributed for any purpose other than to meet the legal/regulatory requirements. We do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save as expressly agreed by our prior consent in writing.

**For Shetty Naik & Associates**

**Chartered Accountants**

Firm Registration No.: 124851W

  
**CA. Jagdish Shetty**

**Partner**

**Membership No.: 111936**

**Place: Mumbai**

**Date: 19<sup>th</sup> November, 2024**

**UDIN: 241119368KCT152137**



# UFO Software Technologies Private Limited

Balance Sheet as at 30th September, 2024

(Amount in Lakhs)

| Particulars   | Notes | As at<br>30th September, 2024 | As at<br>31st March, 2024 |
|---|-------|-------------------------------|---------------------------|
| <b>ASSETS</b>   |       |                               |                           |
| <u>Financial Assets</u>   |       |                               |                           |
| Cash and cash equivalents   | 2     | 1.08                          | 0.72                      |
| Other balances with bank  |       | 37.64                         | 36.45                     |
| Other Financial Assets  | 3     | 3.16                          | 3.94                      |
| Other Current Assets  | 4     | 0.61                          | 0.54                      |
| <b>Total Current Assets (A)</b>   |       | <b>42.49</b>                  | <b>41.66</b>              |
| <b>Total Assets (A)</b>   |       | <b>42.49</b>                  | <b>41.66</b>              |
| <b>EQUITY AND LIABILITIES</b>   |       |                               |                           |
| <u>Equity</u>   |       |                               |                           |
| Equity Share Capital  | 5     | 24.82                         | 24.82                     |
| Other Equity  | 6     | 14.93                         | 14.12                     |
| <b>Total Equity (B)</b>   |       | <b>39.75</b>                  | <b>38.94</b>              |
| <u>Current Liabilities</u>  |       |                               |                           |
| <u>Financial Liabilities</u>  |       |                               |                           |
| Borrowings  |       | -                             | -                         |
| Trade Payables  |       | -                             | -                         |
| Other Financial Liabilities   |       | -                             | -                         |
| (A) Total outstanding dues of Micro Enterprises & Small Enterprises; and                  | 7     | -                             | -                         |
| (B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises. |       | 0.02                          | 0.31                      |
| Short-Term Provisions   | 8     | 2.72                          | 2.41                      |
| <b>Total Current Liabilities (C)</b>  |       | <b>2.74</b>                   | <b>2.72</b>               |
| <b>Total Equity and Liabilities (B+C)</b>   |       | <b>42.49</b>                  | <b>41.66</b>              |

Significant accounting policies and Notes on Financial Statements 1  
Notes referred to above form an integral part of Financial Statements


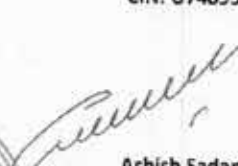

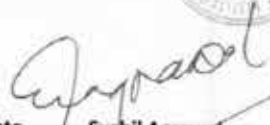
For Shetty Naik & Associates  
Chartered Accountants  
ICAI Firm Registration No. 124851W


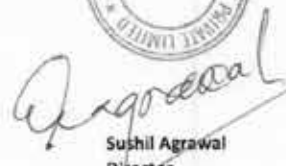
CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024

For and on behalf of Board of Directors of  
UFO Software Technologies Private Limited  
CIN: U74899MH2005PTC284653

Ashish Sadanand Malushte  
Director  
DIN No.00024923  
Place: Mumbai  
Date: 19th November, 2024

Sushil Agrawal  
Director  
DIN No.00003163  
Place: Mumbai  
Date: 19th November, 2024

| UFO Software Technologies Private Limited   |       |   |                                |
|---|-------|---|--------------------------------|
| Statement of Profit & Loss for the Period Ended 30th September, 2024  |       |   |                                |
|   |       |   | (Amount in Lakhs)              |
| Particulars   | Notes | Period Ended<br>30th September, 2024  | Year Ended<br>31st March, 2024 |
| <b>Income</b>   |       |   |                                |
| Revenue from Operations   |       | -   | -                              |
| Other Income  |       | -   | -                              |
| <b>Total Income (I)</b>   |       | -   | -                              |
| <b>Expenses</b>   |       |   |                                |
| Operating Direct Cost   |       | -   | -                              |
| Employee Benefit Expenses   |       | -   | -                              |
| Other Expenses  | 9     | 0.24  | 0.99                           |
| <b>Total Expenses (II)</b>  |       | <b>0.24</b>   | <b>0.99</b>                    |
| <b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (I - II)</b>   |       | <b>(0.24)</b>   | <b>(0.99)</b>                  |
| Depreciation and Amortization Expense   |       | -   | -                              |
| Finance Cost  | 10    | 0.08  | 0.16                           |
| Finance Income  | 11    | (1.44)  | (2.61)                         |
| <b>Profit / (Loss) Before Tax</b>   |       | <b>1.12</b>   | <b>1.46</b>                    |
| <b>Tax Expense</b>  |       |   |                                |
| Current Tax   |       | 0.31  | 0.38                           |
| Tax Expenses relating to prior years  |       | -   | 0.02                           |
| Deferred tax charge / (credit)  |       | -   | -                              |
| <b>Total Tax Expense</b>  |       | <b>0.31</b>   | <b>0.40</b>                    |
| <b>Profit / (Loss) from continuing operations</b>   |       | <b>0.81</b>   | <b>1.06</b>                    |
| <b>Other Comprehensive Income (OCI)</b>   |       |   |                                |
| A) OCI not to be reclassified to profit or loss in subsequent period  |       | -   | -                              |
| B) Re-measurement gains /(losses) on defined benefit plans (net of tax impact)  |       | -   | -                              |
| <b>Other Comprehensive Income (OCI)</b>   |       | -   | -                              |
| <b>Total Comprehensive Income for the year</b>  |       | <b>0.81</b>   | <b>1.06</b>                    |
| <b>Earnings per equity share (Face Value of Rs. 10 each)</b>  |       |   |                                |
| Basic   | 12    | 0.33  | 0.43                           |
| Diluted   |       | 0.33  | 0.43                           |
| <b>Significant accounting policies and Notes on financial statements</b>  |       |   |                                |
| Notes referred to above form an integral part of financial statements   |       |   |                                |
| <b>For Shetty Naik &amp; Associates</b><br>Chartered Accountants<br>ICAI Firm Registration No. 124851W  |       | <b>For and on behalf of Board of Directors of</b><br><b>UFO Software Technologies Private Limited</b><br>CIN: U74899MH2005PTC284653   |                                |
| <br><b>CA Jagdish Shetty</b><br>Partner<br>Membership No. 111936<br>Place: Mumbai<br>Date: 19th November, 2024 |       | <br><b>Ashish Sadanand Malushte</b><br>Director<br>DIN No.00024923<br>Place: Mumbai<br>Date: 19th November, 2024 |                                |
|    |       | <br><b>Sushil Agrawal</b><br>Director<br>DIN No.00003163<br>Place: Mumbai<br>Date: 19th November, 2024         |                                |

| UFO Software Technologies Private Limited  |  |  |
|--|--|--|
| Statement of Cash Flows for the Period Ended 30th September, 2024  |  |  |
|  | (Amount in Lakhs)  |  |
| Particulars  | 30th September, 2024   | 31st March, 2024   |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |  |
| Net Profit Before Tax & Extraordinary items  | 1.12   | 1.46   |
| Adjustments for reconcile profit before tax to net cash flows  |  | -  |
| Interest Income  | (1.44)   | (2.61)   |
| Operating Profit before Working Capital Changes  | (0.32)   | (1.15)   |
| Movements in working capital:  |  |  |
| Increase / (decrease) in trade payables  | (0.29)   | 0.04   |
| (Decrease) in short-term provisions  | -  | -  |
| Decrease / (increase) in current other financial assets  | 0.89   | (2.58)   |
| Decrease / (increase) in other current assets  | (0.07)   | (0.02)   |
| Cash generated from operations   | 0.21   | (3.71)   |
| Direct taxes paid (net of refunds)   | (0.11)   | (0.26)   |
| Non Cash Effect of Previous Year Income Tax  | -  | (0.02)   |
| Net Cash Flow from Operating Activities  | 0.10   | (3.99)   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |  |
| Income from Investing Activities   | 1.44   | 2.61   |
| Net Cash from / (used) in Investing activities   | 1.44   | 2.61   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |
| Net Cash used in Financing activities  | -  | -  |
| Net increase in cash & Cash Equivalents (A+B+C)  | 1.54   | (1.38)   |
| Cash and Cash equivalents at the beginning of the year   | 37.18  | 38.56  |
| Cash and Cash equivalents at the end of the year   | 38.72  | 37.18  |
| Components of cash and cash equivalents  |  |  |
| Cash on hand   | 0.01   | 0.01   |
| Balance with banks:  |  |  |
| on Current accounts  | 1.07   | 0.72   |
| on Fixed deposits  | 37.64  | 36.45  |
| Total Cash and Cash Equivalents (Refer note 2)   | 38.72  | 37.18  |
| <b>Notes to Cash Flow Statement</b><br>1. Components of Cash and Cash Equivalents include cash and bank balances in current account<br>2. The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard "Ind AS-7 Cash Flow Statement".  |  |  |
| <b>For Shetty Naik &amp; Associates</b><br>Chartered Accountants<br>ICAI Firm Registration No. 124851W<br><br><b>CA Jagdish Shetty</b><br>Partner<br>Membership No. 111936<br>Place: Mumbai<br>Date: 19th November, 2024<br> | <b>For and on behalf of Board of Directors of</b><br><b>UFO Software Technologies Private Limited</b><br>CIN: U74899MH2005PTC284653<br><br><b>Ashish Sadanand Malushte</b><br>Director<br>DIN No.00024923<br>Place: Mumbai<br>Date: 19th November, 2024 | <br><br><b>Sushil Agrawal</b><br>Director<br>DIN No.00003163<br>Place: Mumbai<br>Date: 19th November, 2024 |

**UFO Software Technologies Private Limited**

**Notes on Changes in Equity Statement as at 30th September, 2024**

| <b>A. Equity Share Capital</b>                           |       |  |   | <b>(Amount in Lakhs)</b>                         |       |
|--|-------|--|---|--|-------|
| <b>(1) Current reporting period</b>                      |       |  |   | <b>(Amount in Lakhs)</b>                         |       |
| Balance at the beginning of the current reporting period | 24.82 | Changes in Equity Share Capital due to prior period errors | - | Restated balance at the beginning of the current | 24.82 |
|  |       | Changes in equity share capital during the current         |   | Balance at the end of the current reporting      | 24.82 |

| <b>(2) Previous reporting period</b>                     |       |  |   | <b>(Amount in Lakhs)</b>                         |       |
|--|-------|--|---|--|-------|
| Balance at the beginning of the current reporting period | 24.82 | Changes in Equity Share Capital due to prior period errors | - | Restated balance at the beginning of the current | 24.82 |
|  |       | Changes in equity share capital during the current         |   | Balance at the end of the current reporting      | 24.82 |

| B. Other Equity   |                      |  |                                  |       |   |                   |   |   |  | (Amount in Lakhs)                     |       |
|---|----------------------|--|----------------------------------|-------|---|-------------------|---|---|--|---------------------------------------|-------|
| (1) Current reporting period                                      |                      |  |                                  |       |   |                   |   |   |  | (Amount in Lakhs)                     |       |
| Particulars   | Reserves and Surplus |  |                                  |       |   | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
|   | Capital Reserve      | Transaction Cost on Issue of Equity Shares | Unamortised Share Issue Expenses |       |   |                   |   |   |  |                                       |       |
| Balance at the beginning of the current reporting period          | -                    | -  | -                                | 14.12 | - | 14.12             | -   | -   | -  | -                                     | 14.12 |
| Changes in accounting policy or prior period errors               | -                    | -  | -                                | -     | - | -                 | -   | -   | -  | -                                     | -     |
| Restated balance at the beginning of the current reporting period | -                    | -  | -                                | 14.12 | - | 14.12             | -   | -   | -  | -                                     | 14.12 |
| Total Comprehensive Income for the current year                   | -                    | -  | -                                | -     | - | -                 | -   | -   | -  | -                                     | -     |
| Dividends   | -                    | -  | -                                | -     | - | -                 | -   | -   | -  | -                                     | -     |
| Transfer to retained earnings                                     | -                    | -  | -                                | 0.81  | - | 0.81              | -   | -   | -  | -                                     | 0.81  |
| Balance at the end of the current reporting period                | -                    | -  | -                                | 14.93 | - | 14.93             | -   | -   | -  | -                                     | 14.93 |



| (2) Previous reporting period                                     |                      |  |                                  |                   |   |   |  |                                       |       |
|---|----------------------|--|----------------------------------|-------------------|---|---|--|---------------------------------------|-------|
| Particulars   | Reserves and Surplus |  |                                  |                   |   | (Amount in Lakhs)                                     |  |                                       |       |
|   | Capital Reserve      | Transaction Cost on Issue of Equity Shares | Unamortised Share Issue Expenses | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
| Balance at the beginning of the current reporting period          | -                    | -  | -                                | 13.06             | -   | -   | -  | -                                     | 13.06 |
| Changes in accounting policy or prior period errors               | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Restated balance at the beginning of the current reporting period | -                    | -  | -                                | 13.06             | -   | -   | -  | -                                     | 13.06 |
| Total Comprehensive Income for the current year                   | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Dividends   | -                    | -  | -                                | -                 | -   | -   | -  | -                                     | -     |
| Transfer to retained earnings                                     | -                    | -  | -                                | 1.06              | -   | -   | -  | -                                     | 1.06  |
| Balance at the end of the current reporting period                | -                    | -  | -                                | 14.12             | -   | -   | -  | -                                     | 14.12 |

For Shetty Naik & Associates  
Chartered Accountants  
ICAI Firm Registration No. 124851W

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 19th November, 2024



For and on behalf of Board of Directors of  
UFO Software Technologies Private Limited  
CIN: U74899MH2005PTC284653

Ashish Sadanand Malushte  
Director  
DIN No. 00024923  
Place: Mumbai  
Date: 19th November, 2024



Sushil Agrawal  
Director  
DIN No. 00003163  
Place: Mumbai  
Date: 19th November, 2024



# UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653

Notes to Financial Statements as at and for the year ended 30th September 2024

## 1. Corporate Information

UFO Software Technologies Private Limited ("the Company") is a private company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 20<sup>th</sup> September 2005. The Company is into the business of providing software solutions and development. The registered office of the Company is located at Office No.902, 9<sup>th</sup> Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai Thane MH 400093.

## 2. Significant Accounting Policies

### 2.1 Going Concern:

The financial statements are prepared on going concern basis.

### 2.2 Basis of Preparation

These financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods up to and for the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 30th September 2024, the Statement of Profit and Loss for the year ended 30th September 2024, the Statement of Cash Flows for the year ended 30th September 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 19th November 2024.

### Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



## UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653

Notes to Financial Statements as at and for the year ended 30th September 2024

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All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been presented in Indian Rupees (INR), which is the company's functional currency

### 2.3 Summary of significant accounting policies

#### (a) Use of Estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (b) Property, Plant and Equipment (PPE):

##### i. Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:



**UFO Software Technologies Private Limited**

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**Notes to Financial Statements as at and for the year ended 30th September 2024**

- 
- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
  - b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
  - c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

ii. Subsequent expenditure

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components 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 are charged to profit or loss during the reporting period in which they are incurred.

**(c) Depreciation on Tangible Fixed Assets**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.



## UFO Software Technologies Private Limited

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### Notes to Financial Statements as at and for the year ended 30th September 2024

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Currently, the company does not have any fixed assets.

#### (d) Revenue recognition

- i. In accordance with Ind AS 115, when the outcome of a transaction involving rendering of Services can be estimated reliably and there is no pending performance obligation, revenue associated with the transaction shall be recognised.
- ii. Dividend income, if any, is recognized when the right to receive payment is established.
- iii. Interest income, if any, is recognized in accordance with the Effective Interest Method (EIM) as specified in Ind AS 39, if applicable.
- iv. 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.

#### (e) Foreign currency translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

#### (f) Current income taxes and deferred tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

##### Current 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.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

##### Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.



**UFO Software Technologies Private Limited****CIN: U74899MH2005PTC284653****Notes to Financial Statements as at and for the year ended 30th September 2024**

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

- When the deferred tax asset/liability 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.
- There is no probability for reversal of such Deferred Tax Asset / Liability in foreseeable future.

In respect of deductible differences associated with investments in subsidiaries deferred tax assets are recognized 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 utilized.

Current and deferred tax 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.

Currently, there is no recognition of Deferred Tax in the companies financials as there is no revenue from the operations except for other income.

**(f) Financial Instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**i. Initial Recognition and Measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

**ii. Classification and Subsequent Measurement****• Financial Assets:**

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

- (i) Business model for managing the financial assets, and



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**Notes to Financial Statements as at and for the year ended 30th September 2024**

(ii) The contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

• **Financial Liabilities and Equity Instruments**

**a) Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

**c) 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 or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:





## UFO Software Technologies Private Limited

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Notes to Financial Statements as at and for the year ended 30th September 2024

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

### d) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### (g) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

### (h) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



## UFO Software Technologies Private Limited

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### Notes to Financial Statements as at and for the year ended 30th September 2024

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 Assets are neither recognized nor disclosed in the financial statements.

#### (i) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

#### (j) Measurement of EBITDA:

As per Guidance Note on Division II- Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

#### (k) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of FS, 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 FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. 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.

#### (l) Judgements:

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





**UFO Software Technologies Private Limited**

**CIN: U74899MH2005PTC284653**

**Notes to Financial Statements as at and for the year ended 30th September 2024**

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**(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 FS 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.

**(iii) Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note (h) above.



**UFO Software Technologies Private Limited**

**Notes to Financial Statements as at 30th September, 2024**

**Note : 2 Cash & Cash Equivalent**

**(Amount in Lakhs)**

| Sr. No | Particulars   | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|--------|---|----------------------------------|---------------------------|
|        |   | Total                            | Total                     |
| 1      | Cash-in-Hand<br>In current account  | 0.01                             | 0.01                      |
| 2      | Cash on Hand  | 1.07                             | 0.72                      |
| 3      | Other Balances With Bank<br>Fixed Deposits (With initial Maturity exceeding 3 months) | 37.64                            | 36.45                     |
|        | <b>Total</b>  | <b>38.72</b>                     | <b>37.18</b>              |

**Note : 3 Other Financial Assets - Current**

| Sr. No | Particulars                          | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|--------|--------------------------------------|----------------------------------|---------------------------|
|        |                                      | Total                            | Total                     |
| 1      | Interest Accrued but not Due         | 2.22                             | 3.11                      |
| 2      | TDS Receivable & Income Tax (SA Tax) | 0.94                             | 0.83                      |
|        | <b>Total</b>                         | <b>3.16</b>                      | <b>3.94</b>               |

**Note : 4 Other Current Assets**

| Sr. No | Particulars           | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |
|--------|-----------------------|----------------------------------|---------------------------|
|        |                       | Total                            | Total                     |
| 1      | TDS                   | 0.13                             | 0.13                      |
| 2      | GST Credit Receivable | 0.48                             | 0.41                      |
|        | <b>Total</b>          | <b>0.61</b>                      | <b>0.54</b>               |



| UFO Software Technologies Private Limited   |   |                            |                   |                        |                   |                          |
|---|---|----------------------------|-------------------|------------------------|-------------------|--------------------------|
| Notes to Financial Statements as at 30th September, 2024  |   |                            |                   |                        |                   |                          |
| Note : 5 Equity Share Capital   |   |                            |                   |                        |                   |                          |
| (Amount in Lakhs)   |   |                            |                   |                        |                   |                          |
| Sr. No  | Particulars   | As at                      |                   | As at                  |                   |                          |
|   |   | 30th September, 2024       |                   | 31st March, 2024       |                   |                          |
|   |   | Total                      |                   | Total                  |                   |                          |
| 1   | <b>AUTHORIZED CAPITAL</b><br>2,50,000 Equity Shares (as at 31st March 2024, 2,50,000 Equity Shares) of Rs.10/- each                                     | 25.00                      |                   | 25.00                  |                   |                          |
| 2   | <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b><br>2,48,219 equity shares (as at 31st March 2024, 2,48,219 Equity Shares) of Rs 10/- each fully paid up | 24.82                      |                   | 24.82                  |                   |                          |
|   | <b>Total</b>  | <b>24.82</b>               |                   | <b>24.82</b>           |                   |                          |
| (5.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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. |   |                            |                   |                        |                   |                          |
| (5.2) The reconciliation of number of shares outstanding as on September 30, 2024 is set below:-  |   |                            |                   |                        |                   |                          |
| Particulars   |   | As at 30th September, 2024 |                   | As at 31st March, 2024 |                   |                          |
| Number of shares at the beginning   |   | 2,48,219                   |                   | 2,48,219               |                   |                          |
| Add/less: Shares issued/ buyback / redeemed during the year   |   |                            |                   |                        |                   |                          |
| Number of shares at the end   |   | 2,48,219                   |                   | 2,48,219               |                   |                          |
| (5.3) Shares held by each shareholder holding more than 5% shares   |   |                            |                   |                        |                   |                          |
| Sr.No.  | Name of Shareholders  | As at 30th September, 2024 |                   | As at 31st March, 2024 |                   |                          |
|   |   | % of Total Shares          | Number of Shares  | % of Total Shares      | Number of Shares  |                          |
| 1   | UFO Moviez India Limited (Includg. Nominee Shareholders)  | 100%                       | 2,48,219          | 100%                   | 2,48,219          |                          |
|   | <b>Total</b>  | <b>100%</b>                | <b>2,48,219</b>   | <b>100%</b>            | <b>2,48,219</b>   |                          |
| (5.4) As per the records of the company, including its register of shareholders/members and others declaration received from the shareholders regarding beneficial interests. The above shareholding represents both legal and beneficial ownership of shares.  |   |                            |                   |                        |                   |                          |
| (5.5) During the year ended September 30, 2024 company has not declared Dividend.   |   |                            |                   |                        |                   |                          |
| (5.6a) Disclosure of Shareholding of Promoters as at 30th September 2024 is as follows:   |   |                            |                   |                        |                   |                          |
| Shares held by promoters at the end of the year   |   |                            |                   |                        |                   |                          |
| S.No.   | Promoter Name   | As at 30th September, 2024 |                   | As at 31st March, 2024 |                   | % change during the year |
|   |   | Number of Shares           | % of Total Shares | Number of Shares       | % of Total Shares |                          |
| 1   | UFO Moviez India Limited  | 2,48,219                   | 100%              | 2,48,219               | 100%              | 0%                       |
|   | <b>Total</b>  | <b>2,48,219</b>            | <b>100%</b>       | <b>2,48,219</b>        | <b>100%</b>       | <b>0%</b>                |
| (5.6b) Disclosure of Shareholding of Promoters as at 31st March 2024 is as follows:   |   |                            |                   |                        |                   |                          |
| Shares held by promoters at the end of the year   |   |                            |                   |                        |                   |                          |
| S.No.   | Promoter Name   | As at 31st March, 2024     |                   | As at 31st March, 2023 |                   | % change during the year |
|   |   | Number of Shares           | % of Total Shares | Number of Shares       | % of Total Shares |                          |
| 1   | UFO Moviez India Limited  | 2,48,219                   | 100%              | 2,48,219               | 100%              | 0%                       |
|   | <b>Total</b>  | <b>2,48,219</b>            | <b>100%</b>       | <b>2,48,219</b>        | <b>100%</b>       | <b>0%</b>                |
| Note : 6 Other Equity   |   |                            |                   |                        |                   |                          |
| Sr. No  | Particulars   | As at 30th September, 2024 |                   | As at 31st March, 2024 |                   |                          |
|   |   | Total                      |                   | Total                  |                   |                          |
| 1   | <b>Profit &amp; Loss Account</b><br>Balance carried forward from Previous Year<br>Add: Profit for the year  | 14.12<br>0.81              |                   | 13.06<br>1.06          |                   |                          |
|   | <b>Total</b>  | <b>14.93</b>               |                   | <b>14.12</b>           |                   |                          |



| Note : 7 Trade Payables        |  |                                  | (Amount in Lakhs)         |           |                   |       |
|--------------------------------|--|----------------------------------|---------------------------|-----------|-------------------|-------|
| Sr No.                         | Particulars  | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |           |                   |       |
|                                |  | Total                            | Total                     |           |                   |       |
| 1.                             | Trade Payables for Services  |                                  |                           |           |                   |       |
|                                | Total Outstanding dues of Micro and small enterprises                      | -                                | -                         |           |                   |       |
|                                | Total Outstanding dues of creditors other than micro and small enterprises | 0.02                             | 0.31                      |           |                   |       |
|                                | Total  | 0.02                             | 0.31                      |           |                   |       |
| Trade Payable Ageing Schedule  |  |                                  |                           |           |                   |       |
| As at September 30, 2024       |  |                                  |                           |           |                   |       |
| Sr No.                         | Particulars  | Less than 1 year                 | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)                            | MSME   | -                                | -                         | -         | -                 | -     |
| (ii)                           | Others   | 0.02                             | -                         | -         | -                 | 0.02  |
| (iii)                          | Disputed dues – MSME   | -                                | -                         | -         | -                 | -     |
| (iv)                           | Disputed dues - Others   | -                                | -                         | -         | -                 | -     |
| As at March 31, 2024           |  |                                  |                           |           |                   |       |
| Sr No.                         | Particulars  | Less than 1 year                 | 1-2 years                 | 2-3 years | More than 3 years | Total |
| (i)                            | MSME   | -                                | -                         | -         | -                 | -     |
| (ii)                           | Others   | 0.31                             | -                         | -         | -                 | 0.31  |
| (iii)                          | Disputed dues – MSME   | -                                | -                         | -         | -                 | -     |
| (iv)                           | Disputed dues - Others   | -                                | -                         | -         | -                 | -     |
| Note : 8 Short Term Provisions |  |                                  |                           |           |                   |       |
| Sr No.                         | Particulars  | As at<br>30th September,<br>2024 | As at<br>31st March, 2024 |           |                   |       |
|                                |  | Total                            | Total                     |           |                   |       |
| 1                              | Income Tax Provision   | 2.72                             | 2.41                      |           |                   |       |
|                                | Total  | 2.72                             | 2.41                      |           |                   |       |



**UFO Software Technologies Private Limited**  
**Notes to Financial Statements for the Period Ended 30th September, 2024**

**Note : 9 Other Expenses**

| Sr. No | Particulars                         | Period Ended<br>30th September,<br>2024 | Year Ended<br>31st March, 2024 |
|--------|-------------------------------------|---|--------------------------------|
|        |                                     | Total                                   | Total                          |
| 1      | Legal & Professional Expenses       | 0.21                                    | 0.71                           |
| 2      | Rate & Taxes                        | 0.03                                    | 0.02                           |
| 3      | Audit Fees                          | -                                       | 0.25                           |
| 4      | Interest Paid on Outstanding Demand | -                                       | 0.01                           |
|        | <b>Total</b>                        | <b>0.24</b>                             | <b>0.99</b>                    |

**Note : 10 Finance Cost**

| Sr. No | Particulars                                  | Period Ended<br>30th September,<br>2024 | Year Ended<br>31st March, 2024 |
|--------|--|---|--------------------------------|
|        |  | Total                                   | Total                          |
| 1      | Bank Charges                                 | 0.08                                    | 0.13                           |
| 2      | Interest Paid on Outstanding Demand (SA Tax) | -                                       | 0.03                           |
|        | <b>Total</b>                                 | <b>0.08</b>                             | <b>0.16</b>                    |

**Note : 11 Finance Income**

| Sr. No | Particulars                | Period Ended<br>30th September,<br>2024 | Year Ended<br>31st March, 2024 |
|--------|----------------------------|---|--------------------------------|
|        |                            | Total                                   | Total                          |
| 1      | Interest on Fixed Deposits | 1.44                                    | 2.61                           |
|        | <b>Total</b>               | <b>1.44</b>                             | <b>2.61</b>                    |

**Note : 12 Earnings Per Share**

| Sr. No | Particulars  | Period Ended<br>30th September,<br>2024 | Year Ended<br>31st March, 2024 |
|--------|--|---|--------------------------------|
|        |  | Total                                   | Total                          |
| 1      | Profit-Loss attributable to Equity Shareholders (Rs. in Lakhs)       | 0.81                                    | 1.06                           |
| 2      | Weighted average number of equity shares outstanding (No. of Shares) | 2,48,219                                | 2,48,219                       |
| 3      | Earnings per Share (basic and diluted) (Rs.)                         | 0.33                                    | 0.43                           |
| 4      | Nominal Value per share (Amount in Rs.)                              | 10                                      | 10                             |



**UFO Software Technologies Private Limited**  
**Notes to Financial Statements for the Period Ended 30th September, 2024**

**Note : 13 Related Party Disclosure (In accordance with Ind AS 24)**

**Related Parties**

| Name                     | Relationship    |
|--------------------------|-----------------|
| UFO Movies India Limited | Holding Company |
| Ashish Sadanand Malushte | Director        |
| Sushil Kumar Agrawal     | Director        |
| Rajesh Bhagwati Mishra   | Director        |

**Note : 14 Segment Reporting**

The company is primarily engaged in only one business segment i.e. digital conversion fees and only one geographical segment i.e. INDIA. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment" (Segment Reporting).

**Note : 15 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006**

Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note : 16 Ratio Analysis and its elements**

| Ratio                           | Numerator  | Denominator  | 30th September, 2024 | 31st March, 2024 | % change | Reason for variance                         |
|---------------------------------|--|--|----------------------|------------------|----------|---|
| Current ratio                   | Current Assets   | Current Liabilities  | 15.52                | 15.29            | 1.48%    | -   |
| Debt: Equity Ratio              | Total Debt (Borrowings)  | Shareholder's Equity   | -                    | -                | -        | -   |
| Debt Service Coverage ratio     | Earnings for debt service = Net profit after taxes + Non-cash operating expenses                             | Debt service = Interest & Lease Payments + Principal Repayments    | -                    | -                | -        | -   |
| Return on Equity ratio (%)      | Net Profits after taxes - Preference Dividend  | Average Shareholder's Equity                                       | 2.06%                | 2.76%            | -0.70%   | -   |
| Inventory Turnover ratio        | Cost of goods sold   | Average Inventory  | -                    | -                | -        | -   |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return   | Average Trade Receivable   | -                    | -                | -        | -   |
| Trade Payable Turnover Ratio    | Net purchases = (Gross purchases + other expenses) - purchase return<br>(As credit and non-credit purchases) | Average Trade Payables   | 1.51                 | 3.41             | -55.83%  | Change is due to decrease in trade payables |
| Net Capital Turnover Ratio      | Net sales = Total sales - sales return   | Working capital = Current assets - Current liabilities             | -                    | -                | -        | -   |
| Net Profit ratio (%)            | Net Profit   | Net sales = Total sales - sales return                             | -                    | -                | -        | -   |
| Return on Capital Employed (%)  | Earnings before interest and taxes   | Capital Employed = Net Worth + Total Debt + Deferred Tax Liability | -0.61%               | -2.54%           | 1.93%    | -   |
| Return on Investment (%)        | Interest (Finance Income)  | Investment   | 3.72%                | 7.17%            | -3.45%   | -   |

**Note : 17 Contingent Liability**

The company does not have any contingent liability except for a demand as reflected on traces portal under TAN no. of the company for the FY 2007-08 amounting to Rs. 3.67 Lacs & Rs. 1.46 Lacs (excluding Interest) pertaining to Income Tax for AY 2009-2010. The company has not specifically received any notice for the said demand. However, the management will look into the reason and attempt to rectify the same.

**Note : 18 Special Purpose for Interim Financial Statements**

On June 03, 2024, the Board of Directors of the Company approved proposed Scheme of Arrangement for Amalgamation Amongst Scrabble Digital Limited ("SDI," or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") with UFO Movies India Limited ("UFO" or "Transferee Company") and their respective shareholders (the "Scheme") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 from appointed date April 01, 2024. The Scheme has been approved by Stock Exchanges and now pending before National Company Law Tribunal; The Company has prepared interim condensed financial statements for the period ended 30th September 2024 as special purpose financial statements in connection with the Scheme.

**Note : 19 Additional Regulatory Information**

i) Title deeds of immovable properties not held in the name of company - There are no immovable Properties in the name of Company.

ii) Revaluation of Property Plant and Equipment and Right-of-Use Assets

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

iii) Loans or Advances in nature of loans granted to promoters, directors, KMPs and the related parties (severally or jointly)

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

**iv) Capital-Work-in Progress (CWIP)**

The Company does not have any capital-work-in progress. Therefore, this disclosure is not applicable.

**v) Intangible assets under development**

The Company does not have any intangible asset under development. Therefore, this disclosure is not applicable.

**vi) Details of Benami Property held**

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vii) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

**viii) Wilful Defaulter**

The company has not availed any loans or borrowings from banks or financial institutions and therefore has not been declared wilful defaulter by any bank or financial institution or other lender.

**ix) Relationship with Struck off Companies**

The company do not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**x) Registration of charges or satisfaction with Registrar of Companies**

The Company has not availed any secured loan. Therefore, registration or satisfaction of charges with the Registrar of Companies (ROC) is not applicable.

**xi) Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, therefore, no additional disclosure is required under this clause.

**xii) Compliance with approved Scheme(s) of Arrangements**

The company is not under any scheme of Arrangements as prescribed under sections 230 to 237 of the Companies Act, 2013. Hence, there is no effect of such schemes in the books of accounts as at end of the year.

**xiii) Utilisation of Borrowed funds and share premium**

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

**xiv) Undisclosed Income**

The Company does not have any transaction 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).

xv) Corporate Social Responsibility - The provisions of CSR is not applicable to the Company.

**xvi) Details of Crypto Currency or Virtual Currency**

The Company has not been traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note : 20**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advance in the ordinary course of business would not be significantly less than the amount at which they are stated in the Balance Sheet.

For Shetty Naik & Associates

Chartered Accountants

ICAI Firm Registration No. 124451W

CA Jagdish Shetty

Partner

Membership No. 111936

Place: Mumbai

Date: 19th November, 2024

For and on behalf of Board of Directors of

UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653

Ashish Sadanand Malushte

Director

DIN No.00024923

Place: Mumbai

Date: 19th November, 2024

Sushil Agrawal

Director

DIN No.00003163

Place: Mumbai

Date: 19th November, 2024



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF UFO MOVIEZ INDIA LIMITED ON JUNE 3, 2024 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT FOR AMALGAMATION OF SCRABBLE DIGITAL LIMITED ("SDL" OR "TRANSFEROR COMPANY 1") AND UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED ("USTPL" OR "TRANSFEROR COMPANY 2") AND UFO MOVIEZ INDIA LIMITED ("UFO" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS (PROMOTER AND NON-PROMOTER SHAREHOLDERS)**

**Directors Present:**

- |                               |   |                                |
|-------------------------------|---|--------------------------------|
| 1. Mr. Kanwar Bir Singh Anand | - | Chairman, Independent Director |
| 2. Mr. Rajiv Batra            | - | Independent Director           |
| 3. Ms. Swati Mohan            | - | Independent Director           |
| 4. Mr. Anand Trivedi          | - | Non – Executive Director       |
| 5. Mr. Gautam Trivedi         | - | Non – Executive Director       |
| 6. Mr. Sanjay Gaikwad         | - | Managing Director              |
| 7. Mr. Rajesh Mishra          | - | Executive Director & Group CEO |

**In Attendance:**

- |                       |   |                   |
|-----------------------|---|-------------------|
| Ms. Kavita Thadeshwar | - | Company Secretary |
|-----------------------|---|-------------------|

**Invitees:**

- |                           |   |                                      |
|---------------------------|---|--------------------------------------|
| 1. Mr. Ashish Malushte    | - | Chief Financial Officer              |
| 2. Mr. Sushil Agrawal     | - | Chief Strategy Officer               |
| 3. Mr. Jinesh Shah        | - | Partner – Ernst & Young LLP          |
| 4. Ms. Soniya Sankhesaria | - | Senior Manager – Ernst and Young LLP |

**1. Background**

- 1.1 A meeting of the Board of Directors ('Board') of the Company was held on June 3, 2024 to consider and recommend the proposed Scheme of Arrangement for Amalgamation Amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") with UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders (the "Scheme") to be implemented as per the terms specified in the Scheme.
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report explaining (i) the effect of the arrangement under the Scheme on each class of shareholders, promoter and non-promoter shareholders and key managerial personnel; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal.
- 1.3 This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The following documents were considered by the Board:
  - 1.4.1 Draft Scheme;



- 1.4.2 Report of the Independent Director's Committee dated June 3, 2024, recommending the Scheme to the Board for approval;
- 1.4.3 Report of the Audit and Risk Management Committee dated June 3, 2024, recommending the Scheme to the Board for approval; and
- 1.4.4 Draft Certificate from the Statutory Auditors of the Company confirming that the Scheme is in compliance with applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted principles.

## 2. Background of the Proposed Scheme:

- a) Scrabble Digital Limited ("SDL" or Transferor Company 1") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093. SDL is engaged in the business of providing Digital Cinema Services. SDL is a wholly owned subsidiary of the Transferee Company.
- b) UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai-400093. USTPL is engaged in providing software solutions and development. USTPL is a wholly owned subsidiary of the Transferee Company.
- c) UFO Moviez India Limited ("Company" or "UFO" or "Transferee Company") is a public limited company incorporated on June 14, 2004 under the Companies Act, 1956 and its registered office is situated at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (East), Mumbai – 400093. The CIN of UFO is L22120MH2004PLC285453. The equity shares of UFO are listed on BSE Limited and National Stock Exchange of India Limited. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end to end service provider for all DCI and non-DCI related cinema solutions.
- d) The Scheme, amongst others, contemplates the following arrangements:
  - i. Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company in the manner set out in Part II of the Scheme.
  - ii. Reduction of securities premium of the Transferee Company after the amalgamation of the Transferor Company 1 and Transferor Company 2 in the manner set out in Part III of the Scheme.
- e) The rationale of the proposed Scheme is:  
The Proposed Scheme of Arrangement would inter alia have the following benefits:  
Amalgamation of Transferor Companies into Transferee Company
  - a. The Transferor Companies are wholly owned subsidiaries of the Transferee Company.

- b. The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
- c. Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
- d. The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.
- e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
- f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

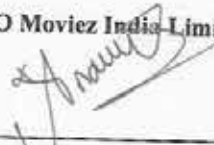
Utilisation of Securities Premium Account

- g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".
- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.
- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
- j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
- k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

**3. Impact on Shareholders (promoter and non-promoter shareholders):**

The Scheme involves amalgamation of wholly owned subsidiaries of UFO into UFO and hence no consideration would be paid by UFO pursuant to the Scheme and proposed utilization of securities amount would not result in any change in current capital structure of UFO. It is expected that there shall be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoters' shareholders.

For UFO Moviez India Limited

  
\_\_\_\_\_  
Mr. Kanwar Bir Singh Anand  
Chairman of the Board of Directors

Date: June 3, 2024

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SCRABBLE DIGITAL LIMITED ON JUNE 03, 2024 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST SCRABBLE DIGITAL LIMITED ("SDL" OR "TRANSFEROR COMPANY 1") AND UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED ("USTPL" OR "TRANSFEROR COMPANY 2") AND UFO MOVIEZ INDIA LIMITED ("UFO" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ON SHAREHOLDERS (PROMOTER AND NON-PROMOTER SHAREHOLDERS)**

**1. Background**

- 1.1 A meeting of the Board of Directors ('Board') of the Company was held on June 03, 2024 to consider and recommend the proposed Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders (the "Scheme") to be implemented as per the terms specified in the Scheme.
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report explaining (i) the effect of the arrangement under the Scheme on each class of shareholders, promoter and non-promoter shareholders and key managerial personnel; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal.
- 1.3 This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The Board considered the draft Scheme.

**2. Background of the Proposed Scheme:**

- a) Scrabble Digital Limited ("SDL" or Transferor Company 1") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093. SDL is engaged in the business of providing Digital Cinema Services. SDL is a wholly owned subsidiary of the Transferee Company.
- b) UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Akruti Star, Central Road, MIDC, Andheri (East), Mumbai-400093. USTPL is engaged in providing software solutions and development. USTPL is a wholly owned subsidiary of the Transferee Company.



- c) UFO Moviez India Limited ("Company" or "UFO" or "Transferee Company") is a public limited company incorporated on June 14, 2004 under the Companies Act, 1956 and its registered office is situated at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. The CIN of UFO is L22120MH2004PLC285453. The equity shares of UFO are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end to end service provider for all DCI and non-DCI related cinema solutions.
- d) The Scheme, amongst others, contemplates the following arrangements:
- Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company in the manner set out in Part II of the Scheme.
  - Reduction of securities premium of the Transferee Company after the amalgamation of the Transferor Company 1 and Transferor Company 2 in the manner set out in Part III of the Scheme.
- e) The rationale of the proposed Scheme is:  
The Proposed Scheme of Arrangement would inter alia have the following benefits:
- Amalgamation of Transferor Companies into Transferee Company
- The Transferor Companies are wholly owned subsidiaries of the Transferee Company.
  - The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
  - Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
  - The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.
  - The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
  - The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
- Utilisation of Securities Premium Account
- Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities



Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".

- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.
- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
- j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
- k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

**3. Impact on Shareholders (promoter and non-promoter shareholders):**

The Scheme involves amalgamation of wholly owned subsidiaries of UFO into UFO and hence no consideration would be paid by UFO pursuant to the Scheme and proposed utilization of securities premium amount would not result in any change in current capital structure of UFO. It is expected that there shall be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoters' shareholders.

**For Scrabble Digital Limited**


**Rajesh Mishra**

**Director**

Date: June 03, 2024

Place: Mumbai

# UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

Regd. Office: Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC,  
Andheri (East), Mumbai- 400093, Maharashtra  
CIN No: U74899MH2005PTC284653

## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED ON JUNE 03, 2024 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST SCRABBLE DIGITAL LIMITED ("SDL" OR "TRANSFEROR COMPANY 1") AND UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED ("USTPL" OR "TRANSFEROR COMPANY 2") AND UFO MOVIEZ INDIA LIMITED ("UFO" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ON SHAREHOLDERS (PROMOTER AND NON-PROMOTER SHAREHOLDERS)

### 1. Background

- 1.1 A meeting of the Board of Directors ('Board') of the Company was held on June 03, 2024 to consider and recommend the proposed Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders (the "Scheme") to be implemented as per the terms specified in the Scheme.
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report explaining (i) the effect of the arrangement under the Scheme on each class of shareholders, promoter and non-promoter shareholders and key managerial personnel; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal.
- 1.3 This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The Board considered the draft Scheme.

### 2. Background of the Proposed Scheme:

- a) Scrabble Digital Limited ("SDL" or Transferor Company 1") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai - 400093. SDL is engaged in the business of providing Digital Cinema Services. SDL is a wholly owned subsidiary of the Transferee Company.
- b) UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai-400093. USTPL is engaged in providing software solutions and development. USTPL is a





## UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

Regd. Office: Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC,  
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wholly owned subsidiary of the Transferee Company.

- c) UFO Moviez India Limited ("Company" or "UFO" or "Transferee Company") is a public limited company incorporated on June 14, 2004 under the Companies Act, 1956 and its registered office is situated at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. The CIN of UFO is L22120MH2004PLC285453. The equity shares of UFO are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end-to-end service provider for all DCI and non-DCI related cinema solutions.

- d) The Scheme, amongst others, contemplates the following arrangements:

- i. Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company in the manner set out in Part II of the Scheme.
- ii. Reduction of securities premium of the Transferee Company after the amalgamation of the Transferor Company 1 and Transferor Company 2 in the manner set out in Part III of the Scheme.

- e) The rationale of the proposed Scheme is:

The Proposed Scheme of Arrangement would inter alia have the following benefits:

### Amalgamation of Transferor Companies into Transferee Company

- a. The Transferor Companies are wholly owned subsidiaries of the Transferee Company.
- b. The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
- c. Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
- d. The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.
- e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
- f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

### Utilisation of Securities Premium Account

- g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities

## UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

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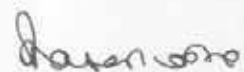
Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".

- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.
- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
- j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
- k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

### 3. Impact on Shareholders (promoter and non-promoter shareholders):

The Scheme involves amalgamation of wholly owned subsidiaries of UFO into UFO and hence no consideration would be paid by UFO pursuant to the Scheme and proposed utilization of securities amount would not result in any change in current capital structure of UFO. It is expected that there shall be no impact of the Scheme on key managerial personnel, the directors, the promoters and non-promoters' shareholders.

For UFO Software Technologies Private Limited



Rajesh Mishra

Director

Date: June 03, 2024

Place: Mumbai





**Details of the pre-scheme and post-scheme shareholding patterns of UFO Moviez India Limited, Scrabble Digital Limited and UFO Software Technologies Private Limited**

**I. Pre- Scheme shareholding pattern**

**1. UFO Moviez India Limited as on September 30, 2024**

Enclosed as **Annexure A**

**2. Scrabble Digital Limited as on September 30, 2024**

| Sr. No.      | Name of Shareholders        | No. of Equity Shares of Rs. 10/- each | Shareholding (%) |
|--------------|-----------------------------|---------------------------------------|------------------|
| 1.           | UFO Moviez India Limited    | 5,93,136                              | 99.99            |
| 2.           | Mr. Pankaj Jaysinh Madhani* | 1                                     | 0.00             |
| 3.           | Mr. Deepak Ranjan*          | 1                                     | 0.00             |
| 4.           | Mr. Ashish Malushte*        | 1                                     | 0.00             |
| 5.           | Mr. Rajesh Mishra*          | 1                                     | 0.00             |
| 6.           | Mr. Sushil Agrawal*         | 1                                     | 0.00             |
| 7.           | Mr. Vishnu Patel*           | 1                                     | 0.00             |
| <b>Total</b> |                             | <b>5,93,142</b>                       | <b>100.00</b>    |

\*shares held as nominees of UFO Moviez India Limited

**3. UFO Software Technologies Private Limited as on September 30, 2024**

| Sr. No.      | Name of Shareholders        | No. of Equity Shares of Rs. 10/- each | Shareholding (%) |
|--------------|-----------------------------|---------------------------------------|------------------|
| 1.           | UFO Moviez India Limited    | 2,48,213                              | 99.99            |
| 2.           | Mr. Pankaj Jaysinh Madhani* | 1                                     | 0.00             |
| 3.           | Mr. Deepak Ranjan*          | 1                                     | 0.00             |
| 4.           | Mr. Ashish Malushte*        | 1                                     | 0.00             |
| 5.           | Mr. Rajesh Mishra*          | 1                                     | 0.00             |
| 6.           | Mr. Sushil Agrawal*         | 1                                     | 0.00             |
| 7.           | Mr. Vishnu Patel*           | 1                                     | 0.00             |
| <b>Total</b> |                             | <b>2,48,219</b>                       | <b>100.00</b>    |

\*shares held as nominees of UFO Moviez India Limited

**II. Post- Scheme shareholding pattern**

As per Clause 6 of the Scheme, the entire issued, subscribed and paid-up equity share capital of the Transferor Companies i.e. SDL and USTPL is held by the Transferee Company and its nominee(s) i.e. UFO.

Upon the Scheme coming into effect, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of equity in the Transferor Companies and the entire share capital of the Transferor Companies shall stand cancelled.

Accordingly, the shareholding pattern of UFO Moviez India Limited shall remain unchanged, except for the changes on account of the ESOPs allotted during each quarter and any other such circumstances.

**Shareholding Pattern of UFO Moviez India Limited as on September 30, 2024**

| Sr No.     | Description   | Name of Shareholder                   | UFO Moviez India Limited |              |
|------------|---|---------------------------------------|--------------------------|--------------|
|            |   |                                       | Shareholding Pattern     |              |
|            |   |                                       | No. of shares            | %            |
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b>                          |                                       |                          |              |
| <b>1</b>   | <b>Indian</b>   |                                       |                          |              |
| (a)        | Individuals/ Hindu Undivided Family   | Sanjay Shankar Gaiwad                 | 9,17,229                 | 2.38         |
|            |   | Aruna Narendra Hete                   | 4,000                    | 0.01         |
|            |   | Uday Shankar Gaiwad                   | 493                      | 0.00         |
|            |   | Ameya Narendra Hete                   | 2,42,797                 | 0.63         |
|            |   | Narendra Hete                         | 0.00                     | 0.00         |
|            |   | Raaja Kanwar                          | 12,500                   | 0.03         |
| (b)        | Central Government/ State Government(s)                                     |                                       | -                        | -            |
| (c)        | Bodies Corporate  |                                       |                          |              |
|            |   | Advent Fiscal Private Limited         | 7,37,182                 | 1.91         |
|            |   | Apollo Green Energy Limited           | 22,66,417                | 5.87         |
|            |   | Valuable Technologies Private Limited | 22,43,657                | 5.81         |
|            |   | Valuable Media Private Limited        | 22,44,265                | 5.81         |
|            |   | Nifty Portfolio Services Pvt Limited  | 0.00                     | 0.00         |
| (d)        | Financial Institutions/ Banks   |                                       | -                        | -            |
| (e)        | Any Others  |                                       | -                        | -            |
|            |   |                                       |                          |              |
|            | <b>Sub Total(A)(1)</b>  |                                       | <b>86,68,540</b>         | <b>22.45</b> |
| <b>2</b>   | <b>Foreign</b>  |                                       |                          |              |
| (a)        | Individuals (Non-Residents Individuals/ Foreign Individuals)                |                                       | -                        | -            |
| (b)        | Bodies Corporate  |                                       | -                        | -            |
| (c)        | Institutions  |                                       | -                        | -            |
| (d)        | Any Others  |                                       | -                        | -            |
|            |   |                                       |                          |              |
|            | <b>Sub Total(A)(2)</b>  |                                       | <b>-</b>                 | <b>-</b>     |
|            | <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> |                                       | <b>86,68,540</b>         | <b>22.45</b> |
| <b>(B)</b> | <b>Public shareholding</b>  |                                       |                          |              |
| <b>1</b>   | <b>Institutions</b>   |                                       |                          |              |
| (a)        | Mutual Funds/ UTI   |                                       | -                        | -            |
| (b)        | Financial Institutions / Banks  |                                       | -                        | -            |
| (c)        | Central Government/ State Government(s)                                     |                                       | -                        | -            |
| (d)        | Venture Capital Funds   |                                       | -                        | -            |
| (e)        | Insurance Companies   |                                       | -                        | -            |

| Sr No.     | Description   | Name of Shareholder            | UFO Moviez India Limited |              |
|------------|---|--------------------------------|--------------------------|--------------|
|            |   |                                | Shareholding Pattern     |              |
|            |   |                                | No. of shares            | %            |
| (f)        | Foreign Institutional Investors   |                                | -                        | -            |
| (g)        | Foreign Venture Capital Investors   |                                | -                        | -            |
| (h)        | Any Other   |                                | -                        | -            |
| (i)        | Alternate Investment Funds  | Nepean Focused Investment Fund | 93,99,933                | 24.35        |
| (j)        | Foreign Portfolio Investors Category I (Foreign Institutions)                                 |                                | 2,58,915                 | 0.67         |
|            |   |                                |                          |              |
|            | <b>Sub-Total (B)(1)</b>   |                                | <b>96,58,848</b>         | <b>25.02</b> |
|            |   |                                |                          |              |
| <b>2</b>   | <b>Non-institutions</b>   |                                |                          |              |
| (a)        | Bodies Corporate  |                                | 12,11,044                | 3.14         |
| (b)        | Individuals   |                                |                          |              |
| I          | Individuals -i.Resident Individual shareholders holding nominal share capital up to Rs 2 lakh |                                | 1,21,40,130              | 31.45        |
| II         | ii. Resident Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.   |                                | 52,94,535                | 13.71        |
| (c)        |   |                                |                          |              |
|            | Directors and their relatives   |                                | 52,399                   | 0.14         |
|            | Key Managerial Personnel  |                                | 38,425                   | 0.10         |
|            | Investor Education and Protection Fund (IEPF)   |                                | 5,895                    | 0.02         |
|            | Non Resident Individuals  |                                | 4,32,277                 | 1.12         |
|            | Foreign Nationals   |                                | 87                       | 0.00         |
|            | Foreign Companies   |                                | 3,13,341                 | 0.81         |
|            | HUF   |                                | 7,90,466                 | 2.05         |
|            |   |                                |                          |              |
|            | <b>Sub-Total (B)(2)</b>   |                                | <b>2,02,78,599</b>       | <b>52.53</b> |
|            |   |                                |                          |              |
| <b>(B)</b> | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>   |                                | <b>2,99,37,447</b>       | <b>77.55</b> |
|            |   |                                |                          |              |
|            | <b>TOTAL (A)+(B)</b>  |                                | <b>3,86,05,987</b>       | <b>100</b>   |
| <b>(C)</b> | Shares held by Custodians and against which DRs have been issued                              |                                | -                        | -            |
|            |   |                                |                          |              |
|            | <b>GRAND TOTAL (A)+(B)+(C)</b>  |                                | <b>3,86,05,987</b>       | <b>100</b>   |



DCS/AMAL/JP/R37/3383/2024-25

October 30, 2024

The Company Secretary,  
**UFO Moviez India Ltd**  
 Plot No. 53/1, Valuable Techno Park,  
 Road No. 7, Marol MIDC,  
 Andheri (East), Mumbai,  
 Maharashtra, 400093

Dear Sir,

**Sub: Scheme of Arrangement amongst Scrabble Digital Limited ("Transferor Company 1" or "SDL") and UFO Software Technologies Private Limited ("Transferor Company 2" or "USTPL") and UFO Moviez India Limited ("the Transferee Company" or "UFO") and their respective shareholders**

We are in receipt of the Scheme of Arrangement amongst Scrabble Digital Limited ("Transferor Company 1" or "SDL") and UFO Software Technologies Private Limited ("Transferor Company 2" or "USTPL") and UFO Moviez India Limited ("the Transferee Company" or "UFO") and their respective shareholders as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS Div/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated October 29, 2024 has inter alia given the following comment(s) on the draft scheme of Amalgamation:

- a. "The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b. "The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c. "The Company shall ensure compliance with SEBI circulars issued from time to time."
- d. "The entities involved in the Scheme shall duly comply with various provisions of the SEBI master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
- e. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders."

JP SV

Page 1 of 3

- h. "The Company is advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to make an informed decision
- Details of assets, liabilities, net worth and revenue of the Company, pre and post scheme.
  - Impact of the scheme on revenue generating capacity of Company.
  - Need and Rationale of the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
  - Certificate issued by the Jelvis Henriques & Co., Chartered Accountant (Flag C) certifying pre scheme and post scheme balance available in the securities premium account.
- i. "Company shall ensure that applicable additional information, if any, to be submitted to SEBI along with draft scheme of arrangement and document requested via email dated October 30 ,2024 on BSE portal shall form part of disclosures to the shareholders."
- j. "Company is advised that proposed equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."
- k. "Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document."
- l. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- m. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- n. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- o. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

*T.P. S.V.*

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders; while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Byelaws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.


Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Sabah Vaze  
Senior Manager



Jayanti Pradhan  
Assistant Manager



**National Stock Exchange Of India Limited**

Ref: NSE/LIST/42051

October 31, 2024

The Company Secretary  
UFO Moviez India Limited  
Valuable Techno Park,  
Plot 53/1, Road 07, MIDC,  
Andheri (E), Mumbai 400 093

**Kind Attn.: Ms. Kavita Thadeshwar**

Dear Madam,

**Sub: Observation Letter for Draft scheme of arrangement amongst Scrabble Digital Limited (“Transferor Company 1” or “SDL”) and UFO Software Technologies Private Limited (“Transferor Company 2” or “USTPL”) and UFO Movies India Limited (“Transferee Company” or “UFO”) and their respective shareholders under sections 230 & 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.**

We are in receipt of captioned Draft scheme of arrangement filed by UFO Movies India Limited.

Based on our letter reference no. NSE/LIST/42051 dated September 03, 2024, submitted to SEBI pursuant to SEBI Master Circular dated June 20, 2023, read with Regulation 37 and 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), SEBI vide its letter dated October 29, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*

This Document is Digitally Signed

Non-Confidential

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra  
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769



Signer: KHYATI NANDAN VIDWANS  
Date: Thu, Oct 31, 2024 12:49:36 IST  
Location: NSE

Bandra (E), Mumbai – 400 051,

Ref: NSE/LIST/42051

October 31, 2024

- c) *The entities involved in the Scheme shall ensure compliance with the SEBI circulars issued from time to time.*
- d) *The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- e) *The Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- g) *The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- h) *Both the Companies shall disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013:*
- i. Details of assets, liabilities, net worth and revenue of the Company, pre and post scheme.*
  - ii. Impact of scheme on revenue generating capacity of Company.*
  - iii. Need and Rationale of the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
  - iv. Certificate issued by the Jelvis Henriques & Co., Chartered Accountant (Flag C) certifying pre scheme and post scheme balance available in the Securities Premium Account*
- i) *The Company shall ensure that all the applicable additional information shall form part of disclosures to the shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*
- j) *The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- k) *The Company shall ensure that the "Scheme" shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*

This Document is Digitally Signed



Ref: NSE/LIST/42051

October 31, 2024

- l) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- m) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n) The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o) It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

The Listed entities involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

This Document is Digitally Signed



Signer: KHYATI NANDAN VIDWANS  
Date: Thu, Oct 31, 2024 12:49:36 IST  
Location: NSE

Non-Confidential



Ref: NSE/LIST/42051

October 31, 2024

The validity of this "Observation Letter" shall be six months from October 30, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Khyati Vidwans  
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-smc-checklist>

This Document is Digitally Signed



Signer: KHYATI NANDAN VIDWANS  
Date: Thu, Oct 31, 2024 12:49:36 IST  
Location: NSE

Non-Confidential



To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

**BSE Scrip Code: 539141**

- Ref:** Application for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI listing Regulations") for the proposed Scheme of Arrangement amongst Scrabble Digital Limited ("Transferor Company 1" or "SDL") and UFO Software Technologies Private Limited ("Transferor Company 2" or "USTPL") and UFO Moviez India Limited ("the Transferee Company" or "UFO") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 ("Scheme")
- Sub:** Report on Complaints in terms of para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("SEBI Master Circular")

Dear Sir/Madam,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement among Scrabble Digital Limited, UFO Software Technologies Private Limited and UFO Moviez India Limited and their respective shareholders.

The draft Scheme and related documents were filed by UFO Moviez India Limited with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (together referred to as Stock Exchanges) on June 05, 2024 and was hosted by BSE on its website on June 12, 2024 ("Hosting Date"). Further, the Scheme and related documents have been uploaded by UFO Moviez India Limited on its website on June 06, 2024 (<https://www.ufomoviez.com/investor>)

As per the terms of Para I(A)(6) of the SEBI Master Circular, the Company is required to submit a Report on Complaints within 7 days of expiry of 21 days from the date of filing of Draft Scheme with Stock Exchanges and hosting the same on the websites of Stock Exchanges and the listed entity. Given the period of 21 days from the date of hosting of the said documents by BSE on its website has expired on July 03, 2024, we are enclosing herewith the Report on Complaints as annexure.

Please note the Report on Complaints will be uploaded on the website of the Company as required under the SEBI Master Circular.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Scheme of Arrangement with National Company Law Tribunal, Bench at Mumbai.

**For UFO Moviez India Limited**

KAVITA BHAVESH  
THADESHWAR

Digitally signed by KAVITA  
BHAVESH THADESHWAR  
Date: 2024.07.04 12:03:34  
+05'30'

**Kavita Thadeshwar**  
Company Secretary

**Encl.:** As above  
Date: July 04, 2024

**Annexure**

**Complaints Report**

(for the period from June 13, 2024 to July 03, 2024)

**Part A**

| Sr. No. | Particulars   | Number         |
|---------|---|----------------|
| 1.      | Number of complaints received directly                  | NIL            |
| 2.      | Number of complaints forwarded by Stock Exchanges/ SEBI | NIL            |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL            |
| 4.      | Number of complaints resolved                           | NOT APPLICABLE |
| 5.      | Number of complaints pending                            | NOT APPLICABLE |

**Part B**

| Sr. No.        | Name of complainant | Date of complaint | Status |
|----------------|---------------------|-------------------|--------|
| NOT APPLICABLE |                     |                   |        |

**For UFO Moviez India Limited**

KAVITA BHAVESH  
THADESHWAR

Digitally signed by KAVITA  
BHAVESH THADESHWAR  
Date: 2024.07.04 12:09:44  
+05'30'

**Kavita Thadeshwar**  
Company Secretary

Date: July 04, 2024



To,  
The Manager-Listing Compliance  
National Stock Exchange of India Limited,  
'Exchange Plaza', C-1, Block G,  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051

**Scrip Symbol: UFO**

|             |   |
|-------------|---|
| <b>Ref:</b> | <b>Application for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI listing Regulations") for the proposed Scheme of Arrangement amongst Scrabble Digital Limited ("Transferor Company 1" or "SDL") and UFO Software Technologies Private Limited ("Transferor Company 2" or "USTPL") and UFO Moviez India Limited ("the Transferee Company" or "UFO") under Sections 230 to 232 read with section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 ("Scheme")</b> |
| <b>Sub:</b> | <b>Report on Complaints in terms of para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("SEBI Master Circular")</b>   |

Dear Sir/Madam,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement among Scrabble Digital Limited, UFO Software Technologies Private Limited and UFO Moviez India Limited and their respective shareholders.

The draft Scheme and related documents were filed by UFO Moviez India Limited with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (together referred to as Stock Exchanges) on June 05, 2024 and was hosted by NSE on its website on June 20, 2024 ("Hosting Date"). Further, the Scheme and related documents have been uploaded by UFO Moviez India Limited on its website on June 06, 2024 (<https://www.ufomoviez.com/investor>)

As per the terms of Para I(A)(6) of the SEBI Master Circular, the Company is required to submit a Report on Complaints within 7 days of expiry of 21 days from the date of filing of Draft Scheme with Stock Exchanges and hosting the same on the websites of Stock Exchanges and the listed entity. Given the period of 21 days from the date of hosting of the said documents by NSE on its website has expired on July 11, 2024, we are enclosing herewith the Report on Complaints as annexure.

Please note, the Report on Complaints will be uploaded on the website of the Company as required under the SEBI Master circular.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to the file the Scheme of Arrangement with National Company Law Tribunal, Bench at Mumbai.

**For UFO Moviez India Limited**

**KAVITA BHAVESH** Digitally signed by KAVITA  
BHAVESH THADESHWAR  
**THADESHWAR** Date: 2024.07.12 10:05:49  
+05'30'

**Kavita Thadeshwar**  
Company Secretary

**Encl.:** As above

Date: July 12, 2024

**Annexure**

**Complaints Report**

(for the period from June 21, 2024 to July 11, 2024)

**Part A**

| Sr. No. | Particulars   | Number         |
|---------|---|----------------|
| 1.      | Number of complaints received directly                  | NIL            |
| 2.      | Number of complaints forwarded by Stock Exchanges/ SEBI | NIL            |
| 3.      | Total Number of complaints/comments received (1+2)      | NIL            |
| 4.      | Number of complaints resolved                           | NOT APPLICABLE |
| 5.      | Number of complaints pending                            | NOT APPLICABLE |

**Part B**

| Sr. No.        | Name of complainant | Date of complaint | Status |
|----------------|---------------------|-------------------|--------|
| NOT APPLICABLE |                     |                   |        |

**For UFO Moviez India Limited**

**KAVITA BHAVESH THADESHWAR** Digitally signed by KAVITA BHAVESH THADESHWAR  
Date: 2024.07.12 10:06:25 +05'30'

**Kavita Thadeshwar**  
Company Secretary

Date: July 12, 2024

**B S R & Co. LLP**

Chartered Accountants

14th Floor, Central B Wing and North C Wing  
 Nesco IT Park 4, Nesco Center  
 Western Express Highway  
 Goregaon (East), Mumbai – 400 063, India  
 Telephone: +91 (22) 6257 1000  
 Fax: +91 (22) 6257 1010

**The Board of Directors**

UFO Moviez India Limited  
 Valuable Techno Park,  
 Plot 53/1, Road 7,  
 MIDC Marol, MIDC  
 Andheri (East),  
 Mumbai – 400 093

19 June 2024

1. We, the statutory auditors of UFO Moviez India Limited (“the Company” or “the listed entity” or “the Transferee Company”), have examined the proposed accounting treatment specified in Clause 7 and Clause 15.3 of the Proposed Scheme of Arrangement between Scrabble Digital Limited and UFO Software Technologies Private Limited (collectively “Transferor Companies”) and the Transferee Company and their respective shareholders in terms of the provisions of Section 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 (“the Act”) and rules made thereunder with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles in India.
2. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved.
3. Our responsibility is only to examine and report whether the Proposed Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with, the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (“Guidance Note”).
4. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment contained in the aforesaid Proposed Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles in India.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP  
 (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco  
 Center, Western Express Highway, Goregaon (East), Mumbai - 400063

**B S R & Co. LLP**

5. This certificate has been issued to comply with the format prescribed under Appendix III of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. This Certificate is to be read with the Annexure I dated 04 June 2024, enclosed herewith, issued in accordance with Guidance Note.

Our certificate is not modified in respect of this matter.

6. This Certificate is issued at the request of UFO Moviez India Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

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

*Chartered Accountants*

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

**RAJESH RAMESH  
MEHRA**

Digitally signed by RAJESH  
RAMESH MEHRA  
Date: 2024.06.19 21:17:57  
+05'30'

Rajesh Mehra  
*Partner*

Membership No: 103145

UDIN: 24103145BKFWLP8048

Place: Mumbai

Date: 19 June 2024



## B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing  
Nesco IT Park 4, Nesco Center  
Western Express Highway  
Goregaon (East), Mumbai – 400 063, India  
Telephone: +91 (22) 6257 1000  
Fax: +91 (22) 6257 1010

### The Board of Directors

UFO Moviez India Limited  
Valuable Techno Park,  
Plot 53/1, Road 7, MIDC Marol,  
MIDC Andheri (East),  
Mumbai – 400 093

04 June 2024

**Independent Auditor's Certificate in relation to proposed accounting treatment in the books of UFO Moviez India Limited as specified in the Proposed Scheme of Arrangement amongst Scrabble Digital Limited, UFO Software Technologies Private Limited, UFO Moviez India Limited and their respective shareholders under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and rules made thereunder**

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 May 2024.
2. We have been requested by the management of UFO Moviez India Limited ("the Company" or "the Transferee Company") to issue a certificate in relation to the proposed accounting treatment specified in Clause 7 and Clause 15.3 of the proposed Scheme of Arrangement amongst Scrabble Digital Limited and UFO Software Technologies Private Limited (collectively "Transferor Companies") and the Transferee Company and their respective shareholders ("Proposed Scheme"), as reproduced in Annexure A to this certificate, in terms of the provisions of Section 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder, with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Companies on 03 June 2024 and is subject to approval of the respective Shareholders, the National Company Law Tribunal (the "NCLT") and Statutory and Regulatory Authorities, as applicable.

The appointed date for the purpose of the Proposed Scheme is 01 April 2024.

### Management's Responsibility

4. The preparation of the Proposed Scheme and Annexure A to this certificate and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the management of the companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

## B S R & Co. LLP

5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and Annexure A to this certificate and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
6. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Act and rules made thereunder and providing all relevant information with respect to the Proposed Scheme to the National Company Law Tribunal ('NCLT') and any other regulatory authority.

### Auditor's Responsibility

7. Pursuant to the requirements of the Act and rules as mentioned in Paragraph 2 above, our responsibility is to provide a reasonable assurance on whether the proposed accounting treatment specified in Clause 7 and Clause 15.3 of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.
8. We conducted our examination of the proposed accounting treatment referred to in Clause 7 and Clause 15.3 of the Proposed Scheme and as reproduced in Annexure A to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

### Opinion

10. (i) As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 01 April 2024 in the Proposed Scheme.
- (ii) Based on our examination and according to the information and explanations given to us and representations obtained from the Company, we report that the proposed accounting treatment referred to in Clause 7 of the Proposed Scheme and as reproduced in Annexure A to this certificate, signed and stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.
- (iii) Based on our examination, explanations and representations given to us, and representations obtained from the Company, we report that the debit balance in profit and loss account as on the Appointed Date and debit balance in Amalgamation Deficit Reserve Account (including any debit balance arising pursuant to the Proposed Scheme) may be adjusted against the securities premium account, only subject to confirmation by the NCLT in accordance with the provisions of Section 66 and Section 52 of the Act. If confirmed by the NCLT, the proposed

## B S R & Co. LLP

accounting treatment for reduction of securities premium account as specified in Clause 15.3 of the Proposed Scheme and as reproduced in Annexure A to this certificate, signed by us for the purpose of identification only, is in conformity with the generally accepted accounting principles in India.

### Restriction on use

11. This certificate is issued at the request of the management of the Transferee Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232, Section 52 and Section 66 of the Act and relevant Rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

*Chartered Accountants*

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

**RAJESH  
RAMESH  
MEHRA**

Digitally signed by  
RAJESH RAMESH  
MEHRA  
Date: 2024.06.04  
19:37:30 +05'30'

Rajesh Mehra  
*Partner*

Membership No: 103145  
UDIN: 24103145BKFWLK7478

*Place: Mumbai*  
Date: 04 June 2024

**Annexure A****7 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY**

- 7.1 Upon the Scheme coming into effect and with effect from Appointed Date, since the Scheme involves entities which are under common control before and after the Amalgamation, the Transferee Company shall account for in its books of account in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business Combination under common control) notified under the provisions of the Act.
- 7.2 All the assets and liabilities recorded in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as appearing in the books of the Transferor Companies.
- 7.3 Inter-company balances /investment, if any, will stand cancelled.
- 7.4 All the reserves of the Transferor Companies under different heads shall become the corresponding reserves of the Transferee Company.
- 7.5 The difference, if any, between the carrying value of investment in the equity shares of the Transferor Companies in the books of the Transferee Company and the amount of equity share capital of the Transferor Companies, being deficit, arising pursuant to the Scheme shall be accounted as amalgamation deficit reserve account, based on the accounting principle prescribed under Appendix C of the Ind AS-103.

RAJESH  
RAMESH MEHRA

Digitally signed by RAJESH  
RAMESH MEHRA  
Date: 2024.06.04 19:37:56  
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For UFO MOVIEZ INDIA LTD.

Authorised Signatory

**15 REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFeree COMPANY**

- 15.1 Immediately after Part II of the Scheme becoming effective and with effect from the Appointed Date, the balance in securities premium account available with the Transferee Company after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of amalgamation, would be utilized against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of the Transferee Company
- 15.2 This utilization of securities premium and consequential capital reduction of the Transferee Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances would be separately required. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and / or creditors for obtaining their approval sanctioning the reduction of the securities premium account of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 and section 52 of the Act.

For UFO MOVIEZ INDIA LTD.

  
Authorised Signatory

**15.3 ACCOUNTING TREATMENT FOR REDUCTION OF SECURITIES PREMIUM****ACCOUNT AS PER CLAUSE 15.1 AND 15.2 ABOVE:**

Debit balance in Profit and Loss Account as on Appointed Date; and debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on this amalgamation pursuant to clause 7 above) in the books of Transferee Company as on the Appointed Date shall be adjusted against credit balance of Securities Premium Account.

RAJESH  
RAMESH  
MEHRA

Digitally signed by  
RAJESH RAMESH  
MEHRA  
Date: 2024.06.04  
19:38:18 +05'30'

For UFO MOVIEZ INDIA LTD.

*[Signature]*  
Authorised Signatory

**THIS ABRIDGED PROSPECTUS CONSISTS OF 8 PAGES. PLEASE ENSURE THAT YOU GET ALL PAGES**

**SCRABBLE DIGITAL LIMITED**

CIN: U74999MH2011PLC213170, Date of Incorporation: February 08, 2011

|   |  |
|---|--|
| <b>Registered Office and Corporate Office</b> | Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai City, Mumbai, Maharashtra, India, 400093 |
| <b>Contact Person</b>                         | Ms. Kavita Thadeshwar  |
| <b>Telephone</b>                              | +91 (22) 4030 5060   |
| <b>E-mail</b>                                 | investors@ufomoviez.com  |
| <b>Website</b>                                | Not Applicable   |

**ABRIDGED PROSPECTUS**

This document ("Disclosure Document" or "Abridged Prospectus") contains information pertaining to Scrabble Digital Limited ("Unlisted Company"), as per the requirement specified by the Securities and Exchange Board of India ("SEBI") in the circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time in connection with the Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred to as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders, pursuant to the provisions of Section 230-232 read with Section 66 and Section 52 of the Companies Act, 2013 ("Act") and other applicable regulatory requirements ("the Scheme"). The equity shares of UFO are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (hereinafter NSE and BSE are collectively referred as "Stock Exchanges").

This Abridged Prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Para 3(a) of Part I (A) of the SEBI Master Circular, setting out details in relation to the Transferor Company 1, and in accordance with the disclosures required to be made in the format specified for an abridged prospectus in compliance with the SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022.

The Scheme will result in the amalgamation of the Transferor Companies into the Transferee Company, followed by the dissolution without winding up of each of the Transferor Companies, the consequent cancellation of the equity shares held by the Transferee Company in the Transferor Companies, certain adjustments to the securities premium account of the Transferee Company and various other matters consequential to or otherwise integrally connected with the aforesaid.

The Scheme is further subject to approval from the National Company Law Tribunal (NCLT) and other statutory/regulatory authorities, as may be applicable. The Transferee Company has received the Observation Letters dated October 30, 2024 and October 31, 2024 from BSE and NSE respectively, including SEBI comments on the Scheme.

Nothing herein constitutes an offer or invitation by or on behalf of SDL or USTPL or UFO to subscribe to or purchase any securities of SDL, USTPL or UFO, on a private placement basis or by way of a public offer.

This Abridged Prospectus forms part of the Notice and Explanatory Statement for the meeting of the equity shareholders of UFO, convened as per the directions of NCLT, for the purpose of considering, and if thought fit, approving the Scheme, and accordingly should be read together with the said Notice (including all annexures).

Please ensure that you read the Abridged Prospectus and the Notice and Explanatory Statement. Unless otherwise specified, all capitalised terms used in the Abridged Prospectus shall have the meaning ascribed to such terms in the Notice and Explanatory Statement. You are advised to retain a copy of Abridged Prospectus for future reference.



You may obtain a physical copy of the Abridged Prospectus and the Notice and Explanatory Statement from our registered office. You may also download the Abridged Prospectus and the Notice and Explanatory Statement from the websites of the of the Transferee Company at <https://www.ufomoviez.com/> and Stock Exchanges that is [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

| PROMOTER(S) OF THE COMPANY: UFO MOVIEZ INDIA LIMITED   |                |
|--|----------------|
| Details of Offer to Public   | Not Applicable |
| Details of Offer for Sale ("OFS") by Promoter(s) / Promoter Group/ Other Selling Shareholders  | Not Applicable |
| Price Band, Minimum Bid Lot & Indicative Timelines   | Not Applicable |
| Details of Weighted Average Cost of Acquisition ("WACA") of all shares transacted over the trailing eighteen months from the date of RHP | Not Applicable |

| RISKS IN RELATION TO THE FIRST OFFER  |
|---|
| The Company is not offering any shares through Initial Public Offer to the Public. Hence, risk(s) in relation to first offer is <b>Not applicable</b> . |

| GENERAL RISKS   |
|---|
| Investors are advised to read the "risk factors" at page 6 of this Document carefully before taking an investment decision in relation to the Scheme. For taking any decision, investors must rely on their own examination of SDL, USTPL, UFO and the Scheme, including the risks involved. The equity shares have not been recommended or approved by the SEBI, nor does, SEBI guarantee the accuracy or adequacy of the contents of this Document. |

| BRIEF DESCRIPTION OF THE SCHEME   |
|---|
| This Abridged Prospectus is issued pursuant to the Scheme. This document is not an offer to public/investors at large. This Scheme inter-alia, provides for:  |
| (i) The amalgamation of Transferor Companies into the Transferee Company, by way of a merger and the dissolution of Transferor Companies without winding up and the consequent cancellation of the equity shares held by the Transferee Company in Transferor Companies, in accordance with this Scheme;  |
| (ii) Utilisation of the Securities Premium Account available with the Transferee Company as on the Appointed Date after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of Amalgamation against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on Amalgamation pursuant to clause 7 of the Scheme) in the books of the Transferee Company; and |
| (iii) Various other matters incidental, consequential or otherwise integrally connected therewith, including combination of the authorized share capital of the Transferee Company, pursuant to provisions of Sections 230 – 232 and other applicable/relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961 and other applicable regulatory requirements   |

| PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER'S |
|--|
| Not Applicable                                   |

| DETAILS OF STATUTORY AUDITOR OF THE COMPANY   |
|---|
| <b>Name:</b> M/s. Shetty Naik & Associates, Chartered Accountants   |
| <b>ICAI Firm's Registration Number:</b> 124851W   |
| <b>Address:</b> 31, Madhuban Industrial Estate, Plot No. 30, Off Mahakali Caves Road, Andheri East, Mumbai – 400093 |

| NAMES OF PROMOTER(S) OF THE COMPANY |            |                      |  |
|-------------------------------------|------------|----------------------|--|
| Sr No.                              | Name       | Individual/Corporate | Details of Corporate Promoter                      |
| 1.                                  | UFO Moviez | Corporate            | UFO is a listed public company whose equity shares |





|  |               |  |  |
|--|---------------|--|--|
|  | India Limited |  | are listed on BSE and NSE. UFO was incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end-to-end service provider for all DCI and non-DCI related cinema solutions. |
|--|---------------|--|--|

| BUSINESS OVERVIEW AND STRATEGY  |  |
|---|--|
| <b>Company Overview:</b><br>SDL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Valuable Techno Park, 3rd Floor, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400093.<br><br>SDL is engaged in the business of providing Digital Cinema Services.<br><br>SDL is a wholly owned subsidiary of the Transferee Company. |  |
| <b>Product/Service Offering:</b> SDL was incorporated with an object to primarily engage in the business of providing digital cinema services.<br><b>Revenue segmentation by product/service offering:</b> Not Applicable.  |  |
| <b>Geographies Served:</b> India.<br><b>Revenue segmentation by geographies:</b> Not Applicable   |  |
| <b>Key Performance Indicators:</b> Earning per share: Rs. 34.84/- (FY 23-24) and Rs. 73.45/- (FY 22-23)   |  |
| <b>Client Profile or Industries Served:</b> Media sector.<br><b>Revenue segmentation in terms of top 5/10 clients or Industries:</b> Not Applicable.  |  |
| <b>Intellectual Property, if any:</b> Not Applicable.   |  |
| <b>Market Share:</b> Not Applicable.  |  |
| <b>Manufacturing plant, if any:</b> Not Applicable.   |  |
| <b>Employee Strength as on date:</b> 31   |  |

| BOARD OF DIRECTORS* |                         |   |  |                     |   |
|---------------------|-------------------------|---|--|---------------------|---|
| Sr No.              | Name                    | Designation<br>(Independent/Whole<br>time/ Executive/<br>Nominee) | Experience and<br>Educational Qualification  | Other Directorships |   |
| 1.                  | Sushil Kumar<br>Agrawal | Non- Executive<br>Director  | <p>Bachelor's degree in science and Chartered Accountant qualified from the Institute of Chartered Accountants of India.</p> <p>More than 33 years of experience in diverse functional areas with an expertise in raising funds and availing facilities from banks and financial institutions for projects and working capital requirements.</p> | Sr.<br>No           | Name of Companies                         |
|                     |                         |   |  | Indian Companies    |   |
|                     |                         |   |  | 1.                  | UFO Software Technologies Private Limited |
|                     |                         |   |  | 2.                  | Mukta V N Films Limited                   |
|                     |                         |   |  | 3.                  | Mumbai Movie Studios Private Limited      |



|                   |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
|-------------------|---|-------------------------|---|---|--------|-------------------|------------------|--|----|---|----|--------------------------------------|----|---|----|--------------------------------------|-------------------|---------------------------------------|-------------------|-----------------------------|----|-----------------------------|
| 2.                | Ashish Sadanand Malushte                  | Non- Executive Director | Bachelor's Degree in Commerce and Chartered Accountant qualified from the Institute of Chartered Accountants of India.<br><br>More than 21 years of experience with an expertise in Corporate Finance, Fund-raising, Taxation, Internal Audit and IT system developments. | <table><tr><td>Sr. No</td><td>Name of Companies</td></tr><tr><td colspan="2">Indian Companies</td></tr><tr><td>1.</td><td>UFO Software Technologies Private Limited</td></tr><tr><td>2.</td><td>UFO Lanka Private Limited</td></tr><tr><td>3.</td><td>Upmarch Media Network Private Limited</td></tr><tr><td>4.</td><td>Blockbuzz Innovate Private Limited</td></tr><tr><td colspan="2">Foreign Companies</td></tr><tr><td>5.</td><td>Scrabble Entertainment DMCC</td></tr></table>   | Sr. No | Name of Companies | Indian Companies |  | 1. | UFO Software Technologies Private Limited | 2. | UFO Lanka Private Limited            | 3. | Upmarch Media Network Private Limited     | 4. | Blockbuzz Innovate Private Limited   | Foreign Companies |                                       | 5.                | Scrabble Entertainment DMCC |    |                             |
| Sr. No            | Name of Companies                         |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| Indian Companies  |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 1.                | UFO Software Technologies Private Limited |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 2.                | UFO Lanka Private Limited                 |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 3.                | Upmarch Media Network Private Limited     |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 4.                | Blockbuzz Innovate Private Limited        |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| Foreign Companies |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 5.                | Scrabble Entertainment DMCC               |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 3.                | Rajesh Bhagwati Mishra                    | Non- Executive Director | Bachelor's Degree in Commerce from the Mumbai University and Member of the Institute of Chartered Accountants of India.<br><br>More than three decades of experience in media, films, television and the print industry   | <table><tr><td>Sr. No</td><td>Name of Companies</td></tr><tr><td colspan="2">Indian Companies</td></tr><tr><td>1.</td><td>Mukta V N Films Limited</td></tr><tr><td>2.</td><td>UFO Moviez India Limited</td></tr><tr><td>3.</td><td>UFO Software Technologies Private Limited</td></tr><tr><td>4.</td><td>UFO Lanka Private Limited</td></tr><tr><td>5.</td><td>Upmarch Media Network Private Limited</td></tr><tr><td colspan="2">Foreign Companies</td></tr><tr><td>6.</td><td>Scrabble Entertainment DMCC</td></tr></table> | Sr. No | Name of Companies | Indian Companies |  | 1. | Mukta V N Films Limited                   | 2. | UFO Moviez India Limited             | 3. | UFO Software Technologies Private Limited | 4. | UFO Lanka Private Limited            | 5.                | Upmarch Media Network Private Limited | Foreign Companies |                             | 6. | Scrabble Entertainment DMCC |
| Sr. No            | Name of Companies                         |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| Indian Companies  |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 1.                | Mukta V N Films Limited                   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 2.                | UFO Moviez India Limited                  |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 3.                | UFO Software Technologies Private Limited |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 4.                | UFO Lanka Private Limited                 |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 5.                | Upmarch Media Network Private Limited     |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| Foreign Companies |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 6.                | Scrabble Entertainment DMCC               |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 4.                | Pankaj Jaysinh Madhani                    | Non- Executive Director | He is a Management Graduate from Case Western Reserve University, USA.<br><br>He has been part of the Indian film industry for more than 23 years and his core competency lies in Distribution and Exhibition of Indian and Hollywood films.                              | <table><tr><td>Sr. No</td><td>Name of Companies</td></tr><tr><td colspan="2">Indian Companies</td></tr><tr><td>1.</td><td>Nova Cinemaz Private Limited</td></tr><tr><td>2.</td><td>The National Storage Private Limited</td></tr><tr><td>3.</td><td>Jaysinh Pictures Private Limited</td></tr><tr><td>4.</td><td>Mumbai Movie Studios Private Limited</td></tr></table>   | Sr. No | Name of Companies | Indian Companies |  | 1. | Nova Cinemaz Private Limited              | 2. | The National Storage Private Limited | 3. | Jaysinh Pictures Private Limited          | 4. | Mumbai Movie Studios Private Limited |                   |                                       |                   |                             |    |                             |
| Sr. No            | Name of Companies                         |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| Indian Companies  |   |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 1.                | Nova Cinemaz Private Limited              |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 2.                | The National Storage Private Limited      |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 3.                | Jaysinh Pictures Private Limited          |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |
| 4.                | Mumbai Movie Studios Private Limited      |                         |   |   |        |                   |                  |  |    |   |    |                                      |    |   |    |                                      |                   |                                       |                   |                             |    |                             |

*\*As on the date of this Abridged prospectus*

#### OBJECT/RATIONALE OF THE SCHEME

The Proposed Scheme would inter alia have the following benefits:

##### **Amalgamation of Transferor Companies into Transferee Company**

- The Transferor Companies are wholly owned subsidiaries of the Transferee Company.
- The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.
- Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.
- The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.



- e. The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.
- f. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

#### **Utilisation of Securities Premium Account**

- g. Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".
- h. The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.
- i. The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.
- j. The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.
- k. The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.

|   |                |
|---|----------------|
| <b>Details of means of finance</b>  | Not Applicable |
| <b>Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the company in the preceding 10 years</b> | Not Applicable |
| <b>Name of monitoring agency, if any</b>  | Not Applicable |
| <b>Terms of issuance of convertible security, if any</b>  | Not Applicable |

| SHAREHOLDING PATTERN (PRE-SCHEME) |                             |                                       |              |
|-----------------------------------|-----------------------------|---------------------------------------|--------------|
| Sr No.                            | Particulars                 | Number of shares of Rs. 10 Face Value | % of holding |
| 1.                                | Promoter and Promoter Group | 5,93,142                              | 100%         |
| 2.                                | Public                      | -                                     | -            |
|                                   | Total                       | 5,93,142                              | 100%         |

*Note: Upon the Scheme becoming effective, all the issued share capital of the SDL held by UFO shall be cancelled.*

**Number/amount of equity shares proposed to be sold by selling shareholders, if any:** Not Applicable

| FINANCIAL HIGHLIGHTS   |  |            |            |                |
|--|--|------------|------------|----------------|
| As per Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended: |  |            |            |                |
| <b>AUDITED FINANCIALS OF SCRABBLE DIGITAL LIMITED:</b>   |  |            |            |                |
|  |  |            |            | (INR in Lakhs) |
| Parameter  | For the half year ended 30 <sup>th</sup> Sept 2024 | FY 2023-24 | FY 2022-23 | FY 2021-22     |
| Total income from operations (Net)   | 599  | 1,359.39   | 1903.69    | 827.62         |
| Net profit/(Loss) before tax and extraordinary items   | 304.23   | 274.87     | 585.24     | (11.82)        |
| Net profit/(Loss) after tax and extraordinary items  | 225.99   | 206.63     | 435.67     | (11.25)        |



|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Equity Share Capital                           | 59.31   | 59.31   | 59.31   | 59.31   |
| Reserves and Surplus                           | 2058.78 | 1832.79 | 1628.41 | 1184.96 |
| Net worth – Refer Note 2                       | 2118.09 | 1892.10 | 1687.72 | 1244.27 |
| Basic earnings per share                       | 38.10   | 34.84   | 73.45   | (1.90)  |
| Diluted per share                              | 38.10   | 34.84   | 73.45   | (1.90)  |
| Return on net worth (%) – Refer Note 3         | 10.67%  | 10.92%  | 25.81%  | (0.90%) |
| Net asset value per share (Rs.) – Refer Note 4 | 357.10  | 318.99  | 284.53  | 209.77  |

**Note 1:** Consolidated financial statements not applicable as SDL does not have any subsidiary.

**Note 2:** For the purpose of net worth, following definition of, "net worth" as defined in section 2(57) of the Companies Act, 2013, as amended, has been considered:

"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

**Note 3:** Return on net worth = Profit/(loss) after tax/ Net worth\*100;

**Note 4:** Net asset value per share = Net Worth / Total number of shares outstanding;

#### RISK FACTOR

- SDL is a wholly owned subsidiary of UFO and has not issued any debt securities. As such, there are no material risks pertaining to SDL in relation to the Scheme.
- The Scheme is subject to the receipt of statutory approvals of the NCLT (Mumbai), the shareholders and creditors of the respective companies as directed by the NCLT and other necessary regulatory approvals. Further, effectiveness of the Scheme is subject to the conditions referred to in Clause 19 of the Scheme being fulfilled or waived in accordance with the terms thereof. If the proposed Scheme does not receive the requisite approvals or the requisite conditions are not fulfilled/waived, it may result in the non-implementation of the Scheme and the objects and benefits mentioned in the Scheme will not be achieved.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the SDL, its Directors, Promoters and Subsidiaries and the total amount involved and amount involved:

| Name of the entity     | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our promoters | Civil Proceedings | Aggregate amount involved (Rs in crores) ** |
|------------------------|----------------------|-----------------|-------------------------------------|---|-------------------|---|
| <b>Company (SDL)</b>   |                      |                 |                                     |   |                   |   |
| By the Company         | -                    | -               | -                                   | -   | -                 | -   |
| Against the Company    | -                    | 2               | -                                   | -   | 1                 | 0.01  |
| <b>Directors</b>       |                      |                 |                                     |   |                   |   |
| By our Directors       | -                    | -               | -                                   | -   | -                 | -   |
| Against the Directors  | -                    | -               | -                                   | -   | -                 | -   |
| <b>Promoters (UFO)</b> |                      |                 |                                     |   |                   |   |



|   |  |  |  |                    |  |       |
|---|--|--|--|--------------------|--|-------|
| By Promoters (UFO)  | -  | -  | -  | -                  | 56   | 26.30 |
| Against Promoters (UFO)   | -  | 41   | -  | -                  | 29   | 8.70  |
| Subsidiaries*   |  |  |  |                    |  |       |
| By Subsidiaries   | Not Applicable   |  |  |                    |  |       |
| Against Subsidiaries  |  |  |  |                    |  |       |
| *SDI does not have any subsidiaries   |  |  |  |                    |  |       |
| B. Brief details of top 5 material outstanding litigations against the company and amount involved  |  |  |  |                    |  |       |
| Sr. No.   | Court / Tribunal   | Parties  | Title  | Amount (in Rupees) | Current Status   |       |
| 1   | CIT(A) (AY 17-18)  | Revenue Department   | Addition to income amounting to Rs. 2.53 Crores on account of excess income reflecting in Form 26AS & DDT Credit not given   | NIL                | Notice received and reply filed on 29-05-2024. Pending from authority. |       |
| 2.  | GST Authority Tamilnadu                                    | Asst. Commissioner of State Tax Tamilnadu  | Tax levied towards difference in turnover reported in GSTR 1 vs. GSTR 3B returns filed during FY 2022-23. Without considering the submission made by the company, clarifying that such a difference is on account of the credit note issued by the company and the advance adjustment (against the invoice raised).  | 1,05,922           | Case is pending for hearing with Deputy commissioner appeal            |       |
| 3.  | Competition Commission of India<br><br>Case No. 11 of 2020 | PF Digital Media Services Ltd & Anrs Vs. UFO Moviez India Limited and Scrabble Digital Limited | An Information had been filed by Informants in 2020 alleging abuse of dominant position under Sec. 3 & 4 of CCI Act by UFO Moviez India Limited, Scrabble Digital Limited, Qube Cinema Technologies Private Limited, and 4 other parties have also been joined by the Applicants.<br><br>After hearing CCI ordered for investigation by ADG on the allegations of Informant. ADG had investigated the matter and submitted its report on 14.08.2023.<br><br>UFO has filed its written response in respect of findings in ADG's report. | NIL                | Pending for Hearing at Appellate Authority Appeal                      |       |
| C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 – 300 word limit in total) – None |  |  |  |                    |  |       |
| D. Brief details of outstanding criminal proceedings against Promoters – None   |  |  |  |                    |  |       |



ANY OTHER IMPORTANT INFORMATION AS PER BRLM / RESULTING  
COMPANY

NIL

DECLARATION BY THE COMPANY

We hereby declare that to the extent applicable to this Disclosure Document, all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.

For Scrabble Digital Limited

Ashish Malushte  
Director

Date: December 06, 2024

Place: Mumbai





**THIS ABRIDGED PROSPECTUS CONSISTS OF 7 PAGES. PLEASE ENSURE THAT YOU GET ALL PAGES**

**UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED**

CIN: U59121MH2005PTC284653, Date of Incorporation: September 20, 2005

|   |  |
|---|--|
| <b>Registered Office and Corporate Office</b> | Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai City, Mumbai, Maharashtra, India, 400093 |
| <b>Contact Person</b>                         | Ms. Kavita Thadeshwar  |
| <b>Telephone</b>                              | +91 (22) 4030 5060   |
| <b>E-mail</b>                                 | investors@ufomoviez.com  |
| <b>Website</b>                                | Not Applicable   |

**ABRIDGED PROSPECTUS**

This document ("**Disclosure Document**" or "**Abridged Prospectus**") contains information pertaining to UFO Software Technologies Private Limited ("**Unlisted Company**"), as per the requirement specified by the Securities and Exchange Board of India ("**SEBI**") in the circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time in connection with the Scheme of Arrangement amongst Scrabble Digital Limited ("**SDL**" or "**Transferor Company 1**") and UFO Software Technologies Private Limited ("**USTPL**" or "**Transferor Company 2**") (together referred to as "**Transferor Companies**") and UFO Moviez India Limited ("**UFO**" or "**Transferee Company**") and their respective shareholders, pursuant to the provisions of Section 230 -232 read with Section 66 and Section 52 of the Companies Act, 2013 ("**Act**") and other applicable regulatory requirements ("**the Scheme**"). The equity shares of UFO are listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") (hereinafter NSE and BSE are collectively referred as "**Stock Exchanges**").

This Abridged Prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Para 3(a) of Part I (A) of the SEBI Master Circular, setting out details in relation to the Transferor Company 1, and in accordance with the disclosures required to be made in the format specified for an abridged prospectus in compliance with the SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022.

The Scheme will result in the Amalgamation of the Transferor Companies into the Transferee Company, followed by the dissolution without winding up of each of the Transferor Companies, the consequent cancellation of the equity shares held by the Transferee Company in the Transferor Companies, certain adjustments to the securities premium account of the Transferee Company and various other matters consequential to or otherwise integrally connected with the aforesaid.

The Scheme is further subject to approval from the National Company Law Tribunal (NCLT) and other statutory/regulatory authorities, as may be applicable. The Transferee Company has received the Observation Letters dated October 30, 2024 and October 31, 2024 from BSE and NSE respectively, including SEBI comments on the Scheme.

Nothing herein constitutes an offer or invitation by or on behalf of SDL or USTPL or UFO to subscribe to or purchase any securities of SDL, USTPL or UFO, on a private placement basis or by way of a public offer.

This Abridged Prospectus forms part of the Notice and Explanatory Statement for the meeting of the equity shareholders of UFO, convened as per the directions of NCLT, for the purpose of considering, and if thought fit, approving the Scheme, and accordingly should be read together with the said Notice (including all annexures). Please ensure that you read the Abridged Prospectus and the Notice and Explanatory Statement. Unless otherwise specified, all capitalised terms used in the Abridged Prospectus shall have the meaning ascribed to such terms in the Notice and Explanatory Statement. You are advised to retain a copy of Abridged Prospectus for future reference.



You may obtain a physical copy of the Abridged Prospectus and the Notice and Explanatory Statement from our registered office. You may also download the Abridged Prospectus and the Notice and Explanatory Statement from the websites of the Transferee Company at <https://www.ufomoviez.com/> and Stock Exchanges that is [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

| <b>PROMOTER(S) OF THE COMPANY: UFO MOVIEZ INDIA LIMITED</b>  |                |
|--|----------------|
| Details of Offer to Public   | Not Applicable |
| Details of Offer for Sale ("OFS") by Promoter(s) / Promoter Group/ Other Selling Shareholders  | Not Applicable |
| Price Band, Minimum Bid Lot & Indicative Timelines   | Not Applicable |
| Details of Weighted Average Cost of Acquisition ("WACA") of all shares transacted over the trailing eighteen months from the date of RHP | Not Applicable |

| <b>RISKS IN RELATION TO THE FIRST OFFER</b>   |
|---|
| The Company is not offering any shares through Initial Public Offer to the Public. Hence, risk(s) in relation to first offer is <b>Not applicable</b> . |

| <b>GENERAL RISKS</b>   |
|--|
| Investors are advised to read the "risk factors" at page 6 of this Document carefully before taking an investment decision in relation to the Scheme. For taking any decision, investors must rely on their own examination of SDL, USTPL, UFO and the Scheme, including the risks involved. The equity shares have not been recommended or approved by the SEBI nor does, SEBI guarantee the accuracy or adequacy of the contents of this Document. |

| <b>BRIEF DESCRIPTION OF THE SCHEME</b>  |
|---|
| This Abridged Prospectus is issued pursuant to the Scheme. This document is not an offer to public/investors at large. This Scheme inter-alia, provides for:  |
| (i) The amalgamation of Transferor Companies into the Transferee Company, by way of a merger and the dissolution of Transferor Companies without winding up and the consequent cancellation of the equity shares held by the Transferee Company in Transferor Companies, in accordance with this Scheme;  |
| (ii) Utilisation of the Securities Premium Account available with the Transferee Company as on the Appointed Date after consolidation of the Securities Premium of the Transferor Companies with the Transferee Company on account of Amalgamation against (i) debit balance in Profit and Loss Account as on Appointed Date; and (ii) debit balance in Amalgamation Deficit Reserve Account (including any debit balance in Amalgamation Deficit Reserve Account arising on Amalgamation pursuant to clause 7 of the Scheme) in the books of the Transferee Company; and |
| (iii) Various other matters incidental, consequential or otherwise integrally connected therewith, including combination of the authorized share capital of the Transferee Company, pursuant to provisions of Sections 230 – 232 and other applicable/relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961 and other applicable regulatory requirements   |

| <b>PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER'S</b>   |
|---|
| Not Applicable  |
| <b>DETAILS OF STATUTORY AUDITOR OF THE COMPANY</b>  |
| <b>Name:</b> M/s. Shetty Naik & Associates, Chartered Accountants<br><b>ICAI Firm's Registration Number:</b> 124851W<br><b>Address:</b> 31, Madhuban Industrial Estate, Plot No. 30, Off Mahakali Caves Road, Andheri East, Mumbai – 400093 |

| <b>NAMES OF PROMOTER(S) OF THE COMPANY</b> |                          |                             |  |
|--|--------------------------|-----------------------------|--|
| <b>Sr No.</b>                              | <b>Name</b>              | <b>Individual/Corporate</b> | <b>Details of Corporate Promoter</b>   |
| 1.   | UFO Moviez India Limited | Corporate                   | UFO is a listed public company whose equity shares are listed on BSE and NSE. UFO was incorporated |





|  |  |  |   |
|--|--|--|---|
|  |  |  | and registered under the provisions of the Companies Act, 1956, having its registered office at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400093. UFO is India's largest in-cinema advertising platform and is the first one, to enable cinema digitization with satellite technology in India. It is the end-to-end service provider for all DCI and non-DCI related cinema solutions |
|--|--|--|---|

#### BUSINESS OVERVIEW AND STRATEGY

##### Company Overview:

USTPL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai City, Mumbai, Maharashtra, India, 400093.

USTPL is engaged in the business of providing software solutions and development.

USTPL is a wholly owned subsidiary of the Transferee Company.

**Product/Service Offering:** USTPL was incorporated with an object of providing software solutions and development.

**Revenue segmentation by product/service offering:** Not Applicable.

**Geographies Served:** Not Applicable.

**Revenue segmentation by geographies:** Not Applicable

**Key Performance Indicators:** Earning per share: Rs. 0.43/- (FY 23-24) and Rs. 0.60/- (FY 22-23)

**Client Profile or Industries Served:** Not Applicable.

**Revenue segmentation in terms of top 5/10 clients or Industries:** Not Applicable

**Intellectual Property, if any:** Not Applicable

**Market Share:** Not Applicable

**Manufacturing plant, if any:** Not Applicable

**Employee Strength:** Zero

#### BOARD OF DIRECTORS\*

| Sr No.            | Name                                     | Designation<br>(Independent/Whole<br>time/ Executive/<br>Nominee) | Experience and Educational<br>Qualification  | Other Directorships  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
|-------------------|--|---|--|--|--------|-------------------|------------------|--|----|-------------------------|----|--------------------------|----|--------------------------|----|---------------------------|----|--|-------------------|--|----|--------------------------------|
| 1.                | Rajesh<br>Bhagwati<br>Mishra             | Non- Executive<br>Director  | Bachelor's degree in commerce from the<br>Mumbai University and Member of the<br>Institute of Chartered Accountants of India<br><br>More than three decades of experience in<br>media, films, television and the print<br>industry | <table><tr><th>Sr. No</th><th>Name of Companies</th></tr><tr><td colspan="2">Indian Companies</td></tr><tr><td>1.</td><td>Mukta V N Films Limited</td></tr><tr><td>2.</td><td>UFO Moviez India Limited</td></tr><tr><td>3.</td><td>Scrabble Digital Limited</td></tr><tr><td>4.</td><td>UFO Lanka Private Limited</td></tr><tr><td>5.</td><td>Upmarch Media Network<br/>Private Limited</td></tr><tr><td colspan="2">Foreign Companies</td></tr><tr><td>6.</td><td>Scrabble Entertainment<br/>DMCC</td></tr></table> | Sr. No | Name of Companies | Indian Companies |  | 1. | Mukta V N Films Limited | 2. | UFO Moviez India Limited | 3. | Scrabble Digital Limited | 4. | UFO Lanka Private Limited | 5. | Upmarch Media Network<br>Private Limited | Foreign Companies |  | 6. | Scrabble Entertainment<br>DMCC |
| Sr. No            | Name of Companies                        |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| Indian Companies  |  |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 1.                | Mukta V N Films Limited                  |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 2.                | UFO Moviez India Limited                 |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 3.                | Scrabble Digital Limited                 |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 4.                | UFO Lanka Private Limited                |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 5.                | Upmarch Media Network<br>Private Limited |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| Foreign Companies |  |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |
| 6.                | Scrabble Entertainment<br>DMCC           |   |  |  |        |                   |                  |  |    |                         |    |                          |    |                          |    |                           |    |  |                   |  |    |                                |



|    |                          |                         |   |        |                                       |
|----|--------------------------|-------------------------|---|--------|---------------------------------------|
| 2. | Ashish Sudanand Malushte | Non- Executive Director | Bachelor's degree in commerce and Chartered Accountant qualified from the Institute of Chartered Accountants of India.<br><br>More than 21 years of experience with an expertise in Corporate Finance, Fund-raising, Taxation, Internal Audit and IT system developments.   | Sr. No | Name of Companies                     |
|    |                          |                         |   |        | <b>Indian Companies</b>               |
|    |                          |                         |   | 1.     | Scrabble Digital Limited              |
|    |                          |                         |   | 2.     | UFO Lanka Private Limited             |
|    |                          |                         |   | 3.     | Blockbuzz Innovate Private Limited    |
|    |                          |                         |   | 4.     | Upmarch Media Network Private Limited |
|    |                          |                         |   |        | <b>Foreign Companies</b>              |
|    |                          |                         |   | 5.     | Scrabble Entertainment DMCC           |
| 3. | Sushil Kumar Agrawal     | Non- Executive Director | Bachelor's degree in science and Chartered Accountant qualified from the Institute of Chartered Accountants of India.<br><br>More than 33 years of experience in diverse functional areas with an expertise in raising funds and availing facilities from banks and financial institutions for projects and working capital requirements. | Sr. No | Name of Companies                     |
|    |                          |                         |   |        | <b>Indian Companies</b>               |
|    |                          |                         |   | 1.     | Scrabble Digital Limited              |
|    |                          |                         |   | 2.     | Mukta V N Films Limited               |
|    |                          |                         |   | 3.     | Mumbai Movie Studios Private Limited  |

\*As on the date of this Abridged prospectus

| OBJECT/RATIONALE OF THE SCHEME  |  |
|---|--|
| The Proposed Scheme would inter alia have the following benefits:   |  |
| <b><u>Amalgamation of Transferor Companies into Transferee Company</u></b>  |  |
| <ol style="list-style-type: none"> <li>The Transferor Companies are wholly owned subsidiaries of the Transferee Company.</li> <li>The proposed amalgamation of Transferor Company 1 will assist the Transferee Company to serve existing customer with all products and services within digital cinema industry's needs, giving customers a one-stop shopping experience with credible services.</li> <li>Transferor Company 2 is not of the significant size and therefore consolidation will result into decrease in the administration cost associated with day-to-day operations.</li> <li>The amalgamation of the Transferor Companies with the Transferee Company will lead to better business synergies, improved overall operational efficiencies and cost savings.</li> <li>The amalgamation will also result in reduction in legal and regulatory compliances that are currently carried out by multiple entities.</li> <li>The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.</li> </ol>  |  |
| <b><u>Utilisation of Securities Premium Account</u></b>   |  |
| <ol style="list-style-type: none"> <li>Due to COVID 19 pandemic, the Transferee Company has incurred losses from FY 2020-21 to FY 2022-23. As per audited financial results as on March 31, 2024, the Transferee Company had (i) Profit and Loss Account (debit balance) of about INR 130.82 crores (Indian Rupees One Hundred and Thirty Crores and Eighty Two Lakhs only); (ii) Securities Premium Account of about INR 388.57 crores (Indian Rupees Three Hundred and Eighty Eight Crores and Fifty Seven Lakhs only); (iii) Amalgamation Deficit Reserve Account (debit balance) of about INR 67.46 crores (Indian Rupees Sixty Seven Crores and Forty Six Lakhs only). All these balances are part of "Other Equity".</li> <li>The Transferee Company believes that utilization of the Securities Premium Account to set off the debit balances in (i) Profit and Loss Account and (ii) Amalgamation Deficit Reserve Account would result in a true and fair reflection of the "Other Equity" in the balance sheet.</li> <li>The right-sizing of the balance sheet is also likely to facilitate the efforts of the Transferee Company while raising funds in future.</li> <li>The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company.</li> <li>The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Transferee Company.</li> </ol> |  |



|   |                |
|---|----------------|
| Details of means of finance   | Not Applicable |
| Details and reasons for non-deployment or delay in deployment proceeds or changes in utilization of issue proceeds of past public rights issues, if any, of the company in the preceding 10 years | Not Applicable |
| Name of monitoring agency, if any   | Not Applicable |
| Terms of issuance of convertible security, if any   | Not Applicable |

| SHAREHOLDING PATTERN (PRE-SCHEME) |                             |                                       |              |
|-----------------------------------|-----------------------------|---------------------------------------|--------------|
| Sr No.                            | Particulars                 | Number of shares of Rs. 10 Face Value | % of holding |
| 1.                                | Promoter and Promoter Group | 2,48,219                              | 100%         |
| 2.                                | Public                      | -                                     | -            |
|                                   | Total                       | 2,48,219                              | 100%         |

*Note: Upon the Scheme becoming effective, all the issued share capital of the USTPL held by UFO shall be cancelled.*

Number/amount of equity shares proposed to be sold by selling shareholders, if any: Not Applicable

| FINANCIAL HIGHLIGHTS   |  |            |            |                |
|--|--|------------|------------|----------------|
| As per Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended:   |  |            |            |                |
| AUDITED FINANCIALS OF UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED:   |  |            |            |                |
|  |  |            |            | (INR in Lakhs) |
| Parameter  | For the half year ended 30 <sup>th</sup> Sept 2024 | FY 2023-24 | FY 2022-23 | FY 2021-22     |
| Total income from operations (Net)   | -  | -          | -          | -              |
| Net profit/(Loss) before tax and extraordinary items   | 1.12   | 1.46       | 2.03       | 0.74           |
| Net profit/(Loss) after tax and extraordinary items  | 0.81   | 1.06       | 1.48       | 0.62           |
| Equity Share Capital   | 24.82  | 24.82      | 24.82      | 24.82          |
| Reserves and Surplus   | 14.93  | 14.12      | 13.06      | 11.58          |
| Net worth – Refer Note 2   | 39.75  | 38.94      | 37.88      | 36.40          |
| Basic earnings per share   | 0.33   | 0.43       | 0.60       | 0.25           |
| Diluted per share  | 0.33   | 0.43       | 0.60       | 0.25           |
| Return on net worth (%) – Refer Note 3   | 2.04   | 2.72       | 3.90       | 1.70%          |
| Net asset value per share (Rs.) – Refer Note 4   | 16.01  | 15.69      | 15.26      | 14.66          |
| <p><b>Note 1:</b> Consolidated financial statements not applicable as USTPL does not have any subsidiary.</p> <p><b>Note 2:</b> For the purpose of net worth, following definition of "net worth" as defined in section 2(57) of the Companies Act, 2013, as amended, has been considered:</p> <p>"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.</p> <p><b>Note 3:</b> Return on net worth = Profit/(loss) after tax/ Net worth*100.</p> <p><b>Note 4:</b> Net asset value per share = Net Worth / Total number of shares outstanding;</p> |  |            |            |                |



| RISK FACTOR |  |
|-------------|--|
| •           | USTPL is a wholly owned subsidiary of UFO and has not issued any debt securities. As such, there are no material risks pertaining to USTPL in relation to the Scheme.  |
| •           | The Scheme is subject to the receipt of statutory approvals of the NCLT (Mumbai), the shareholders and creditors of the respective companies as directed by the NCLT and other necessary regulatory approvals. Further, effectiveness of the Scheme is subject to the conditions referred to in Clause 19 of the Scheme being fulfilled or waived in accordance with the terms thereof. If the proposed Scheme does not receive the requisite approvals or the requisite conditions are not fulfilled/waived, it may result in the non-implementation of the Scheme and the objects and benefits mentioned in the Scheme will not be achieved. |

| SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION  |                      |                 |                                     |   |                   |   |
|---|----------------------|-----------------|-------------------------------------|---|-------------------|---|
| A. Total number of outstanding litigations against the USTPL, its Directors, Promoters and Subsidiaries and the total amount involved and amount involved:  |                      |                 |                                     |   |                   |   |
| Name of the entity  | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our promoters | Civil Proceedings | Aggregate amount involved (Rs in crores) ** |
| Company (USTPL)   |                      |                 |                                     |   |                   |   |
| By the Company  | --                   | -               | -                                   | -   | -                 | -   |
| Against the Company   | -                    | -               | -                                   | -   | -                 | -   |
| Directors   |                      |                 |                                     |   |                   |   |
| By our directors  | -                    | -               | -                                   | -   | -                 | -   |
| Against the Directors   | -                    | -               | -                                   | -   | -                 | -   |
| Promoters (UFO)   |                      |                 |                                     |   |                   |   |
| By Promoters (UFO)  |                      | -               | -                                   | -   | 56                | 26.30                                       |
| Against Promoters (UFO)   |                      | 41              | -                                   | -   | 29                | 8.70  |
| Subsidiaries*   |                      |                 |                                     |   |                   |   |
| By Subsidiaries   | Not Applicable       |                 |                                     |   |                   |   |
| Against Subsidiaries  |                      |                 |                                     |   |                   |   |
| *USTPL does not have any subsidiaries   |                      |                 |                                     |   |                   |   |
| B. Brief details of top 5 material outstanding litigations against the company and amount involved – None   |                      |                 |                                     |   |                   |   |
| C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 – 300 word limit in total) – None |                      |                 |                                     |   |                   |   |
| D. Brief details of outstanding criminal proceedings against Promoters – None   |                      |                 |                                     |   |                   |   |

| ANY OTHER IMPORTANT INFORMATION AS PER BRM / RESULTING COMPANY |
|--|
| NIL  |



**DECLARATION BY THE COMPANY**

We hereby declare that to the extent applicable to this Disclosure Document, all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.

For UFO Software Technologies Private Limited



Ashish Malushte  
Director

Date: December 06, 2024

Place: Mumbai



**DETAILS OF ONGOING LITIGATION ADJUDICATION & RECOVERY PROCEEDINGS, PROSECUTION INITIATED, AND ALL OTHER ENFORCEMENT ACTION TAKEN AGAINST THE COMPANY, ITS PROMOTERS AND DIRECTORS AND DETAILS OF OTHER INVESTIGATIONS/PROCEEDINGS WHICH HAVE BEEN FILED AGAINST THE COMPANY**

A Details of ongoing adjudication and recovery proceedings, prosecution initiated, and all other enforcement action taken against UFO Moviez India Limited:

| Sr. No. | Court / Tribunal        | Parties            | Title   | Amount (in Rupees) | Current Status   |
|---------|-------------------------|--------------------|---|--------------------|--|
| 1       | CIT(A)<br>(AY 2014-15)  | Revenue Department | Appeal filed against penalty order under section 271(1)(c) of the Act   | 6,43,654           | UFO has received penalty order under section 271(1)(c) of the Act against which it filed appeal on 13 September 2021 before hon'ble CIT(A). The penalty was levied in connection with a quantum disallowance of Rs. 18,93,657 under section 14A of the Act. The said quantum disallowance has now been deleted by the Hon'ble ITAT, and accordingly, no penalty should be levied. Submissions in this regard have been filed on 28 February 2024. - Subsequent notice/ order is awaited. |
| 2       | CIT (A)<br>(AY 2017-18) | Revenue Department | Disallowance under section 14A of the Act - Rs. 78,58,519<br><br>Short grant of advance tax and TDS - Rs. 8,10,14,545   | NIL                | UFO has filed appeal before CIT(A) on 22 January 2020 and filed written submission on 22 January 2024 for the hearing notice received on 15 January 2024.<br><br>No order or any further hearing notice is received as on date.  |
| 3       | CIT (A)<br>(AY 2018-19) | Revenue Department | Disallowance under section 14A of the Act - Rs. 89,46,899<br><br>Arithmetic error in totalling the total income from business and profession - Rs. 5,533<br><br>Short grant of deduction claimed under section 80G of Chapter VIA of the Act - Rs. 4,35,000<br><br>Short grant of advance tax and TDS - Rs. 4,71,16,827<br><br>Incorrect levy of interest under section 234A, 234B and 234C - Rs. 86,65,708 | NIL                | UFO has filed appeal before hon'ble CIT(A) on 08 April 2021 against the assessment order passed under section 143(3) of the Act and filed written submission on 25 January 2024 for the hearing notice received on 18 January 2024.<br><br>Further, a new Notice u/s 148(A) has been received dated 20 August 2024 for hearing on 27 August 2024 and subsequently order was dropped by letter dated 31 August 2024.  |

| Sr. No. | Court / Tribunal            | Parties            | Title  | Amount (in Rupees) | Current Status  |
|---------|-----------------------------|--------------------|--|--------------------|---|
| 4       | CIT (A)<br>(AY 2021-22)     | Revenue Department | <p>Appeal against the order issued under section 143(3) &amp; section 143(1) of the Act</p> <p>Current year losses not allowed as a credit - Rs. 1,41,02,597</p> <p>No credit for TDS and TCS - Rs. 85,76,278</p>  | NIL                | <p>UFO has filed appeal before CIT(A) on 09 January 2023 against the assessment order passed under section 143(3) of the Act and filed written submission on 03 June 2024 for the hearing notice received on 29 May 2024.</p> <p>UFO has filed appeal before CIT(A) on 09 January 2023 against the intimation order passed under section 143(1) of the Act and filed written submission on 06 October 2023.</p> <p>No order or any further hearing notice is received as on date.</p> |
| 5       | CIT (A)<br>(AY 2022-23)     | Revenue Department | <p>Current year losses not allowed as a credit - Rs. 39,00,000</p> <p>No credit for TDS and TCS - Rs. 4,74,00,000</p>  | NIL                | <p>UFO has filed appeal before CIT(A) on 02 March 2023 against the intimation order passed under section 143(1) of the Act and filed written submission on 06 October 2023.</p> <p>No order or any further hearing notice is received as on date.</p>   |
| 6       | CIT (A)<br>(AY 2023-24)     | Revenue Department | <p>Inclusion of the amount of sundry balances written back twice, leading to double taxation of the same amount - Section 41 - Rs. 1,84,97,585</p> <p>Short grant of interest due under section 244A of the Act - Rs. 47,705</p> <p>Non receipt of the refund determined in the intimation order issued under section 143(1) of the Act</p>                  | NIL                | <p>UFO has filed appeal before CIT(A) on 19 February 2024 against the intimation order passed under section 143(1) of the Act and filed written submission on 16 April 2024.</p> <p>No order or any further hearing notice is received as on date.</p>  |
| 7       | High court<br>(AY 2011-12)* | Revenue Department | <p>Addition of receipt of share premium on issue of shares (Rs. 1033.11-78)*19173 number of shares under Section 68 - Rs. 1,83,12,324</p> <p>Wrongly deduction of TDS on Digital Print fee expenses under section 194C instead of 194J - Under 40(a)(ia) - Rs. 13,35,809</p> <p>Addition to book profit under section 115JB of the Act - Rs. 2,34,89,480</p> | NIL                | <p>Department has filed appeal before hon'ble Bombay High Court against ITAT order and hearing is pending with High Court.</p>  |

| Sr. No. | Court / Tribunal            | Parties                                  | Title   | Amount (in Rupees) | Current Status   |
|---------|-----------------------------|--|---|--------------------|--|
| 8       | High court<br>(AY 2012-13)* | Revenue Department                       | <p>Addition of receipt of share premium on issue of shares (Rs. 1,033.11-78)*19173 number of shares under Section 68 - Rs. 15,08,67,984</p> <p>Interest expenses - Rs. 1,45,854</p> <p>Addition of outstanding sundry creditors - Rs. 1,26,751</p> <p>Addition of outstanding sundry creditors - Rs. 14,60,885</p>                | NIL                | Department has filed appeal before hon'ble Bombay High Court against ITAT order and hearing is pending with High Court.  |
| 9       | CIT(A)<br>(AY 2016-17)*     | Revenue Department                       | <p>Short TDS credit of Rs. 10.75 Lakhs. (Additional TDS claimed during the course of assessment) - Rs. 10,75,005</p> <p>80G disallowance - Rs. 3,00,000</p> <p>Tax computed under Section 115JB of the Act as against normal provisions</p> <p>Reassessment proceedings: Disallowance under section 14A of the Act - 1,09,642</p> | NIL                | <p>Appeal is filed on 24 January 2019 against assessment order passed under section 143(3) of the Act. However, subsequently, the ROI filed by the Appellant was picked up for reassessment proceedings, and an order dated 23 May 2023 was issued by the learned AO under section 147 read with section 144B Act ('reassessment order'). As part of the computation sheet issued alongwith the reassessment order, the issues regarding the short credit of TDS and 80G disallowance have been resolved. Further, the tax is also computed under normal provisions of the Act. Hence all the issues covered in this appeal are resolved.</p> <p>Accordingly, a submission has been filed on 21 February 2024 to withdraw the appeal. Further, a new notice dated 21 August 2024 has been received, and another submission withdrawing the appeal was filed on 18 September 2024.</p> <p>Appeal is filed on 16 June 2023 against reassessment order passed under section 147 of the Act. No hearing notice is received from Hon'ble CIT(A) as on date.</p> |
| 10      | CIT(A)<br>(AY 2017-18)*     | Revenue Department                       | Reassessment proceedings: Section 68 expenses - Rs. 2,86,100  | NIL                | Appeal is filed on 16 June 2023 against reassessment order passed under section 147 of the Act. No hearing notice is received from Hon'ble CIT(A) as on date.  |
| 11      | Sales Tax<br>(FY 2016-17)*  | Deputy Commissioner of Sales Tax, Odisha | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.  | 2,73,662/-         | Awaiting Appeal Hearing at Deputy Commissioner of Sales Tax  |



| Sr. No. | Court / Tribunal                            | Parties   | Title  | Amount (in Rupees) | Current Status   |
|---------|---|---|--|--------------------|--|
| 12      | Sales Tax<br>(FY 2017-18<br>(Apr to Jun)) * | Deputy Commissioner of Sales Tax, Odisha  | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.                                     | 1,12,576/-         | Awaiting Appeal Hearing at Deputy Commissioner of Sales Tax  |
| 13      | Sales Tax<br>(FY 2017-18<br>(Apr to Jun)) * | Deputy Commissioner Sales Tax, Behalf Charge, Kolkata   | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.                                     | 6,43,101/-         | Pending for Appeal Hearing at commissioner Appeal  |
| 14      | Sales Tax<br>(FY 2016-17) *                 | Commercial Tax Officer, Krishalanka Circle, Vijaywada, Andhra Pradesh   | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.                                     | 8,46,218/-         | Pending for Appeal Hearing at DCCT Appeal  |
| 15      | Sales Tax<br>(FY 2015-16) *                 | Asst. Commissioner of State Tax Ahmedabad   | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.                                     | 66,900/-           | Tribunal has accepted the contention and remanded case to original assessing officer for fresh determination |
| 16      | Sales Tax<br>(FY 2017-18<br>(Apr to Jun)) * | Asst. Commissioner of State Tax Ahmedabad   | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.                                     | 95,542/-           | Tribunal has accepted the contention and remanded case to original assessing officer for fresh determination |
| 17      | Service Tax<br>(FY 2013-14) *               | Order issued by Principal Commissioner of Service tax vide order reference number 93/ MG/Pr.Commr/ ME/2021-22 dated 22-03-2022, received on dated 06-04-2022. | Tax Levied by the Service Tax Authority without considering the fact that VAT on said transaction has already been paid and double taxation is not allowed in Indirect taxation. | 1,92,48,236/-      | Pending for Appeal Hearing at CESTAT Appeal  |
| 18      | Sales Tax – VAT<br>(FY 2016-17) *           | Deputy Commissioner of Sales Tax, Mumbai  | Suo – Moto Addition in turnover without providing any reasoning which leads to non-speaking order.   | 1,32,91,448/-      | Pending for Appeal Hearing at the Joint Commissioner of State Tax  |

| Sr. No. | Court / Tribunal                  | Parties   | Title   | Amount (in Rupees) | Current Status  |
|---------|-----------------------------------|---|---|--------------------|---|
| 19      | Sales Tax – CST<br>(FY 2016-17) * | Deputy Commissioner of Sales Tax, Mumbai                            | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.  | 22,38,501/-        | Pending for Appeal Hearing at the Joint Commissioner of State Tax |
| 20      | GST<br>(FY 2019-20) *             | Deputy Commissioner of State Tax, Mumbai                            | Tax levied on differences arises between Input tax credit claimed vs Input tax credit reflected in GST online portal (GSTR 2A). Without considering the submission made by the company. The company is in process of filing rectification request as this is purely mistake apparent on record. | 2,16,27,855/-      | Rectification application is under process                        |
| 21      | VAT<br>(FY 2007-08 to FY 2008-09) | Commercial Tax Officer , Sales Tax Patliputra Circle (Bihar)        | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.  | 5,79,512/-         | Pending for Hearing at Commissioner Appeal                        |
| 22      | VAT<br>(FY 2010-11)               | Commercial Tax officer, Patna                                       | Entry tax benefit denied by the Authority. As per Bihar Entry tax law, Entry tax paid is available as Input tax credit against output VAT liability. The company has filed appeal with commissioner appeal.   | 5,03,420/-         | Pending for Hearing at Commissioner Appeal                        |
| 23      | Sales Tax<br>(FY 2012-13)         | Asst. Commissioner, Commercial Tax Special Circle Ernakulum, Kerala | Material moved to Franchisee during the year has inadvertently considered as stock transfer and levied taxes by the authority without considering the fact that Company has already applied for application for revision of return. The company has filled appeal with commissioner appeal.     | 34,90,112/-        | Pending for Hearing at Commissioner Appeal                        |
| 24      | Sales Tax<br>(FY 2011-12)         | Commercial Tax Officer, Special Circle Ernakulum, Kerala            | Tax levied by the authority on difference between material moved within the state viz a viz revenue reported in VAT Return, without considering the fact that company main business is leasing of equipment's. The company has filled appeal with commissioner appeal.                          | 36,46,198/-        | Pending for Hearing at Commissioner Appeal                        |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>   | <b>Parties</b>  | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>  |
|----------------|---------------------------|---|--|---------------------------|--|
| 25             | Sales Tax<br>(FY 2012-13) | Commercial Tax Officer, Special Circle Ernakulum, Kerala                | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 31,58,594/-               | Pending for Hearing at Commissioner Appeal   |
| 26             | Sales Tax<br>(FY 2014-15) | Commercial tax officer, Behale charge ward, West Bengal                 | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 3,32,789/-                | Pending for Hearing at Commissioner Appeal   |
| 27             | Sales Tax<br>(FY 2015-16) | Commercial tax officer, Behale charge ward, West Bengal                 | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 23,92,920/-               | Pending for Hearing at Commissioner Appeal   |
| 28             | Sales Tax<br>(FY 2016-17) | Commercial tax officer, Behale charge ward, West Bengal                 | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 29,49,672/-               | Pending for Hearing at Commissioner Appeal   |
| 29             | Sales Tax<br>(FY 2011-12) | Commercial Tax Officer, Special Circle Ernakulum, Kerala                | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 2,52,327/-                | Pending for Hearing at Commissioner Appeal   |
| 30             | Sales Tax<br>(FY 2015-16) | Deputy Commercial tax officer, Khairatabad Circle, Hyderabad, Telangana | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 10,64,875/-               | Pending for Hearing at Commissioner Appeal   |
| 31             | Sales Tax<br>(FY 2015-16) | Commercial tax officer Ahmedabad, Gujarat                               | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form. | 68,565/-                  | Tribunal has accepted the contention and remanded case to original assessing officer for fresh determination |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>   | <b>Parties</b>   | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>  |
|----------------|---------------------------|--|--|---------------------------|--|
| 32             | Sales Tax<br>(FY 2016-17) | Commercial tax officer<br>Ahmedabad,<br>Gujarat                | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.   | 71,706/-                  | Tribunal has accepted the contention and remanded case to original assessing officer for fresh determination |
| 33             | Sales Tax<br>(FY 2017-18) | Commercial tax officer<br>Ahmedabad,<br>Gujarat                | Tax levied towards non-submission of F forms during assessment proceedings. Subsequently F forms obtained and submitted with an appeal form.   | 49,434/-                  | Tribunal has accepted the contention and remanded case to original assessing officer for fresh determination |
| 34             | Sales Tax<br>(FY 2014-15) | Commercial tax officer, chepauk,<br>Tamilnadu                  | Credit note benefit denied by the authority. The company has filed the appeal at Commissioner Appeal.  | 96,709/-                  | Pending for Hearing  |
| 35             | Sales Tax<br>(FY 2015-16) | Commercial tax officer, chepauk,<br>Tamil nadu                 | Credit note benefit denied by the authority. The company has filed the appeal at Commissioner Appeal.  | 77,346/-                  | Pending for Hearing  |
| 36             | GST<br>(FY 2017-18)       | Deputy Commissioner of State Tax ,<br>Mumbai                   | Input tax credit denied by the GST Authority in case of late filling of Return beyond prescribed time limit as per GST law.  | 4,01,283/-                | Pending for Hearing at Commissioner Appeal   |
| 37             | GST<br>(FY 2018-19)       | Deputy Commissioner of State Tax ,<br>Mumbai                   | Suo-moto addition in reversal of Input tax credit without appropriate reasoning which lead to non-speaking order. Company has filled appeal against the same.  | 79,11,169/-               | Pending for Hearing at Joint Commissioner Appeal   |
| 38             | GST<br>(FY 2017-18)       | Deputy Commissioner of State Tax ,<br>Mumbai                   | Tax levied by the GST Authority on Corporate Guarantee given on behalf of subsidiary   | 2,35,400/-                | Pending for Hearing at Commissioner Appeal   |
| 39             | GST<br>(FY 2017-18)       | Deputy Commissioner of State Tax ,<br>Patliputra Circle, Bihar | Tax Levied by the GST Authority without considering the detailed submission made during the Audit proceedings.   | 6,55,094/-                | Pending for Hearing at Additional Commissioner Appeal  |
| 40             | GST<br>(FY 2019-20)       | Appellate Authority of Guwahati,<br>Assam                      | Tax levied on differences arises between Input tax credit claimed vs Input tax credit reflected in GST online portal (GSTR 2A). Company has obtained Declaration as per Circular no: 170/02/2022-GST dated 06th July 2022. | 23,552/-                  | Pending for Hearing at Appellate Authority Appeal  |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>   | <b>Parties</b>  | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>   |
|----------------|---|---|--|---------------------------|---|
| 41             | City Civil Court, Dindoshi, Mumbai<br><br>(Notice of Motion 713/2018 In Civil Suit No. 143 of 2018) | Arjun Pramod Shivhare<br>Vs.<br>Viacom 18 Media Pvt. Ltd, UFO Moviez (India) Limited & Ors.     | Suit filed by the Plaintiff seeking permanent order and injunction restraining the Defendants, from preventing the Plaintiff or causing any obstruction in the Plaintiff's business of running the cinema hall i.e., Prakash Cinema, Jawaha Ganj, Dabra (M.P). Plaintiff alleged that the Defendants are by way of forcing the producers not to screen their films in the cinema of the Plaintiff and preventing the Plaintiff from carrying on legitimate business. | NIL                       | UFO has filed Written Statement and Notice of Motion to strike off UFO as a party on the grounds of UFO has been wrongly impleaded as there is no relationship between the Plaintiff and UFO.<br><br>Matter is kept for Dismissal Order |
| 42             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Revision Application No. 288 of 2018)             | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 1946/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing.   |
| 43             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Revision Application No. 289 of 2018)             | Mr. Arun Inderchand Kedia<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra.          | Mr. Arun Kedia of Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 1946/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing.   |
| 44             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Revision Application No. 292 of 2018)             | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 1947/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing.   |
| 45             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Revision Application No. 293 of 2018)             | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Mr. Arun Kedia Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 1947/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881  | NIL                       | UFO's say filed. Pending for Hearing.   |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>  | <b>Parties</b>  | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>                 |
|----------------|--|---|--|---------------------------|---------------------------------------|
| 46             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Revision Application No. 74 of 2019)       | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 2020/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing. |
| 47             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Revision Application No. 75 of 2019)       | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Mr. Arun Kedia of Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 2020/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing. |
| 48             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Revision Application No. 325 of 2019)      | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 3594/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881.  | NIL                       | UFO's say filed. Pending for Hearing. |
| 49             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Revision Application No. 326 of 2019)      | Interworld Digital Cinema Pvt.Ltd.<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra. | Interworld Digital Cinema Pvt. Ltd. has filed application for quashing of summons in complaint 3811/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881   | NIL                       | UFO's say filed. Pending for Hearing. |
| 50             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Miscellaneous Application No. 163 of 2021) | Mr. Arun Inderchand Kedia<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra.          | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 3594/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 51             | Sessions Court, Dindoshi, Mumbai<br>(Criminal Miscellaneous Application No. 164 of 2021) | Mr. Arun Inderchand Kedia<br>Vs.<br>UFO Moviez India Limited and State of Maharashtra.          | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 3013/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>  | <b>Parties</b>   | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>                              |
|----------------|--|--|--|---------------------------|--|
| 52             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 165 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 3715/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing.              |
| 53             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 166 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 1119/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing.              |
| 54             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 167 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 4722/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing.              |
| 55             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 168 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 3706/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. For Hearing. Pending for hearing. |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>  | <b>Parties</b>   | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>                 |
|----------------|--|--|--|---------------------------|---------------------------------------|
| 56             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 169 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 242/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881.  | NIL                       | UFO's say filed. Pending for Hearing. |
| 57             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 170 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 1783/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 58             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 174 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 4047/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 59             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 175 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 2289/SS/2019 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |



| <b>Sr. No.</b> | <b>Court / Tribunal</b>  | <b>Parties</b>   | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b>                 |
|----------------|--|--|--|---------------------------|---------------------------------------|
| 60             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 171 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 3811/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 61             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 181 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 1946/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 62             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 182 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 1947/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |
| 63             | Sessions Court, Dindoshi, Mumbai<br><br>(Criminal Miscellaneous Application No. 183 of 2021) | Mr. Arun Inderchand Kedia Vs. UFO Moviez India Limited and State of Maharashtra. | The Criminal Miscellaneous Application was filed by Mr. Arun Kedia for condonation of delay in filing of revision application by against the summons order passed by the Court in complaint 2020/SS/2018 filed by UFO U/s. 138 of Negotiable Instrument Act, 1881. | NIL                       | UFO's say filed. Pending for Hearing. |

| Sr. No. | Court / Tribunal   | Parties  | Title   | Amount (in Rupees) | Current Status  |
|---------|--|--|---|--------------------|---|
| 64      | City Civil Court, Bangalore<br><br>(Original Suit No. 404 of 2022) | Scalene Cybernetics Limited Vs. 1) Allabout Innovations Private Limited & Ors (UFO Moviez India Limited is Defendant No.8) | <p>This is a matter pertaining to infringement of Plaintiff's registered design No.330302-001. Hon'ble Court has passed interim injunction Order to restrain the Respondents/Defendants from manufacturing, distributing, selling etc., any Ion Thruster/ Plasma Air Sterilization device / equipment by incorporating, using and / or applying the plaintiff's registered design No.330302-001 in any manner.</p> <p>Allabout Innovations Private Limited has stated that there is no such violation of Plaintiff's registered design No.330302-001 and they have moved to the court to vacate the ex-parte injunction and defend the case against the Defendants.</p> <p>UFO has entered into arrangement with Defendant no. 1 to sell the product of Defendant no. 1, after the said interim injunction order UFO has stopped selling the product of Defendant no.1. No specific relief against UFO.</p> | NIL                | For Examination-in-chief filed by the Plaintiff. Pending for Hearing. |

| <b>Sr. No.</b> | <b>Court / Tribunal</b>                                  | <b>Parties</b>   | <b>Title</b>   | <b>Amount (in Rupees)</b> | <b>Current Status</b> |
|----------------|--|--|--|---------------------------|-----------------------|
| 65             | Delhi High Court<br>(OMP (COMM.) 184 of 2022)            | Rajya Sabha Television (RSTV)<br>Vs.<br>UFO Moviez India Limited (UFO)                               | In arbitration proceeding Ld. sole Arbitrator passed Arbitral Award on 29th October, 2021 in favor of UFO Moviez India Limited. RSTV filed an appeal u/s.34 of the Arbitration and Conciliation Act, 1996 for setting aside of the Arbitral Award dated 29th October, 2021. During the pendency of the appeal, UFO had filed execution petition for implementation of Arbitral Award. The same was allowed and an amount awarded by the Arbitrator has been released to UFO and also Bank Guarantee issued in favour of RSTV has also been released in favour of UFO. Nothing survive in the appeal. | NIL                       | For Final hearing     |
| 66             | Competition Commission of India<br>(Case No. 11 of 2020) | PF Digital Media Services Ltd & Anrs<br>Vs.<br>UFO Moviez India Limited and Scrabble Digital Limited | An Information had been filed by Informants in 2020 alleging abuse of dominant position under Sec. 3 & 4 of CCI Act by UFO Moviez India Limited, Scrabble Digital Limited, Qube Cinema Technologies Private Limited, and 4 other parties have also been joined by the Applicants. After hearing CCI ordered for investigation by ADG on the allegations of Informant. ADG had investigated the matter and submitted its report on 14.08.2023. UFO has filed its written response in respect of findings in ADG's report.   | NIL                       | For Final Hearing     |

| Sr. No. | Court / Tribunal   | Parties  | Title   | Amount (in Rupees) | Current Status  |
|---------|--|--|---|--------------------|---|
| 67      | Competition Commission of India (CCI)<br>(Case No. 42 of 2023) | The Film and Television Producers' Guild of India Limited (the Informant)<br>Vs.<br>1) UFO Moviez India Limited (UFO)<br>2) Qube Cinema Technology Private Limited (Qube)<br>3) PVR Inox Ltd (PVR) | Information filed by the Informant with allegation that Opposite Parties are indulging in anti-competitive practice by refusing to exhibit movies on the Digital Cinema Equipment provided by Opposite Party (OP) 1 and 2, and in the theatres of OP 3, unless Virtual Print Fee (VPF) is paid for each movie by the Indian producers. Informant has also prayed for investigation in the matter and to order the OP's to cease and desist from the anti-competitive conduct. In the meanwhile Association of Digital Cinema Technology (ADCT) filed an application with CCI to provide copy of the complaint filed by the Informant. CCI vide its order dated 08.05.2024 seeks certain information from OP 3. On the request of ADCT, Commission decided to forward a copy of the Complaint to ADCT and directed to file their response if any. No notice has been served on UFO till date. As per UFO information ADCT has filed its response with CCI. | NIL                | Matter is under consideration by CCI. No direction or notice received by UFO in the matter. |

| Sr. No. | Court / Tribunal  | Parties   | Title  | Amount (in Rupees)  | Current Status  |
|---------|---|---|--|---|---|
| 68      | Bombay High Court<br>(First Appeal 206 of 2024)                 | UFO Moviez India Limited Vs. Rajgopalan and TATA AIG Insurance Company                                  | Appeal filed against order dated 14.02.2020 passed by the Motor Accident Claim Tribunal, Mumbai (MACT) against UFO and Insurance Company. The amount ordered by MACT has been already deposited by Insurance Company in the High Court. However, Insurance Company filed appeal against order of MACT. UFO has also filed appeal against the said Order on the ground that the vehicle which caused the accident was not a company car but a private vehicle of third party. | As UFO Vehicle is insured the liability if any will be of Insurance Company | Pre-Admission stage   |
| 69      | City Civil Court, Bengaluru<br>(Original Suit No. 3844 of 2024) | P.S. Gnaeswarara Aithal & Anr. Vs. Smt Parvathi and Anrs. (UFO Moviez India Limited is Defendant No. 3) | Dispute between Theatre Owners (Defendant no. 1 & 2) and Plaintiff, i.e., P.S. Gnaeswara Aithal), pertaining to leave and licenses. Only claim against UFO not to stop license for running the motion pictures in the suit property. Hence, UFO is filing written statement.   | NIL   | Written statement filed   |
| 70      | CESS<br>(FY 2006 to 2013)                                       | CESS Officer, Navi Mumbai   | Amount declared by the cess officer thru' proposed best judgment assessment. We are in discussion with the cess officer and documents / reports, as desired by them are submitted  | NIL   | Assessment pending by the cess officer for FY 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 |

\*These are the litigations pending against the Scrabble Entertainment Limited, which merged into UFO Moviez India Limited with an appointed date of April 01, 2023.

B Details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against Promoters of UFO Moviez India Limited:

1. **Apollo Green Energy Limited**

| <b>S r . No.</b> | <b>Court / Tribunal</b>            | <b>Parties</b>                               | <b>Title</b>  | <b>Amount (in Rupees)</b> | <b>Current Status</b>  |
|------------------|------------------------------------|--|---|---------------------------|--|
| 1                | Mumbai High Court [ARBP/1611/2015] | AIL Vs. Shoreline Infrastructure             | MOU was agreed between AIL and Shoreline for arranging the purchase of land of 50 acres at Dashakosi, Panvel. Dispute arose as the specified land could not be precured by Shoreline. The matter was referred to Arbitrator who rejected the claims of AIL. Hence, the appeal was filed by AIL.                                   | NIL                       | For Hearing & Final Disposal   |
| 2                | Mumbai High Court [ARBP/1644/2015] | Shoreline Infrastructure Vs. AIL             | The Counter Claim of Shoreline was rejected by the Arbitrator in the Arbitration proceeding arising out of dispute of purchase of land under the MOU. Hence the appeal was filed by Shoreline.  | NIL                       | For Hearing & Final Disposal   |
| 3                | High Court, Ahmedabad              | AIL V/s Pearl Shiptrans                      | An appeal against the order of Civil Court rejecting the deletion of name of AIL as a party is filled in High Court.  | NIL                       | Arguments on Application   |
| 4                | Delhi High Court                   | AIL Vs. The State Govt of NCL of Delhi & Ors | Petition filed under Section 378 (4) Cr. P.C., 1973 against the common judgment/orders, both dated 11.10.2021, passed by Shri Sumit Dass, ASJ-04 plus Special Judge (NDPS), South East District, Saket Courts, New Delhi in Appeal CA No.212/2018 titled as "M/s Shoreline Infrastructure Developers Ltd & Anr. Vs. State & Anr"] | NIL                       | Matter heard and kept for argument. Instructions for lower court record given. |
| 5                | Delhi High Court                   | AIL Vs. The State Govt of NCL of Delhi & Ors | Petition filed under Section 378 (4) Cr. P.C., 1973 against the common judgment/orders, both dated 11.10.2021, passed by Shri Sumit Dass, ASJ-04 plus Special Judge (NDPS), South East District, Saket Courts, New Delhi in Appeal CA No.209/2018 titled as "D. Chokhani Vs. State & Anr."]                                       | NIL                       | Matter heard and kept for argument. Instructions for lower court record given. |

| S r . No. | Court / Tribunal                            | Parties  | Title   | Amount (in Rupees) | Current Status   |
|-----------|---|--|---|--------------------|--|
| 6         | Delhi High Court                            | AIL Vs. The State Govt of NCL of Delhi & Ors               | Petition filed under Section 378 (4) Cr. P.C., 1973 against the common judgment/orders, both dated 11.10.2021, passed by Shri Sumit Dass, ASJ-04 plus Special Judge (NDPS), South East District, Saket Courts, New Delhi in Appeal CA No.209/2018 titled as "D. Chokhani Vs. State & Anr."] | NIL                | Matter heard and kept for argument. Instructions for lower court record given.               |
| 7         | National Company Law Tribunal, Jaipur Bench | Apollo International Ltd. V/s Supriya Pharmaceuticals Ltd. | Dispute for non-payment of amount/invoice by Supriya in lieu of goods delivered to them in 1999.  | 32,58,54,612/-     | Matter is taken on record by Tribunal. 4 meetings of committee of creditors is done.         |
| 8         | District court, Gurgaon                     | Man Structural Pvt. Ltd. Vs Apollo International Limited   | MAN was a consortium partner of AIL in UPPTCL project and UPPTCL terminated the tender for consortium partners both for AIL & MAN during COVID period. MAN raised a dispute against AIL for profit of office and claimed the amount of Rs. 17 cr approx by invoking arbitration.            | 17,73,86,652/-     | Appeal is being filed in Gurgaon court against the order of Abitrator in Abitration process. |

## 2. Nifty Portfolio Services Pvt. Ltd.

| S r . No. | Court / Tribunal                        | Parties   | Title  | Amount (in Rupees)   | Current Status                                    |
|-----------|---|---|--|--|---|
| 1.        | Bombay High Court (WP (ST) 911 of 2019) | Nifty Portfolio Services Pvt. Ltd. Vs Income Tax Settlement Commission & Ors. | Writ Petition on whether an application for Settlement can be rejected in relation to certain assessment years where no additional income is disclosed though in the composite application the assessee has disclosed adequate undisclosed income. | 13,02,00,000 (AY 2009-10)<br>and<br>4,43,00,000 (AY 2008-09) | Writ Petition to be heard with WP No. 704 of 2018 |

3. **Advent Fiscal Pvt. Ltd.**

| <b>S r .<br/>No.</b> | <b>Court / Tribunal</b>                    | <b>Parties</b>  | <b>Title</b>   | <b>Amount<br/>(in Rupees)</b>   | <b>Current Status</b>                                   |
|----------------------|--|---|--|---|---|
| 1.                   | Bombay High Court<br>(WP (ST) 909 of 2019) | Advent Fiscal Pvt.<br>Ltd. Vs<br><br>Income Tax<br>Settlement<br>Commission &<br>Ors. | Writ Petition on whether an<br>application for Settlement<br>can be rejected in relation<br>to certain assessment years<br>where no additional income<br>is disclosed though in the<br>composite application the<br>assessee has disclosed<br>adequate undisclosed income. | 16,75,00,000<br>(AY 2008-09)<br><br>and<br><br>16,19,00,000<br>(AY 2008-09) | Writ Petition to be<br>heard with WP No.<br>704 of 2018 |

- C There are no ongoing adjudication and recovery proceedings, prosecution initiated, and all other enforcement action taken against the directors of UFO Moviez India Limited.

For **UFO Moviez India Limited**

**Kavita Thadeshwar**  
**Company Secretary**



**JELVIS HENRIQUES & CO.  
CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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The Board of Directors  
UFO Moviez India Limited  
Valuable Techno Park  
Plot No. 53/1, Road No.7 MIDC Marol,  
MIDC, Andheri (East)  
Mumbai - 400 093

**01<sup>st</sup> June, 2024**

**Independent Chartered Accountant's Certificate on the details to be submitted by UFO Moviez India Limited**

1. This Certificate is issued in the case of UFO Moviez India Limited (hereinafter the "Transferee Company" or the "Company").
2. The accompanying statement showing details to be submitted by the Company regarding details of assets, liability, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement; along with a write up on the history of the Transferor Companies (hereinafter referred collectively as the "Statement"), which we have initialled for identification purposes only, is prepared by the management to comply with the requirements of stock exchanges for filing along with Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company" or "Company") and their respective shareholders under Sections 230-232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme")

**Management's Responsibility**

3. The preparation of the said Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents including compliance with the applicable provisions of the Companies Act, 2013 ("the "Act") and accounting standards notified under section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and the Act, in relation to the Scheme and provide all the relevant information to the Securities and Exchange Board of India ("SEBI") and Stock Exchanges.

**Independent Chartered Accountant's Responsibility**

5. Pursuant to the requirements of Regulation 37 of SEBI LODR and the Stock Exchanges, it is our responsibility to provide whether:
  - (i) The details of Pre-Scheme assets, liabilities, net worth and revenue of the Transferor Company 1, Transferor Company 2 and Transferee Company for the financial year

ended 31 March 2024 have been accurately extracted from the audited financial statements of these companies for the year ended 31 March 2024;

- (ii) The details of Post Scheme assets, liabilities and net worth of the Transferor Company 1, Transferor Company 2 and Transferee Company as at 31 March 2024 have been accurately computed in accordance with the Scheme;
  - (iii) The computation of net worth is arithmetically correct;
  - (iv) The computation in the statement of Net worth of the Company is in accordance with the method of computation set out in Regulation 2(s) of SEBI LODR read along with the Section 2(57) of the Act; and
  - (v) Details of the history of the Transferor Companies are in conformity with historical annual reports of the Transferor Companies.
6. We conducted our examination in accordance with the “Guidance Note on Reports or Certificate for Special Purposes” issued by the Institute of Chartered Accountants of India. The Guidance Note requires us to comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with relevant applicable requirements of the Standard on Quality Control (‘SQC’) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
8. We have performed following procedures in relation to the Statement:
- (i) Agreed the amounts in the Statement to the audited financial statements of the Company for the period ended 31<sup>st</sup> March 2024 and other underlying records forming part of audited financial statements of the Transferor Companies and Transferee Company;
  - (ii) Obtained the Scheme and ensure the post Scheme numbers included in the Statement are computed in accordance with the Scheme;
  - (iii) Verified the details of the history of the Transferor Companies are in the conformity with the historical annual reports of the Transferor Companies;
  - (iv) Tested the arithmetical and clerical accuracy of the Statement; and
  - (v) Performed necessary inquires with the management and obtained necessary representations.

### **Opinion**

9. Based on our examination of the books of account, documents and relevant records produced an according to the information and explanations given to us and the representations provided by the management, we are of the opinion that.
- (i) The details of Pre-Scheme assets, liabilities, net worth and revenue of the Transferor Company 1, Transferor Company 2 and Transferee Company for the financial year ended 31 March 2024 have been accurately extracted from the audited financial statements of these companies for the year ended 31 March 2024;
  - (ii) The details of Post Scheme assets, liabilities and net worth of the Transferor Company 1, Transferor Company 2 and Transferee Company as at 31 March 2024 have been accurately computed in accordance with the Scheme;
  - (iii) The computation of net worth is arithmetically correct;

- (iv) The computation in the statement of Net worth of the Company is in accordance with the method of computation set out in Regulation 2(s) of SEBI LODR read along with the Section 2(57) of the Act; and
- (v) Details of the History of Transferor Companies are in conformity with historical annual reports of the Transferor Companies

**Restriction on use**

10. This Certificate is issued at the request of the Board of Directors of the Company and solely for the purpose of submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law Tribunal and/or any other regulatory authorities, by the management of the Company in connection with the Scheme pursuant to the requirements of Regulation 37 of the SEBI LODR Regulations. It should not be used by parties other than as mentioned above without our consent in writing.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

01<sup>st</sup> June, 2024  
Thane

Certificate UDIN: 24110943BKFFNC7636

**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65



Annexure to the Certificate dated 05<sup>th</sup> June 2024 regarding application seeking approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("LODR Regulations") for the Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Sections 230-232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme")

I. Details of assets, liability, revenue and net worth of the companies Involved in the scheme, both pre and post scheme of arrangement

#### **PRE SCHEME**

| Particulars                                | Rs. in Crore             |                          |   |
|--|--------------------------|--------------------------|---|
|  | UFO Moviez India Limited | Scrabble Digital Limited | UFO Software Technologies Private Limited |
| Assets*                                    | 476.76                   | 21.03                    | 0.42                                      |
| Liabilities*                               | 220.30                   | 2.11                     | 0.03                                      |
| Net Worth*                                 | 301.28                   | 18.92                    | 0.39                                      |
| Revenue for the year ended 31st March 2024 | 322.92                   | 13.71                    | -   |

\*As at 31st March 2024

#### **POST SCHEME**

| Particulars  | Rs. in Crore             |
|--------------|--------------------------|
|              | UFO Moviez India Limited |
| Assets*      | 472.76                   |
| Liabilities* | 209.57                   |
| Net Worth*   | 240.53                   |

\*As at 31st March 2024

## **II. History of the Transferor Companies**

### **Scrabble Digital Limited:**

Scrabble Digital Limited ("the Company") is a public company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 08th February 2011. The Company is into the business of providing Digital Cinema Services. The Company was a subsidiary of Scrabble Entertainment Limited ("the Parent Company"). Pursuant to the amalgamation of Scrabble Entertainment Limited into UFO Moviez India Limited by order dated January 17, 2024, the company become the subsidiary of UFO Moviez India Limited.

The registered office and principal place of business of Company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai- 400093.

### **UFO Software Technologies Private Limited**

UFO Software Technologies Private Limited ("the Company") is a private company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 20<sup>th</sup> September 2005. The Company is into the business of providing software

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



solutions and development. The registered office of the Company is located at Office No.902, 9<sup>th</sup> Floor, Akruti Star, Central Road, MIDC, Andheri (East), Mumbai Thane MH 400093. The Company is wholly owned subsidiary of UFO Moviez India Limited.

**For UFO Moviez India Limited**

Sudalaimani Digitally signed by  
Sudalaimani  
Rajeshwaran Konar  
Date: 2024.06.05  
Konar 21:55:33 +05'30'

**Sudalaimani Konar**  
**Authorised Signatory**

**JELVIS HENRIQUES & CO.**  
**CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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**CERTIFICATE OF NET WORTH**

We have verified the audited financial statements for the period ended March 31, 2024 of Scrabble Digital Limited (“SDL”).

The Board of Directors of the Company at its meeting held on June 3, 2024 has approved Scheme of Arrangement amongst Scrabble Digital Limited (“SDL” or “Transferor Company 1”) and UFO Software Technologies Private Limited (“USTPL” or “Transferor Company 2”), (together known as “Transferor Companies”) and UFO Moviez India Limited (“UFO / Transferee Company”) and their respective shareholders (“Scheme”) under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013.

On the basis of such verification and information and explanation given to us, we certify that the Net worth of SDL, pre and post-Scheme based on the audited financial statements for the year ended March 31, 2024 is set out in the following table:

| Sr. No | Particulars   | Rs. in Crores |   |
|--------|---|---------------|---|
|        |   | Pre Scheme    | Post Scheme   |
| 1      | Equity Capital – Issued, Subscribed and Paid Up Share Capital (1) | 0.59          | Not Applicable since the SDL will cease to exist after amalgamation |
| 2      | Add: Reserves & Surplus   |               |   |
| 2.1    | Securities Premium Account  | 11.38         |   |
| 2.2    | Surplus in profit and Loss Account                                | 6.73          |   |
| 2.3    | General Reserve   | 0.22          |   |
|        | Sub Total (2)   | 18.33         |   |
|        | <b>Total Networth of the Company (1+2)</b>                        | <b>18.92</b>  |   |

Note:

1. Net worth has been computed as per its definition under section 2(57) of the Companies Act, 2013.
2. Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted

procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.

3. This Certificate has been issued based on specific request by SDL for the sole purpose of submission to the National Company Law Tribunal (NCLT), Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Regional Director and Registrar of Companies (ROC) as required and should not be used for any other purpose without our prior express written consent is issued at the request of SDL solely for the purpose of submitting with statutory authorities.

**For Jelvis Henriques & Co.**  
**Chartered Accountants**  
**FR No: 127844W**



**Jelvis Henriques**  
**Proprietor**  
**Membership Number: 110943**

**05<sup>th</sup> June, 2024**  
**Thane**

**Certificate UDIN: 24110943BKFFMZ5427**

**JELVIS HENRIQUES & CO.**  
**Chartered Accountants**  
**C/102, Parmeshwari Paradise,**  
**Opp. Foodland, Majiwada,**  
**THANE (W) - 400 601.**  
**# 9820524616 # 25398123/65**

**JELVIS HENRIQUES & CO.**  
**CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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**CERTIFICATE OF NET WORTH**

We have verified the audited financial statements for the period ended March 31, 2024 of UFO Software Technologies Private Limited (“USTPL”).

The Board of Directors of the Company at its meeting held on June 3, 2024 has approved Scheme of Arrangement amongst Scrabble Digital Limited (“SDL” or “Transferor Company 1”) and UFO Software Technologies Private Limited (“USTPL” or “Transferor Company 2”), (together known as “Transferor Companies”) and UFO Moviez India Limited (“UFO / Transferee Company”) and their respective shareholders (“Scheme”) under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013.

On the basis of such verification and information and explanation given to us, we certify that the Net worth of USTPL, pre and post-Scheme based on the audited financial statements for the year ended March 31, 2024 is set out in the following table:

| Sr. No | Particulars   | Rs. in Crores |   |
|--------|---|---------------|---|
|        |   | Pre Scheme    | Post Scheme   |
| 1      | Equity Capital – Issued, Subscribed and Paid Up Share Capital (1) | 0.25          | Not Applicable since the USTPL will cease to exist after amalgamation |
| 2      | Add: Reserves & Surplus   |               |   |
| 2.1    | Surplus in Profit & Loss Account                                  | 0.14          |   |
|        | Sub Total (2)   | 0.14          |   |
|        | <b>Total Networth of the Company (1+2)</b>                        | <b>0.39</b>   |   |

Note:

1. Net worth has been computed as per its definition under section 2(57) of the Companies Act, 2013.
2. Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted



procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.

3. This Certificate has been issued based on specific request by USTPL for the sole purpose of submission to the National Company Law Tribunal (NCLT), Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Regional Director and Registrar of Companies (ROC) as required and should not be used for any other purpose without our prior express written consent is issued at the request of USTPL solely for the purpose of submitting with statutory authorities.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943



05<sup>th</sup> June, 2024  
Thane

Certificate UDIN: 24110943BKFFNA3750

**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

**JELVIS HENRIQUES & CO.  
CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

**CERTIFICATE OF NET WORTH**

We have verified the audited financial statements for the period ended March 31, 2024 of UFO Moviez India Limited (“UFO”).

The Board of Directors of the Company at its meeting held on June 3, 2024 has approved Scheme of Arrangement amongst Scrabble Digital Limited (“SDL” or “Transferor Company 1”) and UFO Software Technologies Private Limited (“USTPL” or “Transferor Company 2”), (together known as “Transferor Companies”) and UFO Moviez India Limited (“UFO / Transferee Company”) and their respective shareholders (“Scheme”) under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013.

On the basis of such verification and information and explanation given to us, we certify that the Net worth of UFO, pre and post-Scheme based on the audited financial statements for the year ended March 31, 2024 is set out in the following table:

| Sr. No | Particulars   | Rs. in Crores |               |
|--------|---|---------------|---------------|
|        |   | Pre Scheme    | Post Scheme   |
| 1      | Equity Capital – Issued, Subscribed and Paid Up Share Capital (1) | 38.58         | 38.58         |
| 2      | Add: Reserves & Surplus   |               |               |
| 2.1    | Securities Premium Account  | 388.57        | 196.78        |
| 2.2    | Surplus in profit and Loss Account                                | (130.82)      | -             |
| 2.23   | General Reserve   | 3.72          | 3.94          |
| 2.24   | Employee stock options outstanding                                | 1.23          | 1.23          |
|        | Sub Total (2)   | 262.70        | 201.95        |
|        | <b>Total Networth of the Company (1+2)</b>                        | <b>301.28</b> | <b>240.53</b> |

Note:

1. Net worth has been computed as per its definition under section 2(57) of the Companies Act, 2013.
2. The Capital Reserve of INR 22.66 crores and the Amalgamation Deficit Reserve Account of INR (67.46) crores have not been considered while computing the pre-scheme net

worth of UFO, in accordance with the definition of net worth under Section 2(57) of the Companies Act, 2013. A Capital Reserve of INR 3.40 crores was recorded on the demerger of Valuable Digital Screens Private Limited into UFO, INR 15.25 crores was recorded from the forfeiture of the subscription amount for share warrants issued by the UFO that were not exercised within the timeline from the date of allotment, and INR 4 crores was recorded by Scrabble Entertainment Limited (SEL), which was then transferred to UFO upon the amalgamation of SEL into UFO. The Amalgamation Deficit Reserve Account of INR (67.46) crores was recorded on the amalgamation of Scrabble Entertainment Limited, Plexigo Entertainment Private Limited, Zinglin Media Private Limited, and Scrabble Entertainment (Mauritius) Limited with UFO

3. Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.
4. This Certificate has been issued based on specific request by UFO for the sole purpose of submission to the National Company Law Tribunal (NCLT), Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Regional Director and Registrar of Companies (ROC) as required and should not be used for any other purpose without our prior express written consent issued at the request of UFO solely for the purpose of submitting with statutory authorities.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

05<sup>th</sup> June, 2024  
Thane



**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

Certificate UDIN: 24110943BKFFNB7710

**JELVIS HENRIQUES & CO.**  
**CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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The Board of Directors  
 UFO Moviez India Limited  
 Valuable Techno Park  
 Plot No. 53/1, Road No.7 MIDC Marol  
 MIDC Andheri (East)  
 Mumbai - 400 093

June 01, 2024

**Independent Chartered Accountant's Certificate on the proposed utilization, built up and nature of Reserves in the cases of capital reduction/ re-organisation in the proposed scheme of arrangement.**

1. This Certificate is issued in the case of UFO Moviez India Limited (hereinafter the "Transferee Company" or the "Company").
2. The accompanying statement showing details required to be furnished pursuant to the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the stock exchanges including:
  - (i) Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilisation of Securities Premium Account;
  - (ii) Built up for reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account;
  - (iii) Nature of reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account; and
  - (iv) The built up of the accumulated losses over the years.

(hereinafter referred collectively as the "Statement"), which we have initialled for identification purposes only, is prepared by the management to comply with the requirements of stock exchanges for filing along with Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents including compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and accounting standards notified under section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI LODR and the Act, in relation to the Scheme and provide all the relevant information to the Securities and Exchange Board of India (SEBI) and the stock exchanges.

**Independent Chartered Accountant's Responsibility**

5. Pursuant to the requirements of Regulation 37 of the SEBI LODR and the stock exchanges, it is our responsibility to provide as to whether:
  - (i) the reasons and the relevant provisions of the Companies Act, 2013 or other applicable laws for the proposed utilization of Securities Premium Account, as certified by the management in the Statement, is appropriate and in conformity with the Act and other applicable laws;
  - (ii) details of the Built up for reserves viz. Capital Reserve, Securities Premium Account,

Amalgamation Deficit Reserve Account are in conformity with the secretarial and other books of records of the Transferee company;

- (iii) the nature of reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account are fairly described in the accompanying Statement; and
  - (iv) details of the built up of the accumulated losses, if any, are fairly presented in the accompanying Statement.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. We have performed the following procedures in relation to the Statement:
- (i) Obtained and read the accounting treatment for the Transferee company in the Scheme;
  - (ii) Obtained and verified that the Statutory Auditors of the Transferee company on the Accounting Treatment;
  - (iii) Agreed the details of the built up of the reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account described in the accompanying Statement with the secretarial and other books of records of the Transferee company;
  - (iv) Read the nature of the reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account in the accompanying Statement and agreed it to the secretarial and other books of records of the Transferee company.
  - (v) Verified the debit balance of Profit and Loss Account of the Transferee company from the audited financial statements of the Transferee company as at and for the year ended 31<sup>st</sup> March 2024; and
  - (vi) Performed relevant inquiries with the management and obtained necessary representations.

### **Opinion**

9. Based on the procedures performed by us as referred to in paragraph 8 above and according to the information, explanation and management representations received by us, we are of the opinion that the information in the accompanying Statement pertaining to:
- (i) the reasons and the relevant provisions of the Companies Act, 2013 or other applicable laws for the proposed utilization of Securities Premium Account is appropriate and in conformity with the Act and other applicable laws;
  - (ii) details of the Built up for reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account are in conformity with the secretarial and other books of records of the Transferee company;
  - (iii) the nature of reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account are fairly described; and
  - (iv) the built up of accumulated losses are fairly described.

### **Restriction on Use**

10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law/ Tribunal and/or any other regulatory authorities, by the management of the Company in connection

with the Scheme pursuant to the requirements of Regulation 37 of the SEBI LODR. It should not be used by parties other than as mentioned above without our consent in writing.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

01<sup>st</sup> June, 2024  
Thane

Certificate UDIN: 24110943BKFFND



**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

**Annexure to the Certificate dated 05<sup>th</sup> June 2024 regarding application seeking approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("LODR Regulations") for the Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")**

1. In the cases of capital reduction/ reorganization, reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of Securities Premium Account

**Relevant provisions as per the Companies Act, 2013**

As per Section 66 of the Companies Act, 2013 ("the Act") dealing with the Capital Reduction, a company can reduce its share capital on confirmation from the National Company Law Tribunal ("NCLT"). As per Section 52 of the Act, the provisions of Section 66 of the Act relating to reduction of share capital shall apply as if the securities premium were the paid-up share capital of the company. Accordingly, utilisation of securities premium requires confirmation from the NCLT. Similarly, NCLT has powers to allow utilisation of Securities Premium account in any scheme of arrangement filed under the provisions of section 230 to 232 of the Act.

The Company has complied with above requirements of the Act relating to capital reduction / reorganization since specific reliefs regarding utilisation of securities premium are being requested from the NCLT in the Scheme.

**Relevant provisions as per Indian Accounting Standards notified by the Central Government under section 133 of the Companies Act, 2013**

**Part I – Amalgamation of Transferor Company 1 and Transferor Company into Transferee Company**

The management of the Transferee Company has complied with the accounting standards notified by the Central Government under section 133 of the Act, as applicable. Accordingly, upon the Scheme coming into effect and with effect from Appointed Date, since the Scheme involves entities which are under common control by the same party before and after the Amalgamation, the Transferee Company shall account for in its books of account in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business Combination under common control) notified under the provisions of the Act. Accordingly, the statutory auditors of the Transferee Company have issued necessary certificate confirming that the accounting treatment contained in the Scheme is in compliance with the applicable accounting standards. The said certificate has been annexed to the Scheme.

**Part II – Reduction of Securities Premium Account**

The debit balance in profit and loss account as on the Appointed Date and debit balance in amalgamation deficit reserve account (including any debit balance arising pursuant to the proposed Scheme) as on Appointed date will be adjusted against the securities premium account.

Further, this will be a non-cash transaction and accordingly, will not impact the interests of the stakeholders of the Transferee Company. The management believes that the proposed utilisation of securities premium account as per the Scheme is in the best interests of all the respective entities and their respective stakeholders including its shareholders.

2. A) In the cases of capital reduction/reorganization, Built up for reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account.

B) In the cases of capital reduction/ reorganization, Nature of reserves viz. Capital Reserve, Securities Premium Account, Amalgamation Deficit Reserve Account, whether they are notional and/or unrealized.

| <b>Reserves</b>    | <b>Amount*</b><br><b>(Rs. in Lacs)</b> | <b>Built up and Nature of Reserves</b>   |
|--------------------|--|--|
| Securities premium | 38,856.58                              | Refer Annexure 1   |
| Capital reserve    | 2,265.66                               | <p>The Capital Reserve was created on account of below:</p> <p>1. The De-merger of Caravan division of Valuable Digital Screenz Private Limited into the Company has resulted in the transfer of assets, liabilities and reserves into the Company and the net difference has been adjusted in capital reserves amounting to Rs. 340.17 lacs</p> <p>2. The share warrants of Rs 1525.50 lacs issued by the Company were not exercised within timeline from the date of allotment of the said warrants, the same were lapsed and the subscription amount was forfeited by the Company and the same was transferred to Capital Reserve</p> <p>3. Amalgamation of Company's wholly owned subsidiaries including its step-down subsidiaries namely, Scrabble Entertainment Limited and Plexigo Entertainment Private Limited and Zinglin Media Private Limited and Scrabble Entertainment (Mauritius) Limited as per the Scheme of Arrangement approved by the NCLT. 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.</p> <p>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 Capital Reserve of Rs 400 lacs</p> |



|                              |            |  |
|------------------------------|------------|--|
| Amalgamation Deficit Reserve | (6,746.49) | Amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, Scrabble Entertainment Limited and Plexigo Entertainment Private Limited and Zinglin Media Private Limited and Scrabble Entertainment (Mauritius) Limited as per the Scheme of Arrangement approved by the NCLT. 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. |
|------------------------------|------------|--|

*\*as at March 31, 24*

3. In the cases of capital reduction/reorganization, the built up of the accumulated losses over the years

| Financial year | Accumulated Loss (Rs. in Laes) | Built up of accumulated losses  |
|----------------|--------------------------------|---|
| 2019-20        | 6,055.23                       | Profit till FY'2020   |
| 2020-21        | (11,229.61)                    | Losses incurred due to COVID -19  |
| 2021-22        | (6,945.28)                     | Losses incurred due to COVID -19  |
| 2022-23        | (2,821.72)                     | Losses incurred due to COVID -19  |
| 2022-23        | 1544.49                        | Retained earnings has been accounted in the Company pursuant Scheme of Amalgamation |
| 2023-24        | 315.20                         | Profit made during the year   |
| <b>Total</b>   | <b>(13,081.69)</b>             |   |

For UFO Moviez India Limited



Sudarmani Konar

Authorised Signatory

**Annexure 1 -**

| Financial year | Securities Premium Amt (Rs. Lacs) | Built Up  |
|----------------|-----------------------------------|---|
| 2005-06        | 691.54                            | Preferential Allotment of equity share at premium   |
| 2005-06        | 427.50                            | Issuance of Right issue in the ratio of 10:1 at premium   |
| 2007-08        | 10,463.21                         | Allotment of equity share at premium and adjustment pursuant to the Scheme of Amalgamation  |
| 2008-09        | 2,950.30                          | Preferential Allotment of equity share at premium   |
| 2009-10        | 2,450.30                          | Preferential Allotment of equity share at premium   |
| 2009-10        | 1,374.50                          | Pursuant to the conversion of Preference Shares at premium  |
| 2009-10        | (1,243.95)                        | Utilised for Bonus Share in the ratio of 2:1- Other than Cash   |
| 2010-11        | 1,550.69                          | Pursuant to the conversion of warrant at premium  |
| 2010-11        | 863.11                            | Preferential Allotment of equity share at premium   |
| 2010-11        | (62.91)                           | Adjustment on conversion of Warrants pursuant to bonus issue in the ratio of 2:1 - Other than cash  |
| 2010-11        | (316.60)                          | Share issue expenses adjusted from Securities premium   |
| 2011-12        | 15,255.32                         | Conversion of Preference Shares at premium  |
| 2011-12        | 0.50                              | Exercise of options under ESOP at premium   |
| 2015-16        | 2,329.29                          | Exercise of options under ESOP at premium   |
| 2016-17        | 154.71                            | Exercise of options under ESOP at premium   |
| 2017-18        | 2,925.98                          | Preferential Allotment of equity share at premium   |
| 2018-19        | (10,272.89)                       | The debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve account generated in amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, V N Films Private Limited, Edridge Limited , UFO International Limited Southern Digital Screenz India Private Limited (Transferor Companies) has been adjusted against Securities Premium of the Transferee Company |
| 2021-22        | 8742.88                           | Preferential Allotment of equity share at premium   |
| 2021-22        | (307.90)                          | Share issue expenses adjusted from Securities premium   |
| 2021-22        | 233.58                            | On account of issuance of ESOP Shares at premium  |
| 2022-23        | 108.65                            | On account of issuance of ESOP Shares at premium  |

|              |                  |  |
|--------------|------------------|--|
| 2023-24      | 325.73           | On account of issuance of ESOP Shares at premium   |
| 2023-24      | 213.04           | The effect of Amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, Scrabble Entertainment Limited and Plexigo Entertainment Private Limited and Zinglin Media Private Limited and Scrabble Entertainment (Mauritius) Limited as per the Scheme of Arrangement approved by the NCLT. 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. |
| <b>Total</b> | <b>38,856.58</b> |  |

**JELVIS HENRIQUES & CO.**  
**CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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The Board of Directors  
 UFO Moviez India Limited  
 Valuable Techno Park  
 Plot No. 53/1, Road No.7 MIDC Marol  
 MIDC Andheri (East)  
 Mumbai - 400 093

1<sup>st</sup> June 2024

**Independent Chartered Accountant's Certificate on the relevant section of Companies Act, 2013 and applicable Indian Accounting Standards and accounting treatment**

1. The accompanying Statement for the relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and accounting treatment (hereinafter referred together as the "Statement"), which we have initialled for identification purposes only, is prepared by the management to comply with the requirements of stock exchanges for filing along with Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")

**Management's Responsibility**

2. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents including compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and accounting standards notified under section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Act, in relation to the Scheme and provide all the relevant information to the Securities and Exchange Board of India (SEBI) and the Stock Exchanges.

**Independent Chartered Accountant's Responsibility**

4. Pursuant to the requirements of Regulation 37 of the SEBI LODR and the stock exchanges, it is our responsibility to provide a limited assurance as to whether the applicable provisions of the Act and applicable Indian Accounting Standards and accounting treatment applicable to the Scheme as mentioned in the Statement are appropriate.
5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. We have performed the following procedures in relation to the Statement:
- (i) Obtained and read the accounting treatment in the Scheme;
  - (ii) Obtained and verified that the Statutory Auditors Certificate of the Transferee Company on Accounting Treatment;
  - (iii) Verified that the applicable provisions of the Act and applicable Indian Accounting Standards are fairly described in the accompanying Statement; and
  - (iv) Performed relevant inquiries with the management and obtained the necessary representation.

#### **Opinion**

8. Based on the procedures performed by us as referred to in paragraph 8 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that the applicable provisions of the Act and applicable Indian Accounting Standards and accounting treatment applicable to the Scheme as mentioned in the Statement are not appropriate.

#### **Restriction on Use**

9. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law/ Tribunal and/or any other regulatory authorities, by the management of the Company in connection with the Scheme pursuant to the requirements of Regulation 37 of the SEBI LODR. It should not be used by parties other than as mentioned above without our consent in writing.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

01<sup>st</sup> June, 2024  
Thane



**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

Certificate UDIN: 24110943BKFFNH7699

**Annexure to the Certificate dated 05<sup>th</sup> June 2024 regarding application seeking approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("LODR Regulations") for the Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")**

**In connection with the above application, we hereby confirm that the following sections of the Companies Act, 2013 are applicable to the Scheme:**

1. Section 230 to 232 and Section 66 and Section 52 of Companies Act, 2013; and
2. Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

**For UFO Moviez India Limited**

Sudalaimani  
Rajeshwaran  
Konar



Digitally signed by  
Sudalaimani Rajeshwaran  
Konar  
Date: 2024.06.05 21:57:28  
+05'30'

**Sudalaimani Konar**  
**Authorised Signatory**

**JELVIS HENRIQUES & CO.  
CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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The Board of Directors  
Scrabble Digital Limited  
Valuable Techno Park  
Plot No. 53/1, Road No.7 MIDC, Marol  
MIDC Andheri (East)  
Mumbai - 400 093

01<sup>st</sup> June, 2024

**Independent Chartered Accountant's Certificate on the Share Capital built-up of Scrabble Digital Limited**

1. This Certificate is issued in the case of Scrabble Digital Limited (hereinafter the "Transferor Company 1" or the "Company").
2. At the request of the management, we have examined the accompanying Statement on the details of Capital Evolution of the Company (hereinafter referred together as the "Statement"), which we have initialled for identification purposes only. The statement together with our certificate thereon is required by the Company pursuant to compliance with the requirements of stock exchanges for filing along with Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")

**Management's Responsibility**

3. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Act, in relation to the Scheme and provide all the relevant information to the Securities and Exchange Board of India (SEBI) and the Stock Exchanges.

**Independent Chartered Accountant's Responsibility**

5. Pursuant to the requirements of Regulation 37 of the SEBI LODR and the stock exchanges, it is our responsibility to provide a limited assurance in the form of conclusion based on our examination as to whether the details of the Capital Evolution (Share Capital built up) of the Company as per the annexed Statement is in conformity with the secretarial records of the Company and Shareholder information regarding details of capital evolution available on the MCA Portal of the Company (hereinafter referred as "External filings").
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. We have performed the following procedures in relation to the Statement:

- (i) Verified the details of Capital Evolution of the Company as per the annexed Statement with the secretarial records maintained by the Company including but not limited to the minutes of meetings of the board of directors, share certificates and ROC filings;
- (ii) Verified the details included in the Statement with the information regarding details of capital evolution available on the website of the Company;
- (iii) Tested the arithmetical accuracy of the computation of the cumulative capital; and
- (iv) Performed necessary inquiries with the management and obtained necessary representations.

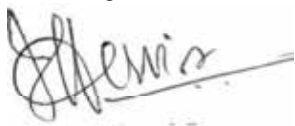
#### Opinion

9. Based on the procedures performed by us as referred to in paragraph 8 above and according to the information, explanation and management representations received by us, the details of the Capital Evolution of the Company as per the annexed Statement is in conformity with the secretarial records of the Company and External filings.

#### Restriction on Use

10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law/ Tribunal and/or any other regulatory authorities, by the management of the Company in connection with the Scheme pursuant to the requirements of Regulation 37 of the SEBI LODR. It should not be used by parties other than as mentioned above without our consent in writing.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

01<sup>st</sup> June, 2024  
Thane



**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

Certificate UDIN: 24110943BKFFNF4064



**DETAILS OF CAPITAL EVOLUTION OF SCRABBLE DIGITAL LIMITED–TRANSFEROR COMPANY 1**

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 30-01-2011    | 3,00,000             | 10                | Subscribers to Memorandum of Association                                 | 3,00,000                          | NA  |
| 29-03-2012    | 84,000               | 10                | Further issue of shares  | 3,84,000                          | NA  |
| 21-05-2013    | 1,83,713             | 350               | Right Issue  | 5,67,713                          | NA  |
| 24-06-2013    | 25,428               | 350               | Preferential Issue   | 5,93,141                          | NA  |
| 30-08-2013    | 1                    | 350               | Preferential Issue   | 5,93,142                          | NA  |

**For Scrabble Digital Limited**

Sudalaimani  
Rajeshwaran  
Konar

Digitally signed by  
Sudalaimani  
Rajeshwaran Konar  
Date: 2024.06.05  
21:59:28 +05'30'

**Sudalaimani Konar**  
**Authorised Signatory**

**Scrabble Digital Limited**

Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC,  
Andheri (East), Mumbai – 400093  
CIN: U74999MH2011PLC213170  
Tel : +91 (22) 4030 5060.  
info@scrabbledigital.com / [www.scrabbledigital.com](http://www.scrabbledigital.com)



**JELVIS HENRIQUES & CO.  
CHARTERED ACCOUNTANTS**

C/102, Parmeshwari Paradise, Majiwada, Thane 400 601 Tel : 2539 8165 / 23

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The Board of Directors  
UFO Software Technologies Private Limited  
Office No. 902, 9th Floor, Ackruti Star,  
Central Road, MIDC, Andheri (East),  
Mumbai - 400093  
01<sup>st</sup> June, 2024

**Independent Chartered Accountant's on the Share Capital built-up of UFO Software Technologies Private Limited**

1. This Certificate is issued in the case of UFO Software Technologies Private Limited (hereinafter the "Transferor Company" or the "Company").
2. At the request of the management, we have examined the accompanying Statement on the details of Capital Evolution of the Company (hereinafter referred together as the "Statement"), which we have initialled for identification purposes only. The statement together with our certificate thereon is required by the Company pursuant to compliance with the requirements of stock exchanges for filing along with Scheme of Arrangement amongst Scrabble Digital Limited ("SDL" or "Transferor Company 1") and UFO Software Technologies Private Limited ("USTPL" or "Transferor Company 2") (together referred as "Transferor Companies") and UFO Moviez India Limited ("UFO" or "Transferee Company") and their respective shareholders under Section 230-232 read with Section 66 and Section 52 of Companies Act, 2013 (hereinafter referred to as the "Scheme")

**Management's Responsibility**

3. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Act, in relation to the Scheme and provide all the relevant information to the Securities and Exchange Board of India (SEBI) and the Stock Exchanges.

**Independent Chartered Accountant's Responsibility**

5. Pursuant to the requirements of Regulation 37 of the SEBI LODR and the stock exchanges, it is our responsibility to provide a limited assurance in the form of conclusion based on our examination as to whether the details of the Capital Evolution (Share Capital built up) of the Company as per the annexed Statement is in conformity with the secretarial records of the Company and Shareholder information regarding details of capital evolution available on the MCA Portal (hereinafter referred as "External filings").
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. We have performed the following procedures in relation to the Statement:

- (i) Verified the details of Capital Evolution of the Company as per the annexed Statement with the secretarial records maintained by the Company including but not limited to the minutes of meetings of the board of directors, share certificates and ROC filings;
- (ii) Verified the details included in the Statement with the information regarding details of capital evolution available on the website of the Company;
- (iii) Tested the arithmetical accuracy of the computation of the cumulative capital; and
- (iv) Performed necessary inquiries with the management and obtained necessary representations.

#### Opinion

9. Based on the procedures performed by us as referred to in paragraph 8 above and according to the information, explanation and management representations received by us, the details of the Capital Evolution of the Company as per the annexed Statement is in conformity with the secretarial records of the Company and External filings.

#### Restriction on Use

10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law/ Tribunal and/or any other regulatory authorities, by the management of the Company in connection with the Scheme pursuant to the requirements of Regulation 37 of the SEBI LODR. It should not be used by parties other than as mentioned above without our consent in writing.

For Jelvis Henriques & Co.  
Chartered Accountants  
Firm's Registration No: 127844W



Jelvis Henriques  
Proprietor  
Membership Number: 110943

01<sup>st</sup> June, 2024  
Thane



**JELVIS HENRIQUES & CO.**  
Chartered Accountants  
C/102, Parmeshwari Paradise,  
Opp. Foodland, Majiwada,  
THANE (W) - 400 601.  
# 9820524616 # 25398123/65

Certificate UDIN: 24110943BKFFNG1640

## UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED

Regd. Office: Office No. 902, 9th Floor, Ackruti Star, Central Road, MIDC,  
Andheri (East), Mumbai- 400093, Maharashtra  
CIN No: U74899MH2005PTC284653

### DETAILS OF CAPITAL EVOLUTION OF UFO SOFTWARE TECHNOLOGIES PRIVATE LIMITED– TRANSFEROR COMPANY 2

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---------------|----------------------|-------------------|--|-----------------------------------|---|
| 19-09-2005    | 10,000               | 10                | Subscribers to the Memorandum of Association                             | 10,000                            | NA  |
| 20-02-2007    | 2,38,219             | 10                | Issue of Shares on Private Placement basis                               | 2,48,219                          | NA  |

#### For UFO Moviez India Limited

Sudalaimani | Digitally signed by  
Rajeshwaran | Sudalaimani  
Konar | Rajeshwaran Konar  
Date: 2024.06.05  
22:00:36 +05'30'

**Sudalaimani Konar**  
**Authorised Signatory**