

NOTICE OF POSTAL BALLOT
[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the
Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given in terms of the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“**Rules**”) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (“**MCA**”) for holding general meetings/conducting postal ballot process through e-voting vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in view of COVID-19 pandemic (“**MCA Circulars**”), that the resolution appended below is proposed to be passed by the Members of UFO Moviez India Limited (“**Company**”) through postal ballot by way of electronic voting (“**Postal Ballot**”).

The draft resolution proposed to be passed by way of Postal Ballot and the Explanatory Statement setting out the material facts concerning the said resolution and the reasons thereof, are annexed hereto for your consideration. The Board of Directors of the Company has appointed Mr. Vicky M. Kundaliya, Practicing Company Secretary (CP No. 10989 and Membership No. FCS 7716) or in his absence Mr. Kaushal Dalal, Practicing Company Secretary (CP No: 7512 and Membership No. FCS 7141) as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. In compliance with the requirements of the MCA Circulars, Members are required to communicate their assent or dissent through the remote e-voting system only. You are requested to carefully read all the instructions given in the Notes. E-voting shall commence on Thursday, February 25, 2021 at 9.00 A.M. (IST) and end on Friday, March 26, 2021 at 5.00 P.M. (IST). The Scrutinizer shall submit his report to the Chairman of the Company or to any other person authorised by him after completion of scrutiny of the e-voting and, the results of the voting shall be declared not later than 05:00 P.M. (IST) on Sunday, March 28, 2021 at the Registered and Corporate Office of the Company. The results along with the Scrutinizer’s Report will be placed on the Company’s website i.e. www.ufomoviez.com and on the e-voting website of KFin Technologies Private Limited i.e. <https://evoting.kfintech.com>. The same shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited, on which the shares of the Company are listed.

SPECIAL BUSINESS

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

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary, and in modification of the special resolution passed at the Fourteenth Annual General Meeting of the Company held on August 9, 2018 (“**14th AGM**”), the approval of the Members be and is hereby accorded for the payment of the remuneration to Mr. Sanjay Gaikwad (DIN: 01001173), Managing Director, for a period of 3 (three) financial years, (commencing from April 1, 2020 to March 31, 2023), on the terms and conditions including perquisites as set out in the explanatory statement of this Resolution, as minimum remuneration, notwithstanding loss or inadequacy of profits in any of the aforesaid 3 (three) financial years.

RESOLVED FURTHER THAT except as modified by the aforesaid, the special resolution approved and passed at the 14th AGM with respect to the re-appointment of Mr. Sanjay Gaikwad, as Managing Director of the Company shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Sanjay Gaikwad as Managing Director within the overall limits under the Act and aforesaid approval of the members and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution.”

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

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary, and in modification of the special resolution passed at the Fourteenth Annual General Meeting of the Company held on August 9, 2018 (“**14th AGM**”), the approval of the Members be and is hereby accorded for the payment of the remuneration to Mr. Kapil Agarwal (DIN: 00024378), Joint Managing Director, for a period of 3 (three) financial years, (commencing from April 1, 2020 to March 31, 2023), on the terms and conditions including perquisites as set out in the explanatory statement of this Resolution, as minimum remuneration, notwithstanding loss or inadequacy of profits in any of the aforesaid 3 (three) financial years.

RESOLVED FURTHER THAT except as modified by the aforesaid, the special resolution approved and passed at the 14th AGM with respect to the re-appointment of Mr. Kapil Agarwal, as Joint Managing Director of the Company shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Kapil Agarwal as Joint Managing Director within the overall limits under the Act and aforesaid approval of the members and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution.”

By order of the Board of Directors

sd/-

Sanjeev Aga

Chairman and Independent Director
DIN: 00022065

Date: February 19, 2021
Place: Mumbai

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, setting out the material facts concerning the said special resolution and the reasons thereof is annexed hereto and forms part of this Postal Ballot Notice (“**Notice**”).
2. As per Section 110 and other applicable provisions of the Act read with Rule 22 of the Rules, cut-off date for the purpose of reckoning the voting rights is Friday, February 19, 2021 (“**Cut-off Date**”). A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
3. This Notice along with the instructions regarding e-voting is being sent only by e-mail to all those Members, whose e-mail address is registered with the Company or with the Depositories/Depository Participants and whose names appear in the Register of Members/list of Beneficial Owners as on the Cut-off Date, in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (“**MCA**”) for holding general meetings/conducting postal ballot process through e-voting vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 (“**MCA Circulars**”). The Notice shall also be uploaded on the website of the Company i.e. www.ufomoviez.com and on the e-voting website of KFin Technologies Private Limited (“**KFin**”) i.e. <https://evoting.kfintech.com>.

All the Members of the Company as on the Cut-off Date (including those Members who may not have received this Notice due to non-registration of their e-mail address with the Company or the Depositories/Depository Participants) shall be entitled to vote in accordance with the process specified in Note No. 8. As per the MCA Circulars and in view of non-availability of postal and courier services, physical copy of Postal Ballot Notice, Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot.

4. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**the Regulations**”) and in accordance with the MCA Circulars, the Company has engaged KFin as the agency for facilitating remote e-voting to enable the Members to cast their votes electronically (“**remote e-voting**”). In accordance with the MCA Circulars, the Members can vote only through remote e-voting.
5. Dispatch of the Notice shall be deemed to be completed on Tuesday, February 23, 2021.
6. E-voting shall commence on Thursday, February 25, 2021 at 9.00 A.M. (IST) and end on Friday, March 26, 2021 at 5.00 P.M. (IST). The e-voting module shall be disabled by KFin for voting thereafter.
7. The Company has Mr. Vicky M. Kundaliya, Practicing Company Secretary (CP No. 10989 and Membership No. FCS 7716) or in his absence Mr. Kaushal Dalal, Practicing Company Secretary (CP No: 7512 and Membership No. FCS 7141) as ‘Scrutinizer’ for conducting the Postal Ballot process in a fair and transparent manner.
8. **The remote e-voting process shall be as under:**

A. In case of Members receiving e-mail from KFin:

- i. Launch internet browser by typing the following URL: <https://evoting.kfintech.com>
- ii. Enter the login credentials, given as under:

First time Users	User ID and Password as given in email
Existing Users	
User ID:	For Members holding shares in Demat form:
	a. For NSDL: 8 character DP ID followed by 8 digit Client ID
	b. For CDSL: 16 digit Beneficiary ID/Client ID
	For Members holding shares in Physical form:
	Event No. (EVEN) followed by Folio No. registered with the Company
Password:	Your existing password

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

- v. Login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e. “UFO MOVIEZ INDIA LIMITED”
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned above. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts may choose to vote differently for each folio/demat accounts.
- ix. If you are holding shares in Demat form and had logged on to <https://evoting.kfintech.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm or “CANCEL” to modify. Once you confirm your voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, Members can login any number of times and vote till they have confirmed their voting on the resolution.
- xii. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF Format) of the Certified True Copy of the Board Resolution, together with attested specimen signature(s) for authorising the representatives to vote on their behalf, to the Scrutinizer through e-mail to vickyscrutinizer@gmail.com with a copy marked to evoting@kfintech.com
- xiii. Any shareholder who holds the shares as on the cut-off date i.e., Friday, February 19, 2021, may obtain the User ID and password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No/DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-voting Event Number + Folio No. Or DPID Client ID to **+919212993399**

Example for NSDL: MYEPWD <SPACE> IN12345612345678
Example for CDSL: MYEPWD <SPACE> 1402345612345678
Example for Physical: MYEPWD <SPACE> XXX1234567890
 - b) If e-mail address of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com> , the Member may click "Forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password

- B. In case of Members who have not registered their email address:** Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
- i. Members who have not registered their email address and in consequence could not receive the Notice may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://ris.kfintech.com/clientservices/postalballot/> and following the registration process as guided thereafter. Post successful registration of the email, the Member would get soft copy of the Notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot. In case of any queries, Member may write to einward.ris@kfintech.com
 - ii. It is clarified that for permanent registration of email address, the Members are requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India by following due procedure.
 - iii. Those Members who have already registered their email address are requested to keep their email addresses updated with their Depository Participants/the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices/documents/Annual Reports electronically to their email address.
9. Upon completion of scrutiny of the votes, the Scrutinizer will submit his report to the Chairman or to any other person authorised by him. The result of the Postal Ballot shall be declared by the Chairman or any other person authorised by him, not later than 05:00 P.M. (IST) on Sunday, March 28, 2021 at the Registered and Corporate Office of the Company. The resolution if passed by the requisite majority shall be deemed to have been passed on the last date specified by the Company for e-voting, i.e. Friday, March 26, 2021.
- The result of the Postal Ballot along with the Scrutinizer's Report will be placed on the Company's website i.e. www.ufomoviez.com and on the e-voting website of KFin i.e. <https://evoting.kfintech.com> The same shall simultaneously be communicated to the BSE Limited and the National Stock Exchange of India Limited, on which the shares of the Company are listed and displayed at the Registered Office and Corporate Office of the Company.
10. In case of any query/concern/grievance, Members may refer the (i) remote e-voting user manual or (ii) Help & Frequently Asked Questions (FAQs), available at the downloads section of <https://evoting.kfintech.com> or contact Mr. B. Srinivas, Manager (Unit: UFO Moviez India Limited), Corporate Registry, KFin Technologies Private Limited at Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, India, at email: einward.ris@kfintech.com; 1-800-3454-001 (toll free)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 1

Mr. Sanjay Gaikwad, Managing Director, has been the innovator and envisions of the Company for over a decade. His contribution has been immense and his strategic and techno-commercial guidance is the bedrock upon which the plans of the Company and its subsidiaries are developed. He has contributed significantly to key strategic initiatives of the Company. At this crucial juncture, therequirement of the Company to draw upon his expertise, knowledge, and experience is even higher.

The financial position of the Company has been adversely and unexpectedly affected due to the global pandemic caused on account of the COVID-19 pandemic, which has forced the industry to come to a grinding halt with film production and theatres shut, due to the nationwide lockdown. Hence, financial year 2020-21 (i.e. from April 1, 2020 to March 31, 2021) has been a difficult year for the Company. While film production has picked up, theatres are re-opening gradually and large-scale vaccination is expected to bring normalcy to the Company's operations and revenue in due course, there are uncertainties including those associated with new vaccines and new strains of the COVID-19 virus. Hence, the spillover effects of the pandemic could be felt for the next few quarters as well.

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

The members of the Company at the Fourteenth Annual General Meeting held on August 9, 2018 ("14th AGM"), approved the re-appointment of Mr. Sanjay Gaikwad as the Managing Director and fixed the terms of his remuneration for the period of 5 (five) years with effect from October 17, 2018. At the time of recommending and approving the terms of remuneration of Mr. Sanjay Gaikwad, the COVID-19 pandemic and its adverse impact on the Company's profitability were not anticipated.

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, and subject to approval of the members of the Company, have approved the payment of remuneration (details of which are mentioned herein below), as minimum remuneration payable to Mr. Sanjay Gaikwad.

It is specifically clarified that no increase in remuneration of Mr. Sanjay Gaikwad is proposed and the remuneration mentioned below was already approved by the members at the 14th AGM.

Remuneration proposed:

1) Salary:

Rs. 11,00,000/- per month*

- 2) **Perquisites: ***
- a. Company's contribution to provident fund and superannuation fund as per Company rules.
 - b. Gratuity as per Company rules
 - c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof
 - d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement
 - e. Provision of Company maintained car, reimbursement of driver's salary & petrol and vehicle maintenance expenses for the official use
 - f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use
 - g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category
 - h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide
- 3) The total remuneration* as per point (1) and (2) above shall be restricted to an amount of Rs. 2,75,00,000/- p.a.
- 4) Mr. Sanjay Gaikwad will also be entitled to a Special Allowance of Rs. 35,00,000/- p.a. payable equally on monthly basis.*
- 5) In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Sanjay Gaikwad will also be entitled for an annual performance incentive not exceeding Rs. 1,90,00,000/-.*

*** Notwithstanding anything stated above, given that the financial performance of the Company for FY 2020-21 has been unexpectedly affected due to the COVID-19 pandemic, the total remuneration payable to Mr. Sanjay Gaikwad for FY 2020-21 shall not exceed Rs. 95,00,000/- (Rupees Ninety-Five Lacs).**

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

The statement as required under Part II, Section II of the Schedule V, Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, of the Act with reference to Special Resolution at Item No. 1 is stated below.

Statement containing information pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards-2 on General Meetings:

Name of Director	Mr. Sanjay Gaikwad
DIN	01001173
Date of birth and (Age in years)	July 26, 1965, 55 years
Date on which first appointed on the Board	He has served as a Director of the Company from June 14, 2004 to June 30, 2006. He was subsequently, appointed as a Managing Director on October 17, 2008.
Brief resume	<p>Mr. Sanjay Gaikwad, one of our Promoters, is the Managing Director (Executive, Non-Independent Director) of our Company.</p> <p>He holds a Bachelor's Degree in Chemical Engineering and a Master's Degree in Management Studies from the University of Mumbai. Prior to setting up our Company, he was associated with leading media houses of India such as Zee Group and Indian Express Group. He is a recipient of the Maxell – Maharashtra Corporate Excellence Awards, 2014 for Excellence in Innovation.</p>
Qualifications	He holds Bachelor's Degree in Chemical Engineering and Master's Degree in Management Studies from the University of Mumbai.
Experience and Expertise	More than 28 years of experience in the field of Technology, Finance, Strategy, and General Corporate Management.
Number of Meetings of the Board attended during the year	11 out of 11 board meetings (till February 19, 2021)
Details of remuneration and remuneration last drawn	Rs. 297.35 lacs during the F.Y. 2019-20
Details of shareholding in the Company	9,17,229 equity shares (3.24%) as on December 31, 2020
Relationship with other Directors/ Key Managerial Personnel (if any)	Nil

Details of Directorships/ Committee Chairmanship and memberships in other companies	Sr. No.	Name of the Company	Designation
	1.	Valuable Technologies Limited	Director
	2.	Nisarg Building Art & Technology Private Limited	Director
	3.	Impact Media Exchange Limited	Director
	4.	Valuable Destinations Private Limited	Director
	5.	M5 Media Investments Private Limited	Director
	6.	UFO Moviez India Limited	Managing Director
	7.	Nifty Portfolio Services Private Limited	Director
	8.	Qwik Entertainment India Private Limited	Director
	9.	Goldcrest Financial Services Private Limited	Director
	10.	Scrabble Entertainment Limited	Director
	11.	Valuable Media Private Limited	Director
	12.	Valuable Technologies Inc.	Director
	13.	Valuable Infocom Limited, Hongkong	Director
Details of Committee Chairmanship and memberships in other companies	Name of the Company	Name of Committee	Position
	UFO Moviez India Limited	Compensation Committee	Member
		Stakeholders' Relationship Committee	Member
		Corporate Social Responsibility	Chairman & Member
		Finance Committee	Member
	Scrabble Entertainment Limited	Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman & Member

The statement containing additional information pursuant to Section II, Part II of the Schedule V of the Act:

I. General Information:																																										
1.	Nature of industry	Digital cinema distribution and in-cinema advertising																																								
2.	Date or expected date of commencement of commercial production	The Company is in operation since June 30, 2004																																								
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																																								
4.	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th colspan="4">Consolidated (Rs. in lacs)</th> </tr> <tr> <th>Title</th> <th>2019-20</th> <th>2018-19</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>50,392.40</td> <td>61,685.13</td> <td>59,695.86</td> </tr> <tr> <td>PBT</td> <td>5,217.80</td> <td>9,949.14</td> <td>9,838.29</td> </tr> <tr> <td>PAT</td> <td>3,877.06</td> <td>6,653.54</td> <td>6,285.65</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Standalone (Rs. in lacs)</th> </tr> <tr> <th>Title</th> <th>2019-20</th> <th>2018-19</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>34,885.60</td> <td>42,537.06</td> <td>42,765.50</td> </tr> <tr> <td>PBT</td> <td>10,356.26</td> <td>6,406.26</td> <td>10,850.33</td> </tr> <tr> <td>PAT</td> <td>10,131.81</td> <td>4,058.22</td> <td>8,187.56</td> </tr> </tbody> </table>	Consolidated (Rs. in lacs)				Title	2019-20	2018-19	2017-18	Turnover	50,392.40	61,685.13	59,695.86	PBT	5,217.80	9,949.14	9,838.29	PAT	3,877.06	6,653.54	6,285.65	Standalone (Rs. in lacs)				Title	2019-20	2018-19	2017-18	Turnover	34,885.60	42,537.06	42,765.50	PBT	10,356.26	6,406.26	10,850.33	PAT	10,131.81	4,058.22	8,187.56
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5.	Foreign investments or collaborations, if any.	<p>As at December 31, 2020, FII / FVCI / Foreign Bodies Corporates, NRI, etc. holds 62,00,117 (21.87%) equity shares of the Company.</p> <p>As at December 31, 2020 the foreign investment by the Company is Rs. 70.95 Lacs</p>																																								
II. Information about the appointee:																																										
1.	Background details	Mr. Sanjay Gaikwad holds a Bachelor's Degree in Chemical Engineering and a Master's Degree in Management Studies from the University of Mumbai. Prior to setting up our Company, he was associated with leading media houses of India such as Zee Group and Indian Express Group. He is a recipient of the Maxell – Maharashtra Corporate Excellence Awards, 2014 for Excellence in Innovation.																																								
2.	Past remuneration	Rs. 297.35 lacs during the F.Y. 2019-20																																								
3.	Recognition or awards	Maxell – Maharashtra Corporate Excellence Awards, 2014 for Excellence in Innovation.																																								

4.	Job profile and his suitability	As stated above in the explanatory statement																				
5.	Remuneration proposed	As stated above in the explanatory statement																				
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The remuneration as proposed of Mr. Sanjay Gaikwad is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company. Moreover, in his position as Managing Director of the Company, Mr. Sanjay Gaikwad devotes his substantial time in overseeing the operations of the Company. Set forth below are details of comparative remuneration profile:</p> <p>As on March 31, 2020:</p> <p style="text-align: right;">(Rs. in lacs)</p> <table border="1"> <thead> <tr> <th>Title</th> <th>PVR</th> <th>Inox Leisure</th> <th>UFO</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>3,32,722.00</td> <td>1,91,456.84</td> <td>34,885.60</td> </tr> <tr> <td>PBT</td> <td>9,544.00</td> <td>12,852.10</td> <td>10,356.26</td> </tr> <tr> <td>PAT</td> <td>3,016.00</td> <td>1,494.47</td> <td>10,131.81</td> </tr> <tr> <td>Managerial Remuneration paid one MD/WTD</td> <td>1,670.13</td> <td>--</td> <td>297.35</td> </tr> </tbody> </table>	Title	PVR	Inox Leisure	UFO	Turnover	3,32,722.00	1,91,456.84	34,885.60	PBT	9,544.00	12,852.10	10,356.26	PAT	3,016.00	1,494.47	10,131.81	Managerial Remuneration paid one MD/WTD	1,670.13	--	297.35
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7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	<p>Apart from receiving directors' remuneration, Mr. Sanjay Gaikwad does not have any direct pecuniary relationship with the Company.</p> <p>There are certain transactions between the Company and companies in which Mr. Sanjay Gaikwad is a director /shareholder.</p> <p>Details of such related party transactions are disclosed in the financial statements of the Company.</p> <p>Mr. Sanjay Gaikwad does not have any direct or indirect pecuniary relationship with the managerial personnel.</p>																				
III.	Other information																					
1.	Reasons of loss or inadequate profits	<p>The business of the Company has been adversely affected because of the COVID-19 pandemic, as the industry in which the Company operates was severely impacted due to the nationwide lockdown. Hence, financial year 2020-21 (i.e. from April 1, 2020 to March 31, 2021) has been a difficult year for the Company. While film production has picked up, theatres are re-opening gradually and large-scale vaccination is expected to bring normalcy to the Company's operations and revenue in due course, there are uncertainties including those associated with new vaccines and new strains of the COVID-19 virus. Hence, the spillover effects of the pandemic could be felt for the next few quarters as well.</p>																				

2.	Steps taken or proposed to be taken for improvement	<p>Since the onset of the COVID-19 outbreak, the Company has taken necessary measures to mitigate any adverse impact on the business and focused on Cash Conservation through curtailing fixed and manpower costs, ensuring a steady flow of debtor realisations, tightening control over trade payables and putting on hold Capital Expenditure towards digital cinema.</p> <p>With the starting of film production and reopening of theatres, the Company expects a gradual improvement in its financial position in the coming quarters.</p>
3.	Expected increase in productivity and profits in measurable terms	<p>The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The Company has been profitable since financial year 2011-12 – however, its business (digital cinema distribution and in-cinema advertising) has been adversely affected due to the COVID-19 pandemic. While there are several uncertainties affecting the Company’s external business environment which are beyond the Company’s control, the Company, in good faith, endeavours to become profitable within the next three to four quarters.</p>
IV Disclosures		
1.	Remuneration package of the managerial person	As per explanatory statement above

The Board of Directors recommend passing of the resolution proposed in Item No. 1 as a Special Resolution.

None of the Directors/Key Managerial Personnel and/or their relatives, except Mr. Sanjay Gaikwad is directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 1.

ITEM NO. 2

Mr. Kapil Agarwal, Joint Managing Director, has made tremendous contribution to the growth of the Company since its inception. As the head of day-to-day operations of the Company, he has been instrumental in managing the affairs of the Company and bringing it to its pre-eminent position in the industry. His financial acumen and untiring efforts in running the business have reaped rich dividends for the Company. Since his appointment as Joint Managing Director in 2009, he has lead the Company to new heights both operationally as well as financially. He also spearheaded the Company’s IPO and was instrumental in the listing of the shares in May 2015. The Company, under his leadership, has seen significant growth in all financial parameters. At this crucial juncture, the requirement of the Company to draw upon his expertise, knowledge, and experience is even higher.

The financial position of the Company has been adversely and unexpectedly affected due to the global pandemic caused on account of the COVID-19 pandemic, which has forced the industry to come to a grinding halt with film production and theatres shut, due to the nationwide lockdown. Hence, financial year 2020-21 (i.e. from April 1, 2020 to March 31, 2021) has been a difficult year for the Company. While film production has picked up, theatres are re-opening gradually and large-scale vaccination is expected to bring normalcy to the Company's operations and revenue in due course, there are uncertainties including those associated with new vaccines and new strains of the COVID-19 virus. Hence, the spillover effects of the pandemic could be felt for the next few quarters as well.

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

The members of the Company at the Fourteenth Annual General Meeting held on August 9, 2018 ("14th AGM"), approved the re-appointment of Mr. Kapil Agarwal as the Joint Managing Director and fixed the terms of his remuneration for the period of 5 (five) years with effect from March 1, 2019. At the time of recommending and approving the terms of remuneration of Mr. Kapil Agarwal, the COVID-19 pandemic and its adverse impact on the Company's profitability were not anticipated.

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, and subject to approval of the members of the Company, have approved the payment of remuneration (details of which are mentioned herein below), as minimum remuneration payable to Mr. Kapil Agarwal.

It is specifically clarified that no increase in remuneration of Mr. Kapil Agarwal is proposed and the remuneration mentioned below was already approved by the members at the 14th AGM.

Remuneration proposed:

1) Salary:

Rs. 11,00,000/- per month*

2) Perquisites:*

- a. Company's contribution to provident fund and superannuation fund as per Company rules.
- b. Gratuity as per Company rules
- c. Accommodation (furnished or otherwise) or House rent allowance in lieu thereof
- d. Reimbursement of expenses or allowances for gas, electricity, water, furnishings, repairs, servant salary, medical reimbursement
- e. Provision of Company maintained car, reimbursement of driver's salary & petrol and vehicle maintenance expenses for the official use
- f. Provision of mobile, telephone and internet facility at residence and reimbursement of bills at actuals for the official use

- g. Leave travel concession, club fee, medical/ accident insurance and such other perquisites and allowances as may be allowed under the Company's rules / schemes and available to other employees of his category
 - h. Subject to any statutory ceiling/s, the Executive Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide
- 3) The total remuneration* as per point (1) and (2) above shall be restricted to an amount of Rs. 2,75,00,000/- p.a.
- 4) Mr. Kapil Agarwal will also be entitled to a Special Allowance of Rs. 35,00,000/- p.a. payable equally on monthly basis.*
- 5) In addition to the above, and subject to the Nomination and Remuneration Committee's final determination based upon defined profitability and shareholders' value creation scheme parameters, Mr. Kapil Agarwal will also be entitled for an annual performance incentive not exceeding Rs. 1,90,00,000/-.*

*** Notwithstanding anything stated above, given that the financial performance of the Company for FY 2020-21 has been unexpectedly affected due to the COVID-19 pandemic, the total remuneration payable to Mr. Kapil Agarwal for FY 2020-21 shall not exceed Rs. 95,00,000/- (Rupees Ninety-Five Lacs).**

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

The statement as required under Part II, Section II (A) of the Schedule V, Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, of the Act with reference to Special Resolution at Item No. 2 is stated below.

Statement containing information pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards-2 on General Meetings:

Name of Director	Mr. Kapil Agarwal
DIN	00024378
Date of birth and (Age in years)	October 14, 1960, 60 years
Date on which first appointed on the Board	He has served as a Director of the Company from May 13, 2005 to January 9, 2007. Subsequently, he was reappointed as a Director on October 17, 2008 and then designated as a Joint Managing Director on March 1, 2009.
Brief resume	Mr. Kapil Agarwal, a Chartered Accountant by qualification, is the Joint Managing Director (Executive, Non-Independent Director) of our Company. In his previous assignments, he was associated with leading industrial houses such as Modi Group, Apollo Tyres, and British Gas. He is a recipient of the CA Business Leader – SME Sector award for exceptional performance and achievement.
Qualifications	He holds a Bachelor's Degree in Commerce from the University of Meerut and is a Chartered Accountant
Experience and Expertise	More than 37 years of experience in the field of finance, strategy, and general Corporate Management
Number of Meetings of the Board attended during the year	11 out of 11 board meetings (till February 19, 2021)
Details of remuneration and remuneration last drawn	Rs. 297.35 lacs during the F.Y. 2019-20
Details of shareholding in the Company	4,62,394 equity shares (1.63%) as on December 31, 2020
Relationship with other Directors/ Key Managerial Personnel (if any)	Nil

Details of Directorships/ Committee Chairmanship and memberships in other companies	Sr. No.	Name of the Company	Designation
	1.	UFO Moviez India Limited	Joint Managing Director
	2.	Scrabble Entertainment Limited	Director
	3.	Scrabble Entertainment (Mauritius) Limited	Director
	4.	Scrabble Entertainment DMCC	Director
	5.	Scrabble Digital Inc	Director
	6.	Scrabble Ventures LLC	Director
	7.	Scrabble Ventures S. DE R.L. DE C.V	Director
	8.	Ipsaa Educuity Private Limited	Director
Details of Committee Chairmanship and memberships in other companies	Name of the Company	Name of Committee	Position
	UFO Moviez India Limited	Stakeholders' Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
		Finance Committee	Member
	Scrabble Entertainment Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member

The statement containing additional information pursuant to Section II, Part II of the Schedule V of the Act:

I.	General Information:	
1.	Nature of industry	Digital cinema distribution and in-cinema advertising
2.	Date or expected date of commencement of commercial production	The Company is in operation since June 30, 2004

3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																																																																																
4.	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th colspan="4">Consolidated</th> <th colspan="4">(Rs. in lacs)</th> </tr> <tr> <th>Title</th> <th>2019-20</th> <th>2018-19</th> <th>2017-18</th> <th colspan="4"></th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>50,392.40</td> <td>61,685.13</td> <td>59,695.86</td> <td colspan="4"></td> </tr> <tr> <td>PBT</td> <td>5,217.80</td> <td>9,949.14</td> <td>9,838.29</td> <td colspan="4"></td> </tr> <tr> <td>PAT</td> <td>3,877.06</td> <td>6,653.54</td> <td>6,285.65</td> <td colspan="4"></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Standalone</th> <th colspan="4">(Rs. in lacs)</th> </tr> <tr> <th>Title</th> <th>2019-20</th> <th>2018-19</th> <th>2017-18</th> <th colspan="4"></th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>34,885.60</td> <td>42,537.06</td> <td>42,765.50</td> <td colspan="4"></td> </tr> <tr> <td>PBT</td> <td>10,356.26</td> <td>6,406.26</td> <td>10,850.33</td> <td colspan="4"></td> </tr> <tr> <td>PAT</td> <td>10,131.81</td> <td>4,058.22</td> <td>8,187.56</td> <td colspan="4"></td> </tr> </tbody> </table>	Consolidated				(Rs. in lacs)				Title	2019-20	2018-19	2017-18					Turnover	50,392.40	61,685.13	59,695.86					PBT	5,217.80	9,949.14	9,838.29					PAT	3,877.06	6,653.54	6,285.65					Standalone				(Rs. in lacs)				Title	2019-20	2018-19	2017-18					Turnover	34,885.60	42,537.06	42,765.50					PBT	10,356.26	6,406.26	10,850.33					PAT	10,131.81	4,058.22	8,187.56				
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5.	Foreign investments or collaborations, if any.	<p>As at December 31, 2020, FII / FVCI / Foreign Bodies Corporates, NRI, etc. holds 62,00,117 (21.87%) equity shares of the Company.</p> <p>As at December 31, 2020 the foreign investment by the Company is Rs. 70.95 Lacs</p>																																																																																
II. Information about the appointee:																																																																																		
1.	Background details	Mr. Kapil Agarwal is a Chartered Accountant by qualification. In his previous assignments, he was associated with leading industrial houses such as Modi Group, Apollo Tyres, and British Gas. He is a recipient of the CA Business Leader – SME Sector award for exceptional performance and achievement.																																																																																
2.	Past remuneration	Rs. 297.35 lacs during the F.Y. 2019-20																																																																																
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4.	Job profile and his suitability	As stated above in the explanatory statement																																																																																
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6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The remuneration as proposed of Mr. Kapil Agarwal is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company. Moreover, in his position as Joint Managing Director of the Company, Mr. Kapil Agarwal devotes his substantial time in overseeing the operations of the Company.</p> <p>As on March 31, 2020:</p> <p style="text-align: right;">(Rs. in lacs)</p> <table border="1" data-bbox="691 569 1377 884"> <thead> <tr> <th>Title</th> <th>PVR</th> <th>Inox Leisure</th> <th>UFO</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>3,32,722.00</td> <td>1,91,456.84</td> <td>34,885.60</td> </tr> <tr> <td>PBT</td> <td>9,544.00</td> <td>12,852.10</td> <td>10,356.26</td> </tr> <tr> <td>PAT</td> <td>3,016.00</td> <td>1,494.47</td> <td>10,131.81</td> </tr> <tr> <td>Managerial Remuneration paid one MD/WTD</td> <td>1,670.13</td> <td>--</td> <td>297.35</td> </tr> </tbody> </table>	Title	PVR	Inox Leisure	UFO	Turnover	3,32,722.00	1,91,456.84	34,885.60	PBT	9,544.00	12,852.10	10,356.26	PAT	3,016.00	1,494.47	10,131.81	Managerial Remuneration paid one MD/WTD	1,670.13	--	297.35
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1.	Reasons of loss or inadequate profits	The business of the Company has been adversely affected because of the COVID-19 pandemic, as the industry in which the Company operates was severely impacted due to the nationwide lockdown. Hence, financial year 2020-21 (i.e. from April 1, 2020 to March 31, 2021) has been a difficult year for the Company. While film production has picked up, theatres are re-opening gradually and large-scale vaccination is expected to bring normalcy to the Company's operations and revenue in due course, there are uncertainties including those associated with new vaccines and new strains of the COVID-19 virus. Hence, the spillover effects of the pandemic could be felt for the next few quarters as well.																				
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IV	Disclosures	
1.	Remuneration package of the managerial person	As per explanatory statement above

The Board of Directors recommend passing of the resolution proposed in Item No. 2 as a Special Resolution.

None of the Directors/Key Managerial Personnel and/or their relatives, except Mr. Kapil Agarwal is directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 2.

By order of the Board of Directors

sd/-

Date: February 19, 2021
Place: Mumbai

Sanjeev Aga
Chairman and Independent Director
DIN: 00022065