

Date: June 28, 2019

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Fax: 022 – 2272 3121

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Fax: 022 – 2659 8237 / 38

BSE Scrip Code: 539141

NSE Scrip Code: UFO

Ref.: UFO Moviez India Limited

Dear Sir / Ma'am,

Sub: Notice of 15th Annual General Meeting and Annual Report for the FY 2018-19

The 15th Annual General Meeting (AGM) of the Company scheduled to be held on Thursday, July 25, 2019 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400 093.

Pursuant to Regulation 34(l) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2018-19 along with the Notice of AGM which is being dispatched / sent to the members by the permitted mode(s).

The Annual Report containing the Notice of AGM is also uploaded on the Company's website <http://www.ufomoviez.com/>

Kindly take note of the above on your record.

Thanking you,

Yours faithfully,
For **UFO Moviez India Limited**



Sameer Chavan
Company Secretary

Encl: a/a

Cc:
National Securities Depository Limited
Trade World, A wing, 4th & 5th Floors,
Kamala Mills Compound, Lower Parel,
Mumbai - 400 013.
Tel.: 91-22-2499 4200
Emails: rajivr@nsdl.co.in; ravig@nsdl.co.in;
amity@nsdl.co.in; jifd@nsdl.co.in

Central Depository Services (India) Limited
25th Floor, Marathon Futurex,
N M Joshi Marg, Lower Parel (East),
Mumbai - 400013.
Tel : +91-22-2302 3333
Email: taraa@cdslindia.com; aditin@cdslindia.com;
rensin@cdslindia.com; VijayK@cdslindia.com

UFO MOVIEZ INDIA LIMITED

ANNUAL
REPORT
2018 -19

**POISED FOR
GROWTH**

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UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2018-19

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UFO MOVIEZ AT A GLANCE

UFO Moviez India Limited is India's largest digital cinema distribution network and in-cinema advertising platform. UFO operates India's largest satellite-based, digital cinema distribution network using its proprietary platform, as well as India's largest D-Cinema network. As on March 31, 2019, UFO's global network, along with subsidiaries and associates, spans 5,758 screens worldwide, including 5,315 screens across India and 443 screens across the Middle East, Israel, Mexico and the USA.

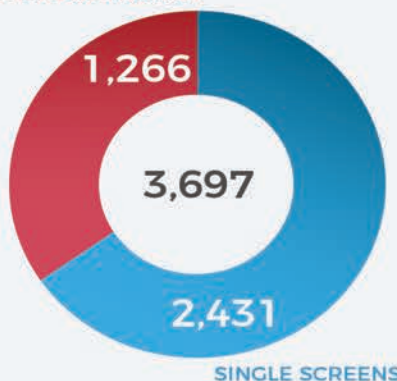
OUR VISION

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



HIGH IMPACT ADVERTISING SCREENS

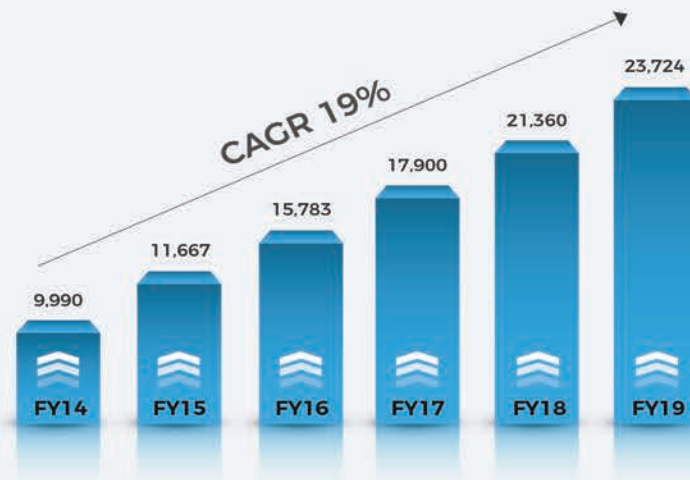
MULTIPLEX SCREENS



Inventory Utilisation

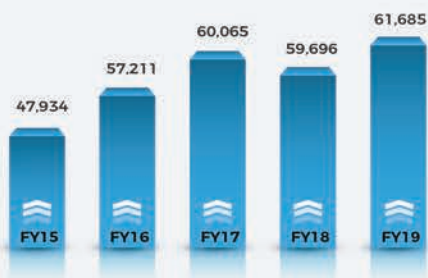
5.54 Minutes Sold / Show / Ad Screen

ADVERTISEMENT REVENUE (₹ LACS)

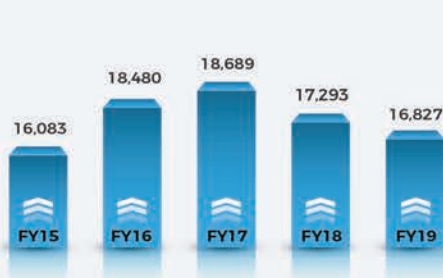


FINANCIAL HIGHLIGHTS

REVENUE (₹ LACS)



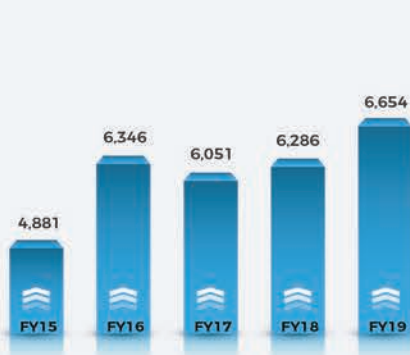
EBITDA (₹ LACS)



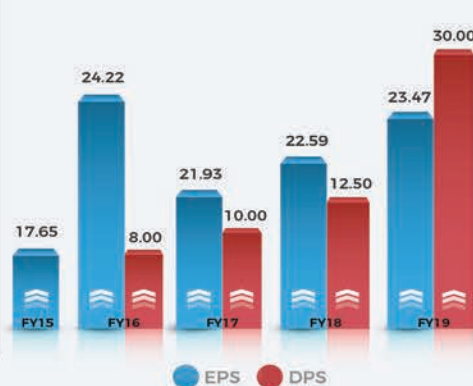
PBT (₹ LACS)



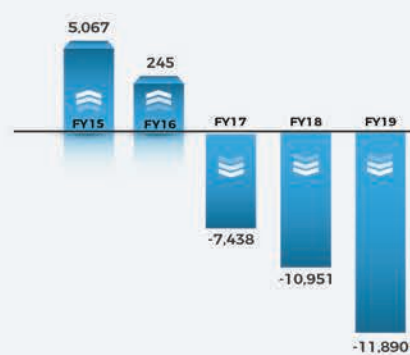
PAT (₹ LACS)



BASIC EPS & DPS (₹)



NET DEBT (₹ LACS)



LETTER TO SHAREHOLDERS

Dear Shareholders,

We are pleased to share that UFO has delivered another year of steady performance. We delivered 11% advertisement growth during the fiscal year 2019. Our cash flow generation continued to remain healthy and Capex intensity remained low. We also declared a 300% dividend for the year, which included a one-time special dividend of 150% in view of the availability of cash with the Company.

Looking forward, we are confident of delivering sustained growth in the medium to long term. The Indian economy is expected to remain the fastest growing major economy in the world on the back of digitization, globalization, favourable demographics and reforms. The Government through the past Union budgets has also been providing a consumption push which will result in higher demand. Consumer behavior and expenditure patterns will continue to shift and correspondingly result in increase in advertising spends. In this scenario, we believe that there will continue to be tremendous growth prospects in India.

UFO's in-cinema Advertisement platform will continue to benefit from these trends as India is expected to become the third largest consumer economy in the World by 2025. We will continue to focus on driving advertisement revenue growth driven by increasing inventory utilization and realizations. The measurement and research on cinemas which was institutionalized will help in further deepening customer engagement. Advertisers prefer credible research that provides footfalls, consumer data and profiles. Hence, this data will drive advertiser interest and enable brands to take better informed investment decisions.

On the Scheme of Arrangement and Amalgamation between UFO and Qube, the petition for the merger with Qube was dismissed by NCLT in January and subsequently we started exploring alternate options to combine UFO and Qube. However, on account of the current market conditions and decline in our stock price, the comparative value of Qube requires a similar write down which is not in line with the expectations of the shareholders of Qube. Hence at this stage there is a standstill. However, the Managements and Promoters of both companies are convinced of the benefits of the unified operations and will continue the efforts to unify both Companies.

Finally, on behalf of the Board of Directors, we would like to take this opportunity to express sincere gratitude to all our stakeholders for their continued interest and faith in UFO. Many thanks to all our shareholders for their unconditional support. A special appreciation to all our employees for their vigorous efforts and commitment that have helped in making UFO a prominent Digital Cinema and In-Cinema advertising service provider in India. We look forward to continuing this journey and achieving bigger dreams together in the future.

Warm Regards,

Sanjay Gaikwad
Founder and Managing Director

Kapil Agarwal
Joint Managing Director



CORPORATE INFORMATION

Board of Directors

Sanjeev Aga	Chairman & Independent Director
Ameya Hete	Non-Executive Director
Kapil Agarwal	Joint Managing Director
Lynn de Souza	Independent Director
Raaja Kanwar	Non-Executive Director
S. Madhavan	Independent Director
Sanjay Gaikwad	Managing Director

Chief Executive Officer (CEO) - Indian Operations

Rajesh Mishra

Chief Financial Officer

Ashish Malushte

Company Secretary

Sameer Chavan

Statutory Auditors

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

Bankers

HDFC Bank Limited
YES Bank Limited

Registrar & Share Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District Nanakramguda, Hyderabad – 500 032.
Tel No.: 040 6716 2222;
Fax No.: 040 2300 1153.
Toll-Free No.: 1800 345 4001
Email: einward.ris@karvy.com

Registered and Corporate Office

Valuable Techno Park, Plot No.53/1, Road No.07,
Marol, MIDC, Andheri (East),
Mumbai- 400 093.
Tel: 022 4030 5060
Email: investors@ufomoviez.com
Website: www.ufomoviez.com

Corporate Identity Number

L22120MH2004PLC285453

ANNUAL GENERAL MEETING

Day & Date: Thursday, July 25, 2019

Time: 03:00 p.m.

Venue: Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400093

ANNUAL GENERAL MEETING VENUE - ROUTE MAP



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of UFO Moviez India Limited ("the Company") will be held on Thursday, the 25th day of July, 2019 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400093 to transact the following business(es):

Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of an interim dividend of 275% (₹ 27.50 per equity share on the face value of ₹10 each) for the financial year ended March 31, 2019 which includes a one-time special dividend of 150% (₹15.00 per equity share on the face value of ₹10 each) declared by the Board.
3. To declare a final dividend of 25% (₹ 2.50 per equity share on the face value of ₹ 10 each), for the financial year ended March 31, 2019.
4. To appoint a Director in place of Mr. Raaja Kanwar (DIN 00024402), who retires by rotation, and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Sameer Chavan
Company Secretary
M. No. F7211

Date: May 21, 2019
Place: Mumbai

Notes:

1. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India as notified by the Central Government on General Meetings in respect of Directors seeking appointment or re-appointment at the Annual General Meeting is furnished as an annexure to the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

4. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
 - i. it is signed by the Member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Member first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.
 - ii. it is duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company/ Registrar & Share Transfer Agent.
5. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Company's Registrar & Share Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) having their office premises at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Andhra Pradesh, India.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11:00 a.m. to 01:00 p.m. except Saturday, Sunday and public holidays, up to the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, July 19, 2019 to Thursday, July 25, 2019 (both days inclusive).
9. Dividend, if declared, will be paid after Thursday, July 25, 2019 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business on Thursday, July 18, 2019.

10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH -13 duly filled to M/s. Karvy Fintech Private Limited at the above- mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. Karvy Fintech Private Limited / the Company immediately.
11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2018-19 are being sent by e-mail to those members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. Karvy Fintech Private Limited, as the case may be.
12. Members are requested to: a) intimate to the Company's Registrar & Share Transfer Agents, M/s. Karvy Fintech Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form; b) intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form; c) quote their folio numbers / DP ID Client ID in all correspondence; d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
13. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least between 7 working days prior to the meeting, so that the required information can be made available at the meeting.
14. Pursuant to the provision of the Companies Act, 2013, the amount of unpaid/unclaimed dividends for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (hereinafter referred to as 'IEPF') established by the Central Government. In accordance with provisions of the said Section, no claim shall lie against the Company or the fund in respect of individual amounts of dividend remaining unclaimed for a period of 7 years from the dates they became first due for payment and no payment shall be made in respect of any such claims. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company http://www.ufomoviez.com/IR_Unpaid_Dividend.aspx and on the website of the Ministry of Corporate Affairs.

15. The due date of transferring unclaimed and unpaid dividend declared by the Company to IEPF:

Sr. No.	Year	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed dividend to Investor Education and Protection Fund
1	Interim Dividend 2015-2016	March 11, 2016	April 9, 2023	From April 10, 2023 to May 9, 2023
2	Final Dividend 2015-2016	September 14, 2016	October 13, 2023	From October 14, 2023 to November 12, 2023
3	Dividend 2016-2017	September 26, 2017	October 25, 2024	From October 26, 2024 to November 14, 2024
4	Dividend 2017-2018	August 9, 2018	September 8, 2025	From September 9, 2025 to October 8, 2025

Members who have not encashed the dividend warrants so far in respect of the aforesaid dividend are requested to make their claim to the Company's Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited well in advance to the above due date.

As per the provisions of Section 124(1) of the Companies Act, 2013 where a dividend has been declared by a company but has not been paid or claimed within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

Further, as per Section 124(5) of the Companies Act, 2013 any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under Section 125(1) and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

Further as per Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members

holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited. Non-Resident Indian members are requested to inform Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited, immediately of: (i) Change in their residential status on return to India for permanent settlement; (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

17. Payment of Dividends through electronic mode: In terms of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any of the Reserve Bank of India approved electronic mode of payment viz, electronic clearance services (local, regional or national), direct credit, real-time gross settlement, national electronic funds transfer etc. We, therefore, request you to do the following:

- (i) In case of holding of shares in demat form, update your bank account details with your Depository Participants (DP) immediately. (ii) In case of physical shareholding, submit bank details along with a photocopy of the cancelled cheque of your account to the Company's Registrar & Share Transfer Agent, M/s. Karvy Fintech Private Limited at its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

This will facilitate the remittance of the dividend account amount as directed by SEBI in the Bank Account electronically.

18. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

- (a) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password).

In case of the physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of a Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on the first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at vickyscrutinizer@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate name_event no."

- (b) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
19. Voting at Annual General Meeting (AGM) Venue: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however, those Members are not entitled to cast their vote again in the Meeting.
20. A Member can opt for the only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
21. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com/> (Karvy Website) or contact Mr. B Srinivas (Unit: UFO Moviez India Limited) of M/s. Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
22. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending a future communication(s).
23. The remote e-voting period commences on Sunday, July 21 2019 (10:00 am) and ends on Wednesday, July 24, 2019 (05:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Thursday, July 18, 2019 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
24. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, July 18, 2019.
25. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Thursday, July 18, 2019, he/ she may obtain the User ID and Password in the manner as mentioned below:
- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call Karvy's toll free number 1800-3454-001.
 - Member may send an e-mail request to einward.ris@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.
26. Mr. Vicky M. Kundaliya, Practicing Company Secretary (FCS: 7716 CP: 10989), has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.
27. The Scrutinizer after scrutinizing the votes cast at the Meeting through ballot or polling paper and through remote e-voting, shall within 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
28. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company http://www.ufomoviez.com/Shareholder_Communication.aspx and on the website of the Karvy <https://evoting.karvy.com/> The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
29. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, July 25, 2019 subject to receipt of the requisite number of votes in favour of the resolutions.
30. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2.

Name of Director	Mr. Raaja Kanwar
Date of Birth and Age	February 4, 1970 49 years
Date of Initial Appointment	May 13, 2005
Qualification	Bachelor's degree in business administration from Drexel University, Pennsylvania, United States of America.
Experience and Expertise	He is an Entrepreneur and has expertise in strategic guidance. He has total experience of more than 25 years. He has been associated with the Company since 2005 as a Director.
No. of meetings of the Board attended during the financial year 2018-19	2 out of 9
List of Directorship of Board as on March 31, 2019	<ol style="list-style-type: none"> 1. UFO Moviez India Limited 2. Apollo International Limited 3. Apollo Logisolutions Limited 4. AR SPA Enterprises Private Limited 5. Kashipur Infrastructure and Freight Terminal Private Limited 6. AIL Consultants Private Limited (formerly known as OSK Holdings (ATL) Private Limited 7. OSK Holding (AIL) Private Limited 8. Apollo Fiege Integrated Logistics Private Limited 9. Walnut Helathcare Private Limited
List of Membership / Chairmanship of as on March 31, 2019	<p>Apollo International Limited</p> <ol style="list-style-type: none"> 1. Audit Committee - Member 2. Corporate Social Responsibility Committee - Member <p>Apollo Logisolutions Limited</p> <ol style="list-style-type: none"> 1. Corporate Social Responsibility Committee - Member
Shareholding in the Company as on date	Nil
Relationship with other directors, manager and Key Managerial Personnel of the Company	No Relation
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>Mr. Raaja Kanwar is a Non-executive, Non-independent Director of the Company.</p> <p>Remuneration sought to be paid -Nil.</p> <p>Remuneration paid during financial year 2018-19-Nil</p>
Justification for choosing the appointee for the appointment as Independent Directors	Not Applicable

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the fifteenth report on the business and operations of your Company for the year ended March 31, 2019.

RESULT OF OPERATIONS

The financial performance of your Company on a standalone and consolidated basis for the year ended March 31, 2019 is summarized below:

(₹ in Lacs)

Particulars	Standalone			Consolidated		
	FY19	FY18	Growth	FY19	FY18	Growth
Revenue from Operations	42,417.54	42,406.13	0.03%	60,938.25	59,057.22	3.09%
Other Operating Income	50.50	245.72	-386.57%	247.89	345.74	-39.47%
Other Income	69.02	113.65	-64.66%	498.99	292.90	41.30%
Total Income	42,537.06	42,765.50	-0.54%	61,685.13	59,695.86	3.22%
Total Expenses	30,613.96	28,818.64	5.86%	44,857.73	42,403.14	5.47%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	11,923.10	13,946.86	-16.97%	16,827.40	17,292.72	-2.77%
EBITDA Margin	28.03%	32.61%	-	27.28%	28.97%	-
Depreciation and Amortisation	5,643.51	6,166.20	-9.26%	7,358.00	7,983.28	-8.50%
Earnings before Interest and Tax (EBIT)	6,279.59	7,780.66	-23.90%	9,469.40	9,309.44	1.69%
Finance Cost	889.96	607.84	31.70%	1,102.41	918.08	16.72%
Finance Income	(1,016.63)	(3,677.51)	-261.74%	(1,224.22)	(798.35)	34.79%
Profit before Tax and share of profit from associates	6,406.26	10,850.33	-69.37%	9,591.21	9,189.71	4.19%
Share of profit from associates (net)	-	-	-	357.93	648.58	-81.20%
Profit before tax and after share of profit from associates	6,406.26	10,850.33	-69.37%	9,949.14	9,838.29	1.11%
Tax	2,348.04	2,662.77	-13.40%	3,447.30	3,784.14	-9.77%
Profit after Tax (PAT)	4,058.22	8,187.56	-101.75%	6,501.84	6,054.15	6.89%
Other Comprehensive Income	(34.15)	3.42	110.01%	187.81	(16.87)	108.98%
Total comprehensive income for the year, net of tax	4,024.07	8,190.98	-103.55%	6,689.65	6,037.28	9.75%
Profit for the year attributable to equity shareholder	-	-	-	6,653.54	6,285.65	5.53%
Profit for the year attributable to Non-controlling interest	-	-	-	(151.70)	(231.50)	-52.60%
Other comprehensive income attributable to equity Shareholder	-	-	-	187.81	(17.71)	109.43%
Other comprehensive income attributable to Non controlling interests	-	-	-	-	0.84	-100%

For a detailed analysis of the financial performance, please refer to the "Management Discussion and Analysis" Section, forming part of the Annual Report.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year in question and the date of this report.

DIVIDEND

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of ₹ 2.50 per share for the financial year 2018-19. The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 854.46 lacs including dividend tax resulting in a payout of 21.06% of the standalone profits of the Company. Further, the Board on May 21, 2019 had declared an interim dividend of ₹ 27.50 per share which includes a one-time special dividend of ₹15.00 per share for the financial year 2018-19 which involved a cash outflow of ₹ 9,399.06 lacs including dividend tax resulting in a payout of 231.61% of the standalone profits of the Company.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2019, was ₹ 2,835.08 lacs. During the year under review, the Company has not issued any new shares.

EMPLOYEE STOCK OPTIONS

The Company operates the 'UFO Moviez India Limited - Employee Stock Option Scheme - 2014' (ESOP Scheme 2014), which is compliant with SEBI ESOP Regulations.

During the year under review, on April 3, 2018, the Board of Directors of the Company, on the recommendations of the Compensation Committee of the Board of Directors, granted 2,08,578 employee stock options at an exercise price of ₹ 400 per option to the employees of the Company and its subsidiaries.

Further, on May 15, 2018, members of the Company through special resolutions passed by way of postal ballot had approved repricing and change in exercise period of 6,28,503 employees stock options granted on December 12, 2014. The exercise price of 6,28,503 employees stock options is repriced from ₹ 600 per option to ₹ 400 per option and the exercise period is extended upto December 11, 2020.

Mr. Kapil Agarwal, Joint Managing Director and Key Managerial Personnel of the Company i.e. Mr. Ashish Malushte, Chief Financial Officer, Mr. Rajesh Mishra, Chief Executive Officer – Indian Operations and Mr. Sameer Chavan, Company Secretary have voluntarily provided an undertaking to the Company that they will not dispose-off the equity shares arising out of conversion of the options (which are being repriced) for a period of 2 years from the date of members' approval for revision of exercise price.

The details of employee stock options form part of the notes to accounts of the financial statements in the Annual Report and relevant disclosures as per the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as "Annexure-1" to this report.

FINANCIAL STATEMENTS

Your Company prepares its financial statements in compliance with the requirements of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards)

Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. Further, in the financial statement for the year ending March 31, 2019, the financial statements for the previous year ended March 31, 2018 and the Balance Sheet as at March 31, 2018, have been prepared and presented as per Ind AS so as to make comparisons. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated. The estimates and judgments relating to the financial statements are made on a prudent basis so as to reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs as on March 31, 2019 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for the year ended March 31, 2019.

There is no qualification in the standalone or in the consolidated financial statements by the Statutory Auditors for the year under review.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with relevant 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 form part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals which impact the Company's going concern status and its operations in the future.

SCHEME OF ARRANGEMENT

I) Amalgamation of Southern Digital Screenz India Private Limited, V. N. Films Private Limited, Edridge Limited and UFO International Limited with the Company:

On July 26, 2016, the Board of Directors of the Company had approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including step down subsidiaries namely Southern Digital Screenz India Private Limited ('SDS'), V. N. Films Private Limited ('VNFPL'), Edridge Limited ('EL') and UFO International Limited ('UIL') (together referred to as the 'merging companies') with the Company, subject to all the necessary statutory / regulatory approvals ('the Scheme'). The appointed date for the amalgamation for VNFPL, EL and UIL is April 1, 2016 and for SDS, the appointed date is July 1, 2016.

The Company had filed the Scheme with the Bombay High Court on October 4, 2016. Pursuant to notification of Section 232 of the Companies Act, 2013 on December 9, 2016, the Company filed the Scheme with National Company Law Tribunal (NCLT), Mumbai Bench on January 20, 2017.

On June 22, 2018 NCLT had approved 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 was effective on June 29, 2018 with effect from the appointed date of April 1, 2016 for the amalgamation of VNFPL, EL and UIL with the Company and the appointed date of July 1, 2016 for SDS.

II) Composite Scheme Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited:

The members of the Company in their meeting held on May 21, 2018 had approved the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ('UFO') and Qube Cinema Technologies Private Limited ('QCTPL') and Qube Digital Cinema Private Limited ('QDCPL') and Moviebuff Private Limited ('MPL') and PJSA Technosoft Private Limited ('PJSA') and their respective shareholders and creditors (Qube Merger Scheme').

On May 25, 2018 the Company and PJSA had jointly filed the petition with the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench to obtain its sanction for the aforesaid Qube Merger Scheme. NCLT in a hearing held on January 21, 2019, had dismissed the said petition. The Company and PJSA had filed an appeal on February 25, 2019 before the National Company Law Appellate Tribunal ("NCLAT") challenging the aforementioned order of the NCLT. The said appeal is currently pending before NCLAT.

SHARE WARRANTS

As on March 31, 2019; a total of 15,25,000 share warrants of ₹ 10 each were outstanding. Each share warrant, which were allotted at an issue price of ₹ 400.13/- each is convertible into one equity share. These share warrants are held by promoters as per details given below:

Name of Allottee	No. of share warrants
Mr. Sanjay Gaikwad	2,50,000
Mr. Narendra Hete	2,50,000
Valuable Media Limited	10,25,000

The share warrants are exercisable within a period of 18 months from the date of their allotment i.e. December 16, 2017, in one or more tranches. The share warrants will lapse if not exercised within a period of 18 months from their allotment i.e. by June 15, 2019.

The Company had received a subscription amount of ₹ 1,525.50 lacs, i.e. 25% of the issue price of the share warrants at the time of subscription and remaining 75% of the issue price of the share warrants will be received by the Company once these share warrants are exercised.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Management Discussion and Analysis is set out in the Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at March 31, 2019, your Company had 6 direct subsidiaries, 6 step-down subsidiaries and 5 associates.

During the year under review, the Company has made an investment of ₹ 60 lacs in Valuable Digital Screens Private Limited (VDSPL), a subsidiary company of the Company, by purchasing remaining 2,895 equity shares (representing 20% of equity share capital of VDSPL) from the existing shareholder of VDSPL. Post this acquisition, VDSPL became a wholly owned subsidiary of the Company.

Further, upon effect of amalgamation of Southern Digital Screenz India Private Limited, V. N. Films Private Limited, Edridge Limited and UFO International Limited, wholly owned subsidiaries with the Company with effect from June 29, 2018, the said wholly owned subsidiary companies ceased to exist from the said date.

Also, the name of United Film Organisers (UFO) (Mauritius) Private Limited has been removed from the Register of Companies as per the local laws of Mauritius and ceased to exist with effect from June 8, 2018.

Further, during the year under review, Scrabble Entertainment Limited (SEL), wholly owned subsidiary of the Company has made an investment of ₹ 2,400 lacs in Scrabble Digital Limited (SDL), associate company of SEL, by purchasing 3,95,428 equity shares (representing 66.67% of equity share capital of SDL) from existing shareholders of SDL. Post this acquisition, SDL became a wholly owned subsidiary of the SEL and thereby became step-down wholly owned subsidiary company of the Company.

Also, during the year under review, Scrabble Audio Visual Equipment Trading LLC – Dubai, an associate company, was incorporated by one of the step-down subsidiary of the Company i.e. Scrabble Entertainment DMCC, with holding of 49% partner's share capital through total investment of ₹ 28.27 lacs (AED 1,47,000).

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013, and form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed format AOC-1 is attached to the financial statements. The statement also provides the details of performance and financial position of each of the subsidiaries and associates.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the

Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx These documents are also available for inspection during business hours at the Company's registered office in Mumbai, India.

CORPORATE GOVERNANCE

The Corporate Governance Report for the financial year ended March 31, 2019, forms part of the Annual Report.

BOARD DIVERSITY

Your Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives, appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at the Board level as an essential element in maintaining competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, and background among directors. These differences are considered in determining the optimal composition of the Board. The Board has adopted a Board Diversity Policy which sets out its approach in this regard. The Board Diversity Policy is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

NUMBER OF MEETINGS OF THE BOARD

The Board met 9 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two consecutive board meetings was within the period prescribed by the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an optimum combination of executive and non-executive directors with an independent, non-executive chairman to maintain the independence of the Board, and to separate the functions of governance and management in the Company.

As on March 31, 2019, the Board consisted of 7 members, 2 of whom are executive directors and 5 are non-executive directors. Out of the 5 non-executive directors, 3 are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining the qualifications, the positive attributes, independence and other matters, provided under Section 178(3) of the Companies Act, 2013 is adopted by the Board. The said policy is appended as "Annexure-2" to this report. The remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. During the year under review, the Company has modified its Nomination and Remuneration Policy to the extent of change in definition of senior management as per amendments in the Listing Regulations.

The Nomination and Remuneration Policy of the Company is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and under the Listing Regulations.

BOARD EVALUATION

Regulation 4(2)(f) the Listing Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance evaluation of all the individual directors, the Board as a whole and that of its committees was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as recommended by the Chairman of the Nomination and Remuneration Committee.

TRAINING OF INDEPENDENT DIRECTORS

The Company familiarizes its Directors including independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

The Managing Director and the Joint Managing Director also have one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory framework in which the Company operates and equip themselves to effectively fulfill their role as Directors of the Company.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The terms and conditions of their appointment are available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

INDUCTIONS

There were no fresh appointments of Directors during the year under review.

RETIREMENT AND RE-APPOINTMENTS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Raaja Kanwar retires by rotation at the

forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of independent directors. Section 149(10) of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, all the independent directors, were appointed by the shareholders at the general meeting as required under Section 149(10) for a period of 3 years with effect from November 20, 2014.

Further, all the independent directors, were re-appointed for a second term by the shareholders at the general meeting as required under Section 149(10) for a period of 5 years with effect from November 20, 2017.

Further, according to Section 149(11), no independent director shall be eligible for appointment for more than two consecutive terms of 5 years. Sub-section (13) states that the provisions of retirement by rotation as defined in Section 152(6) and 152(7) of the Companies Act, 2013 shall not apply to such independent directors.

Mr. Sanjay Gaikwad, Managing Director of the Company had been re-appointed for a period of 5 years from October 17, 2013 to October 16, 2018 and Mr. Kapil Agarwal, Joint Managing Director of the Company had been re-appointed for a period of 5 years from March 1, 2014 to February 28, 2019.

The members of the Company at their Annual General Meeting held on August 8, 2018 re-appointed Mr. Sanjay Gaikwad as Managing Director of the Company for period of 5 years from October 17, 2018, and Mr. Kapil Agarwal as Joint Managing Director of the Company for a period of 5 years from March 1, 2019 and approved their remuneration.

RESIGNATIONS / RETIREMENT

During the year under review, none of the directors resigned from the Board of the Company.

During the year under review, Mr. Varun Laul, Director of the Company retired by rotation.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on June 14, 2018 and May 20, 2019 *inter alia*, to:

- (a) review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- (c) assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

INTERNAL FINANCIAL CONTROLS

Your Company has laid out an Internal Control Framework which is commensurate with the size, scale and complexity of its operations. This framework ensures the orderly and efficient

conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Controls have been identified along with risks and mitigation processes covering major areas across all business functions. These Internal controls were reviewed by the Internal auditors.

Strengthening of controls is a continuous and evolving process in the Company. Based upon observations, findings and recommendations of the internal auditors, process owners develop preventive and corrective actions which are then deployed across the organization.

Based on the Board's evaluation, it was determined that the Company's internal financial controls are adequate and were operating effectively as of March 31, 2019.

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company as on March 31, 2019 comprised of 3 Independent Directors, Mr. Sanjeev Aga, Mr. S. Madhavan and Ms. Lynn de Souza and 1 Non Executive, Non-Independent Director, Mr. Ameya Hete. Mr. Sanjeev Aga is the Chairman of the Committee.

All members of the Audit and Risk Management Committee possess requisite experience and knowledge of accounting and financial management. For further details on the Audit and Risk Management Committee, please refer to the Corporate Governance Report forming part of the Annual Report.

COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company as on March 31, 2019 comprised of 1 Independent Director, Ms. Lynn de Souza; 1 Non-Executive Director, Mr. Ameya Hete and 2 Executive Directors, Mr. Sanjay Gaikwad and Mr. Kapil Agarwal. Ms. Lynn de Souza is the Chairperson of the Committee. For further details on the Stakeholders' Relationship Committee, please refer to the Corporate Governance Report forming part of the Annual Report.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances.

The details of the Whistle blower policy are available on the Company's website under web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx For further details on the Whistle blower policy, please refer to the Corporate Governance Report forming part of the Annual Report.

RISK MANAGEMENT

The Company has developed and implemented Risk Management plans in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. The Risk Management plans define the risk management approach of the Company and includes a periodic review of such risks and also the documentation, mitigating measures, and reporting mechanism of such risks.

DIRECTORS' RESPONSIBILITY STATEMENTS REQUIRED UNDER SECTION 134(3)(C) OF THE COMPANIES ACT, 2013

Based upon the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors, and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2018-19.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) the financial statements for the financial year ended March 31, 2019 have been prepared on a going concern basis in accordance with relevant Indian Accounting Standards (Ind AS), and there are no material departures from the same;
- (b) the accounting policies selected were applied consistently and the judgments and estimates related to financial statements have been made on a reasonable and prudent basis so as to reflect in a true and fair manner, the form and substance of the underlying transactions and to reasonably present the state of affairs as on March 31, 2019 and the profit including other comprehensive income and cash flow and the changes in equity of the Company for that period ;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively; and
- (e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a CSR Committee headed by Mr. Sanjay Gaikwad as Chairman with Ms. Lynn de Souza and Mr. Kapil Agarwal as Members. The Committee is responsible for formulating and monitoring the CSR policy of the Company. The Company has adopted a CSR policy in compliance with the provisions of the Companies Act, 2013. The same is available on the website of the Company under web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013, during the three immediately preceding financial years was ₹ 8,128.76 lacs. It was hence required to spend a minimum of ₹ 162.58 lacs on CSR activities during the financial year 2018-19, being 2% of the average net profits of the three immediately preceding financial years.

The Company has contributed an amount of ₹ 163.00 lacs towards CSR activities against its obligation of ₹ 162.58 lacs for the financial year 2018-19.

The annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure-3" forming part of this Report.

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

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as "Annexure-4" to this report.

GREEN INITIATIVES

Your Company is publishing only the statutory disclosures of the Annual Report in the print version. Additional information is available on the Company's website www.ufomoviez.com. Electronic copies of the Annual Report 2018-19 and Notice of the 15th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 and the Notice of the 15th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

AUDITORS

Statutory Auditors

At the 14th Annual General Meeting held on August 9, 2018, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting of the Company until the conclusion of the 19th Annual General Meeting for a consecutive term of five years. As per the commencement of notification of Section 40 of the Companies Amendment Act, 2017 with effect from May 7, 2018, the first proviso of Section 139 of the Companies Act, 2013 which was referring to ratification of the appointment of Statutory Auditor at every Annual General Meeting of the Company has been omitted. Hence, the Company is not required to ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2019-20.

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit and Risk Management Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

Secretarial Auditor

Mr. Dharmesh Zaveri of M/s. D.M. Zaveri & Co., Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2018-19 forms part of the Annual Report as "Annexure-5" to this report. There are no qualifications or adverse observations by the Secretarial Auditor of the Company for the year under review.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure-6" to this report. Also, the same is also available on the Company's website under the web link at http://www.ufomoviez.com/IR_Corporate_Governance.aspx

HUMAN RESOURCES

Your Directors believe that the key to success of any Company are its employees. Your Company has a team of able and experienced professionals, whose dedicated efforts and enthusiasm has been an integral part of your Company's growth. Your Directors would like to place on record their deep appreciation of their continuous effort and contribution to the Company.

Particulars of employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 disclosing the ratio of the remuneration of each director to the median employee's remuneration and such other details is appended as "Annexure-7" to this report.

A statement containing the names of every employee employed throughout the financial year 2018-19 and in receipt of remuneration for the said financial year which, in the aggregate, was not less than ₹ 102 lacs and employed for a part of the financial year 2018-19, was in receipt of remuneration for any part of the said financial year, at a rate which, in the aggregate, was not less than ₹ 8.50 lacs per month and top 10 employees in terms of remuneration, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms an integral part of this report. The same is not being sent alongwith this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013.

Members who are interested in obtaining these particulars may write to the Company Secretary at the registered office of the Company and the same will be furnished on request.

Policy on prevention, prohibition and redressal of sexual harassment at workplace

The Company has zero tolerance for sexual harassment at workplace, and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy

aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee as per the provisions of the said act to inquire into complaints of sexual harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2018-19.

CAUTIONARY STATEMENT

Statements in this Report and the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Important factors that could influence the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws, economic developments within the country and other incidental factors.

ACKNOWLEDGMENT

Your directors thank all customers, vendors, investors, bankers, and all other business partners for their excellent support during the year. They wish to place on record appreciation of the strong commitment and contribution made by employees of the Company at all levels.

Your directors also take this opportunity to place on record their appreciation for continued co-operation and unstinted support received from the film producers, distributors, exhibitors, and advertisers who have contributed to the success of the Company.

Your directors thank the Central Government, various State Governments and other Government agencies and bodies for their support, and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Place: Mumbai
Date: May 21, 2019

Ameya Hete
Director
DIN: 01645102

FORM NO. AOC-2**Particulars of contracts / arrangements made with related parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

All related party transactions that were entered into during the financial year ended March 31, 2019 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit and Risk Management Committee for approval. The policy on Related Party Transactions as approved by the Board is available on the Company's website www.ufomoviez.com

Details of material contracts or arrangement or transactions at arm's length basis:

No material related party contracts or arrangements or transactions were entered during the financial year ended March 31, 2019 by the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 21, 2019

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

The Company's policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which Company's human resources management aligns its recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Policy

The Company considers human resources as one of its most valuable assets. Its objective is to pay such remuneration to its employees as is commensurate with the employees' role and responsibilities and the performance of each of its employees in the Company. The Company has adopted a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and Other Employees, which is aligned to this objective.

The key objectives of this policy are as under:

- To lay down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company.
- To lay down criteria to carry out evaluation of every Director's performance.
- To formulate criteria for determining qualification, positive attributes and independence of a Director.
- To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and Other Employees to work towards the long term growth and success of the Company.

The criteria for identifying persons who are qualified to be appointed as Directors / Committee Members / KMPs / Senior Management Personnel / Other Employees of the Company.

Directors: Section 164 of the Companies Act, 2013 specifies the disqualifications for appointment of director of any company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as a Director of the Company.

Nomination and Remuneration Committee of the Board of Directors of the Company shall identify the persons who are qualified to become directors and recommend to the board their appointment / re-appointment.

Independent Directors: For appointing any person as an Independent Director, he/she should possess qualifications as mentioned in Section 149 of the Companies Act, 2013, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Regulations.

Nomination and Remuneration Committee of the Board of Directors of the Company shall identify the persons who are qualified to become independent directors and recommend to the board their appointment / re-appointment.

Committees of the Board: The Nomination and Remuneration Committee shall determine the criteria for selection of the Board Committee members and recommend to the board the members to be appointed to various committees.

KMPs, Senior Management Personnel and Other employees:

The Company has an Organogram displaying positions of Senior Management Personnel including KMP and other positions, in accordance with the minimum qualifications and experience requirements and any other criteria that have been laid down by the Committee for each such position. Any new employee in the Company has to match the requirements prescribed in the Organogram of the Company.

The selection of KMPs and Senior Management Personnel shall be done by the Human Resource Department of the Company after obtaining approval of the Managing Director / Joint Managing Director.

The details of appointment and cessation of KMPs and Senior Management Personnel shall be placed before the Committee periodically.

The selection of other employees shall be done by the Human Resource Department of the Company after obtaining approval of the functional head of the respective department.

The term/tenure of Directors / KMPs / Senior Management Personnel / Other Employees shall be as per the provisions of the Companies Act, 2013, the Listing Regulations, any prevailing policies of the Company, and the terms of any appointment letters issued to them by the Company.

Structure of remuneration for the Executive Directors, KMPs and Senior Management Personnel:

- a. The Executive Directors, KMPs and Senior Management Personnel (other than non-executive Directors) receive Basic Salary and other Allowances/Perquisites/Benefits such as leave travel concession, medical reimbursement, club fees, company car and driver and fuel and maintenance for company car. They are also entitled to provident fund, gratuity, group term life insurance, group mediclaim insurance and group personal accident insurance. The total salary includes fixed and variable components.
- b. The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:
 - i. The scope of duties, the role and nature of responsibilities.

- ii. The level of skill, knowledge and experience of individuals.
- iii. Core performance requirements and expectations of individuals.
- iv. The Company's performance and strategy.
- v. Legal and commercial obligations and considerations.
- vi. The table below depicts the standard components of remuneration package.

Fixed Component		
Basic Salary	Allowances /Perquisites / Benefits such as leave travel concession, medical reimbursement, club fees, company car and driver, fuel and maintenance for company car, group term life insurance, group mediclaim insurance and group personal accident insurance.	Superannuation / statutory contributions to provident fund and group gratuity scheme.

The Executive Directors, KMPs and Senior Management Personnel may also hold and be entitled to stock options of the Company.

- c. The Committee shall recommend the remuneration of Executive Directors to the Board for its approval.
- d. The Committee shall recommend the remuneration of KMPs and Senior Management to the Board for its approval.

Structure of remuneration for Non-Executive Directors

- a) Non-Executive Directors other than the Independent Directors are not currently paid any remuneration by the Company.
- b) Independent Directors are paid remuneration in recognition of the responsibilities, accountability and associated risks of Directors. The total remuneration of Independent Directors may include all, or any combination of following elements:
 - i. Fees for attending meetings of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
 - ii. Fees for attending meetings of committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.

- iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board/shareholders from time to time to be payable to any of the Independent Directors.
- iv. Independent Directors are also entitled to payment of travel and other expenses they incur for attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees.
- v. Independent Directors shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the Listing Regulations.

Criteria for evaluating performance of Board members, Key Managerial Personnel, Senior Management Personnel

- i. **Criteria for evaluating performance of Board members:** Section 149 of the Companies Act, 2013 read with Schedule IV of the Act states that (i) the independent directors shall, at their separate meeting, review the performance of non-independent directors and the Board as a whole and (ii) the performance evaluation of independent directors shall be done by the entire Board excluding the director(s) being evaluated. The performance evaluation of the Managing Director and the Joint Managing Director is carried out by the Board on the basis of performance management system and development plan of the Company. Framework for performance evaluation of the Board members, including independent directors, Board committee is specified in "Annexure A" to this Nomination and Remuneration Policy.
- ii. **Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:** The performance evaluation of KMP (excluding board members) and Senior Management Personnel is carried out by the Managing Director or the Joint Managing Director on the basis of performance management system and development plan of the Company.
- iii. **Criteria for evaluating performance of Other Employees:** The power to decide criteria for evaluating performance of other Employees has been delegated to the HR Department of the Company.

For and on behalf of the Board of Directors

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

Place: Mumbai
Date: May 21, 2019

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

Your Company is committed to operate and grow its business in a socially responsible way with a vision to be an environment friendly corporate citizen. The Company has taken up various corporate social responsibility initiatives earlier and will continue to do so in future.

Our CSR vision

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

CSR committee

Your Company has a board committee (CSR Committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. The CSR committee comprises of: Mr. Sanjay Gaikwad as Chairman, Ms. Lynn de Souza and Mr. Kapil Agarwal as Members.

Our focus areas

While your Company strives to undertake all or any suitable activity as specified in Schedule VII to the Companies Act, 2013 currently, it promotes activities relating to any of the departments of the Central Government, or any of the State Governments, or any of the Union Territories of India, or any other eligible trusts, with respect to their activities specified in Schedule VII to the Companies Act, 2013.

Financial details

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

Sr. No.	Particulars	₹ In Lacs
1.	Average net profit of the Company for last three financial years	8,128.76
2.	Prescribed CSR expenditure (2% of the average net profit as computed above)	162.58
3.	Details of CSR expenditure during the financial year:	
a)	Total amount to be spent for the financial year	162.58
b)	Amount unspent, if any	Nil
c)	The manner in which the amount spent during the financial year is detailed below:	

CSR project or activity identified	Advertisements played on UFO network cinemas promoting campaigns "Health Food Safety Standard" and "Chief Minister Distress Relief Fund - (State of Kerala)"
Sector in which the project is covered	Promotion of Health Care and Ensuring Environmental Sustainability
Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Pan India
Amount outlay (Budget) project or program wise	163.00
Amount spent on the projects or programs Sub-heads (1) direct expenditure on projects or programs. (2) overheads	163.00
Cumulative expenditure up to the reporting period	163.00
Amount spent direct or through implementing agency	Direct

Our CSR responsibilities

Your directors hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Visit Company's website www.ufomoviez.com for more details related to our CSR Policy.

For and on behalf of the Board of Directors

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Lynn de Souza
Chairperson of CSR
Committee Meeting
DIN: 01419138

Place: Mumbai
Date: May 21, 2019

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

[Particulars pursuant to the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

The Company is in the business of providing digital cinema services and provides digital cinema equipments to the cinema theatres comprising of a sophisticated digital projector and industrial grade digital cinema server supported by a 3KVA UPS system. Typically, digital cinema equipment requires cooling sourced from a 0.75 or 1 ton air conditioner having a power consumption rating of 3KVA. The combined power consumption for a cinema theatre works out to approximately 6KVA which translates into 4.8 Kilo Watts of power consumption per hour. The Company's digital cinema equipments replace the conventional analog projectors which typically operate at 8 to 10 KVA capacity, consuming approximately 6.4 to 8 Kilo Watts of power consumption per hour. Replacement of analog projectors with digital projectors brings substantial savings in power consumption for the cinema theatres. Further, replacement of conventional analog projectors with digital projectors also makes the environment clean by replacing the conventional polyester films used by analog projectors for projection, with digital files used for projection by digital projectors.

B. Research and Development, Technology Absorption, Adaptation and Innovation

The Company provides digital cinema equipments to the cinema theatres, sourced from the equipment manufacturers/ dealers and delivers the film content at the cinema theaters through a two-way VSAT setup across India. To reduce power consumption and time required for delivery of the film content, the Company has developed a low power Download Box which runs for longer periods on available battery back-up. This development has augmented the backup duration. As a process of continuous improvement in the digital cinema services, the Company evaluates and selects the right combination of hardware/software for effective digital cinema services. Adoption of right combination of hardware/software allows the Company to deliver film content with greater speed while maintaining quality and also reduces the file size, which consequently increases the no. of times the film content can be delivered.

The Company is also working on improvements in various other areas of digital cinema services like audio, network operating centre for cinema theatre management and theatre-end servers.

C. Foreign Exchange Earnings and Outgo

During the year the foreign exchange outflow is ₹ 4,058.62 lacs and there is no foreign exchange earning during the said period.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 21, 2019

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT****for the financial year ended March 31, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
UFO Moviez India Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UFO Moviez India Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the UFO Moviez India Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable during the year under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable during the year under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Following law is specifically applicable to the Company in addition to laws mentioned above
 - (i) The Cinematography Act, 1952

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. including other specific laws to the extent applicable to the Company as represented by management mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review;

1. The Board of Directors of the Company in its meeting held on April 3, 2018, on the recommendations of the Compensation Committee of the Board, granted 2,08,578 employee stock options at an exercise price of ₹ 400/- per option to the employees of the Company and its Subsidiaries.
2. Pursuant to the special resolution passed through postal ballot dated May 15, 2018, consent of the members of the Company was obtained for the following :
 - a. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited - Employee Stock Option Scheme- 2014' for the benefit of existing option grantees under employment of the Company.
 - b. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited - Employee Stock Option Scheme- 2014' for the benefit of existing option grantees under employment of the Subsidiary Companies.
3. The Company had conducted a court convened meeting dated May 21, 2018, for the purpose of approval of the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ("Applicant Company" or "Transferee Company 2" or "Transferor Company 3" or "Company") and Qube Cinema Technologies Private Limited ("Demerged Company") and Qube Digital Cinema Private Limited ("Resulting Company" or "Transferee Company 1" "Transferor Company 2") and Moviebuff Private Limited ("Transferor Company 1") and PJSA Technosoft Private Limited ("Transferee Company 2") and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
4. The Board of Directors in its meeting held on August 8, 2018, have *inter alia* approved purchase of 2,895 equity shares of Valuable Digital Screens Private Limited ("VDSPL") (i.e. 20% of equity share capital of VDSPL) a subsidiary company of the Company, from the existing equity shareholder of VDSPL at a total consideration of Rupees Sixty lacs.
5. On June 22, 2018 National Company Law Tribunal (NCLT), Mumbai Bench ("NCLT") had approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including step down subsidiaries namely Southern Digital Screenz India Private Limited ('SDS'), V. N. Films Private Limited ('VNFPL'), Edridge Limited ('EL') and UFO International Limited ('UIL') (together referred to as the 'merging companies') with the Company ("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 was effective on June 29, 2018 with effect from the appointed date of April 1, 2016 for the amalgamation of VNFPL, EL and UIL with the Company and the appointed date of July 1, 2016 for SDS.
6. The name of United Film Organisers (UFO) (Mauritius) Private Limited has been removed from the Register of Companies as per the local laws of Mauritius and ceased to exist with effect from June 8, 2018.
7. Scrabble Entertainment Limited (SEL), wholly owned subsidiary of the Company has made an investment of ₹ 2,400 lacs in Scrabble Digital Limited (SDL), associate company of SEL, by purchasing 3,95,428 equity shares (representing 66.67% of equity share capital of SDL) from existing shareholders of SDL. Post this acquisition, SDL became a wholly owned subsidiary of the SEL and thereby became step-down wholly owned Subsidiary of the Company.
8. Scrabble Audio Visual Equipment Trading LLC – Dubai, an associate company, was incorporated by one of the step-down subsidiary of the Company i.e. Scrabble Entertainment DMCC, with holding of 49% partner's share capital through total investment of ₹ 28.27 lacs (AED 1,47,000).

For D. M. Zaveri & Co
Company Secretaries

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

Place: Mumbai
Date: May 21, 2019

EXTRACT OF ANNUAL RETURN
FORM NO. MGT-9
as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN:	L22120MH2004PLC285453
ii) Registration Date:	June 14, 2004
iii) Name of the Company:	UFO Moviez India Limited
iv) Category / Sub-Category of the Company:	Public Company limited by shares
v) Address of the Registered Office and contact details:	Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093. Tel: +91 22 40305060 Fax: +91 22 40305110 E-mail: investors@ufomoviez.com Website: www.ufomoviez.com
vi) Whether listed Company Yes / No:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: 040 6716 2222 Fax No.: 040 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Digital Cinema Services and related activity	59	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Scrabble Entertainment Limited 3 rd Floor, Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai – 400 093	U92190MH2008PLC178456	Subsidiary	100%	2(87) (ii)
2	PJSA Technosoft Private Limited 2602, Wing C, Oberoi Splendor, Opp. Majas Depot, JVLR, Andheri (East), Mumbai - 400 060	U74999MH2017PTC300940	Subsidiary	100%	2(87) (ii)
3	UFO Software Technologies Private Limited 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016	U74899MH2005PTC284653	Subsidiary	95.97%	2(87) (ii)
4	Valuable Digital Screens Private Limited Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai - 400093. (Shifted with effect from April 19, 2019)	U72900MH2006PTC163092	Subsidiary	100%	2(87) (ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
5	United Film Organisers Nepal Private Limited Shova Complex, 344/41, Dhobidhara Marg, Kamalpokari, Kathmandu, Nepal	Registration No.: 48014	Subsidiary	100%	2(87) (ii)
6	UFO Lanka (Private) Limited No. 12, Rotunda Gardens, Colombo 03	Registration No.: PV 62107	Subsidiary	100%	2(87) (ii)
7	Scrabble Entertainment (Mauritius) Limited 6th Floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius	Registration No.: C105426	Subsidiary	100%	2(87) (ii)
8	Scrabble Entertainment DMCC Units No.2405 & 2406, 1-Lake Plaza, Plot No. PH2-T2, Jumeirah Lakes Towers, Dubai, U.A.E.	Registration No.: JLY2591	Subsidiary	100%	2(87) (ii)
9	Scrabble Entertainment (Lebanon) Sarl Achrafieh, Beirut	Registration No.: 10151121	Subsidiary	100%	2(87) (ii)
10	Scrabble Entertainment (Israel) Limited Rival 7 Tel Aviv, Israel 67778. [Under Liquidation]	Registration No.: 514 787 779	Subsidiary	100%	2(87) (ii)
11	Scrabble Digital INC 10550 Camden Drive, Cypress, California 90630	Registration No.: C3546619	Subsidiary	100%	2(87) (ii)
12	Scrabble Digital Limited 501,503,504,509, Fifth Floor, Janki Centre, Off Veera Desai Road, Andheri (West), Mumbai- 400 053	U74999MH2011PLC213170	Subsidiary	100%	2(87) (ii)
13	Scrabble Digital DMCC Post Box 51899, 2301 and 2308	Not Applicable	Associate	33.33%	2(6)
14	Scrabble Ventures LLC 10550 Camden Drive, Cypress, California 90630	Not Applicable	Associate	30.00%	2(6)
15	Scrabble Ventures, S. de R.L. de C.V., Mexico Paseo de las Palmas 405, 1901 Lomas de Chapultec I Seccion, Miguel Hidalgo Distrito Federal 11000	Not Applicable	Associate	30.00%	2(6)
16	Mukta V N Films Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai- 400 065	U74120MH2013PLC244220	Associate	45.00%	2(6)
17	Scrabble Audio Visual Equipment Trading LLC 108, Alphamed Building, Hor Al Anz East, Near Abu Hali Centre, Dubai, United Arab Emirates - 51899	Not Applicable	Associate	49.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual / HUF	4,81,595	-	4,81,595	1.70	4,95,795	-	4,95,795	1.75	0.05
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	80,33,657	-	80,33,657	28.34	80,33,657	-	80,33,657	28.34	-
d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	85,15,252	-	85,15,252	30.04	85,29,452	-	85,29,452	30.09	0.05
(2) Foreign									
a) Individuals / (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total A=A(1)+A(2)	85,15,252	-	85,15,252	30.04	85,29,452	-	85,29,452	30.09	0.05
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	60,77,509	-	60,77,509	21.44	57,03,511	-	57,03,511	20.12	-1.32
(b) Financial Institutions / Banks	20,123	-	20,123	0.07	23,406	-	23,406	0.08	0.01
(c) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	2,16,456	-	2,16,456	0.76	-	-	-	-	-0.76
(f) Foreign Institutional Investor	10,11,386	-	10,11,386	3.57	10,73,207	-	10,73,207	3.79	0.22
(g) Foreign Venture Capital Investors	52,51,608	-	52,51,608	18.52	52,51,608	-	52,51,608	18.52	-
(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i) Others									
Alternate Investment Funds	1,30,500	-	1,30,500	0.46	-	-	-	-	-0.46
Foreign Nationals	12	-	12	0.00	87	-	87	0.00	0.00
Sub-Total B(1)	1,27,07,594	-	1,27,07,594	44.82	1,20,51,819	-	1,20,51,819	42.51	-2.31
(2) Non-Institutions									
(a) Bodies Corporate	10,25,351	-	10,25,351	3.62	10,43,287	-	10,43,287	3.68	0.06
(b) Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lacs	30,71,433	13,460	30,84,893	10.88	34,10,274	10,072	34,10,346	12.06	1.18
(ii) Individuals holding nominal share capital in excess of ₹ 1 lacs	25,52,199	10,500	25,62,699	9.04	28,31,989	10,500	28,42,489	10.03	0.99
(c) Others									
Clearing Members	39,869	-	39,869	0.14	33,524	-	33,524	0.12	-0.02
Foreign Bodies	-	-	-	-	-	-	-	-	-
NBFC	12,110	-	12,110	0.04	9,290	-	9,290	0.03	-0.01
Non-Resident Indians	2,08,465	-	2,08,465	0.74	2,91,688	-	2,91,688	1.03	0.29
NRI Non-Repatriation	75,107	-	75,107	0.26	1,27,673	-	1,27,673	0.45	0.19
Trusts	1,18,228	1,233	1,19,461	0.42	-	1,233	1,233	0.00	-0.42
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2)	71,02,762	25,193	71,27,955	25.14	77,47,725	21,805	77,69,530	27.40	2.26
Total B=B(1)+B(2)	1,98,10,356	25,193	1,98,35,549	69.96	1,97,99,544	21,805	1,98,21,349	69.91	-0.05
Total (A+B)	2,83,25,608	25,193	2,83,50,801	100.00	2,83,28,996	21,805	2,83,50,801	100.00	-
(C) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,83,25,608	25,193	2,83,50,801	100.00	2,83,28,996	21,805	2,83,50,801	100.00	-

(ii) Share Holding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sanjay Gaikwad	2,63,797	0.93	2,63,797	2,63,797	0.93	2,63,797	-
2	Mr. Narendra Hete	-	-	-	-	-	-	-
3	Mr. Uday Gaikwad	1	0.00	-	201	0.00	-	0.00
4	Mr. Ameya Hete	2,17,797	0.77	2,17,797	2,27,797	0.80	2,17,797	0.04
5	Mrs. Aruna Narendra Hete	-	-	-	4,000	0.01	-	0.01
6	Advent Fiscal Private Limited	7,37,182	2.60	-	7,37,182	2.60	-	-
7	Nifty Portfolio Services Private Limited	5,42,136	1.91	-	5,42,136	1.91	-	-
8	Apollo International Limited	22,66,417	7.99	-	22,66,417	7.99	-	-
9	Valuable Technologies Limited	22,43,657	7.91	-	22,43,657	7.91	-	-
10	Valuable Media Limited	22,44,265	7.92	-	22,44,265	7.92	-	-
	Total	85,15,252	30.04	4,81,594	85,29,452	30.09	4,81,594	0.05

(iii) Change in Promoter's Shareholding

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sanjay Gaikwad	2,63,797	0.93	-	No Purchase / Sale	-	-	2,63,797	0.93
				31.03.2019	At the end of the year	-	-	2,63,797	0.93
2	Mr. Narendra Hete	Nil	Nil	-	-	-	-	Nil	Nil
				31.03.2019	At the end of the year	-	-	Nil	Nil
3	Mr. Uday Gaikwad	1	0.00	12.10.2018	Purchase	200	0.00	201	0.00
				31.03.2019	At the end of the year	201	-	201	0.00
4	Mr. Ameya Hete	2,17,797	0.77	18.01.2019	Purchase	10,000	0.04	2,27,797	0.80
				31.03.2019	At the end of the year	-	-	2,27,797	0.80
5	Mrs. Aruna Hete	0	-	09.11.2018	Purchase	4,000	0.01	4,000	0.01
				31.03.2019	At the end of the year	4,000	0.01	4,000	0.01
6	Advent Fiscal Private Limited	7,37,182	2.60	-	No Purchase / Sale	-	-	7,37,182	2.60
				31.03.2019	At the end of the year	-	-	7,37,182	2.60
7	Nifty Portfolio Services Private Limited	5,42,136	1.91	-	No Purchase / Sale	-	-	5,42,136	1.91
				31.03.2019	At the end of the year	-	-	5,42,136	1.91
8	Apollo International Limited	22,66,417	7.99	-	No Purchase / Sale	-	-	22,66,417	7.99
				31.03.2019	At the end of the year	-	-	22,66,417	7.99
9	Valuable Technologies Limited	22,43,657	7.91	-	No Purchase / Sale	-	-	22,43,657	7.91
				31.03.2019	At the end of the year	-	-	22,43,657	7.91
10	Valuable Media Limited	22,44,265	7.92	-	No Purchase / Sale	-	-	22,44,265	7.92
				31.03.2019	At the end of the year	-	-	22,44,265	7.92

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	P5 Asia Holding Investments (Mauritius) Limited	52,51,608	18.52	-	No Purchase / Sale	-	-	52,51,608	18.52
				31.03.2019	At the end of the year			52,51,608	18.52
2	SBI Magnum Global Fund	24,41,136	8.16	01.06.2018	Sale	(1,48,640)	(0.52)	22,92,496	8.09
				08.06.2018	Sale	(4,510)	(0.02)	22,87,986	8.07
				15.06.2018	Sale	(36,600)	(0.13)	22,51,386	7.94
				22.06.2018	Sale	(8,400)	(0.03)	22,42,986	7.91
				06.07.2018	Purchase	27,700	0.10	22,70,686	8.01
				06.07.2018	Sale	(27,700)	(0.10)	22,42,986	7.91
				03.08.2018	Purchase	6,44,150	2.27	28,87,136	10.18
				03.08.2018	Sale	(6,44,150)	(2.27)	22,42,986	7.91
				31.03.2019	At the end of the year			22,42,986	7.91
3	Reliance Capital Trustee Co Ltd. A/c Reliance Monthly Income Plan	18,57,739	6.55	27.04.2018	Purchase	1,00,000	0.35	19,57,739	6.91
				27.04.2018	Sale	(1,00,000)	(0.35)	18,57,739	6.55
				01.06.2018	Purchase	1,00,004	0.35	19,57,743	6.91
				01.06.2018	Sale	(1,00,004)	(0.35)	18,57,739	6.55
				10.08.2018	Sale	(7,900)	(0.03)	18,49,839	6.52
				31.08.2018	Sale	(7,650)	(0.03)	18,42,189	6.50
				12.10.2018	Sale	(1,549)	(0.01)	18,40,640	6.49
				19.10.2018	Sale	(1,450)	(0.01)	18,39,190	6.49
				02.11.2018	Sale	(15,501)	(0.06)	18,23,689	6.43
				09.11.2018	Sale	(5,024)	(0.02)	18,18,665	6.41
				16.11.2018	Sale	(12,461)	(0.04)	18,06,204	6.37
				31.03.2019	At the end of the year			18,06,204	6.37
4	DSP Blackrock Small Cap Fund	13,93,627	4.92	21.12.2018	Sale	(20,365)	(0.07)	13,73,262	4.84
				28.12.2018	Sale	(1,178)	(0.00)	13,72,084	4.84
				04.01.2019	Sale	(1,219)	(0.00)	13,70,865	4.84
				18.01.2019	Sale	(1,551)	(0.01)	13,69,314	4.83
				31.03.2019	At the end of the year			13,69,314	4.83
5	Kuroto Fund LP	5,38,368	1.90	14.12.2018	Sale	(13,738)	(0.05)	5,24,630	1.85
				21.12.2018	Sale	(8,935)	(0.03)	5,15,695	1.82
				28.12.2018	Sale	(1,055)	(0.00)	5,14,640	1.82
				04.01.2019	Sale	(3,185)	(0.01)	5,11,455	1.80
				18.01.2019	Sale	(1,115)	(0.00)	5,10,340	1.80
				25.01.2019	Sale	(159)	(0.00)	5,10,181	1.80
				31.03.2019	At the end of the year			5,10,181	1.80
6	Vallabh Bhanshali	3,60,000	1.27	-	No Purchase / Sale	-	-	3,60,000	1.27
				31.03.2019	At the end of the year			3,60,000	1.27
7	Excel Way International Limited	3,13,341	1.11	-	No Purchase / Sale	-	-	3,13,341	1.11
				31.03.2019	At the end of the year			3,13,341	1.11
8	SBI Active Select Fund	2,85,007	1.01	-	No Purchase / Sale	-	-	2,85,007	1.01
				31.03.2019	At the end of the year			2,85,007	1.01
9	Lata Bhanshali	2,82,406	1.00	-	No Purchase / Sale	-	-	2,82,406	1.00
				31.03.2019	At the end of the year			2,82,406	1.00

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Nomura Singapore Limited	2,69,726	0.95	-	No Purchase / Sale	-	-	2,69,726	0.95
				31.03.2019	At the end of the year			2,69,726	0.95
11	Reliance Nippon Life Insurance Co Limited	2,16,456	0.76	06.04.2018	Sale	(602)	(0.00)	2,15,854	0.76
				13.04.2018	Sale	(8,625)	(0.03)	2,07,229	0.73
				20.04.2018	Sale	(13,955)	(0.05)	1,93,274	0.68
				27.04.2018	Sale	(24,275)	(0.09)	1,68,999	0.60
				04.05.2018	Sale	(11,375)	(0.04)	1,57,624	0.56
				11.05.2018	Sale	(17,920)	(0.06)	1,39,704	0.49
				18.05.2018	Sale	(24,362)	(0.09)	1,15,342	0.41
				25.05.2018	Sale	(53,205)	(0.19)	62,137	0.22
				01.06.2018	Sale	(62,137)	(0.22)	-	-
				31.03.2019	At the end of the year			-	-

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase / (Decrease) of Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors									
1	Mr. Sanjeev Aga	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2019	At the end of the year			-	-
2	Mr. Ameya Hete	2,17,797	0.77	28.11.2018	Purchase	10,000	0.00	2,27,797	0.80
				31.03.2019	At the end of the year			2,27,797	0.80
3	Mr. Kapil Agarwal	4,62,394	1.63	-	No Purchase / Sale	-	-	462,394	1.63
				31.03.2019	At the end of the year			462,394	1.63
4	Ms. Lynn de Souza	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2019	At the end of the year			-	-
5	Mr. Raaja Kanwar	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2019	At the end of the year			-	-
6	Mr. S. Madhavan	4,000	0.01	08.06.2018	Purchase	500	0.00	4,500	0.02
				22.06.2018	Purchase	500	0.00	5,000	0.02
				13.07.2018	Purchase	1,000	0.00	6,000	0.02
				24.08.2018	Purchase	500	0.00	6,500	0.02
				21.09.2018	Purchase	500	0.00	7,000	0.02
				31.03.2019	At the end of the year	-	-	7,000	0.02
6	S Madhavan HUF	1,000	0.00	28.09.2018	Purchase	500	0.00	1,500	0.01
				05.10.2018	Purchase	500	0.00	2,000	0.01
				12.10.2018	Purchase	500	0.00	2,500	0.01
				22.02.2019	Purchase	500	0.00	3,000	0.01
				31.03.2019	At the end of the year	-	-	3,000	0.01
7	Mr. Sanjay Gaikwad	2,63,797	0.96	-	No Purchase / Sale	-	-	2,63,797	0.96
				31.03.2019	At the end of the year			2,63,797	0.96
8	Mr. Varun Laul *	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2019	At the end of the year			N.A.	N.A.
Key Managerial Personnel									
1	Mr. Rajesh Mishra, CEO	28,649	0.10	-	No Purchase / Sale	-	-	28,649	0.10
				31.03.2019	At the end of the year			28,649	0.10
2	Mr. Ashish Malushte, CFO	18,424	0.06	-	No Purchase / Sale	-	-	18,424	0.06
				31.03.2019	At the end of the year			18,424	0.06
3	Mr. Sameer Chavan, Company Secretary	-	-	-	No Purchase / Sale	-	-	-	-
				31.03.2019	At the end of the year			-	-

* Mr. Varun Laul ceased to be a Director of the Company with effect from August 9, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding but not due for payment

(₹ in Lacs)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on April 01, 2018)					
i)	Principal Amount	6,802.40	-	-	6,802.40
ii)	Interest but not paid	-	-	-	-
iii)	Interest accrued but not due	50.64	-	-	50.64
Total (i+ii+iii)		6,853.04	-	-	6,853.04
Change in indebtedness during the financial year (FY 2018-19)					
•	Addition	3,210.75	-	-	3,210.75
•	Reduction	4,071.89	-	-	4,071.89
	Net Change	(861.14)	-	-	(861.14)
Indebtedness at the end of the financial year (As on March 31, 2019)					
i)	Principal Amount	5,941.26	-	-	5,941.26
ii)	Interest but not paid	-	-	-	-
iii)	Interest accrued but not due	49.94	-	-	49.94
Total (i+ii+iii)		5,991.20	-	-	5,991.20

VI. REMUNERATION OF DIRECTORS' AND KEY MANAGERIAL PERSONNEL
A. Remuneration of Managing Director, Whole-Time Directors and / or Manager

(₹ In Lacs)

Particulars	Salary paid for the FY 2018-19
Mr. Sanjay Gaikwad, Managing Director	290.99
Mr. Kapil Agarwal, Joint Managing Director	277.92
Total	568.91
Overall limit @ 10% of profit u/s 198 of the Companies Act, 2013	692.98
Excess Remuneration	Not Applicable

C. Remuneration to other Directors

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Independent Directors			Other Non-Executive Directors			Total Amount
		Mr. S. Madhavan	Ms. Lynn de Souza	Mr. Sanjeev Aga	Mr. Raaja Kanwar	Mr. Ameya Hete	Mr. Varun Laul *	
1	Fee for attending Board / Committee Meetings	14.00	12.50	14.00	-	-	-	40.50
	Commission	11.00	12.50	26.00	-	-	-	49.50
	Others, please specify	-	-	-	-	-	-	-
2	Total Managerial Remuneration	25.00	25.00	40.00	-	-	-	90.00
3	Overall Ceiling @ 1% of profit calculated under section 198 of the Companies Act, 2013	69.30 Note: The ceiling of 1% is exclusive of any fees paid / payable to directors under sub-section (5) of Section 197 for attending meetings of the Board or Committee thereof.						

* Mr. Varun Laul ceased to be a Director of the Company with effect from August 9, 2018.

D. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Mishra, CEO	Mr. Ashish Malushte, CFO	Mr. Sameer Chavan, Company Secretary	
1	Gross Salary	119.28	90.84	21.37	231.49
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.37	0.40	-	0.77
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify (Incentive)	21.73	2.26	-	23.99
	Company Provident Fund Contribution	7.62	5.81	1.32	14.75
	Medical Allowance	0.15	0.15	0.15	0.45
	Total	149.16	99.45	22.84	271.45

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (Give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 21, 2019

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

PARTICULARS OF REMUNERATION OF EMPLOYEES

[Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name of Director / Key Managerial Personnel	Remuneration (₹ In Lacs)		Previous year Remuneration (₹ in Lacs)*	% increase / (decrease) in remuneration	Ratio of Director's remuneration to median remuneration	Comparison of remuneration of each KMP against Company's performance	
	Salary *	Perquisite arising due to exercise of employee stock options				% of turnover	% of Net Profit before tax
Non-Executive Directors							
Mr. Sanjeev Aga	26.00	-	25.50	1.96	4.31	NA	NA
Mr. S. Madhavan	11.00	-	10.50	4.76	1.82	NA	NA
Ms. Lynn de Souza	12.50	-	15.50	(19.35)	2.07	NA	NA
Mr. Raaja Kanwar	-	-	-	-	-	NA	NA
Mr. Ameya Hete	-	-	-	-	-	NA	NA
Mr. Varun Laul**	-	-	-	-	-	NA	NA
Executive Directors							
Mr. Sanjay Gaikwad	290.99	-	275.00	5.81	48.27	0.68%	4.54%
Mr. Kapil Agarwal	277.92	-	275.00	1.06	46.10	0.65%	4.34%
Key Managerial Personnel							
Mr. Rajesh Mishra	149.16	-	144.87	2.96	24.74	0.35%	2.33%
Mr. Ashish Malushte	99.45	-	111.49	(10.80)	16.50	0.23%	1.55%
Mr. Sameer Chavan	22.84	-	20.04	13.97	3.79	0.05%	0.36%

** Mr. Varun Laul ceased to be a Director of the Company with effect from August 9, 2018.

* Sitting fees paid to independent directors for attending the meetings of the Board and committee is not included in the remuneration. The commission paid to independent directors during the previous year was on pro-rata basis. The perquisite value arising due to exercise of employee stock options has been considered while calculating the previous year's remuneration.

The median remuneration of employees of the Company was ₹ 6.03 lacs.

Requirement	Disclosure
The Percentage increase in median remuneration of employees in financial year	5.63 %
Number of permanent employees on the rolls of the Company	As at March 31, 2019 – 502
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries (without considering incentives) of the managerial personnel during the year was 10.74%.
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 21, 2019

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

MANAGEMENT DISCUSSION AND ANALYSIS

The Management is pleased to present below its analysis on the performance of the Company for the Fiscal Year ended March 31, 2019 and its outlook for the financial year 2019-20. UFO Moviez India Limited and its subsidiaries have been collectively referred to as “UFO”/ Company.

I. Industry Overview

Film Exhibition Industry

The Indian Film Industry grew by 12.2% from ₹ 15,550 Crores in Calendar Year (CY)17 to ₹ 17,450 Crores in CY18⁽¹⁾. Domestic theatrical revenues were the largest contributor to the Indian Film Industry at 58.5% in CY18⁽¹⁾. Out of the total domestic theatrical revenues, 45% was generated by single screens, 41% by major multiplex chains and 14% by other multiplex players⁽¹⁾. Strong Hindi and regional movie content continued to drive domestic theatrical revenues. Hindi movies accounted for ~42% of the domestic box office collections. 13 Hindi films entered the coveted ₹ 100 Crore gross box office collections club during the year compared to 9 films last year⁽¹⁾. Interestingly, many of these hits, which were packed with good content and exceptional performances, did not have big stars backing them. Regional cinema continued to gain strong traction during the year. Regional films accounted for ~81% of the films released and contributed ~47% of the annual domestic box office collections⁽¹⁾.

Advertising Industry

India is one of the fastest growing major advertisement markets in the world. In CY18, the Indian advertising industry delivered ~12.7% growth over CY17 and is expected to continue growing at a similar pace in CY19⁽¹⁾. In-cinema advertising, one of the fastest growing advertising segments, registered ~17% growth in CY18 over CY17 (UFO's advertising revenue during CY18 grew by ~30% over CY17) and is expected to remain one of the fastest growing advertising segments in India⁽¹⁾.

II. Opportunities

Inventory Utilization and Realization

In-cinema advertising has substantial headroom for growth primarily driven by higher inventory utilization on those screens, which are with the digital cinema integrators such as UFO. These screens have huge headroom/opportunity for growth to reach the inventory utilization levels of major multiplex chains, which are already very high as compared to these for digital cinema integrators.

The average advertisement realization per minute per screen per show for UFO has remained stable over the last few years as the Company has been more focused on driving inventory utilization. Hence, there is an opportunity to increase the realization by providing advertisers with footfall measurement metrics on the in-cinema advertising network.

Screen Growth

India has a total of ~9,600 screens for a population of over 130 Crore. This translates to a screen density of ~7 screens per million people as against ~125 a similar density in the USA and ~40 in China. Despite producing the largest number of films globally in more than ~20 languages, India remains a highly under-penetrated market. There is a significant untapped market to increase the screen density, giving greater theatre accessibility for cinema viewers. The growth in screen count in India will give an opportunity for digital cinema integrators to provide digital cinema services and in-cinema advertising services to the growing screen base.

III. Operating Performance

Theatrical Business

Movie viewing in cinemas is the oldest and most popular form of entertainment in India. The Indian film industry is one of the most diverse in the world. Close to 1,800 films are produced and released annually in more than 20 languages and in excess of 150 Crore movie tickets are sold annually⁽¹⁾, making India one of the highest in terms of cinema footfalls in the world.

UFO operates India's largest satellite-based E-Cinema and D-Cinema network. During the fiscal year 2018-19, UFO has digitally delivered 1,812 movies (including dubbed versions) to 5,315 screens having aggregate seating capacity of approximately 19.0 Lac viewers per show spread across 30 States and Union territories. Over 15,000 movies have been digitally delivered in India since the beginning of UFO's operations.

In-Cinema Advertising Business

In the pre digitization era, advertisement content shown prior to a feature film was either via slideshows or via short commercials, which were delivered to theaters in analog form in advance. Also, the cinema owners had access mainly to hyper-local advertisers and did not have easy access to national level advertisers. Digitization of cinema

⁽¹⁾ FICCI Frames 2019

helped change the face of the industry. Digital cinema integrators who invested in digital cinema equipment also started aggregating and monetizing the advertisement inventory of fragmented screens. Cinema advertising in India emerged as a dynamic medium offering advertisers the opportunity to reach their target audiences in an effective manner.

Cinema advertising is an Impact Advertising platform because of its three key differentiators from traditional frequency media:

- Big Screen Experience
- Access to Captive Audiences
- Longer Duration Advertising

Globally, in-cinema advertising companies who have aggregated and are monetizing advertisement inventory generally operate under an asset light model. Also, the in-cinema advertising is typically marketed by one or two large players in a geography. Companies such as National Cine Media (~50% screen share) and Screen Vision (~35% screen share) are the two largest cinema advertising companies in the US and Digital Cine Media (~83% screen share) is the largest cinema advertising Company in the UK. However, in India, in-cinema advertisements are marketed by multiple players like cinema integrators, multiplex chains and advertising agencies resulting in fragmented buying by advertisers leading to substantial loss of opportunity for the industry. Over a period of time, India is also expected to emerge from a multiplayer market to a 2 to 3 player market as is prevalent globally.

The Indian cinema advertising industry has emerged as a two demographic market. On one hand is the Premium segment with an average ticket price of ₹ 200 and weekend pricing in excess of ₹ 400, primarily comprising the multiplex chains. On the other hand is the Mass Market segment comprising fragmented single screens, premium single screens and standalone multiplexes with an average ticket price ranging between ₹ 40 to ₹ 175. The Premium segment attracts audiences with high per capita income and a higher discretionary spending capacity. As a result, high-end brands choose Premium segment screens to advertise their products and services. The Mass Market screens attract mid-income earning audiences and therefore, mid-market urban brands advertise on these screens. With an expanding middle class, rising disposable income and changing aspirations, the future growth in India is expected to come from the mid-market urban space.

UFO being the largest in-cinema advertising network in the country, has played an instrumental role in re-creating in cinema advertising in India. With over 1,266 multiplex screens and 2,431 single screens, UFO's in-cinema advertising platform enables advertisers to reach a targeted, captive audience in both Premium and Mass Market segments with high flexibility and control over the advertising process.

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

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

Advertisers do not, any longer have to deal with a large and fragmented group of exhibitors across the country. The logistics of advertising is simplified by UFO as it controls, schedules and manages all advertising on its network of screens.

UFO has created a pan-India, high-impact, in-cinema advertising platform with generally long-term advertising rights to 3,697 screens under revenue share deals with the theaters, with an aggregate seating capacity of approximately 15.0 Lac viewers and a reach of 1,281 cities and towns across India, as on March 31, 2019.

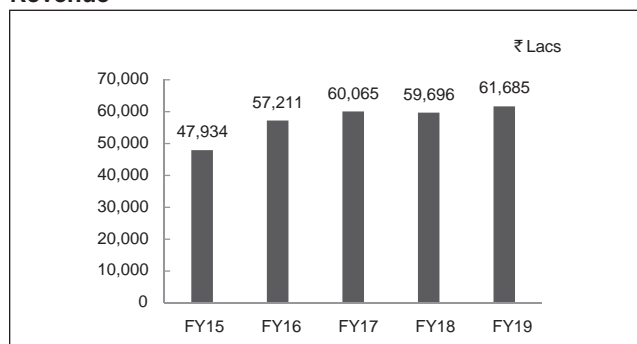
UFO's in-cinema advertising platform has benefited fragmented exhibitors as they now effectively monetize their advertisement inventory through UFO, which they were earlier unable to do due to their limited scale and reach.

During the fiscal year ended March 31, 2019, UFO reported advertisement revenue growth of 11.07% to ₹ 23,723.87 Lacs compared to ₹ 21,359.89 Lacs in the fiscal year ended March 31, 2018. UFO's average annual advertisement revenue per screen stood at ₹ 5.61 Lacs in FY19 compared to ₹ 5.36 Lacs in FY18. The number of minutes sold per show per advertising screen stood at 5.54 minutes in FY19 compared to 5.19 minutes in FY18.

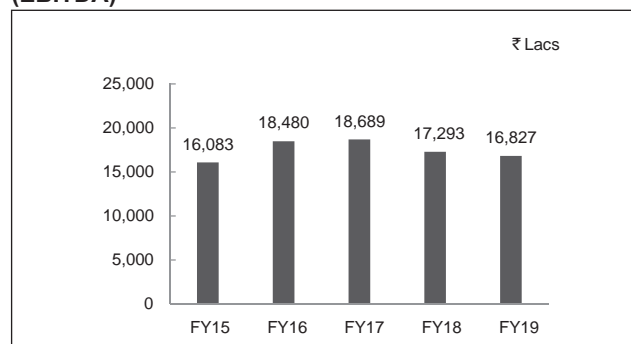
IV. Financial Performance

Performance Overview (FY15 – FY19)

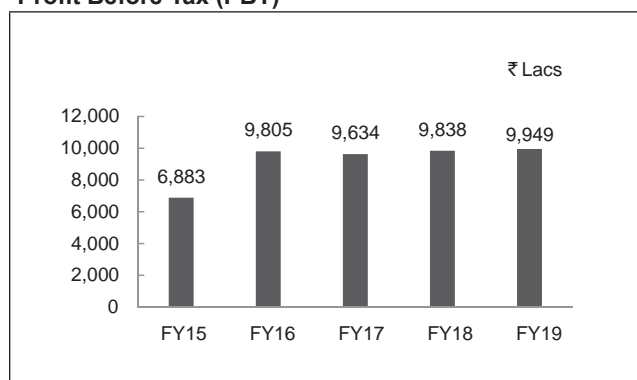
Revenue



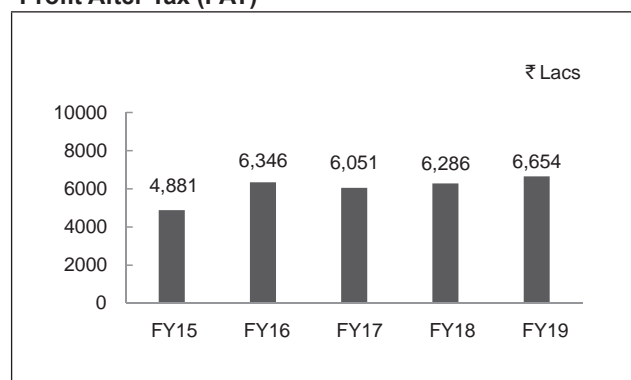
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)



Profit Before Tax (PBT)



Profit After Tax (PAT)



Revenue Analysis

UFO receives revenues primarily from three streams. i.e.

- advertisers, through in-cinema advertising,
- movie producers and distributors, for the secured delivery and screening of their movies and
- exhibitors, through equipment rentals and sales of digital cinema equipment and consumables.

Particulars	31-Mar-19	31-Mar-18	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
A. Revenue from operations				
I. Advertisement revenue	23,723.87	21,359.89	2,363.98	11.07
II. Revenue from Content Owners	17,918.85	20,880.02	(2,961.17)	(14.18)
Virtual Print Fees (VPF) - E- Cinema	10,573.89	10,553.26	20.63	0.20
Virtual Print Fees (VPF) - D- Cinema	6,146.53	9,738.82	(3,592.29)	(36.89)
Digitisation Income	1,198.43	587.94	610.49	103.83
III. Revenue from Exhibitors	18,059.52	15,294.20	2,765.32	18.08
Lease rental income - E-Cinema	5,653.30	5,486.11	167.19	3.05
Lease rental income - D-Cinema	1,076.16	1,102.48	(26.32)	(2.39)
Sale of Products	11,330.06	8,705.61	2,624.45	30.15
IV. Other Operating Revenue	1,483.90	1,868.85	(384.95)	(20.60)
A. Revenue from operations (I to IV)	61,186.14	59,402.96	1,783.18	3.00
B. Other income	498.99	292.90	206.09	70.36
Total Income (A+B)	61,685.13	59,695.86	1,989.27	3.33

UFO shares a significant portion of its D-Cinema VPF earned in India and in International territories with the exhibitors under the VPF sharing agreements. Hence, it is important to analyse the VPF revenues on a net basis as given in the table below;

Particulars	31-Mar-19	31-Mar-18	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
E-Cinema (India)				
E-Cinema VPF	10,573.89	10,553.26	20.63	0.20
less : VPF Sharing with exhibitors	258.21	234.60	23.61	10.06
E-Cinema VPF (Net)	10,315.68	10,318.66	(2.98)	(0.02)
D-Cinema (India)				
D-Cinema VPF	4,424.01	7,032.80	(2,608.79)	(37.09)
less : VPF Sharing with exhibitors	1,027.19	3,130.42	(2,103.23)	(67.19)
D-Cinema India VPF (Net) - (A)	3,396.82	3,902.38	(505.56)	(12.95)
D-Cinema (International)				
D-Cinema VPF	1,722.51	2,706.02	(983.51)	(36.35)
less : VPF Sharing with exhibitors	1,048.45	1,870.95	(822.50)	(43.96)
D-Cinema International VPF (Net) - (B)	674.06	835.07	(161.01)	(19.28)
Total D-Cinema VPF (Net) (A+B)	4,070.88	4,737.45	(666.57)	(14.07)
Total VPF Sharing	2,333.85	5,235.97	(2,902.12)	(55.43)

The decrease of ₹ 666.57 Lacs in D-Cinema VPF (Net) is attributable to the planned sunset revenue reduction.

Expense Details

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

Particulars	31-Mar-19	31-Mar-18	Growth	% Growth
	₹ in Lacs	₹ in Lacs	₹ in Lacs	
Operating direct costs	25,354.10	24,551.91	802.19	3.27
Employee benefit expenses	9,173.60	8,369.99	803.61	9.60
Other expenses	10,330.03	9,481.24	848.79	8.95
Total Expenses	44,857.73	42,403.14	2,454.59	5.79

Operating direct costs

Operating direct costs in fiscal year ended March 31, 2019 increased by ₹ 802.19 Lacs to ₹ 25,354.10 Lacs from ₹ 24,551.91 Lacs in fiscal year ended March 31, 2018 primarily on account of (i) increase in van operation expenses by ₹ 1,126.51 Lacs from ₹ 901.90 Lacs during the fiscal year ended March 31, 2018 to ₹ 2,028.41 Lacs during the fiscal year ended March 31, 2019 (ii) increase in purchases of digital cinema equipment and lamps by ₹ 2,016.31 Lacs from ₹ 6,756.44 Lacs during the fiscal year ended March 31, 2018 to ₹ 8,772.75 Lacs during the fiscal year ended March 31, 2019 (iii) advertisement revenue share paid to exhibitors was higher by ₹ 411.49 Lacs from ₹ 6,499.72 Lacs during the fiscal year ended March 31, 2018 to ₹ 6,911.21 Lacs during the fiscal year ended March 31, 2019. The other operating direct cost was higher by ₹ 150.00 Lacs from ₹ 5,157.88 Lacs during the fiscal year ended March 31, 2018 to ₹ 5,307.88 Lacs during the fiscal year ended March 31, 2019. This higher operating direct costs were partially offset by lower virtual print fees sharing by ₹ 2,902.12 Lacs from ₹ 5,235.97 Lacs during the fiscal year ended March 31, 2018 to ₹ 2,333.85 Lacs during the fiscal year ended March 31, 2019.

Other expenses

Other expenses in fiscal year ended March 31, 2019 increased by ₹ 848.79 Lacs to ₹ 10,330.03 Lacs from ₹ 9,481.24 Lacs in fiscal year ended March 31, 2018 primarily on account of (i) increase in provision for doubtful debts by ₹ 322.69 Lacs from ₹ 440.62 Lacs during the fiscal year ended March 31, 2018 to ₹ 763.31 Lacs during the fiscal year ended March 31, 2019, (ii) increase in sales promotion expenses by ₹ 265.16 Lacs from ₹ 414.05 Lacs during the fiscal year ended March 31, 2018 to

₹ 679.21 Lacs during the fiscal year ended March 31, 2019 and (iii) increase in commission on advertisement revenue by ₹ 195.51 Lacs from ₹ 1,879.05 Lacs during the fiscal year ended March 31, 2018 to ₹ 2,074.56 Lacs during the fiscal year ended March 31, 2019.

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

Consolidated EBITDA stood at ₹ 16,827.40 Lacs in the fiscal year ended March 31, 2019 compared to ₹ 17,292.72 Lacs in the fiscal year ended March 31, 2018. As a percentage of total revenue, the consolidated EBITDA margin stood at 27.28% in the fiscal year ended March 31, 2019 compared to 28.97% in the fiscal year ended March 31, 2018.

Profit before tax

Consolidated profit before tax increased by ₹ 110.85 Lacs from ₹ 9,838.29 Lacs in the fiscal year ended March 31, 2018 to ₹ 9,949.14 Lacs in the fiscal year ended March 31, 2019.

Profit for the year attributable to equity shareholders of UFO

Consolidated profit for the year attributable to equity shareholders of UFO increased by ₹ 367.89 Lacs from ₹ 6,285.65 Lacs in the fiscal year ended March 31, 2018 to ₹ 6,653.54 Lacs in the fiscal year ended March 31, 2019.

Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosures Requirements 2018) (Amendment) Regulation 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios. There are no significant changes in the key financial ratios that are identified by the Company, below are the details:

Particulars	Unit	31-Mar-19	31-Mar-18
Net Debt Equity Ratio	Times (x)	(0.24)	(0.23)
Days Sales Outstanding (DSO)	Days	119	113
EBITDA Margin	Percentage (%)	27.28	28.97
Net Profit Margin	Percentage (%)	10.79	10.53

The Company's consolidated Return on Net Worth for the year has increased by 0.25% from 13.39% in the fiscal year ended March 31, 2018 to 13.64% in the fiscal year ended March 31, 2019 primarily on account of increase in consolidated profit for the year.

V. Outlook

UFO's advertisement revenues have grown at a CAGR of 19% from fiscal 2014 to 2019. The future prospects for UFO on the in cinema advertising platform looks very promising. UFO will continue to deliver strong advertisement revenues, which will be achieved through a focused strategy to drive inventory utilization and spot rates.

VI. Threats / Risks and Concerns

Uncertainties in the macro-economic environment and changes in the advertising market could impact UFO's performance. The duration of advertisements played and spending by advertisers is seasonal and episodic and reflects overall economic conditions, as well as the advertisers' budgets and spending patterns. It is difficult to predict when these changes occur and whether they will have a transient impact or are long-term trends. These changes could be on account of increased competition from television, print, radio, major multiplex chains, cinema advertisement aggregators or new advertising platforms like online, over-the-top (OTT) media services, etc. The advertisement performance could also be impacted by factors that could reduce viewership on the advertisement network, which could result from the release of movies on other media platforms/OTT along with or before its theatrical release, reduction in exclusive theatrical release windows, increase in the average cinema ticket prices as compared to other avenues of entertainment, lower disposable income or discretionary spending and decline in the gross box office collections. Box office collections could also be impacted by lower audience interest due to the quality of available movie content and the marketing efforts of movie producers. Any such reduction in viewership may affect the attractiveness of UFO's advertisement platform to advertisers. Advertisement spending is greatly influenced by the availability of a measurement metric and the outcomes of measurement of audiences on a media platform. A metric for audience measurement is available across most traditional media like television, radio and print. Until a measurement metric for cinema audiences is established, UFO's advertisement revenue potential may not be fully realised. Thus, by providing cinema viewership data and profiling of viewers to advertisers by institutionalizing independent measurement and research is a key imperative for the Company.

VII. Risk Management

Like any other business, UFO is also prone to risks, which can affect the operating performance, cash flows, financial performance and sustainability. UFO has developed an appropriate risk management framework for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations while adhering to

stringent guidelines. As such, risk management is integral to the creation, protection and enhancement of shareholder value in the Company.

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

VIII. Internal Control and Adequacy

UFO has controls and procedures in place that are designed to provide reasonable assurance that material information relating to business is disclosed on a timely basis. Management has reviewed UFO's control matrix and has concluded that they were effective during the reporting period. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company controls and procedures related to the preparation of the consolidated financial statements. Management, is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Ind-AS. The controls ensure that transactions are recorded in a timely manner, and are complete in all aspects, resources of the Company are effectively utilized and its assets are adequately safeguarded.

UFO has engaged an independent firm of Chartered Accountants as its Internal Auditor. The scope of Internal Audit includes a review of the efficacy of business processes and a review of the procedures and policies in place as designed by the management across all functional areas, and assessing the internal controls in all areas. Also, the Internal Audit findings are discussed with the process owners and corrective action is taken as necessary.

IX. Human Resources and Industry Relations

The Human Resources (HR) function in UFO remains focused on developing the potential and the wellbeing of all its employees through improved organizational effectiveness and providing a conducive and ethical work place amidst a rapidly changing business environment such that employees can offer their best. It is UFO's endeavor to promote a healthy and safe work environment for all its employees. UFO continuously reviews its Human Resources policies including remuneration, employee welfare plans, health and safety, professional training, etc.

The total employee strength including group Companies and top management stood at 638 as on March 31, 2019.

Material developments in human resources:

Recruitment and Selection:

UFO has a talented pool of employees and prides itself in providing effective and efficient services to its clients. The focused recruitment and selection process followed by the Company ensures that it hires the best talent for the job aligning with the overall goals of the organization. UFO takes pride in having a stable manpower strength coupled with low rate of attrition that gives it a strategic advantage in realizing its long-term business objectives.

Training and Development:

The Company from time to time, plans and arranges for training of its employees for their overall development to achieve its long-term business objectives.

Industrial Relations:

UFO believes in maintaining cordial and friendly relations with its employees and resolves conflict, controversies and disputes, if any, between the employees and management in an amicable manner.

Cautionary Statement

Certain Statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations or predictions, estimates and others may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Important factors that could make a significant difference to the Company's operations are demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

COMPANY'S GOVERNANCE PHILOSOPHY

The Company firmly believes that effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Company's philosophy on Corporate Governance is to conduct its business in a manner which is ethical and transparent with all stakeholders of the Company. Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholders' value and discharge its social responsibility. The Company recognizes that strong corporate governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. The Company, therefore, continues to lay great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for the efficient and ethical conduct of its business.

With regards to the Corporate Governance, the Company is in compliance with the requirements of the Listing Regulations and provisions of the Companies Act, 2013 ("the Act"). As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and the Listing Regulations and has established procedures and systems to remain compliant with it. This report provides the Company's compliance with these provisions as on March 31, 2019.

BOARD OF DIRECTORS

The Board consists of 7 members with 2 Executive Directors and 5 Non-Executive Directors, of which 3 are Independent Directors including a Woman Director, comprising of experts from various fields/professions. The Chairman of the Board of Directors is an Independent Director. As required by Regulation 46 of the Listing Regulations the terms and conditions of appointment of Independent Directors are available on the Company's website. The composition of the Board of Directors of the Company is in accordance with the Listing Regulations and the Act read with applicable rules made thereunder.

In accordance with the provisions of the Act and in terms of the Articles of Association of the Company, Mr. Raaja Kanwar (DIN 00024402) retires by rotation in the ensuing Annual General Meeting (AGM) and is eligible for re-appointment. The details of Mr. Raaja Kanwar, Director seeking re- appointment, are disclosed in the notice of the AGM.

CATEGORY AND ATTENDANCE OF DIRECTORS

The necessary disclosures regarding Directorships, Memberships and Chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and acts as a Chairman of more than 5 Committees across all Companies in which they are Directors.

Further, none of the Directors served as an Independent Director in more than 7 equity listed companies and hold Directorship in more than 8 equity listed companies. Further, neither the Managing Director and Joint Managing Director of the Company is not serving as Independent Director on the Board of any other listed entity nor any Independent Director are serving as Managing Director / Whole-time director in any equity listed Companies.

Details of membership and attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/ Membership of Board Committees as on March 31, 2019 are as follows:

Sr. No	Name of Director	Director Identification No.	Category\$	Designation	No. of Board Meetings Attended during 2018-19 / (No of meetings held during the tenure)	Attendance at AGM held on August 9, 2018	Directorship in other listed companies and category ^s And Name of listed company and category ^s	No. of Directorship * (As on March 31, 2019)			No. of committee positions in Mandatory Committees** (As on March 31, 2019)		
								Chairman	Board Member	Total	Chairman	Committee Member	Total
1.	Mr. Sanjeev Aga	00022065	I & NED	Chairman	9 (9)	Yes		1	4	5	2	3	5
							Pidilite Industries Limited - I & NED						
							Mahindra Holidays & Resorts India Limited - I & NED						
							Larsen and Toubro Limited - I & NED						
							Larsen & Toubro Infotech Limited - I & NED						
2.	Mr. Ameya Hete ^A	01645102	NED	Director	7(9)	No	Nil	Nil	5	5	Nil	2	2

Sr. No	Name of Director	Director Identification No.	Category ^{\$}	Designation	No. of Board Meetings Attended during 2018-19 / (No of meetings held during the tenure)	Attendance at AGM held on August 9, 2018	Directorship in other listed companies and category ^{\$} And Name of listed company and category ^{\$}	No. of Directorship * (As on March 31, 2019)			No. of committee positions in Mandatory Committees** (As on March 31, 2019)		
								Chairman	Board Member	Total	Chairman	Committee Member	Total
3.	Mr. Kapil Agarwal	00024378	ED	Director	9 (9)	Yes	Nil	Nil	2	2	Nil	2	2
4.	Ms. Lynn de Souza	01419138	I & NED	Director	9 (9)	Yes	Nil	Nil	3	3	1	3	4
5.	Mr. Raaja Kanwar [^]	00024402	NED	Director	2 (9)	No	Nil	1	2	3	Nil	1	1
6.	Mr. S. Madhavan	06451889	I & NED	Director	9 (9)	Yes		Nil	5	5	3	2	5
							HCL Technologies Limited - I & NED						
							Travel Corporation of India Limited - I & NED						
							GlaxoSmithKline Consumer Healthcare Limited - I & NED						
7.	Mr. Sanjay Gaikwad [^]	01001173	ED	Director	9 (9)	Yes	Nil	Nil	5	5	Nil	1	1
8.	Mr. Varun Laul [@]	03489931	NED	Director	3 (5)	No	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^{\$}ED – Executive Director, NED – Non-Executive Director, I & NED– Independent and Non-Executive Director

* Excludes directorships in associations, private limited companies, foreign companies, government bodies and companies registered under Section 8 of the Companies Act, 2013.

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

[^] Mr. Sanjay Gaikwad is one of the promoters of the Company and Mr. Ameya Hete and Mr. Raaja Kanwar form part of the promoter group.

[#] In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Raaja Kanwar, retires by rotation in the forthcoming AGM and is eligible for re-appointment.

[@] Mr. Varun Laul ceased to be a Director of the Company with effect from August 9, 2018.

BOARD PROCEDURE

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company is invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once in a quarter to review the quarterly performance and approve the financial results.

With a view to leverage technology and reducing paper consumption, the Company adopted facility of disseminating Notices, Agendas and Minutes to the Directors through electronic means. This electronic mode of delivery of Agenda papers, minutes and other documents not only ensures high standards of security and confidentiality, required for storage and circulation of board papers but also increases the active involvement of the Board Members.

During the year under review, the Board met 9 times on the following dates: April 3, 2018; May 9, 2018; May 29, 2018; June 14, 2018; August 8, 2018; November 12, 2018; November 28, 2018, February 6, 2019 and March 19, 2019. The gap between any two consecutive meetings did not exceed 120 days.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all employees of the Company, including the Managing Director and the Joint Managing Director. The Board has also approved a Code of Conduct for Directors and Senior Management of the Company, which also incorporates the duties of Independent Directors as laid down in the Act. The Code of Conduct for Directors and Senior Management is posted on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

All the Board members and Senior Management personnel have affirmed their compliance with the Code of Conduct for Directors and Senior Management. A declaration to this effect, signed by the Chief Executive Officer, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its subsidiaries and associates. None of the Directors are *inter-se* related to each other.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/or commercial transaction between them and the Company that could have a potential conflict of interest with the Company at large.

REMUNERATION TO EXECUTIVE DIRECTORS

Mr. Sanjay Gaikwad, Managing Director of the Company had been appointed for a period of 5 years from October 17, 2013 to October 16, 2018. Mr. Kapil Agarwal, Joint Managing Director of the Company had been appointed for a period of 5 years from March 1, 2014 to February 28, 2019.

The members of the Company at their Annual General Meeting held on August 8, 2018 re-appointed Mr. Sanjay Gaikwad as Managing Director of the Company for period of 5 years from October 17, 2018, and Mr. Kapil Agarwal as Joint Managing Director of the Company for a period of 5 years from March 1, 2019 and approved their remuneration.

During the year under review, the Company had paid remuneration of ₹ 290.99 lacs to Mr. Sanjay Gaikwad, Managing Director and of ₹ 277.92 lacs to Mr. Kapil Agarwal, Joint Managing Director of the Company.

The remuneration drawn was within the limits of managerial remuneration prescribed under Section 197 of the Act considering the profits of the Company for the financial year 2018-19.

All elements of exiting remuneration package of Executive Directors are given herein below:

Particulars	Sanjay Gaikwad	Kapil Agarwal
1. Salary	₹ 11 lacs per month.	₹ 11 lacs per month.
2. Perquisites	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 para 1 and 2 shall be restricted to an amount of ₹ 275 lacs p.a.	3. The total remuneration as per para 1 and 2 shall be restricted to an amount of ₹ 275 lacs p.a.
3. Special Allowance	Mr. Sanjay Gaikwad will also be entitled to a Special Allowance of ₹ 35 lacs p.a. payable equally on monthly basis.	Mr. Kapil Agarwal will also be entitled to a Special Allowance of ₹ 35 lacs p.a. payable equally on monthly basis.

4. Yearly performance incentive	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 ₹190 lacs.	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 of an amount not exceeding ₹ 190 lacs.
5. Employee Stock Options	Nil	2,12,500 vested ESOPs convertible into 2,12,500 equity shares of the Company.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

During the year under review, the non-executive independent directors were paid sitting fees at the rate of ₹ 1.00 lac for attending each of the board meetings and ₹ 0.50 lac for attending each of the committee meetings.

The non-executive independent directors were appointed at a fixed remuneration consisting of sitting fees and commission on net profits of the Company. The total remuneration agreed with Mr. Sanjeev Aga, Chairman and Independent Director is ₹ 40.00 lacs p.a. and the total remuneration agreed with each of Ms. Lynn de Souza and Mr. S. Madhavan, both independent directors is ₹ 25.00 lacs p.a. as approved by the shareholders at the Annual General Meeting held on September 26, 2017. The total remuneration payable to Independent Directors for the financial year ended March 31, 2019 is as below:

Name of Director	Sitting Fees (₹ in Lacs)	Commission (₹ in Lacs)	Total (₹ in Lacs)
Mr. Sanjeev Aga	14.00	26.00	40.00
Ms. Lynn de Souza	12.50	12.50	25.00
Mr. S. Madhavan	14.00	11.00	25.00
Total	40.50	49.50	90.00

The terms and conditions of the appointment of aforesaid independent directors and criteria for making payments to non-executive directors are disclosed on the Company's website under the weblink: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

No sitting fees is payable to non-executive non-independent directors as they have waived their entitlement for the same.

As on March 31, 2019 and as on date, except Mr. Ameya Hete and Mr. S. Madhavan who hold 2,27,797 and 10,000 equity shares of the Company respectively, none of the non-executive directors was holding any equity shares of the Company as on March 31, 2019 or as on date.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of the Listing Regulations, separate meetings of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, were held on June 14, 2018 and May 20, 2019. At the said meetings, the Independent Directors:

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the meeting of Independent Directors held on June 14, 2018 and May 20, 2019. Mr. Sanjeev Aga chaired all the 2 meetings.

BOARD AND DIRECTORS' EVALUATION AND CRITERIA FOR EVALUATION

For the year under review, the Board has carried out an evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance evaluation process of the Board members. The criteria for evaluation include inter alia, knowledge to perform the role, time and level of participation, performance of duties and level of oversight, professional conduct and independence.

BOARD TRAINING, INDUCTION AND FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Directors including independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

The Managing Director and the Joint Managing Director also have a one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory framework in which the Company operates and equip themselves to effectively fulfill their role as Directors of the Company.

CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS(ES) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY

The Board has identified below mentioned expertise which the directors of the Company required in the context of the business:

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

CONFIRMATION

In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted various committees viz, Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Finance Committee and Scheme Implementation Committee.

Each of these Committees has been mandated to operate within a given framework. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are headed by the respective Chairmen, who also inform the Board about the summary of discussions held in those Meetings. The minutes of the Committee Meetings are sent to all the respective Committee Members individually and tabled at the Board Meetings.

A. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee acts as a link between the statutory/internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The scope and function of the Audit and Risk Management Committee are in accordance with the Act and Regulation 18 of the Listing Regulations.

The powers of the Audit and Risk Management Committee include the power to (i) investigate any activity within its terms of reference; (ii) seek information from any employee; (iii) obtain outside legal or other professional advice; and (iv) secure attendance of outsiders with relevant expertise, if it considers the attendance of such outsiders necessary.

The Audit and Risk Management Committee is mandatorily review amongst others, (i) the management discussion and analysis of financial condition and results of operations; (ii) the statement of significant related party transactions submitted by the management; (iii) the management letters / letters of internal control weaknesses issued by the statutory auditors; (iv) the internal audit reports relating to internal control weaknesses; and (v) the appointment, removal and terms of remuneration of the chief internal auditor/ internal auditor.

The role of the Audit and Risk Management Committee includes the scope as specified in Part C of Schedule II of the Listing Regulations in addition to the requirements of Section 177 of the Act. Also, the Audit and Risk Management Committee is responsible for monitoring and reviewing the risk management plan of the Company.

The composition of the Audit and Risk Management Committee as at March 31, 2019 and the details of members' participation at the meetings of the Committee are as under:

Name of the member	Position in the committee	Designation	No. of meetings attended during the year 2018-19 / (no. of meetings held during the tenure)
Mr. Sanjeev Aga	Chairman	Non-Executive, Independent Director	6 (6)
Mr. S. Madhavan	Member	Non-Executive, Independent Director	6 (6)
Mr. Varun Laul [#]	Member	Non-Executive Director	2 (3)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	6 (6)
Mr. Ameya Hete [*]	Member	Non-Executive Director	3 (3)

Mr. Varun Laul ceased to be Director of the Company with effect from August 9, 2018

**Mr. Ameya Hete has been appointed as a member of the Audit and Risk Management Committee with effect from August 9, 2018.*

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

The representatives of the Statutory Auditors are invited to attend the Meeting of the Audit and Risk Management Committee. They have attended all the meetings where their Audit Reports were tabled for discussion. The Managing Director, Joint Managing Director, Chief Executive Officer and Chief Financial Officer usually attend all the Audit and Risk Management Committee Meetings. The Company Secretary is the Secretary to the Committee.

During the year under review, 6 meetings of the Audit and Risk Management Committee were held on May 29, 2018; June 14, 2018; August 8, 2018; November 12, 2018; February 6, 2019 and March 19, 2019.

B. NOMINATION AND REMUNERATION COMMITTEE

The scope and terms of reference of the Nomination and Remuneration Committee includes recommending to the Board from time to time the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as more specifically detailed in Part D of Schedule II of the Listing Regulations in addition to the requirements of Section 178 of the Act. The Nomination and Remuneration Policy is part of the Directors Report.

The composition of the Nomination and Remuneration Committee as at March 31, 2019 and the details of members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2018-19/ (no. of meetings held during the tenure)
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director	4 (4)
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director	4 (4)
Mr. Ameya Hete	Member	Non-Executive Director	3 (4)
Mr. Varun Laul [#]	Member	Non-Executive Director	2 (3)

Mr. Varun Laul ceased to be a director of the Company with effect from August 9, 2018.

During the year under review, 4 meetings of the Nomination and Remuneration Committee were held on May 29, 2018, June 14, 2018, August 8, 2018 and March 19, 2019.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee of the Company are in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations which *inter alia* include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The composition of the Stakeholders' Relationship Committee as at March 31, 2019 and the details of members' participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2018-19 / (no. of meetings held during the tenure)
Ms. Lynn de Souza >	Chairperson	Non-Executive, Independent Director	0 (0)
Mr. Varun Laul#	Chairman	Non-Executive, Non-Independent Director	2 (2)
Mr. Sanjay Gaikwad	Member	Executive Director	4 (4)
Mr. Kapil Agarwal	Member	Executive Director	4 (4)
Mr. Ameya Hete*	Member*	Non-Executive, Non-Independent Director	2 (2)

> Ms. Lynn de Souza has been appointed as Chairperson of the Committee with effect from March 29, 2019.

Mr. Varun Laul ceased to be a director of the Company with effect from August 9, 2018.

* Mr. Ameya Hete was Chairman of the Committee from August 9, 2018 till March 18, 2019.

During the year under review, 4 meetings of the Stakeholders' Relationship Committee were held on May 29, 2018; August 8, 2018; November 12, 2018 and February 6, 2019.

Mr. Sameer Chavan, Company Secretary of the Company is the Compliance Officer of the Company.

The number of complaints received, resolved to the satisfaction of shareholders and numbers of complaints pending during the financial year ended March 31, 2019 are as under.

Particulars	Received	Resolved	Pending
No. of Complaints	22	22	Nil

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Corporate Social Responsibility Committee as at March 31, 2019 and the details of Members participation at the meetings of the Committee are as under:

Name of the member	Position in the Committee	Designation	No. of meetings attended during the year 2018-19 / (no. of meetings held during the tenure)
Mr. Sanjay Gaikwad	Chairman	Executive Director	1 (1)
Ms. Lynn de Souza	Member	Non-Executive, Independent Director	1 (1)
Mr. Kapil Agarwal	Member	Executive Director	1 (1)

During the year under review, the Corporate Social Responsibility Committee met once on May 29, 2018.

The policy on Corporate Social Responsibility is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

E. COMPENSATION COMMITTEE

The scope and terms of reference of Compensation Committee is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which *inter alia* includes:

- Administration and superintendence of the employee stock options schemes.
- Formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard.
- Frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the Company and its employees, as applicable.

The members of the Compensation Committee are as below:

Name of the member	Position in the Committee	Designation
Mr. S. Madhavan	Chairman	Non-Executive, Independent Director
Mr. Sanjeev Aga	Member	Non-Executive, Independent Director
Ms. Lynn de Souza	Member	Non-Executive, Independent Director
Mr. Sanjay Gaikwad	Member	Executive Director

During the year under review, there was no meeting of the Compensation Committee.

F. FINANCE COMMITTEE:

The Finance Committee comprises of 3 members namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director and Mr. Ameya Hete, Director.

The terms of reference of Finance Committee includes matters related to Share Allotment, Share Transfer, Banking & Finance and merger-related activities.

During the year under review, the Committee met on January 18, 2019 and Mr. Kapil Agarwal, Mr. Sanjay Gaikwad and Mr. Ameya Hete were present at the meeting.

G. SCHEME IMPLEMENTATION COMMITTEE:

The Scheme Implementation Committee comprises of 3 members namely Mr. Sanjay Gaikwad, Managing Director, Mr. Kapil Agarwal, Joint Managing Director and Mr. Ameya Hete, Director.

The Committee is responsible to make and agree to such modifications or alterations or amendments to the draft Scheme which do not amount to a material change to the substance of the Scheme and which (a) may otherwise be considered necessary, desirable, expedient or appropriate; or (b) may be necessary to comply with any conditions or limitations that any regulatory authorities (including but not limited to the relevant stock exchanges, the Securities and Exchange Board of India ("SEBI"), and the National Company Law Tribunal ("Tribunal") may deem fit to direct or impose; or (c) may finalise, approve and issue the Notice of the Tribunal convened meeting of shareholders and creditors (if required) along with the Explanatory Statement thereto as may be directed by the Tribunal (including the applicable information pertaining to the unlisted entity/ies involved in the Scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009); or (d) may be necessary for solving all difficulties that may arise for carrying out in the Scheme; or (e) do all acts deeds and things necessary for putting the Scheme into effect.

During the year under review, no meeting of the Scheme Implementation Committee was held.

There have been no instances during the year when recommendations of any committee of the Board were not accepted by the Board.

SUBSIDIARY COMPANIES:

The Company has material subsidiaries namely Scrabble Entertainment Limited and Scrabble Entertainment DMCC who have generated more than 10% of the consolidated income of the Company during the year under review. The Board of Directors of the Company has approved a policy for determining material subsidiaries of the Company and the same is disclosed on the website of the Company under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

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

GENERAL BODY MEETINGS

A. Annual General Meetings:

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

Financial Year	Venue	Date	Time	Special resolutions passed at last three Annual General Meetings (AGM)
2017-18	Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (E), Mumbai – 400093	August 9, 2018	03:00 p.m.	1. Re-appointment of Mr. Sanjay Gaikwad (DIN: 01001173) as Managing Director. 2. Re-appointment of Mr. Kapil Agarwal (DIN: 00024378) as Joint Managing Director.

2016-17	Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri (East), Mumbai- 400 059	September 26, 2017	11:00 a.m.	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director. 2. Re-appointment of Ms. Lynn de Souza (DIN: 01419138) as an Independent Director. 3. Re-appointment of Mr. S. Madhavan (DIN: 06451889) as an Independent Director. 4. Approval of the fees for delivery of documents through specific mode of delivery on request of the member(s).
2015-16	Sivaswamy Auditorium of Fine Arts Cultural Centre, Fine Arts Chowk, R. C. Marg, Chembur, Mumbai – 400071.	September 14, 2016	10:30 a.m.	None

B. Special resolutions passed through Postal Ballot

During the year under review, the Company has passed special resolutions through Postal Ballot as per details mentioned below:

Date of postal ballot notice	Voting period	Date of report by scrutinizer	Date of declaration of results / Date of approval of members	Name of the scrutinizer	Description of special resolutions passed through postal Ballot
April 3, 2018	From April 14, 2018 at 9:00 a.m. to May 13, 2018 at 5:00 p.m.	May 14, 2018	May 15, 2018	Mr. Dharmesh Zaveri, Practicing Company Secretary of D.M. Zaveri & Co.	<ol style="list-style-type: none"> 1. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Company. 2. Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Subsidiary Companies.

The details of voting pattern on aforesaid resolutions are mentioned below:

Details of resolution	No. of outstanding shares	No. of votes polled			% of Votes polled on outstanding shares	No. of Votes – in favour	No. of Votes – against
		Physical ballot	e-voting	Total			
Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Company.	2,83,50,801	6,446	2,19,16,214	2,19,22,660	77.326	1,97,75,192	21,47,468
Approval of repricing of options along with extension of exercise period under 'UFO Moviez India Limited – Employee Stock Option Scheme – 2014' for the benefit of existing option grantees under employment of the Subsidiary Companies.	2,83,50,801	6,446	2,19,16,214	2,19,22,660	77.326	1,97,75,192	21,47,468

As of now, no Special resolution is proposed to be conducted through Postal Ballot.

Procedure of Postal Ballot followed by the Company is mentioned below:

In addition to the physical voting, the Company transacts the business of Postal Ballot through electronic voting. The Company in compliance with Regulation 44 of the Listing Regulations and the provisions of Section 108 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, provides facility to the Members (whether holding shares in physical or in dematerialized form) to exercise their right to vote on the matters included in the notice of the postal ballot by electronic means i.e. through e-voting services. The Company engages the services of M/s. Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have an option to vote either by physical ballot or by e-voting. The Company dispatches the postal ballot notices and postal ballot form along with self-addressed, postage pre-paid business reply envelopes by permissible mode to its members whose names appear on the register of members / list of beneficial owners as on the cut-off date. The postal ballot notice along with postal ballot form is sent to members in electronic form to the e-mail addresses registered with their depository participants or the Company. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch of notice and other requirements as mandated under the Act read with the Rules framed thereunder. Voting is reckoned in proportion to the Member's share of voting rights on the paid-up share capital of the Company as on the record date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman, after completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised persons. The results are also displayed on the website of the Company i.e. www.ufomoviez.com, besides being communicated to the stock exchanges, an agency providing e-voting facility and registrar and share transfer agent of the Company.

C. Resolution passed at the National Company Law Tribunal Convened Meeting

The Company has passed following resolution at the National Company Law Tribunal Convened Meeting (NCLTCM) of shareholders held on May 21, 2018 as per details mentioned below:

Date of NCLTCM notice	Voting period	Date of report by Scrutinizer	Date of declaration of results / Date of Approval of members	Name of the Scrutinizer	Description of resolutions passed
April 11, 2018	From April 21, 2018 at 09:00 a.m. to May 20, 2018 at 5:00 p.m.	May 23, 2018	May 23, 2018	Mr. Dharmesh Zaveri, Practicing Company Secretary of D.M. Zaveri & Co.	Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited and Qube Cinema Technologies Private Limited and Qube Digital Cinema Private Limited and Moviebuff Private Limited and PJSA Technosoft Private Limited and their respective shareholders and creditors

The details of voting pattern on aforesaid resolution are mentioned below:

A. Resolution passed by majority in number representing three-fourths in value of members as required under Section 230 of the Companies Act, 2013

Mode of Voting	Number of Shares held (1)	Number of Votes polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	Number of Votes in favour (4)	Number of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100	Invalid Votes
E-Voting	2,83,50,801	2,28,97,097	80.76	2,23,58,586	5,38,511	97.65	2.35	NIL
Poll		4,976	0.02	4,974	2	99.96	0.04	NIL
Postal Ballot		5,861	0.02	5,861	-	100	0.00	NIL
Total		2,29,07,934	80.80	2,23,69,421	5,38,513	97.65	2.35	NIL

B. Resolution passed by Majority of public shareholders in terms of the SEBI Circular as under

Mode of Voting	Number of Shares held (1)	Number of Votes polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	Number of Votes in favour (4)	Number of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100	Invalid Votes
E-Voting	1,98,35,549	1,43,81,846	131.7482	1,38,43,335	5,38,511	96.2556	3.744	NIL
Poll		4,976	0.0176	4,974	2	99.9598	0.040	NIL
Postal Ballot		5,860	0.0769	5,860	-	100.0000	0.000	NIL
Total		1,43,92,682	131.8426	1,38,54,169	5,38,513	96.2584	3.742	NIL

Notes:

- In case of Poll, out of 13 Shareholders who have voted valid votes, 12 Shareholders voted in favour and 1 Shareholder voted against the resolution.
- In case of Postal Ballot, out of 15 Shareholders who have voted valid votes, 15 Shareholders voted in favour and none Shareholders voted against the resolution.
- In case of E-voting, out of 130 Shareholders who have voted valid votes, 125 Shareholders voted in favour and 5 Shareholders voted against the Resolution.

MEANS OF COMMUNICATION

Communication with the Members / Shareholders

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

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

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

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

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are placed on the Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx and can be downloaded. Also, all the official news releases, intimation of analyst meets, presentations made to the investors, etc. are displayed on the website of the Company under the section 'Events & Updates.'

In compliance with Regulation 10 of the Listing Regulations the quarterly results, shareholding pattern, quarterly compliances and all other corporate communications are filed electronically with BSE on its Listing Centre portal and with NSE on its NEAPS portal.

GENERAL SHAREHOLDER INFORMATION

Day, Date, Time & Venue of the 15 th Annual General Meeting	Thursday, July 25, 2019 at 03.00 PM Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400093
Financial Year	April 1, 2018 to March 31, 2019
Board Meeting for consideration of Accounts for the financial year ended March 31, 2019	May 21, 2019
Book Closure Dates	Friday, July 19, 2019 to Thursday, July 25, 2019 (both days inclusive)
Last date for receipt of Proxy Forms	Tuesday, July 23, 2019
Board Meeting for consideration of unaudited quarterly results for three quarters i.e. June, 2019; September, 2019 and December, 2019 of the financial year 2019-20.	Within 45 days from the end of the quarter or within such other time as stipulated under the Listing Regulations.
Annual audited results for the financial year ending March 31, 2020	Within 60 days from the end of the last quarter or within such other time as stipulated under the Listing Regulations.

The Company is registered with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L22120MH2004PLC285453.

Listing on Stock Exchanges

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

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

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

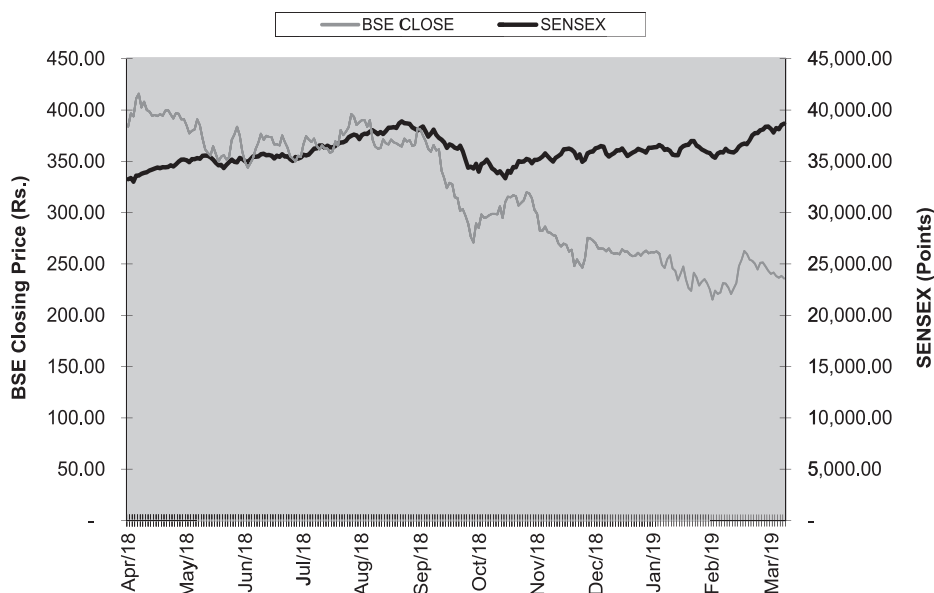
Market Price Data: High, low during each month in last financial year and performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

The performance of the Equity Shares of the Company i.e. the high, low and number of Equity Shares traded during each month in the financial year 2018-19 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's Equity Shares for the financial year ended March 31, 2019, on the said exchanges is given below:

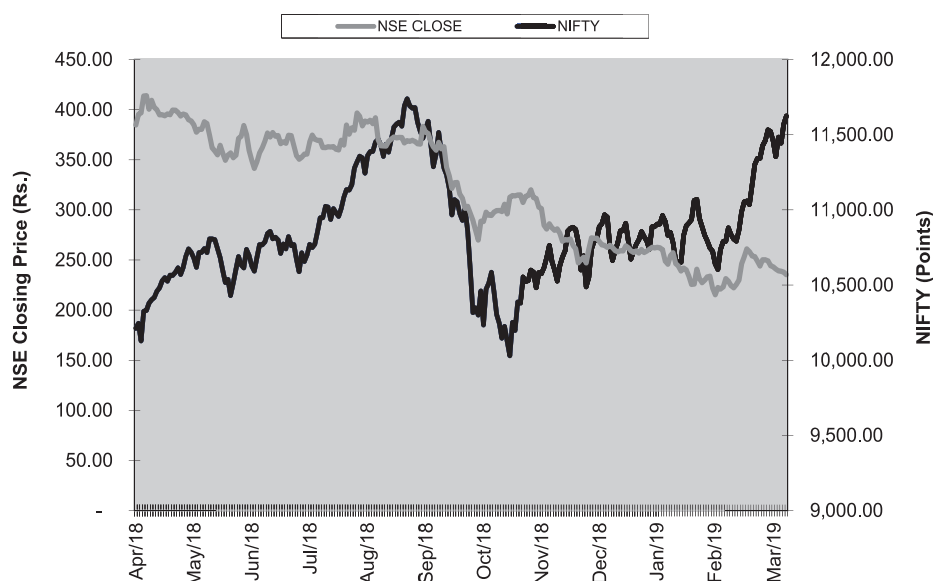
Month	BSE Share price month's High (₹)	BSE Share price month's Low (₹)	Total Turnover (₹ in Lacs)	NSE Share price month's High (₹)	NSE Share price month's Low (₹)	Total Turnover (₹ in Lacs)
Apr-18	418.50	372.00	107.50	417.90	372.00	2,061.97
May-18	398.00	347.45	220.65	395.90	346.10	3,573.33
Jun-18	385.40	335.20	172.59	385.05	338.15	1,317.36
Jul-18	396.00	350.00	78.59	403.80	348.00	3,735.16
Aug-18	395.00	360.25	104.26	395.00	360.00	1,019.29
Sep-18	395.00	305.00	137.09	395.00	303.00	1,029.24
Oct-18	323.75	270.05	121.62	324.25	262.00	743.38
Nov-18	321.55	260.00	67.91	325.75	265.00	497.39
Dec-18	280.00	240.00	55.99	280.55	240.85	650.78
Jan-19	265.00	227.05	35.77	267.30	235.70	417.09
Feb-19	253.20	211.05	29.39	244.00	201.25	714.33
Mar-19	276.60	220.00	138.10	268.10	225.10	1,013.20

Performance of UFO Share price in Comparison to:

BSE Sensex:



NSE Nifty:



Share Transfer System and other related matters

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects. Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making a nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form, from the Registrar & Share Transfer Agent of the Company i.e. M/s. Karvy Fintech Private Limited or download the same from their website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Distribution of shareholding as on March 31, 2019

Range (In ₹) *	No. of equity Shares	Amount (₹ in Lacs)	% to capital	No. of shareholders	% to total shareholder
up to 5000	15,17,728	151.77	5.35	24,129	93.34
5001-10000	6,53,267	65.33	2.30	839	3.25
10001-20000	6,93,618	69.36	2.45	496	1.92
20001-30000	3,23,906	32.39	1.14	128	0.50
30001-40000	2,44,297	24.42	0.86	69	0.27
40001-50000	1,68,366	16.84	0.59	36	0.14
50001-100000	4,75,974	47.59	1.68	65	0.25
100001 & Above	2,42,73,645	2,427.36	85.62	88	0.34
Total	2,83,50,801	2835.08	100.00	25,850	100.00

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

Shareholding Pattern as on March 31, 2019

Category	No. of shares held	Percentage
Promoter and Promoter Group	85,29,452	30.09
Foreign Portfolio Investors	10,73,207	3.79
Foreign Venture Capital	52,51,608	18.52
Foreign Nationals	87	0.00
Non Resident Indians	2,91,688	1.03
Non Resident Indian Non Repatriable	1,27,673	0.45
Resident Individuals	62,62,835	22.09
Others	68,14,251	24.04
Total	2,83,50,801	100.00

Dematerialization of shares

The Company's shares are tradable compulsorily in the electronic form. Through Karvy Fintech Private Limited, Registrar & Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE527H01019.

Percentage of shares held in physical and dematerialization form as on March 31, 2019 are as mentioned below

Particulars	No. of shares	% to Capital
National Securities Depository Limited	2,49,70,181	88.08
Central Depository Services (India) Limited	33,58,815	11.85
Total Demat (A)	2,83,28,996	99.92
Physical (B)	21,805	0.08
Total (A + B)	2,83,50,801	100.00

Investor Correspondence

For any assistance regarding share transfers, transmissions, change of address, duplicate share certificates and other relevant matters, please write to the Registrar & Share Transfer Agent of the Company at the address given below:

Karvy Fintech Private Limited
 (formerly Karvy Computershare Private Limited)
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad – 500 032.
 Tel No.: 040 6716 2222; Fax No.: 040 2300 1153
 Toll Free No.: 1800 345 4001
 Email: einward.ris@karvy.com

For Investor correspondence and queries relating to financial statements

Mr. Ashish Malushte
 Chief Financial Officer
 Tel: +91 22 40305060
 Email: ashish.malushte@ufomoviez.com

Mr. Ashwin Chhugani
 Sr. Manager - Investor Relations
 Tel: +91 22 40305060
 Email: ashwin.chhugani@ufomoviez.com

For queries relating to shares / compliance

Mr. Sameer Chavan
 Company Secretary and Compliance Officer
 Tel : +91 22 40305060
 Email: investors@ufomoviez.com

Credit Ratings

During the year, the Company has obtained [ICRA] AA- (Stable) for Term loan (Fund base) and [ICRA] A1+ for Letter of Credit (Non Fund based) from ICRA Limited.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs or any Convertible instruments issued by the Company except 15,25,000 share warrants issued to certain promoters and employees stock options, the details of which are disclosed in the Annual Report.

Plant Locations

As the Company is not a manufacturing Company, it has no plant. The regional / sales offices of the Company are situated at Ahmedabad, Amravati, Bengaluru, Bhusawal, Chennai, Cochin, Cuttack, Delhi, Ghaziabad, Gorakhpur, Guwahati, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Nagpur, Patna, Ranchi, Raipur, Silliguri and Vijaywada with corporate and registered office at Mumbai.

DISCLOSURES

Related party transactions

All transactions entered in to with the related parties as defined under the Act and under Regulation 23 of the Listing Regulations during the year under review were in the ordinary course of business and on arm's length basis. All the transactions with the related parties are in the normal course of business and do not conflict with the interest of the Company.

There were no materially significant transactions with related parties during the year under review. Related party transactions have been disclosed in the notes to the financial statements in accordance with Ind AS.

As required under Regulation 23 of the Listing Regulations the Company has formulated a policy on related party transactions. The Policy is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Corporate_Governance.aspx

Strictures and penalties

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

Whistle Blower policy

Pursuant to Section 177(9) and (10) of the Act, Regulation 4(2)(d) of Chapter II of the Listing Regulations and Regulation 9A (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has formulated a Whistle Blower Policy for establishing a vigil mechanism for all the stakeholders, Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Company's code of conduct or ethics policy, instances of leak of unpublished price sensitive information. The mechanism provides for adequate safeguards against victimization of stakeholders, Employees and Directors who may use such mechanism and makes provision for direct access to the Chairman of the Audit and Risk Management Committee. None of the personnel of the Company has been denied access to the Chairman of the Audit and Risk Management Committee. The details of the Whistle Blower policy are available on the Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has to the extent applicable complied with all the mandatory requirements of the Listing Regulations. As to non-mandatory requirements, the company has appointed separate persons to the posts of Chairman, Managing Director(s), and Chief Executive Officer.

Commodity price risk and Hedging Activities

As the Company is not dealing in commodities, there are no commodity price risk and hedging activities undertaken by the Company during the year under review.

Disclosure of the compliance with Corporate Governance

The Company has complied with all the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of the Listing Regulations.

Disclosure with respect to demat suspense account / unclaimed suspense account

As on March 31, 2019, there were no outstanding shares which were lying in the suspense account.

Prevention of Insider trading

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

Policy for determination for materiality of event or information

In accordance of Regulation 30 of the Listing Regulations, the Company has framed the Policy for determination for materiality of event or information for the purpose of making disclosures of event or information to the Stock Exchanges under Listing Regulations. The Policy includes criteria for determination of the materiality of event and information and the manner for making disclosure of such events and information to the Stock Exchanges. The policy is available on the Company's website under the web link: http://www.ufomoviez.com/IR_Finance.aspx

Fees paid to Statutory Auditors

During the year under review, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which they are part of is ₹ 70.65 lacs.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 21, 2019

Kapil Agarwal
Joint Managing Director
DIN: 00024378

Ameya Hete
Director
DIN: 01645102

DECLARATION BY CHIEF EXECUTIVE OFFICER

This is to declare that as provided under Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Directors and Senior Management for the year ended March 31, 2019.

Date: May 21, 2019

Rajesh Mishra
Chief Executive Officer

CEO & CFO CERTIFICATION

To,
The Board of Directors of
UFO Moviez India Limited

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of UFO Moviez India Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit and Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit and Risk Management Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Date : May 21, 2019

Rajesh Mishra
Chief Executive Officer

Ashish Malushte
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Board of Directors of
UFO Moviez India Limited

I have examined the compliance of conditions of Corporate Governance by UFO Moviez India Limited ("the Company"), for the financial year ended March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2019.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D.M. Zaveri & Co.
Company Secretaries

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

Place: Mumbai
Date : May 21, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements Regulations, 2015)

To,
The Members of
UFO Moviez India Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of UFO Moviez India Limited having CIN L22120MH2004PLC285453 and having registered office at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Sanjeev Aga	00022065	November 20, 2014
2.	Ameya Hete	01645102	October 17, 2008
3.	Kapil Agarwal	00024378	October 17, 2008
4.	Lynn de Souza	01419138	November 20, 2014
5.	Raaja Kanwar	00024402	May 13, 2005
6.	S. Madhavan	06451889	November 20, 2014
7.	Sanjay Gaikwad	01001173	November 21, 2008

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

For D. M. Zaveri & Co.
Company Secretaries

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

Place: Mumbai
Date: May 21, 2019

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 accompanying consolidated financial statements of UFO Moviez India Limited (hereinafter referred to as "the Holding Company" or "the Company"), its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates listed in Annexure I, which comprise the consolidated Balance Sheet as at 31 March 2019, 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 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates, as were audited by the other auditors, and based on the consideration of the unaudited financial information of four subsidiaries and three associates furnished to us by the management, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2019 and of its consolidated profits and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, 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.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Advertisement revenue Company has recognised advertisement revenue of ₹ 23,723.87 lacs for the year ended 31 March 2019 (Refer note 21 to the consolidated financial statement), being 39% of total revenue of the group. We identified advertisement revenue as a KAM considering – <ul style="list-style-type: none"> There may be an inherent risk regarding the existence and accuracy of revenue given that the advertisements are availed through various direct customers including a number of small players, individual advertisement agents and large advertisement agencies; The Company has an automated proprietary IT system for scheduling advertisements, invoicing and accounting for related revenues. Revenue recognition is based on automated playback logs retrieval and advertisement playout rates incorporated in the IT system. Further, various modules such as for processing of advertisement content and scheduling of advertisements are linked to the financial module. The accuracy and completeness of Company's revenue is thus largely dependent on the Company's IT system and may be susceptible to management override of controls. 	In relation to recognition of revenue from advertisement we have; <ul style="list-style-type: none"> Considered the appropriateness of management's revenue recognition policy in light of the requirements of Ind AS 115; Assessed the reasonableness of the timing and amount of revenue recognised during the year; Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; assessed with assistance from our internal IT specialists, the design, implementation and operating effectiveness of management's key internal IT controls over the completeness and accuracy of the scheduling, billing and accounting system; tested the completeness and accuracy of financial information contained within the advertisement module and billing systems, which includes system generated reports, recording of revenue, and accrual of revenue at period end.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Advertisement revenue	
	<ul style="list-style-type: none"> • Detailed testing on a sample of sales transactions from origination through to the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value; • On selected samples, we <ul style="list-style-type: none"> o confirmed our understanding of the process by which revenue is determined by the relevant billing system; o verified underlying records such as sales contracts, release orders, invoices, logs for advertisements displayed; o performed procedures on release orders over / under unutilised and obtained rationale from management for the same o performed procedures to confirm the existence of the customers; o performed margin analysis on overall advertisement revenue.

Key audit matters	How our audit addressed the key audit matter
Impairment of goodwill	
<p>The carrying value of goodwill as at 31 March 2019 as reflected in consolidated financial statement of the Company is ₹ 2,310.88 lacs (refer note 3.2 to the consolidated financial statement). The goodwill has been allocated to the respective cash-generating units (CGU's) i.e four subsidiaries. Management has carried out an impairment assessment based on the business plan, using the discounted free cash flow model.</p> <p>We identified this as a KAM considering</p> <ul style="list-style-type: none"> • The annual impairment testing involves complexity and significant judgment in evaluating underlying assumptions for estimating recoverable amount. The Discounted Forecasted Cash Flows ("DCF") model is based on key assumptions such as probability of securing and executing future advertisement contracts, estimating growth rates and terminal value, as well as using an appropriate weighted-average cost of capital (discount rate). 	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's process for testing impairment by assessing management's review of financial performance of the underlying subsidiaries; • assessed the recoverable amount based on the valuation. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements; • reconciled input data to approved budgets and tested mathematical accuracy; • performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis. • Discussed management's strategic and operational plans for the foreseeable future.

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 our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report 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.

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

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each entity 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 respective Board of Directors of the Company included in the Group and its associates is 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 auditors' 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 entity 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 management.
- Conclude on the appropriateness of management's 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Other Matters

- (a) We did not audit the financial statements of six subsidiaries and whose financial statements reflect total assets of ₹15,257.89 lacs as at 31 March 2019, total revenues of ₹ 12,396.70 lacs and net cash flows amounting to ₹ 1,009.84 lacs 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 ₹ 441.72 lacs for the year ended 31 March 2019 in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, 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 audit reports of the other auditors.
- (b) Of the above, two subsidiaries and two 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 Company's management has converted the financial statements of such subsidiaries and associate 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 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 report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.
- (c) The financial information of four subsidiaries whose financial information reflect total assets of ₹ 277.48 lacs as at 31 March 2019, total revenues of ₹ 38.86 lacs and net cash flows amounting to ₹ 6.53 lacs 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 loss (and other comprehensive income) of ₹ 83.80 lacs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of three associates, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.
- (d) The comparative consolidated financial statements of the Group for the year ended 31 March 2018, prepared in accordance with Ind AS and included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion as per the report dated 29 May 2018. Additionally, the financial information for the year ended 31 March 2018 have been adjusted to give effect to the Scheme of amalgamation ('the Scheme') of the Holding Company's wholly owned subsidiaries including its step down subsidiaries namely, V N Films Private Limited ("VNFPL"), Edridge Limited ("EL"), UFO International Limited ("UIL") and Southern Digital Screenz India Private Limited ("SDS") (together referred to as the "merging companies") with the Holding Company and these adjustments have been 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 and on the consideration of the unaudited financial information of four subsidiaries and three associates furnished to us by the management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated Balance Sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representation received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates, incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate and the financial statements certified by the Management as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associates. Refer Note 35 to the consolidated financial statements.
 - ii. 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 2019.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associates incorporated in India during the year ended 31 March 2019.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8 November 2016 to 30 November 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate Company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For **B S R & Co. LLP**

Chartered Accountants

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

Rajesh Mehra

Partner

Membership No: 103145

Place : Mumbai

Date : 21 May 2019

Annexure I: List of entities consolidated as at 31 March 2019

Name of the Company	%holding
Subsidiaries Direct and Indirect	
Scrabble Entertainment Limited	100%
Scrabble Entertainment DMCC	100%
Scrabble Entertainment (Mauritius) Limited	100%
Valuable Digital Screens Private limited	100%
Scrabble Digital Limited (w.e.f 15 December 2018)	100%
Scrabble Entertainment Lebanon Sarl	100%
UFO Software Technologies Private Limited	95.97%
UFO Lanka Private Limited	100%
United film organizers Nepal Private Limited	100%
PJSA Technosoft Private Limited	100%
Scrabble digital INC	100%
Associates	
Scrabble Digital Limited (upto14 December 2018)	33%
Mukta VN Films Limited	45%
Scrabble Digital DMCC	33.33%
Scrabble Ventures LLC	30%
Scrabble Ventures, S. de R.L. de C.V, Mexico	30%
Scrabble Audio Visual Equipment Trading L.L.C	99%

Annexure A to the Independent Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

In conjunction with our audit of the consolidated financial statements of UFO Moviez India Limited ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements 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 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 consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Place : Mumbai
Date : 21 May 2019

Rajesh Mehra
Partner
Membership No: 103145

Consolidated Balance Sheet as at 31 March 2019

		₹ in Lacs	
Particulars	Notes	31 March 2019	31 March 2018
Assets			
Non-current Assets			
Property, plant and equipment	3.1	20,461.85	23,591.68
Capital work-in-progress	3.2	870.76	2,118.59
Goodwill on consolidation	3.2	2,310.88	731.42
Other intangible assets	3.2	220.00	280.01
Investments accounted using equity method	4	1,201.72	1,845.13
Financial assets			
(i) Loans receivable	5	538.56	502.21
(ii) Other financial assets	6	71.53	199.28
Deferred tax assets	7	4,630.56	3,966.49
Other non-current assets	8	3,930.42	3,632.18
Total Non-current Assets (A)		34,236.28	36,866.99
Current Assets			
Inventories	9	1,141.67	1,131.47
Financial assets			
(i) Investments	10	13,977.01	11,943.54
(ii) Trade receivables	11	20,072.88	18,439.16
(iii) Cash and cash equivalents	12	2,224.85	3,425.46
(iv) Bank balances other than cash and cash equivalents	12	3,420.67	3,996.24
(v) Loans receivables	5	162.61	140.09
(vi) Other financial assets	6	1,091.50	721.65
Other current assets	8	2,873.75	1,572.89
Total Current assets (B)		44,964.94	41,370.50
Total Assets (A+B)		79,201.22	78,237.49
Equity and Liabilities			
Equity			
(i) Equity share capital	13	2,835.08	2,835.08
(ii) Other equity	14	45,936.07	44,101.90
Equity attributable to owners of the Company		48,771.15	46,936.98
Non-controlling interest		1.33	(816.47)
Total Equity (C)		48,772.48	46,120.51
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	3,710.10	2,017.35
(ii) Other financial liabilities	16	3,160.76	3,137.47
Provisions	17	661.95	495.51
Deferred tax liabilities	7	810.51	694.11
Other non-current liabilities	18	666.94	336.09
Total Non-current Liabilities (D)		9,010.26	6,680.53

Consolidated Balance Sheet as at 31 March 2019

₹ in Lacs			
Particulars	Notes	31 March 2019	31 March 2018
Current Liabilities			
Financial liabilities			
(i) Borrowings	19	1,396.17	1,070.24
(ii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditor other than micro enterprises and small enterprises		9,946.06	9,746.26
(iii) Others financial liabilities	16	5,969.06	10,550.34
Provisions	17	475.65	405.93
Other current liabilities	18	3,631.54	3,663.68
Total Current Liabilities (E)		21,418.48	25,436.45
Total Liabilities (D+E) = (F)		30,428.74	32,116.98
Total Equity and Liabilities (C+F)		79,201.22	78,237.49
Significant accounting policies	2		

The accompanying notes 1 to 45 are an integral part of the consolidated financials 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**

Rajesh Mehra
Partner
Membership No: 103145

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Ameya Hete
Director
DIN No.: 01645102

Place : Mumbai
Date : 21 May 2019

Rajesh Mishra
CEO - Indian Operations

Ashish Malushte
Chief Financial Officer

Sameer Chavan
Company Secretary
Membership No. F7211

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

		₹ in Lacs	
	Notes	31 March 2019	31 March 2018
Income			
Revenue from operations	21	61,186.14	59,402.96
Other income	22	498.99	292.90
Total income (I)		61,685.13	59,695.86
Expenses			
Operating direct costs	23	25,354.10	24,551.91
- Cost of consumables and spares consumed		330.54	294.14
- Purchases of digital cinema equipment and lamps		8,772.75	6,756.44
- Changes in inventories		(23.32)	244.13
- Advertisement revenue share		6,911.21	6,499.72
- Virtual print fees sharing		2,333.85	5,235.97
- Other operating direct cost		7,029.07	5,521.51
Employee benefit expenses	24	9,173.60	8,369.99
Other expenses	25	10,330.03	9,481.24
Total expenses (II)		44,857.73	42,403.14
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		16,827.40	17,292.72
Depreciation and amortisation expenses	3	7,358.00	7,983.28
Finance cost	26	1,102.41	918.08
Finance income	27	(1,224.22)	(798.35)
Profit before tax and share of profit from associates		9,591.21	9,189.71
Share of profit from associates (net)		357.93	648.58
Profit before tax and after share of profit from associates		9,949.14	9,838.29
Tax expenses			
Current tax	7	3,695.29	4,807.86
Deferred tax	7	(247.99)	(1,023.72)
Total tax expenses		3,447.30	3,784.14
Profit / (Loss) for the year		6,501.84	6,054.15
Other comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		(49.09)	3.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		17.11	(1.52)
B (i) Items that will be reclassified to profit or loss			
a) Exchange differences in translating the financials statements of foreign operations		219.79	(19.28)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the year, net of tax		6,689.65	6,037.28
Profit for the year attributable to			
a) Owners of the Company		6,653.54	6,285.65
b) Non-controlling interests		(151.70)	(231.50)
Other comprehensive income attributable to			
a) Owners of the Company		187.81	(17.71)
b) Non-controlling interest		-	0.84
Total comprehensive income for the year attributable to			
a) Owners of the Company		6,841.35	6,267.94
b) Non-controlling interest		(151.70)	(230.66)
Earnings per equity share (Face value of share of ₹ 10 each)	28		
Basic		23.47	22.59
Diluted		23.47	22.55
Significant accounting policies	2		

The accompanying notes 1 to 45 are an integral part of the consolidated financials 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 : 21 May 2019

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

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Consolidated Cash flow statement for the year ended 31 March 2019

	₹ in Lacs	
	31 March 2019	31 March 2018
Cash flow from / (used in) operating activities		
Profit before share of profit from associates and tax	9,591.21	9,189.71
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	7,358.00	7,983.28
Bad debts written off	14.06	84.29
Provision for doubtful debts	763.31	440.62
Provision for loans and advance	58.02	-
Unrealised foreign exchange gain (net)	(28.93)	(4.09)
Loss on sale of property, plant and equipments	53.38	45.06
Sundry balance write back	(156.80)	(260.02)
Fair valuation of current investments	(349.43)	(233.73)
ESOP expenses	371.72	-
Interest income on financial assets carried at amortised cost	(33.03)	(10.67)
Interest expense on financial liabilities carried at amortised cost	178.94	193.24
Profit on sale of current investments (net)	(589.67)	(136.26)
Remeasurement of equity interest	(371.87)	-
Revenue recognised for Ind AS 115	(63.45)	-
Finance cost	902.14	666.22
Interest income	(210.41)	(232.84)
Dividend income	(41.68)	(124.86)
Operating profit before working capital changes	17,445.51	17,599.95
Movements in working capital		
Increase / (decrease) in trade payables	(311.69)	1,001.76
Increase / (decrease) in other financial liabilities	(588.23)	(508.13)
Increase / (decrease) in other liabilities (current and non-current)	391.48	(816.16)
Increase / (decrease) in short-term provisions and long-term provisions	143.29	174.62
(Increase) / decrease in trade receivables	(1,570.99)	(4,495.28)
(Increase) / decrease in financial assets	(416.83)	829.87
(Increase) / decrease in other assets (current and non-current)	(680.64)	541.94
(Increase) / decrease in inventories	10.95	92.81
Cash generated from operations	14,422.85	14,421.38
Direct taxes paid (net of refunds)	(4,663.82)	(4,963.68)
Net cash flow from operating activities (A)	9,759.04	9,457.70
Cash flows from / (used in) investing activities		
Purchase of property, plant and equipments, including capital work in progress and capital advances	(4,072.14)	(6,780.06)
Proceeds from sale of property, plant and equipments including capital work in progress	314.95	977.03
Payment for purchase of acquisition of associate and additional investment in associate	(2,249.03)	(1,704.28)
Purchase of current investments (including dividend reinvestment)	(38,191.22)	(33,984.06)
Proceeds from sale / redemption of current investments	37,550.96	28,674.36
Proceeds from Maturity of / (Investment in) bank deposits (with original maturity for more than 3 months) (net)	965.46	1,420.07
Interest received	257.97	249.31
Dividends received	327.39	372.31
Net cash flow (used in) investing activities (B)	(5,095.66)	(10,775.32)
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity share capital(including premium)	-	3,001.97
Proceeds from share warrants	-	1,525.50
Payment of purchase consideration for purchase of subsidiary shares from non-controlling interest	(60.00)	-
(Repayment) / proceeds from short term borrowing (net)	325.93	(2.77)

Consolidated Cash flow statement for the year ended 31 March 2019

	₹ in Lacs	
	31 March 2019	31 March 2018
Proceeds from long-term borrowings	3,210.75	4,647.31
Repayment of long-term borrowings	(4,329.52)	(4,443.51)
Interest paid	(904.20)	(699.06)
Dividend paid on equity shares	(3,535.21)	(2,752.17)
Tax on dividend paid on equity shares	(728.45)	(561.89)
Net cash flow (used in) / from financing activities (C)	(6,020.70)	715.38
Net (decrease) in cash and cash equivalents (A + B + C)	(1,357.73)	(602.24)
Unrealised gain on foreign currency cash and cash equivalents	110.82	9.01
Add: On acquisition of subsidiary	45.90	-
Cash and cash equivalents at the beginning of the period	3,425.46	4,018.69
Cash and cash equivalents at the end of the period	2,224.85	3,425.46
Components of cash and cash equivalents		
Cash on hand	-	6.30
Balance with banks:		
- on current accounts	2,219.03	3,404.05
- on EEFC accounts	-	4.55
on fixed deposits account with original maturity of less than three months	5.82	10.56
Cash and cash equivalents (Refer note 12)	2,224.85	3,425.46

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 1 April 2018	7,526.75	1,070.24
Cash flow during the year		
Proceeds	3,210.75	15,610.72
Repayment	4,329.52	15,284.79
Non cash changes if any	-	-
Closing balance as on 31 March 2019	6,407.98	1,396.17

* Includes current maturities of non-current borrowing

Notes:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in Accounting Standard Ind AS - 7 "Cash Flow Statements"

Significant accounting policies
2

The accompanying notes 1 to 45 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**
Rajesh Mehra

Partner

Membership No: 103145

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital (refer note 13)

₹ in Lacs

	31 March 2019	31 March 2018
Balance at the beginning of year	2,835.08	2,760.08
Changes in equity share capital during the reporting year	-	75.00
Balance at the end of the reporting year	2,835.08	2,835.08

B. Other equity

₹ in Lacs

	Attributable to Owners of the Company							Non Controlling Interest	Total Other Equity	
	Reserves and Surplus					Other Comprehensive Income	Money Received against share warrant			Total
	Other Reserve (on purchase of Non- controlling interest stake)	Securities Premium	Employee Share Options Outstanding	Legal Reserve	Retained Earnings	Foreign Currency Translation Reserve (FCTR)				
As at 31 March 2019										
Opening balance as at 1 April 2018	(1,153.89)	29,836.90	-	182.93	13,838.00	(127.54)	1,525.50	44,101.90	(816.47)	43,285.43
Profit for the year	-	-	-	-	6,653.54	-	-	6,653.54	(151.70)	6,501.84
Exchange difference arising on translation of foreign operations	-	-	-	-	-	219.79	-	219.79	-	219.79
Other comprehensive income on foreign operations	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	(31.98)	-	-	(31.98)	-	(31.98)
Total Comprehensive Income	-	-	-	-	6,621.56	219.79	-	6,841.35	(151.70)	6,689.65
Acquisition of non-controlling Interest	(1,029.50)	-	-	-	-	-	-	(1,029.50)	969.50	(60.00)
Expired options transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
Adjustment in pursuant to Ind AS 115	-	-	-	-	(63.45)	-	-	(63.45)	-	(63.45)
Dividend paid	-	-	-	-	(3,543.85)	-	-	(3,543.85)	-	(3,543.85)
Dividend distribution tax paid	-	-	-	-	(728.45)	-	-	(728.45)	-	(728.45)
ESOP cost	-	-	371.72	-	-	-	-	371.72	-	371.72
Transfer to FCTR	-	-	-	-	(13.65)	-	-	(13.65)	-	(13.65)
Closing Balance as at 31 March 2019	(2,183.39)	29,836.90	371.72	182.93	16,110.16	92.25	1,525.50	45,936.07	1.33	45,937.40
As at 31 March 2018										
Opening balance as at 1 April 2017	(885.07)	26,910.92	0.32	182.93	11,003.11	(107.42)	-	37,104.79	598.79	37,703.58
Profit for the year	-	-	-	-	6,285.65	-	-	6,285.65	-	6,285.65
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(19.28)	-	(19.28)	(231.50)	(250.78)
Other comprehensive income on foreign operations	-	-	-	-	-	(0.84)	-	(0.84)	0.84	(0.00)
Remeasurement of defined benefit plans	-	-	-	-	2.41	-	-	2.41	-	2.41
Total Comprehensive Income	-	-	-	-	6,288.06	(20.12)	-	6,267.94	(230.66)	6,037.28

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

₹ in Lacs

	Attributable to Owners of the Company								Non Controlling Interest	Total Other Equity
	Reserves and Surplus					Other Comprehensive Income	Money Received against share warrant	Total		
	Other Reserve (on purchase of Non- controlling interest stake)	Securities Premium	Employee Share Options Outstanding	Legal Reserve	Retained Earnings	Foreign Currency Translation Reserve (FCTR)				
On Issue of Shares	-	2,925.98	-	-	-	-	-	2,925.98	-	2,925.98
Acquisition of non-controlling Interest	(268.82)	-	-	-	-	-	-	(268.82)	(1,184.60)	(1,453.42)
Dividend paid	-	-	-	-	-	-	-	-	-	-
Expenses incurred on merger transferred to retained earning	-	-	-	-	(70.26)	-	-	(70.26)	-	(70.26)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-
Money received against share warrants	-	-	-	-	-	-	1,525.50	1,525.50	-	1,525.50
Expired options transferred to retained earnings	-	-	(0.32)	-	0.32	-	-	-	-	-
Dividend paid	-	-	-	-	(2,760.08)	-	-	(2,760.08)	-	(2,760.08)
Dividend distribution tax paid	-	-	-	-	(561.89)	-	-	(561.89)	-	(561.89)
Transfer to FCTR	-	-	-	-	(61.26)	-	-	(61.26)	-	(61.26)
Closing Balance as at 31 March 2018	(1,153.89)	29,836.90	-	182.93	13,838.00	(127.54)	1,525.50	44,101.90	(816.47)	43,285.43

The accompanying notes 1 to 45 are an integral part of the consolidated financials 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
Rajesh Mehra

Partner

Membership No: 103145

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Notes to consolidated financial statements as at and for the year ended 31 March 2019

1. Corporate Information

UFO Moviez India Limited ('UFO' or 'the Parent Company' or 'the Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The address of registered office and principal place of business of Parent Company is located at Valuable Techno Park, Plot No. 53/1, Road No.7, MIDC, Marol, Andheri (East), Mumbai -400093, disclosed in the introduction to the annual report. The equity shares of the Company are listed on the Bombay Stock exchange (BSE), India and the National Stock Exchange (NSE) India. UFO and its subsidiaries and associates as detailed in note 2.4 below are jointly referred to as "the Group". The Group is primarily engaged in the business of providing digital cinema service.

The consolidated financial statements ('CFS') were authorised for issue in accordance with a resolution of the directors on 21 May 2019.

2. Significant accounting policies

2.1 Statement of Compliance:

These consolidated financial statements have been 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 consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

2.3 Functional and Presentational Currency:

The CFS are presented in Indian Rupees (₹) 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 and Associates (hereinafter referred together as "the Group").

(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 Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Consolidated Financial Statements 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 of 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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

The total comprehensive income of Subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interest having deficit balance.

(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 recognised at cost, which include transaction costs. Subsequent to initial recognition, CFS include the Group's share of profit or loss and OCI of associates until the date on which significant influence ceases.

- (v) The CFS includes six Subsidiaries, incorporated outside India, whose Financial Statements have been restated in Indian Rupees. In translating the Financial Statements of such Companies for incorporation in the Financial Statements, 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 on Consolidation' being an asset in the consolidated financial statements. 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 the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as "Other Reserve (on purchase of Non-controlling interest stake)" and shown under the head 'Other Equity' in the consolidated financial statements.

The CFS are comprised of the Financial Statements of the following Subsidiaries which are as under:

Subsidiary Name	Country of Incorporation	UFO's ownership interest as on 31 March 2019	UFO's ownership interest as on 31 March 2018
Scrabble Entertainment Limited	India	100%	100%
Valuable Digital Screen Private Limited	India	100%	80%
PJSA Technosoft Private Limited	India	100%	100%
United Film organizers (UFO) Nepal Private Limited	Nepal	100%	100%
UFO Lanka Private Limited	Sri Lanka	100%	100%
UFO Software Technologies Private Limited	India	95.97%	95.97%
Scrabble Entertainment DMCC	United Arab Emirates	100%	100%
Scrabble Entertainment Mauritius Limited	Mauritius	100%	100%
Scrabble Entertainment Lebanon SARL	Lebanon	100%	100%
Scrabble Digital Inc	United States of America	100%	100%
Scrabble Digital Limited (w.e.f. 15 December 2018)	India	100%	-

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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

Associate Name	Country of Incorporation	UFO's ownership interest as on 31 March 2019	UFO's ownership interest as on 31 March 2018
Scrabble Digital Limited (up to 14 December 2018)	India	-	33.33
Scrabble Digital DMCC	United Arab Emirates	33.33%	33.33%
Scrabble Venture LLC	United States of America	30%	30%
Scrabble Ventures, S. de R.L. de C.V, Mexico	Mexico	30%	30%
Mukta V N Films Private Limited	India	45%	45%
Scrabble Audio Visual Equipment Trading LLC (w.e.f) 25 November 2018	United Arab Emirates	49%	-

(viii) The list of Companies not included in consolidation as these are in the process of being liquidated are mentioned below:

Subsidiary Name	Country of Incorporation	UFO's ownership interest as on 31 March 2019	UFO's ownership interest as on 31 March 2018
Scrabble Entertainment Israel Limited	Israel	100%	100%

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

Entity Name	Relationship	As at and for the year ended 31 March 2019	As at and for the year ended 31 March 2018
Scrabble Digital DMCC	Associate	Year ended 31 December 2018	Year ended 31 December 2017
Scrabble Entertainment Lebanon SARL	Subsidiary	Year ended 31 December 2018	Year ended 31 December 2017

2.5 Significant Accounting Judgements, Estimates and Assumptions:

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

(i) Judgements:

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

(ii) Estimates and Assumptions:

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

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

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

Notes to consolidated financial statements as at and for the year ended 31 March 2019

- **Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and compensated absences and the present value of their obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

Availability of future taxable future profit against which the tax losses carried forward can be used as disclosed in note 2.6 (m) below.

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

Key assumptions about the likelihood and magnitude of an outflow of resources as disclosed in Note 2.6 (o) below.

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

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

2.6 Summary of Significant Accounting Policies:

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

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

Items of stores and spares that meet the definition of PPE are capitalised 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 cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intend use as on the Balance Sheet are disclosed as "Capital work in progress" and are stated at cost.

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

(b) Depreciation on PPE:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of PPE are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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

	Useful lives (years)
Exhibition Equipment	7 – 10
Plant and Machinery	4 – 7
Computer	3
Furniture and Fixtures	6
Office Equipment	5-6
Vehicles	3-5

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold improvements are amortised on a straight-line basis over the period of lease or over a period of 3 to 4 years, whichever is lower.

(c) Intangible assets and amortisation:

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

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

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

	Useful lives (years)
Computer Software	2 – 6

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

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

(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 acquire 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 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 recognised 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 2019

(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 recognised if the recoverable amount of the of the CGU is higher than its value in use or fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

(f) Leases:

Operating lease:

As a lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

As a lessor:

Assets subject to operating leases are included in property, plant and equipment. Lease income is recognised in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of profit and loss.

(g) Inventories:

Inventories comprise of traded goods, stores and spares which are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Cost includes all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(h) Revenue recognition:

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

Effective 1 April 2018, 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. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated.

The impact of adoption of Ind AS 115 on the standalone Ind AS financial statements of the Company for the year ended 31 March 2019 is not material.

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

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognised in the period in which the services are rendered.
- Advertisement income is recognised in the period during which advertisements are displayed.
- Digitisation income is recognised in the period in which services are rendered.
- Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.
- Revenue from commission and technical service income is recognised in period in which services are rendered.
- Revenue from sale of goods is recognised upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.
- Lease rental income on equipment is recognised as mentioned in note 2.6(f) above.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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 Company disaggregates revenue from contracts with customers based on nature of services.

The Company does not revenue 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 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 Company'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 recognised 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 recognised 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 ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their Statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

(k) Financial instruments:

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

Cash and cash equivalents

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

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2019**Financial assets at fair value through other comprehensive income**

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Impairment of Financial Assets:

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

Financial guarantee contracts:

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

De-recognition of financial assets:

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

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

Derivative financial instruments:

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

(l) Employee benefits:

Defined contribution plans

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

Defined benefit plans

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

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are 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 or amortised on a straight-line basis over the average period until the benefits become vested.

The gratuity obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised 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 an Life Insurance Corporation of India to which contributions are made by the Group.

Other long-term employee benefits

Short 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 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 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. A Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in associates and foreign subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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.

Minimum alternate tax (MAT):

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternate 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 (EPS):

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 numbers 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 EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions and contingent liabilities:

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

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

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

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

(p) Employee share based payment:

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

(q) Borrowing cost:

Borrowing cost includes interest expense, amortisation 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

All other borrowing costs other than for acquisition of assets which takes substantial period of time for the intended use are recognised as expense in period in which they are incurred.

(r) Segment reporting:

Identification of Segments:

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Group.

(s) Measurement of earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance costs, finance income and tax expense.

2.7 Standards issued but not effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 1 April 2019:

Ind AS 116- Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116 which introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Ind AS 116 replaces existing leases guidance including Ind AS 17 Leases where the operating lease expenses are charged to profit and loss account.

The standard is effective for annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition

- (1) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (2) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Company has started an initial assessment of the potential impact of Ind AS 116 on its financial statements. The key change upon adoption of the standard will be Balance Sheet recognition, as the recognition of lease expense on our income statement will be similar to current accounting. The Company will adopt the new leasing standard using a modified retrospective transition method as of the beginning of the period of adoption; therefore, will not adjust the Balance Sheet for comparative periods but will record a cumulative effect adjustment to retained earnings on 1 April 2019.

The Company has estimated the adoption will result in a right-of-use asset and recognition of lease liability on the Balance Sheet. This transition will lead to reduction in retained earning by ₹ 20.64 lacs approximate net of taxes on account of said impact. The Company does not believe the standard will materially impact the income statement or have a notable impact on our liquidity.

Notes to consolidated financial statements as at and for the year ended 31 March 2019***Ind AS 12 Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)***

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

3.1 Property, plant and equipment

₹ in Lacs

	Leasehold Improvements	Plant and Machinery	Computer Systems	Office Equipment	Furniture and Fixtures	Electrical Equipments and Installations	Vehicles	Total
Cost as At 1 April 2017	583.56	30,537.11	95.25	171.44	45.95	38.45	1,959.89	33,431.65
Additions	15.36	5,738.51	76.33	53.90	6.15	-	646.75	6,537.00
On Disposals	-	11,855.87	1.28	6.35	-	-	324.27	12,187.77
Exchange difference on translation of foreign operations	0.01	24.63	0.00	0.01	(0.05)	-	0.03	24.63
Cost as At 31 March 2018	598.93	24,444.38	170.30	219.00	52.05	38.45	2,282.40	27,805.51
Addition on Acquisition (Refer note 39 (D))	102.92	762.12	91.62	16.83	7.09	-	-	980.58
Additions	102.03	3,694.19	94.77	41.47	7.95	-	62.93	4,003.34
On Disposals	-	2,156.50	0.49	1.17	-	-	30.84	2,189.00
Exchange difference on translation of foreign operations	0.40	70.84	0.09	(0.39)	0.57	-	1.19	72.70
Cost as At 31 March 2019	804.28	26,815.03	356.29	275.74	67.66	38.45	2,315.68	30,673.13
Accumulated Depreciation / Amortisation								
At 1 April 2017	136.11	6,998.35	4.23	36.14	12.87	6.16	389.53	7,583.39
Charge for the year	146.17	7,077.43	69.16	49.61	13.72	8.10	553.82	7,918.01
On Disposals	-	10,986.90	0.53	5.75	-	-	298.11	11,291.29
Exchange difference on translation of foreign operations	0.01	3.60	0.01	0.01	0.03	-	0.06	3.72
At 31 March 2018	282.29	3,092.48	72.87	80.01	26.62	14.26	645.30	4,213.83
Addition on Acquisition (Refer note 39 (D))	56.71	364.18	27.45	12.52	5.08	-	-	465.94
Charge for the year	166.27	6,404.03	84.04	52.94	13.77	6.56	563.46	7,291.07
On Disposals	-	1,798.84	0.47	0.63	-	-	20.73	1,820.67
Exchange difference on translation of foreign operations	0.40	59.10	0.10	0.15	0.43	-	0.93	61.11
At 31 March 2019	505.67	8,120.95	183.99	144.99	45.90	20.82	1,188.96	10,211.28
Net carrying amount	-	-	-	-	-	-	-	-
At 31 March 2018	316.64	21,351.90	97.43	138.99	25.43	24.19	1,637.10	23,591.68
At 31 March 2019	298.61	18,694.08	172.30	130.75	21.76	17.63	1,126.72	20,461.85

Refer Note 15 and 19 for details of Pledge against the above assets

3.2 Intangible Assets

₹ in Lacs

	Computer software and other Intangible Assets	Network (relationship with studio & exhibitors)	Total
	A	B	C=A+B
Cost as At 1 April 2017	372.02	790.00	1,162.02
Additions	36.45	-	36.45
On Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
Cost as At 31 March 2018	408.47	790.00	1,198.47
Addition on Acquisition (Refer note 39 (D))	15.00	-	15.00
Additions	6.13	-	6.13
On Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-

Notes to consolidated financial statements as at and for the year ended 31 March 2019

₹ in Lacs

	Computer software and other Intangible Assets	Network (relationship with studio & exhibitors)	Total
	A	B	C=A+B
Cost as At 31 March 2019	429.60	790.00	1,219.60
Amortisation			
Accumulated as At 1 April 2017	63.19	790.00	853.19
Charge for the year	65.27	-	65.27
On Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
At 31 March 2018	128.46	790.00	918.46
Addition on Acquisition (Refer note 39 (D))	14.21	-	14.21
Charge for the year	66.93	-	66.93
On Disposals	-	-	-
Exchange difference on translation of foreign operations	-	-	-
At 31 March 2019	209.60	790.00	999.60
Net carrying amount			
At 31 March 2018	280.01	-	280.01
At 31 March 2019	220.00	-	220.00

CWIP is of ₹ 870.76 lacs as at 31 March 2019 (31 March 2018: ₹ 2,118.59 lacs)

3.2 Goodwill on Consolidation

₹ in Lacs

At 1 April 2017	731.42
Additions	-
Disposals	-
At 31 March 2018	731.42
Addition on Acquisition (Refer note 39 (D))	1,579.46
Additions	-
Disposals	-
At 31 March 2019	2,310.88
Accumulated Amortisation	
At 1 April 2017	-
Charge for the year	-
Disposals	-
At 31 March 2018	-
Addition on Acquisition (Refer Note 39 (D))	-
Charge for the year	-
Disposals	-
At 31 March 2019	-
Net carrying amount as at	
At 31 March 2018	731.42
At 31 March 2019	2,310.88

The group tests goodwill annually for impairment.

Goodwill of ₹ 1,579.46 lacs pertains to acquisition of Scrabble Digital Limited. The estimated value-in-use is of this CGU is based on the future cash flows using a 1.45% annual growth rate for periods subsequent to the forecast period of 5 year and discount rate of 21.5%. An analysis of the sensitivity of the computation to a change in key parameter (operating margin, discount rates and long term average) based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The remaining amount of goodwill of ₹ 731.42 lacs pertaining to acquisition of different companies has been evaluated based on the cash flow forecasts of the related CGU and the recoverable amount of these CGU exceeds their carrying amounts.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

4. Investment accounted for using equity method

₹ in Lacs

	31 March 2019	31 March 2018
Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries (under liquidation)		
1 (31 March 2018:1) Equity Shares of USD 1 each fully paid up of ₹ 69 (31 March 2018: ₹ 65) in Scrabble Entertainment Israel Limited	0.00	0.00
Investment in Associates		
Nil (31 March 2018: 197,714) Equity Shares of ₹ 10 each fully paid up in Scrabble Digital Limited (including post-acquisition share of profit or loss)	-	555.98
100 (31 March 2018: 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)	252.54	220.53
1,500 (31 March 2018: 1,500) Equity Shares of 1 Mexican Pesos each fully paid up in Scrabble Ventures, S.de R.L.De C.V, Mexico (Refer note a) (Including post acquisition share of loss restricted to cost of Investments ₹ 8,020 (31 March 2018: ₹ 7,847)	-	-
3,000 (31 March 2018: 3,000) Equity Shares in Scrabble Ventures LLC USA having no par value (including post acquisition share of profit or loss) (Refer note a)	487.21	718.53
2,700,000 (31 March 2018: 2,700,000) Equity Shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	313.26	290.09
360,000 (31 March 2018: 360,000) Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up in Mukta VN Films Limited	36.00	36.00
240,000 (31 March 2018: 240,000) Share warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
147 (31 March 2018: Nil)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	88.71	-
	1,201.72	1,845.13

Notes:

- a) In addition to the investments listed above, the Group is holding 2,000 shares of Scrabble Ventures LLC and 1,000 shares of Scrabble Ventures, S.de R. L. De C.V, Mexico on behalf of others, where Group is not a beneficial owner. The Group's total investment in these entities is presented net of shares held on behalf of others, where the Group is not a beneficial owner.

₹ in Lacs

	31 March 2019	31 March 2018
Other disclosures:		
(i) Aggregate amount of quoted investments (Gross)	-	-
(ii) Market value of quoted investments	-	-
(iii) Aggregate amount of unquoted investments (Gross)	1,201.72	1,845.13

5. Financial assets - Loans receivables

₹ in Lacs

	Non current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured (Considered Good)				
Security deposit to related parties (Refer note 33)	357.72	357.72	1.94	1.94
Security deposit to others	180.84	144.49	117.25	54.72
Loan to others - Considered good	-	-	43.42	83.43
- Credit impaired	14.66	14.66	40.00	-
	14.66	14.66	83.42	83.43
Less: Allowance for doubtful balance	(14.66)	(14.66)	(40.00)	-
	-	-	43.42	83.43
	538.56	502.21	162.61	140.09

Notes to consolidated financial statements as at and for the year ended 31 March 2019
6. Other financial assets

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Fixed deposits with Bank with remaining maturity more than 12 months (Refer note 12)	71.16	188.24	-	-
Unbilled revenue	-	-	1,046.87	548.50
Interest accrued but not due on fixed deposit	0.37	11.04	42.14	87.09
Interest accrued on loan given				
- Considered good	-	-	-	-
- Credit impaired	-	-	30.01	11.76
	-	-	30.01	11.76
Less: Allowance for doubtful balance	-	-	(30.01)	-
	-	-	-	11.76
Other receivables	-	-	2.49	74.30
	71.53	199.28	1,091.50	721.65

7. Deferred tax assets / (liability)

₹ in Lacs

	31 March 2019	31 March 2018
A Deferred tax assets		
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	3,848.05	3,147.12
Provision for doubtful debts and advances	499.35	390.64
Impact of expenditure / (Income) charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	283.16	340.48
Others	-	88.25
Gross deferred tax assets	4,630.56	3,966.49
B Deferred tax liabilities		
Undistributed profit of foreign subsidiaries and associates	810.51	694.11
Gross deferred tax liabilities	810.51	694.11

Movement in deferred tax assets and liabilities

₹ in Lacs

Movement during the year ended 31 March 2018	As at 31 March 2017	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	Others	As at 31 March 2018
Deferred tax assets / (liabilities)					
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	2,812.32	498.40	-	(163.60)	3,147.12
Provision for doubtful debt and advances	377.64	13.00	-	-	390.64
Impact of income / expenditure charged / (credited) to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	270.66	71.34	(1.52)	-	340.48
Others	-	88.25	-	-	88.25
Undistributed profit of foreign subsidiaries and associates	(1,046.84)	352.73	-	-	(694.11)
Total	2,413.78	1,023.72	(1.52)	(163.60)	3,272.38

Notes to consolidated financial statements as at and for the year ended 31 March 2019

₹ in Lacs

Movement during the year ended 31 March 2019	As at 31 March 2018	Credit/ (Charge) in the statement of Profit and Loss	Credit/ (Charge) in Other Comprehensive Income	On Business Combination and others	As at 31 March 2019
Deferred tax assets /(liabilities)					
Property, Plant and Equipment and Intangible Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	3,147.12	441.40	-	259.53	3,848.05
Provision for Doubtful Debt and advances	390.64	108.71	-	-	499.35
Impact of Income /expenditure charged /(credited) to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	340.48	(97.47)	17.11	23.04	283.16
Undistributed profit of foreign subsidiaries and associates	(694.11)	(116.40)	-	-	(810.51)
Others	88.25	(88.25)	-	-	-
Total	3,272.38	247.99	17.11	282.57	3,820.05

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

₹ in Lacs

	31 March 2019	31 March 2018
i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
In respect of current year	3,556.01	4,807.86
Adjustment of previous year	139.28	
Deferred tax:		
In respect of current year	(247.99)	(1,023.72)
Income tax expense recognised in the Statement of Profit and Loss	3,447.30	3,784.14
ii) Income tax expense recognised in OCI		
Deferred tax :		
Deferred tax expense on remeasurements of defined benefit plans	17.11	(1.52)
Income tax expense recognised in OCI	17.11	(1.52)

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

₹ in Lacs

	31 March 2019	31 March 2018
Profit before tax	9,949.14	9,838.29
Income tax expense calculated at Corporate tax rate @ 34.944% (31 March 2018: 34.608%)	3,481.60	3,404.85
Impact on account of:		
Deferred tax liability on undistributed profits (Net)	151.00	(363.05)
Change in tax rates	(91.00)	84.00
Income of subsidiaries not chargeable to tax	(234.80)	(298.07)
Income exempt from tax	(204.81)	(41.96)
Losses of subsidiaries	379.07	1,255.23
Profits of associates	(125.28)	(224.46)
Expenses not deductible for tax purpose	62.89	9.25
Others	11.52	(40.13)
Total	3,430.19	3,785.66
Tax expense as per Statement of Profit and Loss	3,430.19	3,785.66

The rate used for the reconciliation is the corporate tax rate of 34.944% (31 March 2018: 34.608%) payable by corporate entities in India on taxable profits under Indian tax law.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

VDSPL, a subsidiary, 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.

Assessment year	Category	Amount of Loss	Amount of Deferred tax Asset	Expiry Date
A.Y. 19-20	Unused Tax Losses	564.04	197.10	A.Y. 2027-28
A.Y. 18-19	Unused Tax Losses	831.21	290.46	A.Y. 2026-27
A.Y. 17-18	Unused Tax Losses	1,319.80	461.19	A.Y. 2025-26
A.Y. 16-17	Unused Tax Losses	816.21	285.22	A.Y. 2024-25
A.Y. 15-16	Unused Tax Losses	52.54	18.36	A.Y. 2023-24
	Unabsorbed Depreciation	1,099.39	384.17	
Total		4,683.19	1,636.50	

However as at 31 March 2019, deferred tax liability of ₹ 810.51 lacs (31 March 2018: ₹ 694.11 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.

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

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Balances with statutory / government authorities				
Considered good	23.12	479.03	73.78	535.61
Credit impaired	10.00	14.66	-	-
Less: Allowance for doubtful receivables	(10.00)	(14.66)	-	-
	23.12	479.03	73.78	535.61
Deposit with Government bodies and others	49.56	53.43	-	-
	72.68	532.46	73.78	535.61
Capital advances	9.82	37.12	-	-
Advance to suppliers-				
Considered good	-	-	537.53	303.44
Credit Impaired	-	-	-	9.89
	-	-	537.53	313.33
Less: Allowance for doubtful receivables	-	-	-	(9.89)
	-	-	537.53	303.44
Advance to employees	-	-	78.86	44.45
Prepaid expenses	573.33	634.24	714.37	438.10
GST credit receivable	-	-	1,413.53	173.36
Others	-	-	55.68	77.93
Advance income tax (net of provision)	3,274.59	2,428.36	-	-
	3,930.42	3,632.18	2,873.75	1,572.89

9. Inventories (valued at lower of cost and net realisable value, unless otherwise stated)

₹ in Lacs

	31 March 2019	31 March 2018
Lamps	643.47	714.10
Digital cinema equipment	193.82	164.74
Consumables and spares	304.38	252.63
	1,141.67	1,131.47

The amount of inventory recognised as expense of ₹ 32.43 lacs (31 March 2018: ₹ 32.21 lacs)

Notes to consolidated financial statements as at and for the year ended 31 March 2019

10. Investments - Current

₹ in Lacs

	31 March 2019	31 March 2018
Unquoted mutual funds - carried at fair value through profit and loss		
Investment in mutual funds	13,977.01	11,943.54
	13,977.01	11,943.54

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 ₹ 13,977.01 (31 March 2018 : ₹ 11,943.54 lacs)

*Investment amounting to ₹ 1,495.62 lacs (31 March 2018 : ₹ 1,409.82 lacs) is liened for loan availed by one subsidiary.

11. Trade receivables (unsecured)

₹ in Lacs

	31 March 2019	31 March 2018
Considered good	20,072.88	18,439.16
Credit impaired	2,287.63	1,535.01
	22,360.51	19,974.17
Less: Allowance for doubtful trade receivable	(2,287.63)	(1,535.01)
	20,072.88	18,439.16

(For details pertaining to related party receivables refer note 33)

12. Cash and bank balances

₹ in Lacs

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Cash and cash equivalents				
Balances with banks :				
– On current accounts	-	-	2,219.03	3,404.05
– On EEFC Account	-	-	-	4.55
– Deposits with original maturity of less than three months	-	-	-	10.56
Cash on hand	-	-	5.82	6.30
Total (A)	-	-	2,224.85	3,425.46
Other bank balances				
– On unpaid dividend account*	-	-	14.78	6.14
– Deposits with original maturity for less than 12 months	-	-	2,050.70	3,282.52
– Deposits with remaining maturity for more than 12 months	58.06	174.89	521.88	-
Total (B)	58.06	174.89	2,587.36	3,288.66
– Margin money deposit with original maturity for less than 12 months	-	-	833.31	707.58
– Margin money deposit with remaining maturity for more than 12 months	13.10	13.35	-	-
Total (C)	13.10	13.35	833.31	707.58
Amount disclosed under non - current financial assets (Refer note 6)	(71.16)	(188.24)	-	-
Total (B+C)	-	-	3,420.67	3,996.24

Margin money deposits:

Margin money deposits are kept under lien with bank for opening letter of credit, margin towards term loan and for issuing bank guarantees to various State Governments to comply with the Sales Tax / VAT Registration formalities.

* The Parent Company can utilize these balances only toward settlement of the respective unpaid dividend.

Notes to consolidated financial statements as at and for the year ended 31 March 2019
13. Share capital

₹ in Lacs

	31 March 2019	31 March 2018
Authorised share capital		
53,050,000 (31 March 2018 : 53,050,000) equity shares of ₹ 10/- each *	5,305.00	5,305.00
1,565,000 (31 March 2018 : 1,565,000) preference shares of ₹ 1,000/- each*	15,650.00	15,650.00
	20,955.00	20,955.00
*Refer Note 39 (A)		
Share capital		
Issued, subscribed and fully paid up shares		
28,350,801 (31 March 2018: 28,350,801) equity shares of ₹10 each fully paid - up	2,835.08	2,835.08
Total issued, subscribed and fully paid up share capital	2,835.08	2,835.08

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

Equity shares	31 March 2019		31 March 2018	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	28,350,801	2,835.08	27,600,801	2,760.08
Issued during the year	-	-	750,000	75.00
Outstanding at the end of the year	28,350,801	2,835.08	28,350,801	2,835.08

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

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

Rights 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 group

Name of the shareholder	31 March 2019		31 March 2018	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10 each fully paid				
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	18.52
SBI Mutual Fund	2,242,986	7.91	2,441,136	8.61
Valuable Technologies Limited	2,243,657	7.91	2,243,657	7.91
Apollo International Limited	2,266,417	7.99	2,266,417	7.99
Reliance Capital Trustee Co Limited	1,806,204	6.37	1,857,739	6.55
Valuable Media Limited	2,244,265	7.92	2,244,265	7.92

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

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 1,703,132 shares (31 March 2018: 1,703,132) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

(e) Shares reserved for issue under options:

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

14. Other equity

₹ in Lacs

	31 March 2019	31 March 2018
Reserve and Surplus		
Other Reserve (on purchase of Non-controlling interest stake)		
Balance at the beginning of year	(1,153.89)	(885.07)
Add: Addition during the year	(1,029.50)	(268.82)
Balance as at the end of year	(2,183.39)	(1,153.89)
Securities Premium		
Balance at the beginning of year	29,836.90	26,910.92
Add: Addition during the year	-	2,925.98
Balance as the end of year	29,836.90	29,836.90
Employee Share Options Outstanding		
Balance as at the beginning of year	-	0.32
Add: Addition during the year	371.72	-
Less: Lapsed during the year	-	(0.32)
Balance as at the end of year	371.72	-
Legal Reserve		
Opening and Closing balance	182.93	182.93
Retained earnings		
Opening Reserve	13,838.00	11,003.11
Add : Profit of the year	6,653.54	6,285.65
Add / (Less) Remeasurement of defined benefit plans	(31.98)	2.41
Add / (Less) Transfer to Foreign currency translation reserve	-	-
Expenses on merger transferred to retained earnings	-	(70.26)
Expired option transferred to retained earnings	-	0.32
Dividend paid (including dividend distribution tax)	(4,272.30)	(3,321.97)
Transfer to FCTR	(13.65)	(61.26)
Ind AS 115 transition adjustment	(63.45)	-
Closing balance	16,110.16	13,838.00
Money received against share warrant		
Balance as at the beginning of year	1,525.50	-
Add: Addition during the year	-	1,525.50
Balance as at the end of year	1,525.50	1,525.50
Total other equity	45,843.82	44,229.44
Other Comprehensive Income		
Opening balance	(127.54)	(107.42)
Add / (less): Exchange differences on translating the financial statement of foreign operations	219.79	(19.28)
Other comprehensive income on foreign operations	-	(0.84)
Closing balance	92.25	(127.54)

The description of the nature and purpose of each reserve within equity is as follows:

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

Notes to consolidated financial statements as at and for the year ended 31 March 2019

- b. Securities Premium:** Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- c. Employee Share Option Outstanding:** The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.
- 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. Indian Rupee 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. Money Received Against Share Warrants:** During the previous year, the Company had issued 1,525,000 share warrants of ₹ 10 each at a price of ₹ 400.13 each (including share warrant subscription price and share warrant exercise price) convertible into, or exchangeable for, one equity share of face value of ₹ 10 each to two individuals and one Company forming part of promoter group on preferential basis. During the previous year, the Company had received 25% of subscription amount of ₹ 1,525.50 lacs against said warrants.

15. Borrowings (at amortised cost-secured)

₹ in Lacs

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Term loans				
Rupee loan from banks and buyers credit				
Term loan 1 from HDFC Bank	-	270.84	270.84	1,625.06
Term loan 2 from HDFC Bank	-	-	-	223.55
Term loan 3 from HDFC Bank	2,105.25	89.94	846.94	77.70
Term loan 4 from Axis Bank	94.72	467.35	372.00	257.00
Term loan 5 from Yes Bank	1,510.13	1,189.22	1,208.10	700.35
Buyers Credit (LIBOR + 2.05% to 3.28%)	-	-	-	2,625.74
Sub Total (a)	3,710.10	2,017.35	2,697.88	5,509.40
Less :Amount disclosed under the head "Other current financial liabilities" (Refer note 16) (b)	-	-	(2,697.88)	(5,509.40)
Net amount (a) +(b)	3,710.10	2,017.35	-	-

Term loan 1 to 3, 5 and Buyers credit are secured by first charge on all property plant and equipment (except vehicles) and all current assets of the Parent Company.

Term loan 1 having interest of bank 1 year MCLR i.e. 9.25% (31 March 2018: 10.40%) p.a. is repayable in 42 monthly installments starting from 31 December 2015.

Term loan 2 having interest of bank 1 year MCLR i.e. 9.25% (31 March 2018 : 9.40%) p.a. is repayable in 26 monthly installments starting from 31 October 2016.

Term loan 3 having interest of bank 1 year MCLR i.e. 9.45% (31 March 2018 : 9.00%) p.a. is repayable in 48 monthly installments starting from 31 July 2018.

Term loan 4 from Axis Bank is secured against entire current assets and Property plant and equipment both present and future of Valuable Digital Screens Private Limited. The loan carries interest of bank rate 9.5% (31 March 2018: 9.5%) p.a. and is repayable in 20 quarterly unequal installments along with interest from 30 September 2015. The Parent Company has provided corporate guarantee to the bank for this term loan.

Term loan 5 having interest of bank 1 year MCLR i.e. 9.85% (31 March 2018: 8.85%) p.a. is repayable in 48 monthly installments starting from 15 July 2017.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

16. Financial liabilities - others

₹ in Lacs

	Non current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Other financial liabilities carried at amortised cost				
Current maturities of long-term borrowings (Refer note 15)	-	-	2,697.88	5,509.40
Financial guarantee obligation	-	-	5.35	20.80
Interest accrued but not due on borrowings	-	-	54.62	56.42
Deposit from customers	3,158.43	3,135.36	1,658.35	2,228.97
Deposit from related parties (Refer note 33)	2.33	2.11	-	-
Investor Education and Protection Fund (refer note (i) below)				
Unpaid dividend	-	-	14.78	6.14
Payables for purchase of property, plant and equipments	-	-	307.15	1,628.03
Salary and reimbursement payable	-	-	1,230.93	1,100.58
	3,160.76	3,137.47	5,969.06	10,550.34

(i) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2019. (Nil as at 31 March 2018).

17. Provisions

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for gratuity (Refer note 29)	661.95	495.51	2.21	0.52
Provision for compensated absences (Refer note 29)	-	-	471.80	396.63
Provision for warranties (Refer note a)	-	-	1.64	6.67
Provision for direct and indirect taxes	-	-	-	2.11
	661.95	495.51	475.65	405.93

a. Provision for warranties

A provision is recognised 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 product are generally covered under the warranty period ranging from 1 year to 6 years.

₹ in Lacs

	31 March 2019	31 March 2018
At the beginning of the year	6.67	19.70
Utilised during the year	(5.03)	(13.03)
At the end of the year	1.64	6.67
Current portion	1.64	6.67
Non-current portion	-	-

18. Other Liabilities

₹ in Lacs

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Other liabilities				
Deferred revenue	666.94	336.09	360.19	928.51
Advance received from customers	-	-	2,795.18	2,328.42
Statutory dues payable				
Employee related liabilities	-	-	82.21	60.64
VAT payable	-	-	11.79	49.89
TDS payable	-	-	330.13	294.45
Other liabilities	-	-	7.87	-
Other taxes payable	-	-	44.17	1.77
	666.94	336.09	3,631.54	3,663.68

Notes to consolidated financial statements as at and for the year ended 31 March 2019
19. Short-term borrowings

₹ in Lacs

	31 March 2019	31 March 2018
Secured		
Cash credit from HDFC Bank	115.63	-
Overdraft facility from ICICI Bank Limited	1,280.54	1,070.24
	1,396.17	1,070.24

Cash credit from HDFC Bank Limited is secured by first charge on current assets of the Company, both present & future. Second pari passu charge on all the fixed assets of the Company except vehicles financed by other lenders. The cash credit is repayable on demand and carries interest @ 9.30% p.a (31 March 2018: 9.30% p.a.).

Overdraft from ICICI Bank is secured by first charge on specific current investments of Scrabble Entertainment Limited. The overdraft is repayable on demand and carries interest @ 9.10 % p.a. (31 March 2018: 8.5% p.a.).

20. Financial liabilities - Trade payables

₹ in Lacs

	Current	
	31 March 2019	31 March 2018
Trade payables:		
a) Total Outstanding dues of Micro and small enterprises (Refer note 40)	-	-
b) Total Outstanding dues of creditor other than micro and small enterprises	9,946.06	9,746.26
	9,946.06	9,746.26

21. Revenue from operations

₹ in Lacs

	31 March 2019	31 March 2018
Sale of services		
Advertisement revenue	23,723.87	21,359.89
Virtual print fees - E - Cinema	10,573.89	10,553.26
Virtual print fees - D - Cinema	6,146.53	9,738.82
Lease rental income - E - Cinema	5,653.30	5,486.11
Lease rental income - D - Cinema	1,076.16	1,102.48
Digitisation income	1,198.43	587.94
Maintenance service fee	1,086.39	835.77
Registration fees income	47.12	56.26
Commission income	78.36	375.71
Technical service income	-	15.02
Others	24.14	240.35
(A)	49,608.19	50,351.61
Sales of products		
Lamp and spares	6,596.41	4,352.30
Digital cinema equipments	4,733.65	4,353.31
(B)	11,330.06	8,705.61
Other operating income		
Sundry balances written back	156.80	260.02
Freight income	91.09	85.72
(C)	247.89	345.74
Total	(A)+(B)+(C) 61,186.14	59,402.96

Notes to consolidated financial statements as at and for the year ended 31 March 2019

22. Other income*

₹ in Lacs

	31 March 2019	31 March 2018
Miscellaneous receipts	496.08	281.02
Commission fees on financial guarantee given	2.91	2.91
Foreign exchange gain (net)	-	8.97
	498.99	292.90

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

23. Operating direct costs

₹ in Lacs

	31 March 2019	31 March 2018
Advertisement revenue share	6,911.21	6,499.72
Exhibition equipments repairs	2,463.20	2,321.61
Van operation expenses	2,028.41	901.90
Technical service fees	932.80	837.66
Bandwidth charges	746.24	665.57
Purchase of digital cinema equipment	3,612.63	3,459.20
Purchase of lamps and spares	5,160.12	3,297.24
Equipment rental	-	45.54
Content processing charges	576.89	677.13
Virtual print fees sharing	2,333.85	5,235.97
Other expenses	281.53	72.10
Decrease/(Increase) in inventories of digital cinema equipments		
Inventories at the beginning of the year	119.08	214.75
Inventories at the end of the year	186.31	119.08
	(67.23)	95.67
Decrease in inventories of lamps and spares		
Inventories at the beginning of the year	759.32	907.78
Inventories at the end of the year	715.41	759.32
	43.91	148.46
Consumables and spares		
Inventories at the beginning of the year	291.50	225.79
Add : Purchases	343.42	359.85
Less : Inventories at the end of the year	(304.38)	(291.50)
	330.54	294.14
	25,354.10	24,551.91

24. Employee benefit expense

₹ in Lacs

	31 March 2019	31 March 2018
Salaries and wages (including bonus)	7,650.04	7,116.46
Contribution to provident and other funds	382.81	353.10
Gratuity expenses (Refer note 29)	159.84	243.87
Compensated absences (Refer note 29)	91.97	62.30
ESOP compensation cost (Refer note 30)	371.72	-
Staff welfare expenses	517.22	594.26
	9,173.60	8,369.99

Notes to consolidated financial statements as at and for the year ended 31 March 2019
25. Other expenses

₹ in Lacs

	31 March 2019	31 March 2018
Rent	1,166.22	1,084.63
Lease rental expenses	30.07	12.20
Freight and forwarding charges	457.84	631.89
Legal, professional and consultancy charges	2,003.31	1,895.04
Directors sitting fees including commission	103.25	106.25
Commission on advertisement revenue	2,074.56	1,879.05
Commission on other revenue	298.97	302.79
Corporate social responsibility expenses	163.00	218.19
Sales promotion expenses	679.21	414.05
Electricity charges	258.64	246.61
Rates and taxes	143.32	143.58
Payment to Auditors	70.65	121.56
Repairs and maintenance		
- Plant and machinery	69.14	28.36
- Building	2.22	2.35
- Furniture and fixtures	-	0.18
- Others	271.26	237.84
Insurance	99.61	88.42
Travelling and conveyance expenses	631.66	624.80
Communication and courier expenses	190.69	208.96
Printing and stationery	59.97	52.67
Bad debts written-off	249.36	
Less: Provision utilised	(235.28)	
Provision for doubtful debts	763.31	440.62
Provision for doubtful advances	58.02	-
Loss on sale and write off of fixed assets (net)	53.38	45.06
Miscellaneous expenses	549.18	611.85
Foreign exchange loss	118.49	-
	10,330.03	9,481.24

26. Finance cost

₹ in Lacs

	31 March 2019	31 March 2018
Interest on		
- Term loan	777.29	576.11
- Others	124.84	90.11
Bank charges	21.34	58.62
Interest expense on financial liabilities carried at amortised cost	178.94	193.24
	1,102.41	918.08

27. Finance income

₹ in Lacs

	31 March 2019	31 March 2018
Interest Income on		
- Bank deposits	185.16	235.99
- Others	25.25	56.84
- Financial assets carried at amortised cost	33.03	10.67
Fair value gain on financial instruments at fair value through profit or loss	349.43	233.73
Dividend income on mutual funds	41.68	124.86
Profit on sale of mutual funds (net)	589.67	136.26
	1,224.22	798.35

Notes to consolidated financial statements as at and for the year ended 31 March 2019

28. Earnings per share (EPS)

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

₹ in Lacs

	31 March 2019	31 March 2018
Basic		
Profit attributable to equity holders of parent	6,653.54	6,285.65
Weighted average number of equity shares in calculating basic EPS	28,350,801	27,826,828
Basic Earning per share (face value of ₹ 10 per share)	23.47	22.59
Diluted		
Profit attributable to equity holders of parent	6,653.54	6,285.65
Weighted average number of equity shares in calculating basic EPS	28,350,801	27,826,828
Effect of dilutions for Share warrants / on stock options granted under ESOP	-	48,023
Weighted average number of shares outstanding (including dilution)	28,350,801	27,874,851
Diluted Earning per share (face value of ₹ 10 per share)	23.47	22.55

29. Gratuity and other post-employment benefit plans

a) Defined contribution plan

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

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Contribution to Provident fund (Government) and other funds	382.81	353.10

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 Group in the form of a qualifying insurance policy.

The following tables summaries 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 31 March 2019

₹ in Lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability
Gratuity cost charged to Statement of Profit and Loss			
As at 1 April 2018	926.44	430.41	496.03
Add on Business Combination	33.69	-	33.69
Service Cost	126.25	-	126.25
Net Interest cost	66.06	-	66.06
Investment Income	-	32.47	(32.47)
Recognised in Statement of profit and loss	192.31	32.47	159.84
Benefit paid	(34.25)	(21.67)	(12.58)
Remeasurement gains / losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	20.88	(20.88)
Actuarial changes arising from changes in demographic assumptions	0.57	-	0.57
Add on Business Combination	-	-	-
Actuarial changes arising from Changes in financial assumptions	54.52	-	54.52
Experience Adjustments	14.88	-	14.88
Net actuarial (gain) / loss recognised in the year	-	-	-
Sub-total included in OCI	69.97	20.88	49.09
Contribution by employer	-	61.91	(61.91)
As at 31 March 2019	1,188.16	524.00	664.16

Notes to consolidated financial statements as at and for the year ended 31 March 2019

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2018				₹ in Lacs
Particulars	Defined benefit obligation	Fair value of Plan assets	(Benefit)/ Liability	
Gratuity cost charged to Statement to Profit and Loss				
As at 1 April 2017	705.58	354.52	351.06	
Service Cost	104.21	-	104.21	
Net Interest cost	42.19	1.91	40.28	
Past Service Cost	121.20	-	121.20	
Investment Income	-	21.82	(21.82)	
Recognised in statement of profit and loss	267.60	23.73	243.87	
Benefit paid	(44.47)	(30.39)	(14.08)	
Remeasurement gains/losses in other Comprehensive income				
Return on plan assets (excluding amounts included in net interest expense)	(1.29)	1.67	(2.96)	
Actuarial changes arising from changes in demographic assumptions	-	-	-	
Actuarial changes arising from Changes in financial assumptions	(37.47)	-	(37.47)	
Past Service Cost	-	-	-	
Experience Adjustments	36.49	(0.01)	36.50	
Net actuarial (gain) / loss recognised in the year	-	-	-	
Sub -total included in OCI	(2.27)	1.66	(3.93)	
Contribution by employer	-	80.89	(80.89)	
As at 31 March 2018	926.44	430.41	496.03	

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

Gratuity	31 March 2019	31 March 2018
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2019	31 March 2018
Discount rate	7.3% to 7.47%	7.55%
Salary Growth	8% to 10%	7.00%
Employee turnover	7% to 13.1%	15%
Retirement age (years)	58.00	58.00
Expected returns on assets	8%	8%
Mortality Rate	(% of IALM 06-08)	(% of IALM 06-08)

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

	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+1%)	1,124.16	1,001.74	891.63	805.88
Salary Growth (-/+1%)	1,010.18	1,111.87	807.85	880.77
Attrition(-0.50/+0.50%)	1,056.98	1,056.36	826.02	857.41

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. This sensitivities are based on change in one single assumption, other assumptions, being constant. In practise, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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

	31 March 2019	31 March 2018
Within the next 12 months(next annual reporting period)	631.37	502.78

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2018: 5 years)

Provision in respect of compensated absences 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 ₹ 91.97 lacs (31 March 2018 : ₹ 62.30 lacs) is recognised as an expense in the Statement of profit and loss.

30. Employee stock option plans

During the year ended 31 March 2019, the Parent Company's equity settled ESOP Schemes 2014 was in existence.

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

The Compensation Committee recommended the ESOP Scheme 2014 and the Board approved the ESOP Scheme 2014 at its meeting held on 11 November 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on 20 November 2014.

As per the ESOP Scheme 2014, 25% of the options shall vest equally at the end of each year from the date of grant.

The exercise period of these options is as follows :

- For the employees while in 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.

*On 03 April 2018, the Board of Directors of the Company and on 15 May 2018 the Shareholders of the Company have approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600/- per option to ₹ 400/- per option and its exercise period got extended upto 11 December 2020 and approved the grant of 208,578 options under employee stock option scheme 2014 at an exercise price of ₹ 400 per option to the employees of the Company and its subsidiaries.

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

	31 March 2019		31 March 2018	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year*(refer note above)	628,503	400	853,519	600
Granted during the year due to scheme modification	208,578	400	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(16,512)	-	(225,016)	-
Outstanding at the end of the year	820,569	400	628,503	600
Exercisable at the end of the year	611,991	400	419,002	600
Weighted average remaining contractual life (in months)	21	-	15	-

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

	31 March 2019	31 March 2018
Expected Volatility	32.79%	0.50%
Risk -Free interest rate	6.65%	8.10%
Weighted average share price	384.70	387.71
Exercise Price (Rupees)	400.00	600.00
Dividend Yield	3.25%	-
Expected life of options granted in years	1.85	3.50

Notes to consolidated financial statements as at and for the year ended 31 March 2019

There is effect of ₹ 371.72 lacs of the employee share-based payment plans on the Statement of profit and loss and on its financial position.

The carrying amount of employee stock option reserve as at 31 March 2019 is ₹ 371.72 lacs (31 March 2018: ₹ Nil). The expenses recognised for employee service received during the year is ₹ 371.72 lacs (31 March 2018: ₹ Nil).

31. Leases

Operating lease: Group as lessee

The Group's significant leasing arrangements are in respect of operating leases taken for office premises, warehouses and digital equipment. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the office lease generally is for 11 to 36 months. The initial tenure of the digital equipments on lease is generally for 36 to 72 months.

Particulars	₹ in Lacs	
	Office Premises & Digital Cinema Equipment	
	31 March 2019	31 March 2018
Lease payments recognised in the statement of profit and loss	1,196.29	1,142.37

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

Particulars	₹ in Lacs	
	31 March 2019	31 March 2018
Due not later than one year	186.02	187.60
Due later than one year but not later than five years	551.00	443.13
Later than five years	-	-
	737.02	630.73

Operating lease commitments – Group as lessor

The Group has leased out Digital Cinema Equipment to theatres and franchisees on operating lease arrangement. 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. Based on the management assumptions there is a reasonable certainty that the lease will continue for the lease term of 5 to 10 years.

32. Segment reporting

The Group is engaged primarily in the business of Digital Cinema Services and sale of digital cinema ancillary to sale of services. Group's performance for operations as defined in IND AS 108 are evaluated as a whole by chief operating decision maker of the Group based on which these are considered as single operating segment. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment.

Information about geographical areas:		₹ in Lacs	
Particulars	31 March 2019	31 March 2018	
Revenue by Geographical Market			
- Within India	52,174.01	51,554.66	
- Middle east	7,962.90	6,984.54	
- Rest of the world	1,049.23	863.76	
Non-current assets (Property, plant and equipment, capital work in progress, goodwill and intangible assets)			
- Within India	23,830.66	26,376.01	
- Middle east	32.83	40.23	
- Rest of the world	-	305.46	

During the year period ended 31 March 2019 and 31 March 2018, 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 2019

33. Related party disclosures

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

Associate Enterprises	Scrabble Digital DMCC Scrabble Digital Limited (upto 14 December 2018) Scrabble Venture LLC Scrabble Ventures, S. de R.L. de C.V. Mukta V N Films Limited Scrabble Audio Visual Equipment Trading LLC (from 25 November 2018)
Enterprises owned or significantly influenced by key management personnel or their relatives	Media Infotek Park Shree Enterprises Valuable Media Limited Valuable Technologies Limited Valuable Edutainment Private Limited Valuable Infotainment Private Limited Qwik Entertainment India Limited Impact Media Exchange Limited Nifty Portfolio Services Private Limited Advent Fiscal Private Limited S. Madhavan (HUF)
Key management personnel	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director Mr. Rajesh Mishra - CEO - Indian Operations Mr. Ashish Malushte - Chief Financial Officer Mr. Sameer Chavan - Company Secretary Mr Sanjeev Aga - Independent and Non executive director Mr S. Madhavan - Independent and Non executive director Ms. Lynn de Souza - Independent and Non executive director Mr Ameya Hete - Non executive director
Relatives of Key management personnel	Mr. Narendra Hete

Notes to consolidated financial statements as at and for the year ended 31 March 2019
2. Details of transaction with related parties during the year

₹ in Lacs

Sr. No.	Particulars	31 March 2019	31 March 2018
	Nature of transaction/Name of the Parties		
1	Enterprises owned or significantly influenced by key management personnel or their relatives		
A	Expenses reimbursed		
	i) Media Infotek Park	119.70	118.11
B	Technical services (expense)		
	i) Valuable Technologies Limited	922.48	835.46
C	Direct expenses (Repair and maintenance)		
	i) Valuable Technologies Limited	0.91	0.00
D	Direct expenses (Licensee fees – Impact)		
	i) Impact Media Exchange Limited	72.00	72.00
E	Licensee fee- Club X (income)		
	i) Valuable Media Limited	9.45	9.75
F	Rent paid (expense)		
	i) Media Infotek Park	545.06	519.11
G	Rent income (Miscellaneous receipts)		
	i) Valuable Media Limited	5.14	4.51
	ii) Valuable Edutainment Private Limited	1.19	1.60
	iii) Valuable Infotainment Private Limited	-	0.02
H	Consultancy & reimbursement expenses		
	i) Shree Enterprises	-	1.89
I	Security deposit received		
	i) Valuable Media Limited	0.11	0.25
	ii) Valuable Edutainment Private Limited	0.11	-
J	Dividend paid		
	i) Valuable Media Limited	280.53	149.43
	ii) Valuable Technologies Limited	280.46	224.37
	iii) Nifty Portfolio Services Private Limited	67.77	54.21
	iv) Advent Fiscal Private Limited	92.15	73.72
	v) S. Madhavan (HUF)	0.13	0.05
K	Shares issued by Company		
	i) Valuable Media Limited	-	3,000.98
L	Shares purchased by Group		
	i) Valuable Technologies Limited	60.00	-
M	Money received against share warrants		
	i) Valuable Media Limited	-	1,025.33
2	Associate enterprises		
A	Sale of goods		
	i) Scrabble Digital Limited	4.63	19.62
	ii) Scrabble Audio Visual Equipment Trading LLC	264.05	-
	ii) Scrabble Digital DMCC	-	1.80
B	Content processing charges		
	i) Scrabble Digital Limited	432.43	495.23
C	Recovery of expenses		
	i) Scrabble Audio Visual Equipment Trading LLC	22.56	-
D	Miscellaneous income		
	i) Scrabble Digital Limited	2.08	-

Notes to consolidated financial statements as at and for the year ended 31 March 2019

		₹ in Lacs	
Sr. No.	Particulars	31 March 2019	31 March 2018
E	Dividend received		
	i) Scrabble Digital Limited	110.72	185.85
	ii) Scrabble Digital DMCC	174.98	65.21
F	AMC income and digitalisation income		
	i) Scrabble Digital Limited	5.13	2.99
G	Shares subscribed by Group		
	Scrabble Audio Visual Equipment Trading LLC	27.74	-
H	Security deposit received		
	i) Scrabble Digital Limited	0.55	-
I	Purchase of goods		
	i) Scrabble Digital DMCC	-	10.09
3	Key managerial personnel and their relatives		
A	Remuneration to key managerial personnel*		
	i) Mr. Sanjay Gaikwad	290.99	275.00
	ii) Mr. Kapil Agarwal	277.92	275.00
	iii) Mr. Ashish Malushte	99.45	111.94
	iv) Mr. Rajesh Mishra	149.16	144.87
	v) Mr. Sameer Chavan	22.84	20.04
B	Dividend paid to key managerial personnel		
	i) Mr. Sanjay Gaikwad	32.97	26.38
	ii) Mr. Kapil Agarwal	57.79	46.24
	iii) Mr. Ashish Malushte	2.30	1.84
	iv) Mr. Rajesh Mishra	3.58	2.86
	v) Mr. Ameya Hete	27.22	21.78
	vi) Mr S. Madhavan	0.50	0.30
C	Money received against share warrants		
	i) Mr. Sanjay Gaikwad	-	250.08
	ii) Mr. Narendra Hete	-	250.08
D	Directors sitting fees and commission expenses		
	i) Mr Sanjeev Aga	40.00	40.00
	ii) Ms. Lynn de Souza	32.25	33.50
	iii) Mr S. Madhavan	31.00	32.75

3 Balance outstanding as at

		₹ in Lacs	
Sr. No.	Particulars	31 March 2019	31 March 2018
1	Enterprises owned or significantly influenced by key management personnel and their relatives		
A	Trade receivables		
	i) Valuable Media Limited	1.58	3.44
	ii) Valuable Infotainment Private Limited	0.27	0.37
	iii) Valuable Edutainment Private Limited	1.38	0.31
	iv) Qwik Entertainment India Limited	0.00	4.96
B	Deposit receivable		
	i) Media Infotek Park	359.66	359.66

Notes to consolidated financial statements as at and for the year ended 31 March 2019

		₹ in Lacs	
Sr. No.	Particulars	31 March 2019	31 March 2018
C	Deposit payable		
	i) Valuable Media Limited	1.84	1.72
	ii) Valuable Infotainment Private Limited	0.06	0.06
	iii) Valuable Edutainment Private Limited	0.43	0.33
D	Bank guarantee given (Refer note a)		
	i) Impact Media Exchange Limited	-	100.00
E	Amount payable		
	i) Valuable Technologies Limited	-	27.60
2	Associate enterprise		
A	Amount receivable		
	i) Scrabble Audio Visual Equipment Trading LLC	205.79	-
	ii) Scrabble Digital Limited	-	0.37
B	Amount payable		
	i) Scrabble Digital Limited	-	61.00
	ii) Scrabble Digital DMCC	-	8.40
C	Provision for expenses		
	i) Scrabble Digital Limited	-	14.67
D	Performance guarantee given		
	i) Scrabble Ventures LLC	3,458.57	3,252.21
E	Corporate guarantee given on borrowing (Refer note b)		
	i) Mukta V N Films Limited	200.00	300.00
3	Key managerial personnel		
A	Provision for commission payable		
	i) Mr. Sanjeev Aga	26.00	25.50
	ii) Ms. Lynn de Souza	12.50	17.25
	iii) Mr S. Madhavan	11.00	12.25

Notes:

- As at 31 March 2019, the Parent Company has provided bank guarantee of ₹ Nil (31 March 2018 : ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Parent Company.
- As at 31 March 2019, the Parent Company has provided corporate guarantee to bank for Overdraft facility of ₹ 200 lacs (31 March 2018 : ₹ 300 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.

Compensation of key management personnel of the Company:

		₹ in Lacs	
Particular		31 March 2019	31 March 2018
Remuneration		840.36	826.85

*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 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 2019

34. Capital and other commitments

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Capital commitments	453.94	2,920.14
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Other Commitments (Operating expenses)	269.48	608.42
	723.42	3,528.56

35. Contingent liabilities

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Performance guarantees issued by the Company on behalf of subsidiaries and associates to two studios for the performance of obligation relating to distribution of their digital content by its subsidiaries, step down subsidiaries and associates of subsidiary in certain overseas market. USD 350 lacs (31 March 2018 : USD 350 lacs) (Refer note (a))	24,209.96	22,765.44
Bank guarantee (Refer note (b))	-	100.00
Labour guarantee	6.23	5.82
Letter of credit	-	-
Pending litigations/matters		
(i) In respect of income tax matters		
Income tax matters (Refer note (c))	-	22.13
(ii) In respect of indirect tax matters		
VAT and service tax matters (Refer note (d))	76.00	47.75
	24,292.19	22,941.14

Note:

- a) The following performance guarantees are outstanding at 31 March 2019 and 31 March 2018:
 - USD 20 Mn each to a studio on behalf of Scrabble Entertainment Mauritius Ltd and Scrabble Entertainment DMCC. The aggregate liability under the aforesaid two guarantees has been capped at an overall ceiling of USD 20 Mn expiring as on 31 December 2019
 - USD 5 Mn to a studio on behalf of Scrabble Entertainment DMCC, expiring as on 30 June 2020
 - USD 5 Mn to a studio on behalf of Scrabble Entertainment Mauritius Limited, expiring as on 30 June 2019
 - USD 5 Mn to a studio on behalf of Scrabble Ventures LLC, expiring as on 30 June 2020
- b) As at 31 March 2019, the Parent Company has provided bank guarantee of ₹ Nil (31 March 2018: ₹ 100 lacs) to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Media Exchange Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Parent Company.
- c) 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 Company's financial position and results of operations.
- d) i) **West Bengal Case** : The Company has received an Order dated 4 July 2011 from the Senior Jt. Commissioner, Sales Tax Behala Circle (West Bengal) for the year 2007-2008 demanding sales tax payment of ₹ 41.9 lacs. The Company has filed an appeal on 26 August 2011 at Honourable Appellate Tribunal of Sales tax Kolkata. The Company has received favourable order from Assessing officer in same issues for subsequent years.
- ii) **Cochin Case** : The Company has received an Order dated 30th January 2017 from Asst. Commissioner, Commercial Tax Special Circle Ernakulum for the period 2012 to 2013 demanding tax on the difference in closing stock & difference in material movement value as per VAT return & VAT Audit report. The dispute is that Sales Tax Department has passed an order without considering the fact that Company has already applied for the application for revision of return and it is pending for approval from commercial tax department. The Sales Tax Department has issued the notification allowing the revision of return of earlier period. The Company is in process of revising the VAT returns. Post revision of return the outstanding liability will be nullified.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

On 24 August 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ('CESTAT') dated 18 August 2017 ('the Order'), where in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 lacs, excluding interest and penalty on account of disallowance of CENVAT credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped.

Further, CESTAT remanded the matter relating to demand of ₹1,526 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October 2011 to March 2014 for reconsideration to the Adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honourable High court against the Order on 22 March 2018.

The Company received show cause cum demand notice dated 16 April 2018 for April 2014 to June 2017 in respect of

- i. disallowance of Cenvat credit claimed on capital goods – ₹ 391.46 lacs
- ii. double taxation issue i.e. service tax on rental from leasing of Digital Cinema Equipment – ₹ 3,245.86 lacs

Since the demand is in relation to similar matter as stated above for the period, the same has been set aside by the department and the case will be heard post finalisation of earlier matter at High Court.

The Company believes its position will likely to be upheld in the appellate process and liability will not arise to the Company on this matter.

The above does not include all other obligations resulting from customer claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

36. Financial instruments - accounting classifications and fair value measurement

The fair value of the financial assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

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

The carrying value and fair value of financial assets by categories as at 31 March 2019 is as follows:					₹ in Lacs
Particulars	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	20,072.88	-	-	20,072.88	20,072.88
Loans and security deposit	701.17	-	-	701.17	701.17
Cash and cash equivalents	2,224.85	-	-	2,224.85	2,224.85
Bank balance other than above	3,491.83	-	-	3,491.83	3,491.83
Others	1,091.87	-	-	1,091.87	1,091.87
Investment	-	13,977.01	-	13,977.01	13,977.01
Total	27,582.60	13,977.01	-	41,559.61	41,559.61
Financial Liabilities					
Borrowing	7,804.15	-	-	7,804.15	7,804.15
Other financial liabilities	6,431.94	-	-	6,431.94	6,431.94
Trade payable	9,946.06	-	-	9,946.06	9,946.06
Total	24,182.15	-	-	24,182.15	24,182.15

Notes to consolidated financial statements as at and for the year ended 31 March 2019

The carrying value and fair value of financial assets by categories as at 31 March 2018 is as follows:					₹ in Lacs
Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	18,439.16	-	-	18,439.16	18,439.16
Loans and security deposit	642.30	-	-	642.30	642.30
Cash and cash equivalents	3,425.46	-	-	3,425.46	3,425.46
Bank balance other than above	4,184.48	-	-	4,184.48	4,184.48
Others	732.69	-	-	732.69	732.69
Investments	-	11,943.54	-	11,943.54	11,943.54
Total	27,424.09	11,943.54	-	39,367.63	39,367.63
Financial liabilities					
Borrowing	8,596.98	-	-	8,596.98	8,596.98
Other financial liabilities	8,178.41	-	-	8,178.41	8,178.41
Trade payable	9,746.26	-	-	9,746.26	9,746.26
Total	26,521.65	-	-	26,521.65	26,521.65

The carrying value and fair value of financial assets by categories as at 31 March 2019 is as follows:					₹ in Lacs
Particulars	Carrying value	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss					
Current investment in mutual funds	13,977.01	13,977.01	-	13,977.01	-
Total	13,977.01	13,977.01	-	13,977.01	-

The carrying value and fair value of financial assets by categories as at 31 March 2018 is as follows:					₹ in Lacs
Particulars	Carrying value	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss					
Current investment in mutual funds	11,943.54	11,943.54	-	11,943.54	-
Forward exchange contract	70.78	70.78	-	70.78	-
Total	12,014.32	12,014.32	-	12,014.32	-

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 period ending 31 March 2019 and 31 March 2018 there was no transfer between level 1 and level 2 fair value instruments.

37. Financial risk management - Objectives and policies

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

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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

1. Market risk

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

a) Interest rate risk:

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

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

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

Particulars	₹ in Lacs			
	Increase effect		Decrease effect	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	(78.0)	(86.0)	78.0	86.0

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 except foreign currency borrowing for which it uses forward contract to hedge exposure to foreign currency risk.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions.

Outstanding foreign currency exposure as at	₹ in Lacs	
	31 March 2019	31 March 2018
Trade receivable	112.60	168.15
In USD (in lacs)	1.63	2.59
Trade payable	20.64	1,504.87
In USD (in lacs)	0.30	23.14
Advance to supplier	131.70	13.72
In USD (in lacs)	1.90	0.21
Cash and bank balance	0.64	5.16
In USD (in lacs)	0.01	0.13
Advance from customer	34.42	26.97
In USD (in lacs)	0.50	0.41
Buyers credit	-	2,625.74
In USD (in lacs)	-	40.33

Exposure on Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

	₹ in Lacs	
	31 March 2019	31 March 2018
1% increase in foreign exchange rate:	1.90	(39.71)
1% (decrease) in foreign exchange rate:	(1.90)	39.71

Notes to consolidated financial statements as at and for the year ended 31 March 2019

2. Credit risk:

Credit risk is the risk of financial loss arising from counter party 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. 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, 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 ₹ 41,559.61 lacs and ₹ 39,367.63 lacs as at 31 March 2019 and 31 March 2018 respectively as per the table below :

Particulars	₹ in Lacs	
	31 March 2019	31 March 2018
Balance with Banks including bank deposits	5,716.68	7,609.94
Investments	13,977.01	11,943.54
Trade Receivable	20,072.88	18,439.16
Unbilled revenue	1,046.87	548.50
Other residual financial assets	746.17	826.49
Total	41,559.61	39,367.63

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.

3. Liquidity risk:

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

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

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	₹ in Lacs					
	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31 March 2019						
Long term borrowing	-	2,697.88	3,710.10	-	6,407.98	6,407.98
Short term borrowing	-	1,396.17	-	-	1,396.17	1,396.17
Trade payables	-	9,946.06	-	-	9,946.06	9,946.06
Other financial liabilities (current)	-	3,271.17	-	-	3,271.17	3,271.17
Other financial liabilities(non-current)	-	-	3,160.76	-	3,160.76	3,160.76
Buyers credit	-	-	-	-	-	-

Notes to consolidated financial statements as at and for the year ended 31 March 2019

						₹ in Lacs
Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31 March 2018						
Long term borrowing	-	2,883.66	2,017.35	-	4,901.01	4,901.01
Short term borrowing	-	1,070.24	-	-	1,070.24	1,070.24
Trade payables	-	9,746.26	-	-	9,746.26	9,746.26
Other financial liabilities (current)	-	5,040.94	-	-	5,040.94	5,040.94
Other financial liabilities (non-current)	-	-	3,137.47	-	3,137.47	3,137.47
Buyers credit	-	2,625.74	-	-	2,625.74	2,625.74

38. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, Security premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Group.

			₹ in Lacs
Particulars	31 March 2019	31 March 2018	
Long term debt including current maturities	6,407.98	7,526.75	
Equity attributable to owners of Group	48,771.15	46,936.98	
Gearing Ratio	13.14%	16.04%	

39. Business Combinations and acquisition of non controlling interest

- (A) (i) On 22 June 2018 the National Company Law Tribunal (NCLT) approved the Scheme of Arrangement for the amalgamation of Company's wholly owned subsidiaries including its step down subsidiaries namely, V N Films Private Limited ("VNFPL"), Edridge Limited ("EL"), UFO International Limited ("UIL") and Southern Digital Screenz India Private Limited ("SDS") (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 29 June 2018 with effect from the appointed date of 01 April 2016 for the amalgamation of VNFPL, EL and UIL with the Company and the appointed date of 01 July 2016 for SDS.
- iii) 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 Companies Act, 2013 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.
- iv) In accordance with the Scheme as follows:
- 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.
 - The debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve amount account to ₹ 24,096.24 lacs has been adjusted against Securities Premium of the Transferee Company.
 - As a part of scheme of amalgamation approved by NCLT, the authorised capital of transferor Companies namely, Equity share capital of ₹ 805 lacs and Preference share capital of ₹ 1,800 lacs were added to the authorised share capital of the Company.

Notes to consolidated financial statements as at and for the year ended 31 March 2019

(e) Further, in accordance with the Scheme, the consolidated financial statements of the Company are prepared after giving effect to above, on line by line basis as per requirements of Accounting Standard 21, 'Consolidated Financial Statements' as specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies Accounts Rules, 2014, as amended. Had the effect of the Scheme been given according to the accounting treatment prescribed under Ind AS 103 Business Combinations in consolidated financial statements, the goodwill on consolidation of ₹ 665.24 Lacs pertaining to the merging companies would have remained in the books of the Company and accordingly, other equity and goodwill on consolidation would have been higher by ₹ 665.24 Lacs.

(B) On 1 November 2017, the Board of Directors of the Company had approved the composite scheme of arrangement and amalgamation amongst the Company and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors ("the Qube Scheme") under Sections 230 to 232 and other relevant provisions of the Act.

The Company had filed the Qube Scheme with the National Company Law Tribunal (NCLT), Mumbai Bench on 13 March 2018. Further, the shareholders of the Company had approved the Qube Scheme at the NCLT Mumbai convened meeting held on 21 May 2018. NCLT at a hearing held on 21 January 2019, has dismissed the petition filed jointly by the Company and PJSA before the NCLT for the approval of the Qube Scheme. The Company and PJSA have filed an appeal on 25 February 2019 before the National Company Law Appellate Tribunal challenging the aforementioned order of the NCLT.

(C) Acquisition of remaining stake in Scrabble Entertainment Limited (SEL) during the year ended 31 March 2018:

On 17 May 2017 the Board of Directors had approved the acquisition of remaining interest of 8.67% represented by stake in SEL, a subsidiary of the Company 66,609 equity shares of SEL, from the other equity shareholders of SEL for ₹ 1,453 lacs. This transaction was consummated on 11 August 2017, consequent to which SEL has become a wholly owned subsidiary of the Company.

Following table summarises the details of acquisition of remaining interest acquired in SEL:		₹ in Lacs
Particulars		31 March 2018
Cash Consideration paid to Non Controlling interest		1,453.41
Carrying Value of the remaining stake in SEL		1,184.59
Difference recognised in Other Reserve within Other Equity		268.82

(D) Acquisition of 66.67% stake in Scrabble Digital Limited (SDL) during the year ended 31 March 2019:

On 25 October 2018, the Board of Directors of Scrabble Entertainment Limited (SEL) had approved the acquisition of 395,428 equity shares of Scrabble Digital Limited (SDL), an associate of SEL, from other equity shareholders for a total consideration of ₹ 2,400 Lacs. Out of the approved acquisition of the above mentioned number of shares 395,427 were acquired on 15 December 2018, subsequent to which SDL has become subsidiary of SEL, the remaining 1 share was acquired on 14 January 2019 after which the transaction was consummated.

Under Ind AS 103 – Business Combinations ('Ind AS 103' or the 'relevant standard') such transactions are considered as step acquisition which require re-measurement of previously held equity interest at its acquisition date fair value and to recognise the resulting gain in the statement of profit and loss. Further, excess of consideration transferred, non-controlling interest and the re-measured equity interest in the acquiree over fair value of identifiable assets acquired and liabilities assumed is recorded as goodwill.

The gain on re-measurement of previously held equity interest amounting to ₹ 371.87 lacs has been credited to Statement of profit or loss in accordance with Ind AS 103.

Following table explain the accounting date of acquisition:		₹ in Lacs
Particulars		Amount
Amount paid for 66.67% additional equity interest		2,400.00
Acquisition date fair value of existing equity interest (A)		968.08
Less:		
Identifiable asset acquired		
Tangible and intangible assets (including CWIP)		515.67
Trade receivables		661.68
Others		1,047.05
Total (B)		2,224.40

Notes to consolidated financial statements as at and for the year ended 31 March 2019

Following table explain the accounting date of acquisition:

₹ in Lacs

Particulars	Amount
Liability assumed	
Trade payables	25.57
Others	410.22
Total (C)	435.79
Net assets acquired (D=B-C)	1,788.61
Goodwill as per Ind AS 103 recorded on acquisition date (E=D-A)	1,579.46

The purchase price has been allocated based on management's estimate as follows:

₹ in Lacs

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipments	515.67	-	515.67
Net assets (excluding above)	1,272.94	-	1,272.94
Total	1,788.61	-	1,788.61
Purchase consideration paid			2,400.00
Valuation of 33.33% existing shares of SEL			968.08
Goodwill			1,579.46

- (E) On 08 August 2018, the Board of Directors had approved the acquisition of 2,895 equity shares of Valuable Digital Screens Private Limited (VDSPL), a subsidiary of the Company, from other equity shareholder for a total consideration of ₹ 60 lacs. This transaction was consummated on 27 September 2018, consequent to which VDSPL has become wholly owned subsidiary of the Company.

Following table summarises the details of acquisition of remaining interest acquired in VDSPL:

₹ in Lacs

Particulars	31 March 2019
Cash Consideration paid to Non Controlling interest	60.00
Carrying Value of the remaining stake in VDSPL	969.50
Difference recognised in Other Reserve within Other Equity	1,029.50

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Group, the balance due to Micro & Small Enterprises as defined under the Micro, Small and Medium enterprises Development (MSMED) Act, 2006 is ₹ Nil (Previous year ₹ Nil) under the terms of the MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information provided by the parties.

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group is as under :

₹ in Lacs

Particular	31 March 2019	31 March 2018
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Notes to consolidated financial statements as at and for the year ended 31 March 2019

41. Event subsequent to Balance Sheet date

Dividend on equity shares

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Proposed dividend on equity shares for the year ended on 31 March 2019 : ₹ 2.50 per share (31 March 2018 : ₹ 12.50)*	708.77	3,543.85
Dividend distribution tax on proposed dividend	145.69	728.45
Interim dividend declared for year ended 31 March 2019 is of ₹ 27.50 (31 March 2018: ₹ Nil) per share which include special dividend of ₹15 per share	7,796.47	-
Dividend distribution tax on interim dividend	1,602.59	-
	10,253.52	4,272.30

*On 21 May 2019 the Board proposed dividend on equity shares. This dividend is subject to approval of shareholders in the ensuing annual general meeting.

42. Material partly owned subsidiary

Financial information of the Subsidiary that has material non-controlling interest as on 31 March 2019 is provided below:

Proportion of Ownership Interest and voting rights held by Non-Controlling Interest:

Name	Country of Incorporation	31 March 2019	31 March 2018
Valuable Digital Screen Private Limited (VDSPL)	India	0%	20%

₹ in Lacs

Information regarding non-controlling interest of VDSPL:	31 March 2019*	31 March 2018
Accumulated non-controlling interest	-	(817.80)
Profit / (loss) allocated to non-controlling interest	-	(276.25)

The summarised financial information of Valuable Digital Screen Private Limited are provided below. This information is based on amounts before inter-Company elimination.

₹ in Lacs

Summary of Balance Sheet as at 31 March 2019	31 March 2019*	31 March 2018
Non current assets	-	1,376.77
Current assets	-	796.06
Non-current liabilities	-	486.03
Current liabilities	-	5,775.79
Equity attributable to owners of the Company	-	(3,271.19)
Equity attributable to non-controlling interest	-	(817.80)

₹ in Lacs

Summary of Statement of profit and loss for the year ended	26 September 2018 (upto date of partly owned subsidiary)	31 March 2018
Revenue	991.62	1,090.21
Expenses	1,750.10	2,473.43
Tax	-	(2.37)
Profit / (loss) for the year	(758.48)	(1,380.85)
Profit / (loss) attributable to VDSPL	(606.78)	(1,104.68)
Profit / (loss) attributable to non-controlling interest of VDSPL	(151.7)	(276.17)
Other comprehensive income / (loss) attributable to owners of VDSPL	-	(0.30)
Other comprehensive income / (loss) attributable to Non-controlling interest of VDSPL	-	(0.07)
Other Comprehensive Income / (loss) for the year	-	(0.37)

Notes to consolidated financial statements as at and for the year ended 31 March 2019

₹ in Lacs

Summary of Statement of profit and loss for the year ended	26 September 2018 (upto date of partly owned subsidiary)	31 March 2018
Total Comprehensive Income / (loss) attributable to Owners of VDSPL	(606.78)	(1,104.98)
Total Comprehensive Income / (loss) attributable to Non-Controlling Interest of VDSPL	(151.70)	(276.25)
Total Comprehensive Income / (loss) for the year	-	(1,381.23)

₹ in Lacs

Summarised Cash Flow information:	31 March 2019*	31 March 2018
Net cash inflow/ (outflow) from operating activities	-	(361.34)
Net cash inflow (outflow) from investing activities	-	(193.32)
Net cash inflow (outflow) from financing activities	-	529.83
Net cash inflow (outflow)	-	(24.83)

*Refer Note 39 (E)

43. Investment in an associate
Material associate

The Group had 33.33% interest in Scrabble Digital Limited (SDL), which is engaged in providing digital services having principal place of business in India. The Group's interest in SDL is accounted for using the equity method.

The following table illustrates the summarised financial information of the Group's investment in SDL.

₹ in Lacs

Particulars	31 March 2019*	31 March 2018
Non-current assets	-	763.66
Current assets	-	1,216.57
Current liabilities	-	285.16
Non-current liabilities	-	27.36
Equity	-	1,667.71
Proportion of group's ownership interest	100.0%	33.3%
Carrying amount of Group's interest	-	555.85

₹ in Lacs

Particulars	14 December 2018 (upto the date of being an associate)	31 March 2018
Revenue	1,928.41	2,836.14
Operating Expenses	369.80	498.87
Depreciation & amortisation	234.24	210.90
Employee benefit	306.31	435.30
Other expenses	265.57	319.43
Profit before tax	752.48	1,371.64
Income tax expense	(231.13)	(408.01)
Profit for the year	521.35	963.63
Group's Share of profit for the year	173.77	321.18
Group's Share of other comprehensive income for the year	-	1.39
Dividend received from the associate during the year	110.72	185.85

*Refer Note 39 (D)

Notes to consolidated financial statements as at and for the year ended 31 March 2019

Non material associate:

There are no investment in Associates that are individually material except as disclosed above. Summarised financial information of associates that are not individually material as per Ind AS 112.

₹ in Lacs		
Particular	31 March 2019	31 March 2018
Group's share of profit / (loss)	184.16	326.02
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	184.16	326.02

44. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :

Contract liabilities (Advance or deferred income)		₹ in Lacs
Particulars		Amount
Opening balance 1 April 2018		861.05
Less: revenue recognised that was included in the contract liabilities at the beginning of the year		394.51
Add: invoices raised for which no revenue is recognised during the year		236.83
Closing balance 31 March 2019		703.37

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 Group's contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortised along with the associated revenue.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price		₹ in Lacs
Particulars		31 March 2019
Revenue from contracts with customers (as per Statement of Profit and Loss)		61,186.14
Add: Discounts, rebates, refunds, credits, price concessions		-
Less / Add: Deferred and unbilled revenue adjustments		(157.68)
Add: Allocation of transaction price from bundled contracts		-
Contracted price with the customers		61,343.82

Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Notes to consolidated financial statements as at and for the year ended 31 March 2019
45. Disclosure of additional information, as required under Schedule III to the Companies Act, 2013 of enterprise consolidated as subsidiary and associate :

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities*		Share in profit or loss*		Shares in other comprehensive income*		Share in total comprehensive income*	
	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	As % of consolidated net assets	₹ in Lacs	As % of consolidated profit or loss	₹ in Lacs	As % of other comprehensive income	₹ in Lacs	As % of total comprehensive income	₹ in Lacs
1	2	3	4	5	6	7	8	9
A. UFO Moviez India Limited	101.27%	49,392.35	64.65%	4,203.23	-18.18%	(34.15)	62.32%	4,169.08
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	22.38%	10,915.04	35.78%	2,326.64	1.58%	2.97	34.82%	2,329.61
(ii) Valuable Digital Screen Private Limited	-10.82%	(5,279.50)	-18.30%	(1,189.85)	-0.36%	(0.67)	-17.80%	(1,190.52)
(iii) PJSATechnosoft Private Limited	0.00%	(0.69)	-0.02%	(1.06)	0.00%	-	-0.02%	(1.06)
(iv) UFO Software Technologies Private Limited	0.07%	34.45	0.01%	0.93	0.00%	0.00	0.01%	0.93
II. Foreign								
(v) United Film Organisers Nepal Private Limited	0.11%	53.41	0.03%	2.11	0.44%	0.82	0.04%	2.93
(vi) UFO Lanka Private Limited	0.05%	23.55	0.00%	-	-1.12%	(2.10)	-0.03%	(2.10)
(vii) Scrabble Entertainment DMCC	8.04%	3,920.65	10.34%	672.19	99.54%	186.95	12.84%	859.14
(viii) Scrabble Entertainment Mauritius Limited	1.50%	733.82	0.33%	21.60	9.41%	17.68	0.59%	39.28
(ix) Scrabble Entertainment Lebanon Sarl	-0.12%	(59.42)	-0.04%	(2.82)	-2.16%	(4.06)	-0.10%	(6.88)
(x) Scrabble Digital Inc	0.22%	105.49	-0.44%	(28.78)	4.41%	8.29	-0.31%	(20.49)
(xi) Scrabble Digital Limited	4.08%	1,989.46	3.09%	200.96	-0.06%	(0.11)	3.00%	200.85
C. Non controlling interest in all subsidiaries	0.00%	1.33	-2.33%	(151.70)	0.00%	-	-2.27%	(151.70)
D. Associates (Investment as per equity method)								
I. Indian								
(i) Scrabble Digital Limited	0.00%	-	2.67%	173.77	0.00%	-	2.60%	173.77
(ii) Mukta V N Films Limited	0.77%	373	0.36%	23.17	0.00%	-	0.35%	23.17
II. Foreign								
(i) Scrabble Digital DMCC	0.52%	252.54	3.18%	206.98	0.00%	-	3.09%	206.98
(ii) Scrabble Ventures LLC	1.00%	487.21	-1.65%	(106.96)	0.00%	-	-1.60%	(106.96)
(iii) Scrabble Ventures, S. de R.L. de C.V, Mexico	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
(iv) Scrabble Audio visual equipment trading LLC-Dubai,U.A.E.	0.18%	88.71	0.94%	60.97	0.00%	-	0.91%	60.97
Adjustment arising on consolidation	-29.24%	(14,259.20)	1.39%	90.46	6.49%	12.19	1.53%	102.65
Total	100.00%	48,772.48	100.00%	6,501.84	100.00%	187.81	100.00%	6689.65

Notes to consolidated financial statements as at and for the year ended 31 March 2019

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*	
	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018
	As % of consolidated net assets	₹ In Lacs	As % of consolidated Profit or Loss	₹ in Lacs	As % of Other Comprehensive Income	₹ in Lacs	As % of Total Comprehensive Income	₹ in Lacs
1	2	3	4	5	6	7	8	9
A. UFO Moviez India Limited	106.65%	49,187.31	135.24%	8,187.54	-20.26%	3.42	135.67%	8,190.96
B. Subsidiaries and step down subsidiaries								
I. Indian								
(i) Scrabble Entertainment Limited	18.62%	8,585.44	66.82%	4,045.39	3.73%	(0.63)	67.00%	4,044.76
(ii) Valuable Digital Screen Private Limited	-8.87%	(4,088.99)	-22.81%	(1,380.85)	2.22%	(0.37)	-22.88%	(1,381.22)
(iii) PUSA Technosoft Private Limited	0.00%	0.37	-0.01%	(0.63)	0.00%	-	-0.01%	(0.63)
II. Foreign								
(iv) United Film Organisers Nepal Private Limited	0.11%	51.40	0.00%	0.13	-4.87%	0.82	0.02%	0.95
(v) United Film Organisers (UFO) (Mauritius) Private Limited	0.00%	1.36	0.06%	3.53	0.34%	(0.06)	0.06%	3.47
(vi) UFO Lanka Private Limited	0.05%	24.84	0.00%	(0.27)	1.15%	(0.19)	-0.01%	(0.46)
(vii) UFO Software Technologies Private Limited	0.07%	33.52	0.02%	1.24	0.00%	-	0.02%	1.24
Subsidiaries of SEL & stepdown subsidiaries of UFO								
(viii) Scrabble Entertainment DMCC	6.64%	3,061.51	14.23%	861.27	16.50%	(2.78)	14.22%	858.49
(ix) Scrabble Entertainment Mauritius Limited	1.54%	708.19	36.96%	2,237.84	-15.69%	2.65	37.11%	2,240.49
(x) Scrabble Entertainment Lebanon Sarl	-0.11%	(52.53)	-0.24%	(14.56)	5.34%	(0.90)	-0.26%	(15.46)
(xi) Scrabble Digital Inc	0.27%	125.99	-0.50%	(30.26)	-1.27%	0.21	-0.50%	(30.05)
C. Non Controlling Interest in all subsidiaries	-1.77%	(816.46)	-3.82%	(231.50)	-5.00%	0.84	-3.82%	(230.66)
D. Associates (Investment as per equity method)								
I. Indian								
(i) Scrabble Digital Limited	1.21%	555.98	5.33%	322.56	0.00%	-	5.34%	322.56
(ii) Mukta V N Films Limited	0.76%	350.09	0.45%	27.47	0.00%	-	0.45%	27.47
II. Foreign								
(i) Scrabble Digital DMCC	0.48%	220.53	2.49%	150.90	0.00%	-	2.50%	150.90
(ii) Scrabble Ventures LLC	1.56%	718.53	2.44%	147.66	0.00%	-	2.45%	147.66
(iii) Scrabble Ventures, S. de R.L. de C.V, Mexico	-	-	-	-	-	-	-	-
Adjustment arising on consolidation	-27.20%	(12,546.57)	-136.66%	(8,273.31)	117.81%	(19.88)	-137.37%	(8,293.19)
Total	100.00%	46,120.51	100.00%	6,054.15	100.00%	(16.87)	100.00%	6037.28

*The details of net assets and share in profit and loss and shares in other comprehensive income have been presented before eliminations.

The accompanying notes 1 to 45 are an integral part of the consolidated financials 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

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

UFO MOVIEZ INDIA LIMITED

ANNUAL REPORT 2018 - 19

ANNEXURE TO DIRECTOR'S REPORT OF UFO MOVIEZ INDIA LIMITED FORM AOC -1 Statement contenting salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures [Pursuant to first proviso to sub-section (3) of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014]

Part A : Subsidiaries

₹ in Lacs

Sr. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting period for subsidiary concerned, if different from holding Company's reporting period	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Country
1	Scrabble Entertainment Limited	15-02-2011	-	1.00	INR	76.84	10,838.28	15,668.17	4,753.05	3,590.21	8,128.74	3,187.40	860.74	2,326.66	4,610.32	100.00	India
2	Scrabble Entertainment DMCC	16-02-2011	-	18.87	AED	566.10	2,731.42	6,589.61	3,292.10	30.19	7,874.12	647.31	-	647.31	-	100.00	U.A.E.
3	Scrabble Entertainment Mauritius Limited	11-07-2011	-	69.17	USD	518.79	253.53	2,288.86	1,517.55	508.75	1,077.00	114.45	54.02	60.43	-	100.00	Mauritius
4	Scrabble Digital Inc	22-03-2013	-	69.17	USD	380.44	434.98	1,015.59	200.17	936.45	-	(274.41)	(69.47)	(204.94)	-	100.00	U.S.A.
5	Scrabble Entertainment Lebanon Sarl	13-03-2012	31-12-2018	0.05	LBP	2.30	(61.69)	-	59.39	-	-	(2.80)	-	(2.80)	-	100.00	Lebanon
6	Scrabble Entertainment Israel Ltd	17-06-2012	-	19.06	ILS	19.06	-	19.06	-	-	-	-	-	-	-	100.00	Israel
7	UFO Software Technologies Private Limited	20-02-2007	-	1.00	INR	24.82	9.63	38.03	3.58	-	-	1.43	0.50	0.93	-	95.97	India
8	Valuable Digital Screens Private Limited	06-01-2015	-	1.00	INR	1.45	(5,280.95)	3,409.64	8,689.14	-	2,566.43	(1,193.27)	-	(1,193.27)	-	100.00	India
9	UFO Lanka Private Limited	31-01-2008	-	0.39	LKR	109.60	(86.05)	23.55	-	-	-	-	-	-	-	100.00	Sri Lanka
10	United Film Organizers Nepal Private Limited	23-03-2008	-	0.62	NPR	98.98	(45.57)	53.41	-	-	-	2.11	-	2.11	-	100.00	Nepal
11	PUSA Technosoft Private Limited	11-11-2017	-	1.00	INR	1.00	(1.69)	0.47	1.16	-	-	(1.04)	-	(1.04)	-	100.00	India
12	Scrabble Digital Limited	15-12-2018	-	1.00	INR	59.31	1,930.15	2,352.37	362.91	-	793.39	244.96	44.00	200.96	-	100.00	India

Notes :

1. The reporting period for Scrabble Entertainment Lebanon Sarl is 31 December 2018 and is not audited and is management accounts
2. The exchange rates considered are as at 31 March 2019
3. The accounts of Scrabble Digital Inc, United Films Organizers Nepal Private Limited, UFO Lanka Private Limited as at 31 March 2019 are not audited and are Management accounts.
4. Scrabble Entertainment Israel Ltd is under the process of being Liquidated, hence not consolidated.

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

Sr. No.	Name of Associates or Joint Ventures	Mukta VN Films Limited	Scrabble Digital Limited (Refer Note 5)	Scrabble Digital DMCC	Scrabble Ventures LLC	Scrabble Ventures, S. de R.L. de C.V, Mexico	Scrabble Audio visual equipment trading LLC-Dubai,U.A.E.
1	Latest Audited Balance Sheet	31-Mar-19	31-Mar-19	31-Dec-18	31-Mar-19	31-Mar-19	31-Mar-19
2	Date on which the Associate or Joint Venture was associated or acquired	10-Jun-13	08-Feb-11	16-Feb-11	01-Apr-13	16-Aug-13	25-Nov-18
3	Shares of Associate or Joint Venture held by the Company on the year end						
	Number of shares held	2,699,950	1,97,714 (Refer note 6)	100	3,000	1,500	147
	Amount of Investment in Associate or Joint Venture	270.00	399.00	12.73	199.00	0.08	28.27
	Extent of Holding (in percentage)	45.00%	33.33%	33.33%	30%	30%	49%
4	Description of how there is significant influence						
5	Reason why the associate / joint venture is not consolidated	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials	Equity method of accounting is applicable to Associate and hence it is not consolidated in the Consolidated financials
6	Networth attributable to shareholding as per last audited Balance Sheet	335.37	596.15	274.61	345.79	(154.94)	54.73
7	Profit or Loss for the year	37.99	521.35	617.10	(491.85)	115.76	61.20
i.	Considered in Consolidation	23.17	173.77	206.98	(106.96)	-	60.97
ii.	Not Considered in Consolidation	14.82	347.59	410.12	(384.89)	115.76	0.23

Notes:

- The exchange rates considered are at 31 March 2019
- The reporting period for Scrabble Digital DMCC is 31 December 2018
- The management accounts of Mukta VN films Limited, Scrabble Ventures LLC, Scrabble Ventures S. de R.L. de C.V, Mexico have been considered as at 31 March 2019
- The number of shares held include shares held directly or indirectly through subsidiaries.
- Scrabble Digital Limited is associate up to 14 December 2018.
- Till 14 December 2018, Scrabble Entertainment Limited (SEL) was holding 197,714 shares of Scrabble Digital Limited (SDL). On 25 October 2018, the Board of Directors of SEL had approved the acquisition of 395,428 equity shares of SDL, an associate of SEL, from other equity shareholders for a total consideration of ₹ 2,400 Lacs. Out of the approved acquisition of the above mentioned number of shares 395,427 were acquired on 15 December 2018, subsequent to which SDL has become subsidiary of SEL, the remaining 1 share was acquired on 14 January 2019 after which the transaction was consummated.

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

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Ameya Hete
Director
DIN No.: 01645102

Place : Mumbai
Date : 21 May 2019

Rajesh Mishra
CEO - Indian Operations

Ashish Malushte
Chief Financial Officer

Sameer Chavan
Company Secretary
Membership No. F7211

INDEPENDENT AUDITOR'S 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 Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and of its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Advertisement revenue Company has recognised advertisement revenue of ₹ 21,372.00 lacs for the year ended 31 March 2019 (Refer Notes 21 and 2(h) to the standalone financial statements), being 50 % of total revenue. We identified advertisement revenue as a KAM considering – <ul style="list-style-type: none"> There may be an inherent risk regarding the existence and accuracy of revenue given that the advertisements are availed through various direct customers including a number of small players, individual advertisement agents and large advertisement agencies; 	In relation to recognition of revenue from advertisements, we have: <ul style="list-style-type: none"> Considered the appropriateness of management's revenue recognition policy in light of the requirements of Ind AS 115; Assessed the reasonableness of the timing and amount of revenue recognised during the year; Assessed the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; assessed with assistance from our internal IT specialists, the design, implementation and operating effectiveness of management's key internal IT controls over the completeness and accuracy of the scheduling, billing and accounting system; tested the completeness and accuracy of financial information contained within the advertisement module and billing systems, which included system generated reports, recording of revenue, and accrual of revenue at period end; Detailed testing on a sample of sales transactions from origination through to the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value;

<ul style="list-style-type: none"> The Company has an automated proprietary IT system for scheduling advertisements, invoicing and accounting for related revenues. Revenue recognition is based on automated playback logs retrieval and advertisement playout rates incorporated in the IT system. Further, various modules such as for processing of advertisement content and scheduling of advertisements are linked to the financial module. The accuracy and completeness of Company's revenue is thus largely dependent on the Company's IT system and may be susceptible to management override of controls. 	<ul style="list-style-type: none"> On selected samples, we <ul style="list-style-type: none"> confirmed our understanding of the process by which revenue is determined by the relevant billing system verified underlying records such as sales contracts, release orders, invoices, logs for advertisements displayed performed procedures on release orders over / under utilised and obtained rationale from management for the same performed procedures to confirm the existence of the customers performed margin analysis on overall advertisement revenue.
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Key audit matters	How our audit addressed the key audit matter
<p>Impairment of investment in and loans to subsidiaries</p> <p>The Company has investments in and loans to its subsidiaries - the carrying amount of Company's investment in subsidiaries is ₹ 11,039.36 lacs and the Company has advanced loans amounting to ₹ 1,287.97 (refer Notes 4 and 5 to the standalone financial statements). Management has carried out an impairment assessment based on the business plan, using the discounted free cash flow model.</p> <p>We identified this as a KAM considering:</p> <ul style="list-style-type: none"> there is a risk that the investments in and loans to certain subsidiaries may not be recovered. <p>The annual impairment testing involves complexity and significant judgment in evaluating underlying assumptions for estimating recoverable amount. The Discounted Forecasted Cash Flows ("DCF") model is based on key assumptions such as probability of securing and executing future advertisement contracts, estimating growth rates and terminal value, as well as using an appropriate weighted - average cost of capital (discount rate).</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> Evaluating the Company's process for identifying indicators of impairment of its investment in subsidiaries and / or recoverability of loans by assessing management's review of the financial performance of each subsidiary; assessed the recoverable amount based on the valuation. This included assessment of historical accuracy of management's assumptions and forecasts and review of documentation supporting key judgements; reconciled input data to approved budgets and tested mathematical accuracy; performed sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis; Discussed management's strategic and operational plans for the foreseeable future.

Other Information

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 Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 standalone 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 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.

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.

Other Matters

The comparative financial statement of the Company for the year ended 31 March 2018 prepared in accordance with Ind AS and included in these standalone financial statements have been audited by the predecessor auditor who expressed an unmodified opinion as per the report dated 29 May 2018. Additionally, the financial statement for the year ended 31 March 2018 have been adjusted to give effect to the Scheme of amalgamation ("the Scheme") of the Company's wholly owned subsidiaries including its step down subsidiaries namely, V N Films Private Limited ("VNFPL"), Edridge Limited ("EL"), UFO International Limited ("UIL") and Southern Digital Screenz India Private Limited ("SDS") (together referred to as the "merging companies") with the Company, which adjustments have been audited by us. Our conclusion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;
- ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Place : Mumbai
Date : 21 May 2019

Rajesh Mehra
Partner
Membership No: 103145

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no discrepancies noticed on verification between the physical stock and the book records.
- (iii) The Company has granted unsecured loan to its wholly-owned subsidiary which is also a party covered in the register maintained under Section 189 of the Act. The loan and interest thereon are repayable on demand. Management informs us that Company has not demanded repayment of any such loan or interest during the year and thus there is no default on the part of the party to whom the money has been lent. In our opinion and according to the information and explanations given to us, the terms and conditions of the said loan are not prejudicial to the interest of the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by 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, Goods and Services tax, duty of Customs, Value added tax, Sales tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of duty of Excise and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service tax, duty of customs which have not been deposited on account of any dispute. The following dues of Service tax, Value added tax and Sales tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues*	Amount (₹ in Lacs)*	Period (Financial year)	Forum where the dispute is pending
Finance Act, 1994 and Service Tax Rules, 1994	Service tax	1,526.87	2007-08 to 2013-14	Honorable High Court of Mumbai
Finance Act, 1994 and Service Tax Rules, 1994	Service tax	3,637.32	2014-15 to 2017-18	Commissioner of Service Tax
Bihar Value Added Tax Act ,	Value added tax	6.00	2007-08 to 2008-09	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value added tax	Value added tax	42.00	2007-08	Sales Tax Appellate Tribunal
Bihar Value Added Tax Act	Value added tax	5.00	2010-11	Joint Commissioner of Sales Tax (Appeals)
Tamilnadu Sales Tax	Sales tax	2.00	2014-15 to 2015-16	Joint Commissioner of Sales Tax (Appeals)
Gujarat Sales Tax	Sales tax	1.00	2013-14	Joint Commissioner of Sales Tax (Appeal)
Andhra Pradesh Sales Tax	Sales tax	5.00	2015-16	Joint Commissioner of Sales Tax (Appeal)
Kerala Sales Tax	Sales tax	28.00	2012-13	Joint Commissioner of Sales Tax (Appeal)

* Excludes interest / penalty payable under relevant provisions of the respective Acts

* These amounts are net of amounts paid/deposited under protest ₹ 10.00 lacs

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, the details of such transactions have been disclosed in the standalone financial statements as required under the Ind AS.
- (xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Place : Mumbai
Date : 21 May 2019

Rajesh Mehra
Partner
Membership No: 103145

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls with reference to financial statements of UFO Moviez India Limited ("the Company") as of 31 March 2019 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 2019, 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

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 whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

For B S R & Co. LLP*Chartered Accountants*

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

Place : Mumbai

Date : 21 May 2019

Rajesh Mehra*Partner*

Membership No: 103145

Balance Sheet as at 31 March 2019

		₹ in Lacs	
	Note	31 March 2019	31 March 2018
Assets			
Non-current Assets			
Property, plant and equipment	3.1	17,491.92	20,055.81
Capital work-in-progress	3.1	838.41	2,032.45
Intangible assets	3.2	211.49	261.91
Investment in subsidiaries and associates	4	11,369.36	11,454.38
Financial assets			
(i) Loans receivables	5	472.01	455.43
(ii) Other financial assets	6	10.05	9.87
Deferred tax assets (net)	7	3,886.59	3,537.16
Other non-current assets	8	2,922.39	2,739.49
Total Non-current Assets (A)		37,202.22	40,546.50
Current Assets			
Inventories	9	559.50	633.29
Financial assets			
(i) Investments	10	11,545.39	8,121.12
(ii) Trade receivables	11	13,856.91	14,649.61
(iii) Cash and cash equivalents	12	844.40	859.59
(iv) Bank balances other than cash and cash equivalents	12	1,335.97	2,212.40
(v) Loans receivables	5	1,350.46	1,445.96
(vi) Other financial assets	6	787.75	570.89
Other current assets	8	1,760.70	501.40
Total Current Assets (B)		32,041.08	28,994.26
Total Assets (A+B)		69,243.30	69,540.76
Equity and Liabilities			
Equity			
(i) Equity share capital	13	2,835.08	2,835.08
(ii) Other equity	14	46,412.29	46,352.24
Total Equity (C)		49,247.37	49,187.32
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	15	3,615.38	1,550.00
(ii) Other financial liabilities	16	2,912.52	3,368.24
Provisions	17	515.46	404.17
Other non-current liabilities	18	534.70	160.91
Total Non-current Liabilities (D)		7,578.06	5,483.32

Balance Sheet as at 31 March 2019

		₹ in Lacs	
	Note	31 March 2019	31 March 2018
Current Liabilities			
Financial liabilities			
(i) Borrowings	19	115.63	-
(ii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,532.26	3,078.84
(iii) Other financial liabilities	16	4,687.93	8,945.01
Provisions	17	419.03	358.28
Other current liabilities	18	2,663.02	2,487.99
Total Current Liabilities (E)		12,417.87	14,870.12
Total Liabilities (D+E)		19,995.93	20,353.44
Total Equity and Liabilities (C+D+E)		69,243.30	69,540.76
Significant accounting policies	2		

The accompanying notes 1 to 43 are an integral part of the 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**
Rajesh Mehra

Partner

Membership No: 103145

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lacs

Particulars	Note	31 March 2019	31 March 2018
Income			
Revenue from operations	21	42,468.04	42,651.85
Other income	22	69.02	113.65
Total Income (I)		42,537.06	42,765.50
Expenses			
Operating direct cost	23	14,046.51	13,704.94
Cost of consumables and spares consumed		286.42	269.81
Purchases of digital cinema equipment and lamps		1,951.07	2,146.05
Changes in inventories		83.06	80.06
Advertisement revenue share		6,911.20	6,513.37
Virtual print fees sharing		868.78	1,154.50
Other operating direct cost		3,945.98	3,541.15
Employee benefits expenses	24	7,935.35	7,198.86
Other expenses	25	8,632.10	7,914.84
Total Expenses (II)		30,613.96	28,818.64
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		11,923.10	13,946.86
Depreciation and amortisation expenses	3.1 & 3.2	5,643.51	6,166.20
Finance cost	26	889.96	607.84
Finance income	27	(1,016.63)	(3,677.51)
Profit before tax		6,406.26	10,850.33
Tax Expense:			
Current tax	7	2,629.91	3,287.63
Deferred tax	7	(281.87)	(624.86)
Total Tax Expense		2,348.04	2,662.77
Profit for the year		4,058.22	8,187.56
Other Comprehensive Income ('OCI')			
(i) Items that will not be reclassified to profit or loss		(52.49)	5.27
a) Remeasurement of the defined benefits plans			
(ii) Income tax related to items that will not be reclassified to profit or loss		18.34	(1.85)
Total Comprehensive Income for the year		4,024.07	8,190.98
Earnings per equity share (Face value of share of ₹ 10 each)			
(1) Basic	28	14.31	29.43
(2) Diluted	28	14.31	29.38
Significant accounting policies	2		

The accompanying notes 1 to 43 are an integral part of the 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**

Rajesh Mehra
Partner
Membership No: 103145

Kapil Agarwal
Joint Managing Director
DIN No.: 00024378

Ameya Hete
Director
DIN No.: 01645102

Place : Mumbai
Date : 21 May 2019

Rajesh Mishra
CEO - Indian Operations

Ashish Malushte
Chief Financial Officer

Sameer Chavan
Company Secretary
Membership No. F7211

Statement of Cash flows for the year ended 31 March 2019

	₹ in Lacs	
	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	6,406.26	10,850.33
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	5,643.51	6,166.20
Provision for doubtful debts	348.87	218.93
Sundry balances written back	(50.50)	(245.72)
Unrealised foreign exchange loss (net)	0.69	13.79
Loss on sale and write off of fixed assets	34.48	52.57
Bad debts written-off	13.96	33.58
Fair valuation gain financial instruments - FVTPL	(250.67)	(148.23)
Gain on sale of current investments (net)	(530.54)	(136.26)
Interest income on financial assets carried at amortised cost	(24.20)	(4.09)
Interest expenses on financial liabilities carried at amortised cost	137.21	81.30
ESOP compensation	371.72	-
Adjustment on account of adoption of new accounting standard	(63.45)	-
Diminishing in value of investment	145.02	-
Dividend income	-	(3,092.52)
Interest income	(211.22)	(296.41)
Interest expense	735.87	476.20
Operating profit before working capital changes	12,707.01	13,969.67
Movement in working capital :		
Increase in trade payables	1,453.42	536.92
Increase in long-term provisions	178.14	345.75
Decrease in short-term provisions	(58.59)	(177.36)
Increase / (decrease) in other non-current liabilities	373.79	(302.35)
Decrease in non current financial liabilities	(455.72)	(301.32)
Increase in other current liabilities	225.52	311.56
(Decrease) / increase in other financial liabilities	(214.11)	80.18
(Increase) / decrease other current assets	(1,259.31)	314.02
(Increase) / decrease in trade receivables	429.86	(5,023.73)
Decrease / (increase) in inventories	73.79	(3.96)
(Increase) in other current financial assets	(6.53)	(1,088.11)
Decrease in other non-current assets	482.93	79.09
(Increase) / decrease in other financial assets	(279.93)	627.69
(Increase) / decrease in non-current financial assets	(40.77)	1,391.94
Cash generated from operations	13,609.50	10,759.99
Direct taxes paid (net of refunds)	(3,310.47)	(3,445.55)
Net cash flow from operating activities (A)	10,299.03	7,314.44
Cash flow from / (used in) investing activities		
Purchase of PPE including intangible, capital work in progress and capital advances	(3,275.56)	(6,514.96)
Proceeds from sale of PPE including capital work in progress	157.55	686.14
Purchase of current investments	(27,917.41)	(23,293.13)
Proceeds from sale / redemption of current investments	25,274.37	19,069.88
Interest received	274.29	138.46
Dividend received from subsidiary	-	3,092.52
Loan to related party received back / (given) (net)	102.03	(710.00)
Maturity of / (investment in) bank deposits (with original maturity more than 3 months) (net)	876.25	170.42
Net cash flow used in investing activities (B)	(4,508.48)	(7,360.67)

Statement of Cash flows for the year ended 31 March 2019

₹ in Lacs

	31 March 2019	31 March 2018
Cash flow from / (used in) financing activities		
Proceeds from issuance of share capital (including premium)	-	3,000.98
Proceeds from share warrants	-	1,525.50
Payment of purchase consideration for purchase of subsidiary shares	(60.00)	(1,704.28)
Proceeds from long-term borrowings	3,210.74	4,647.31
(Repayment) of long-term borrowings	(4,071.89)	(3,779.34)
Availment / (repayment) of short term borrowings (net)	115.63	(0.04)
Dividend on equity shares	(3,535.21)	(2,755.77)
Tax on dividend paid on equity shares	(728.44)	(561.89)
Interest paid	(736.57)	(477.81)
Net cash flow used in financing activities (C)	(5,805.74)	(105.34)
Net (decrease) in cash and cash equivalent (A + B + C)	(15.19)	(151.57)
Cash and cash equivalents at the beginning of the period	859.59	1,011.16
Cash and cash equivalents at the end of the period	844.40	859.59
Components of cash and cash equivalents		
Cash on hand	2.87	2.33
Balance with banks:		
- on current accounts	841.53	857.26
Cash and cash equivalents (refer note 12)	844.40	859.59

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

Particulars	* Non-current borrowings	Current borrowings
Opening balance as at 1 April 2018	6,802.40	-
Cash flow during the year:		
-Proceeds	3,210.75	11,071.34
-Repayments	4,071.89	10,955.71
Non cash changes if any	-	-
Closing balance as at 31 March 2019	5,941.26	115.63

*Includes current maturities of non-current borrowing.

Notes:

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

Significant accounting policies

2

The accompanying notes 1 to 43 are an integral part of the 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

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Statement of Changes in Equity for the year ended 31 March 2019
A. Equity share capital (refer note 13)

₹ in Lacs

Particulars	31 March 2019	31 March 2018
As at the beginning of year	2,835.08	2,760.08
Changes in equity share capital during the reporting year	-	75.00
Balance at the end of the reporting year	2,835.08	2,835.08

B. Other equity

₹ in Lacs

Particulars	Attributable to Owners of the Company				Total Other Equity
	Reserve and surplus Securities Premium	Retained Earning *	Money received against Share warrant	Employee Stock Options (ESOP) Outstanding	
As at 1 April 2017	26,614.62	10,487.41	-	-	37,102.03
Profit for the year	-	8,187.54	-	-	8,187.54
Other comprehensive income for the year	-	3.42	-	-	3.42
Total Comprehensive Income	26,614.62	18,678.37	-	-	45,292.99
Additions on issue of share	2,925.98	-	-	-	2,925.98
Money received against share warrants	-	-	1,525.50	-	1,525.50
Expenses incurred on merger, debited to equity (net of deferred tax)	-	(70.26)	-	-	(70.26)
Interim dividend on equity shares [per share ₹ Nil (31 March 2017 : ₹ 5.00)]	-	(2,760.08)	-	-	(2,760.08)
Dividend distribution tax on interim dividend	-	(561.89)	-	-	(561.89)
As at 31 March 2018	29,540.60	15,286.14	1,525.50	-	46,352.24
Profit for the year	-	4,058.22	-	-	4,058.22
Other comprehensive income for the year	-	(34.15)	-	-	(34.15)
Total Comprehensive Income	29,540.60	19,310.21	1,525.50	-	50,376.31
ESOP cost	-	-	-	371.72	371.72
Opening Ind AS adjustment	-	(63.45)	-	-	(63.45)
Dividend	-	(3,543.85)	-	-	(3,543.85)
Distribution tax	-	(728.44)	-	-	(728.44)
As at 31 March 2019	29,540.60	14,974.47	1,525.50	371.72	46,412.29

* refer note 36

The accompanying notes 1 to 43 are an integral part of the 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
Rajesh Mehra

Partner

Membership No: 103145

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211

Notes to standalone financial statements as at and for the year ended 31 March 2019

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.

2. Significant accounting policies

2.1 Statement of Compliance

The standalone financial statements (SFS) of the Company are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 ('the Act'), the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable, and were authorised for issue in accordance with a resolution of the directors on 21 May 2019.

2.2 Basis of Preparation

These SFS have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.3 Significant Accounting Judgements, Estimates and Assumptions

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

(i) Judgements

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

(ii) Estimates and Assumptions

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

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

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

- **Defined Benefit Obligation**

The cost of the defined benefit gratuity plan and the present value of the gratuity 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

Notes to standalone financial statements as at and for the year ended 31 March 2019

the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets**

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

- **Recognition and Measurement of Provisions and Contingencies**

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

- **Fair Value Measurement of Financial Instruments**

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

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.

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 cost are charged to the Statement of profit and loss during the period in which they are incurred.

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

PPE which are not ready for intend use as on the Balance Sheet are disclosed as "Capital work in progress" and are stated at cost.

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

(b) Depreciation on PPE

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Act, or as per the internal technical evaluation carried out by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of PPE are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

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

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

	Useful lives (years)
Exhibition Equipment	7-10
Plant and Machinery	4-6
Computer	3
Furniture and Fixtures	6
Office Equipment	5
Vehicles	5

Except computer and office equipment, useful lives of above fixed assets are different from those prescribed under Schedule II. These rates are based on evaluation of useful life by internal technical expert.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to standalone financial statements as at and for the year ended 31 March 2019

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) Intangible assets and amortisation

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

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

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

	Useful life (years)
Computer Software	6

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

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

(d) Business combination

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

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

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

(e) Impairment of non-financial assets

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

(f) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in property plant and equipment. Lease income is recognised in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of profit and loss.

(g) Inventories

Inventories comprise of traded goods, stores and spares and are valued at cost or at net realisable value, whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Cost include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Stores and

Notes to standalone financial statements as at and for the year ended 31 March 2019

spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(h) Revenue recognition

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

Effective 1 April 2018, 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. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated.

The impact of adoption of Ind AS 115 on the standalone Ind AS financial statements of the Company for the year ended 31 March 2019 is not material.

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

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognised in the period in which the services are rendered.
- Advertisement income is recognised in the period during which advertisements are displayed.
- Digitisation income is recognised in the period in which services are rendered.
- Registration fee is recognised in the period in which the services are rendered.
- Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.
- Revenue from commission and technical service income is recognised in period in which services are rendered.
- Lease rental income on equipment is recognised as mentioned in note 2.3 (f) above
- Revenue from sale of goods is recognised upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.

Revenue 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 Company disaggregates revenue from contracts with customers based on nature of services.

The company does not have revenue 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 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.

Notes to standalone financial statements as at and for the year ended 31 March 2019

Dividends

Dividend income is recognised when the Company'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 Indian Rupee.

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

(ii) Conversion

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

(iii) Exchange differences

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

(j) Financial instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Notes to standalone financial statements as at and for the year ended 31 March 2019**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.

Financial guarantee contracts

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

De-recognition of financial assets

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

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

Offsetting

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

De-recognition of financial liabilities

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

Derivative financial instruments

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

Equity investments

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

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of profit and loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, 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 on disposal. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of profit and loss.

(k) Fair value measurement

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

In the principal market for the asset or liability, or

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

Notes to standalone financial statements as at and for the year ended 31 March 2019

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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities, that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

(I) 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 unrecognised 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.

Notes to standalone financial statements as at and for the year ended 31 March 2019**(m) Current Income taxes and deferred tax**

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised in the Statement of profit and loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(n) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions and contingent liabilities

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

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 Company.

Notes to standalone financial statements as at and for the year ended 31 March 2019

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

(p) Employee share based payment

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

(q) Borrowing cost

Borrowing cost includes interest, amortisation 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 capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(r) Segment reporting

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

(s) Measurement of EBITDA

As per Guidance Note on Division II- Ind AS Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance costs, finance income and tax expense.

2.5 Standards issued but not effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from 1 April 2019:

Ind AS 116- Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116 which introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Ind AS 116 replaces existing leases guidance including Ind AS 17 Leases where the operating lease expenses are charged to the profit and loss account.

The standard is effective for annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition

- (1) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- (2) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Notes to standalone financial statements as at and for the year ended 31 March 2019

The Company has started an initial assessment of the potential impact of Ind AS 116 on its financial statements. The key change upon adoption of the standard will be Balance Sheet recognition, as the recognition of lease expense on income statement will be similar to our current accounting. The Company will adopt the new leasing standard using a modified retrospective transition method as of the beginning of the period of adoption; therefore, will not adjust the Balance Sheet for comparative periods but will record a cumulative effect adjustment to retained earnings on 1 April 2019.

The Company has estimated the adoption will result in a right-of-use asset and recognition of lease liability on the Balance Sheet. This transition will lead to reduction in retained earning by ₹ 6.17 lacs approximate net of taxes on account of said impact. The Company does not believe the standard will materially impact the income statement or have a notable impact on our liquidity.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Notes to standalone financial statements as at and for the year ended 31 March 2019

3.1 Property, plant and equipment

₹ in Lacs

	Leasehold Improvements	Plant and Machinery	Computer Systems	Office equipment	Furniture and fixtures	Electrical equipment and installations	Vehicles	Total
Cost								
As at 1 April 2017 *	389.45	24,786.30	74.86	130.68	32.51	38.45	733.06	26,185.31
Additions	15.36	5,644.02	55.74	23.72	2.65	-	643.50	6,384.99
Disposals	-	10,652.82	1.28	5.59	-	-	324.27	10,983.96
At 31 March 2018	404.81	19,777.50	129.32	148.81	35.16	38.45	1,052.29	21,586.34
Additions	102.03	3,008.80	51.77	15.02	7.76	-	29.71	3,215.09
Disposals	-	1,378.61	-	-	-	-	24.53	1,403.14
At 31 March 2019	506.84	21,407.69	181.09	163.83	42.92	38.45	1,057.47	23,398.29
Accumulated depreciation / amortisation								
As at 1 April 2017	93.40	5,452.07	(1.72)	28.67	9.64	6.16	76.43	5,664.65
Charge for the year	99.81	5,623.58	56.11	37.83	9.20	8.10	276.50	6,111.13
On disposals	-	9,941.14	0.52	5.48	-	-	298.11	10,245.25
At 31 March 2018	193.21	1,134.51	53.87	61.02	18.84	14.26	54.82	1,530.53
Charge for the year	110.04	5,078.18	54.16	35.28	9.76	6.56	292.99	5,586.96
On disposals	-	1,195.67	-	-	-	-	15.45	1,211.12
At 31 March 2019	303.25	5,017.02	108.03	96.30	28.60	20.82	332.36	5,906.37
Net Block								
At 31 March 2018	211.60	18,642.99	75.45	87.79	16.32	24.19	997.47	20,055.81
At 31 March 2019	203.59	16,390.67	73.06	67.53	14.32	17.63	725.11	17,491.92

* refer note 36

Capital work in progress as at 31 March 2019 : ₹ 838.41 lacs (31 March 2018 : ₹ 2,032.45 lacs)

3.2 Intangible assets

₹ in Lacs

	Computer software
Cost	
As at 1 April 2017	333.61
Additions	36.40
Disposals	-
At 31 March 2018	370.01
Additions	6.13
Disposals	-
At 31 March 2019	376.14
Accumulated depreciation / amortisation	
As at 1 April 2017	53.03
Charge for the year	55.07
On disposals	-
At 31 March 2018	108.10
Charge for the year	56.55
On disposals	-
At 31 March 2019	164.65
Net Block	
At 31 March 2018	261.91
At 31 March 2019	211.49

Notes to standalone financial statements as at and for the year ended 31 March 2019
4. Investment in subsidiaries and associates

₹ in Lacs

	31 March 2019	31 March 2018
Unquoted equity instruments (at cost)		
Investment in subsidiaries		
10,000 (31 March 2018 : 10,000) ordinary shares of ₹ 10 each at par, fully paid, PJSA Technosoft Private Limited	1.00	1.00
14,475 (31 March 2018 : 11,580) ordinary shares of ₹ 10 each fully paid in Valuable Digital Screens Private Limited	559.33	499.33
768,317 (31 March 2018 : 768,317) ordinary shares of ₹ 10 each fully paid in Scrabble Entertainment Limited	10,371.93	10,371.93
99,600 (31 March 2018 : 99,600) ordinary shares of Nepali Rupee (NPR) 100 each fully paid, in United Film Organizers Nepal (Private) Limited	62.25	62.25
Less : Provision for diminution	(50.00)	(50.00)
238,219 (31 March 2018 : 238,219) ordinary share of ₹ 10/- each at par fully paid in UFO Software Technologies Private Limited	36.15	36.15
2,775,950 (31 March 2018 : 2,775,950) ordinary shares of SLR 10 each fully paid in UFO Lanka Private Limited	166.26	166.26
Less : Provision for diminution	(145.00)	-
Nil (31 March 2018 : 1) ordinary share of MUR 1000 each fully paid in United Film Organiser (UFO) (Mauritius) Private Limited	-	0.02
Nil (31 March 2018 : 1) ordinary share of USD 1 each fully paid in UFO Europe Limited	-	0.00
Investment in Associates		
2,700,000 (31 March 2018 : 2,700,000) ordinary shares of ₹ 10 each at par fully paid up in Mukta VN Films Limited	270.00	270.00
360,000 (31 March 2018 : 360,000) compulsorily convertible preference shares of ₹ 10 each fully paid up in Mukta VN Films Limited	36.00	36.00
240,000 (31 March 2018 : 240,000) share warrants of ₹ 10 each at par fully paid in Mukta VN Films Limited	24.00	24.00
Unquoted Preference shares (at FVTPL)		
Investment in subsidiaries		
59,900 (31 March 2018 : 59,900) preference shares of NPR 100 each fully paid, in United Film Organizers Nepal (Private) Limited	37.44	37.44
Total	11,369.36	11,454.38
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	11,369.36	11,454.38
Aggregate amount of impairment in value of investments	(195.00)	(50.00)

Notes to standalone financial statements as at and for the year ended 31 March 2019

5. Financial assets - Loans receivables

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Security deposit	110.65	93.90	62.49	55.96
Security deposit to related parties (refer note 32)	361.36	361.53	-	-
Balance with statutory / government authorities				
Considered good	-	-	-	-
Credit impaired	14.66	14.66	-	-
Less : Allowance for doubtful balances	(14.66)	(14.66)	-	-
Loans to related party (refer note 43)	-	-	1,287.97	1,390.00
	472.01	455.43	1,350.46	1,445.96

6. Other financial assets

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unbilled revenue	-	-	686.48	334.74
Interest accrued but not due on fixed deposit	-	-	26.70	32.69
Interest accrued on loan to related parties (refer note 32)	-	-	72.08	129.16
Derivative assets	-	-	-	70.78
Other receivables	-	-	2.49	3.52
Fixed deposit with remaining maturity more than 12 month (refer note 12)	10.05	9.87	-	-
	10.05	9.87	787.75	570.89

7. Deferred tax assets (net)

₹ in Lacs

	31 March 2019	31 March 2018
A) Deferred tax asset		
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	3,295.29	2,928.79
Provision for doubtful debts and advances	348.16	253.13
Provision for employee benefits	326.55	266.99
Others	8.68	139.28
Net deferred tax assets	3,978.68	3,588.19
B) Deferred tax liabilities		
Fair value of investment	(92.09)	(51.03)
Net deferred tax liabilities	(92.09)	(51.03)
Deferred Taxes	3,886.59	3,537.16

Notes to standalone financial statements as at and for the year ended 31 March 2019

Movement in deferred tax assets and liabilities					₹ in Lacs
Movement during the year ended 31 March 2018	As at 31 March 2017	Credit in the Statement of profit and loss	(Charge) in Other comprehensive income	Other adjustments	As at 31 March 2018
Deferred tax assets /(liabilities)					
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	2,456.65	472.14	-	-	2,928.79
Provision for doubtful debt and advances	216.43	36.70	-	-	253.13
Provision for employee benefits	206.55	62.29	(1.85)	-	266.99
Others	34.52	53.73	-	-	88.25
Total	2,914.15	624.86	(1.85)	-	3,537.16

					₹ in Lacs
Movement during the year ended 31 March 2019	As at 31 March 2018	Credit in the Statement of profit and loss	(Charge) in Other comprehensive income	Other adjustments	As at 31 March 2019
Deferred tax assets /(liabilities)					
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation / amortisation charged for financial reporting	2,928.79	366.50	-	-	3,295.29
Provision for doubtful debt and advances	253.13	95.03	-	-	348.16
Provision for employee benefits	266.99	(8.00)	18.34	49.22	326.55
Others	88.25	(171.66)	-	-	(83.41)
Total	3,537.16	281.87	18.34	49.22	3,886.59

The major components of income tax expense for the year are as under:			₹ in Lacs
	31 March 2019	31 March 2018	
i) Income tax recognised in the standalone Statement of profit and loss			
Current tax:			
In respect of current year	2,490.63	3,287.63	
Adjustment of previous year	139.28	-	
Deferred tax			
In respect of current year	(281.87)	(624.86)	
Income tax expense recognised in the Statement of profit and loss	2,348.04	2,662.77	

			₹ in Lacs
	31 March 2019	31 March 2018	
ii) Income tax expense recognised in OCI			
Deferred tax :			
Deferred tax expense on remeasurements of defined benefit plans	18.34	(1.85)	
Income tax expense recognised in OCI	18.34	(1.85)	

Notes to standalone financial statements as at and for the year ended 31 March 2019

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

₹ in Lacs

	31 March 2019	31 March 2018
Profit before tax	6,406.26	10,901.39
Income tax expense calculated at Corporate tax rate	34.94%	34.61%
Computed tax expenses	2,238.60	3,772.75
Impact on account of :		
Income exempt from tax	(9.37)	(1,093.41)
Expenses not deductible for tax purpose	85.67	3.80
Others	51.48	(22.22)
Tax expense as per Statement of profit and loss	2,366.38	2,660.92

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

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Advances to vendors	-	-	152.37	63.05
Balance with statutory / government authorities	23.12	466.09	25.51	15.34
Deposit with government bodies	49.57	53.43	-	-
Capital Advances	1.00	15.73	-	-
Loans and advances to employees			38.44	36.69
Prepaid expenses	539.13	575.22	500.28	214.73
Advance income tax (net of provision)	2,309.57	1,629.02	-	-
GST credit receivable	-	-	1,044.10	171.59
	2,922.39	2,739.49	1,760.70	501.40

9. Inventories (valued at lower of cost and net realisable value)

₹ in Lacs

	31 March 2019	31 March 2018
Traded goods (Lamps)	301.76	417.03
Consumables and spares	257.74	216.26
	559.50	633.29

The amount of inventories recognised as an expense ₹ Nil (31 March 2018 : ₹ 32.21 lacs)

10. Investments

₹ in Lacs

	31 March 2019	31 March 2018
Carried at FVTPL		
Unquoted mutual funds		
Investment in mutual fund	11,545.39	8,121.12
	11,545.39	8,121.12
Aggregate amount of unquoted investments and market value thereof	11,545.39	8,121.12
Aggregate amount of unquoted investments	11,545.39	8,121.12
Aggregate amount of impairment in value of investments	-	-

Aggregate market value of investment in unquoted mutual funds units held by Company based on NAV declared on the Balance Sheet date by mutual fund is ₹ 11,545.39 lacs (31 March 2018 : ₹ 8,121.12 lacs)

Notes to standalone financial statements as at and for the year ended 31 March 2019
11. Trade receivables (Unsecured)

₹ in Lacs

	31 March 2019	31 March 2018
Considered good	13,856.91	14,649.61
Credit impaired	996.33	682.38
	14,853.24	15,331.99
Less : Allowance for doubtful trade receivable	(996.33)	(682.38)
	13,856.91	14,649.61

For details pertaining to related party receivable (refer note 32)

12. Financial assets - Cash and bank balances

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Cash and cash equivalents				
Balances with banks :				
– On current accounts	-	-	841.53	857.26
Cash on hand	-	-	2.87	2.33
	-	-	844.40	859.59
Other bank balances				
– On unpaid dividend account*	-	-	14.78	6.14
– Deposits with original maturity more than 3 month and less than 12 months	-	-	521.86	1,499.68
	-	-	536.64	1,505.82
– Margin money deposit with original maturity for less than 12 months	-	-	799.33	706.58
– Margin money deposit with remaining maturity for more than 12 months	10.05	9.87	-	-
	10.05	9.87	1,335.97	2,212.40
Amount disclosed under non-current financial assets (refer note 6)	(10.05)	(9.87)		
	-	-	2,180.37	3,071.99

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 utilize these balances only towards settlement of the respective unpaid dividend.

13. Equity share capital

₹ in Lacs

	31 March 2019	31 March 2018
Authorised share capital		
530,50,000 (31 March 2018 : 530,50,000) equity shares of ₹ 10/- each *	5,305.00	5,305.00
15,65,000 (31 March 2018 : 15,65,000) preference shares of ₹ 1,000/- each*	15,650.00	15,650.00
	20,955.00	20,955.00
* refer note 36		
Share capital		
Issued, subscribed and fully paid up shares		
28,350,801 (31 March 2018 : 28,350,801) equity shares of ₹ 10/- each fully paid-up	2,835.08	2,835.08
Total issued, subscribed and fully paid up share capital	2,835.08	2,835.08

Notes to standalone financial statements as at and for the year ended 31 March 2019

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

Equity shares	31 March 2019		31 March 2018	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
At the beginning of the year	28,350,801	2,835.08	27,600,801	2,760.08
Issued during the year	-	-	750,000	75.00
Outstanding at the end of the year	28,350,801	2,835.08	28,350,801	2,835.08

(b) Terms/rights attached to equity shares

Voting rights

The Company has only one class of equity shares having per 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	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
P5 Asia Holding Investments (Mauritius) Limited	5,251,608	18.52	5,251,608	18.52
Apollo International Limited	2,266,417	7.99	2,266,417	7.99
Valuable Media Limited	2,244,265	7.92	2,244,265	7.92
Valuable Technologies Limited	2,243,657	7.91	2,243,657	7.91
SBI Mutual Fund	2,242,986	7.91	2,441,136	8.61
Reliance Capital Trustee Co Limited	1,806,204	6.37	1,857,739	6.55

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

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 1,703,132 shares (31 March 2018 : 1,703,132) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options

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

Notes to standalone financial statements as at and for the year ended 31 March 2019
14. Other equity

₹ in Lacs

	31 March 2019	31 March 2018
Securities premium *		
Balance as at beginning of the year	29,540.60	26,614.62
Add: Additions on share issuance	-	2,925.98
Balance as at end of the year	29,540.60	29,540.60
Employee stock options outstanding		
Balance as at beginning of the year	-	-
Add : Employee stock compensation for options	371.72	-
Closing Balance	371.72	-
Surplus in the Statement of profit and loss *		
Balance as at beginning of the year	15,286.14	10,487.42
Profit for the year	4,024.07	8,190.95
Adjustment on account of adoption of new accounting standard	(63.45)	-
Merger expenses (net of deferred tax)	-	(70.26)
Interim dividend on equity shares	-	(2,760.08)
Dividend distribution tax on interim dividend	-	(561.89)
Dividend	(3,543.85)	-
Dividend distribution tax on dividend	(728.44)	-
Net surplus in the Statement of profit and loss	14,974.47	15,286.14
Money received against share warrant		
Balance as at beginning of the year	1,525.50	-
Add : Money received against share warrant	-	1,525.50
Closing Balance	1,525.50	1,525.50
Total other equity	46,412.29	46,352.24

* refer note 36

- a) **Securities Premium Reserve** : Securities premium reserve is credited when shares are issued at premium.
- b) **Employee Share Option Outstanding** : The Company has one share option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.
- c) **Money Received Against Share Warrants** : During the year ended 31 March 2018, the Company issued 15,25,000 share warrants of ₹ 10/- each at a price of ₹ 400.13/- each (including share warrant subscription price and share warrant exercise price), convertible into, or exchangeable for, one equity share of face value of ₹ 10/- each to two individuals and one Company forming part of promoter group on preferential basis. As at 31 March 2018, the Company received 25% of subscription amount of ₹ 1,525.50 lacs against said warrants.
- d) **Retained Earnings** : Retained earning are the profit that the Company has earned till date, less any dividends or other distribution paid to the shareholders.

Notes to standalone financial statements as at and for the year ended 31 March 2019

15. Financial liabilities - Long - term borrowings (Secured)

₹ in Lacs

Borrowings (at amortised cost)	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Term loans (valued at amortised cost)				
Rupee loan from banks & buyers credit (secured by first charge on plant and machinery and all current assets of the Company)				
Term loan 1 from HDFC Bank	-	270.84	270.84	1,625.06
Term loan 2 from HDFC Bank	-	-	-	223.55
Term loan 3 from HDFC Bank	2,105.24	89.94	846.94	77.70
Term loan 4 from Yes Bank	1,510.14	1,189.22	1,208.10	700.35
Buyers Credit (Libor + 2.05% to 3.28%)	-	-	-	2,625.74
Total	3,615.38	1,550.00	2,325.88	5,252.40
Amount disclosed under the head "Other financial liabilities" (refer note 16)	-	-	(2,325.88)	(5,252.40)
Net amount	3,615.38	1,550.00	-	-

Term loan 1 having interest of bank 1 year MCLR i.e. 9.25% (31 March 2018 : 10.40%) p.a. is repayable in 42 monthly installments starting from 31 December 2015.

Term loan 2 having interest of bank 1 year MCLR i.e. 9.25% (31 March 2018 : 9.40%) p.a. is repayable in 26 monthly installments starting from 31 October 2016.

Term loan 3 having interest of bank 1 year MCLR i.e. 9.45% (31 March 2018 : 9.00%) p.a. is repayable in 48 monthly installments starting from 31 July 2018.

Term loan 4 having interest of bank 1 year MCLR i.e. 9.85% (31 March 2018 : 8.85%) p.a. is repayable in 48 monthly installments starting from 15 July 2017.

16. Other financial liabilities

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial liabilities at amortised cost				
Current maturities of long term debts (refer note 15)	-	-	2,325.88	5,252.40
Interest accrued but not due on borrowings	-	-	49.94	50.64
Investor Education and Protection Fund				
Unclaimed dividend	-	-	14.78	6.14
Deposit from theatres and regional dealers	2,559.64	2,729.23	639.91	836.17
Deposit from related parties (refer note 32)	352.88	639.01	-	-
Other security deposit	-	-	122.80	121.43
Financial guarantee obligation	-	-	15.70	25.54
Other payables				
Payables for purchase of property, plant and equipment	-	-	288.69	1,552.18
Salary and reimbursement payable	-	-	1,230.23	1,100.51
	2,912.52	3,368.24	4,687.93	8,945.01

(i) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2019.

Notes to standalone financial statements as at and for the year ended 31 March 2019
17. Provision

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for gratuity (refer note 29)	515.46	404.17	-	-
Provision for compensated absences (refer note 29)	-	-	419.03	358.28
	515.46	404.17	419.03	358.28

18. Other liabilities

₹ in Lacs

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Deferred advertisement income	-	-	111.58	355.62
Deferred VPF income	-	-	14.98	17.27
Deferred lease rental income	534.70	160.91	42.77	48.45
Advance from customers	-	-	2,094.96	1,776.83
Statutory dues *	-	-	398.73	289.82
	534.70	160.91	2,663.02	2,487.99
* Statutory dues payable includes				
ESIC			0.11	0.19
Professional tax payable			0.75	0.74
PF payable employer contribution			28.70	26.53
Provident fund payable			33.59	29.75
Tax deducted at source			291.41	232.61
Good and service tax			44.17	-
			398.73	289.82

19. Financial liabilities - Short - term borrowings

₹ in Lacs

	31 March 2019	31 March 2018
Financial liabilities at amortised cost		
Secured		
Cash credit from HDFC Bank Limited	115.63	-
	115.63	-

Cash credit from HDFC Bank Limited is secured by first charge on current assets of the Company, both present & future. Second pari passu charge on all the fixed assets of the Company except vehicles financed by other lenders. The cash credit is repayable on demand and carries interest @ 9.30% per annum (31 March 2018 : 9.30%).

20. Financial liabilities - Trade payables

₹ in Lacs

	31 March 2019	31 March 2018
a) Total outstanding dues of micro enterprises and small enterprises (refer note 35)	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,532.26	3,078.84
	4,532.26	3,078.84

For details pertaining to related party payable (refer note 32)

Notes to standalone financial statements as at and for the year ended 31 March 2019

21. Revenue from operations

₹ in Lacs

	31 March 2019	31 March 2018
Sale of services		
Advertisement revenue	21,372.00	20,474.65
Virtual print fees - E - Cinema	10,528.19	10,508.39
Virtual print fees - D - Cinema	934.96	1,856.19
Lease rental income - E - Cinema	5,571.19	5,525.60
Lease rental income - D - Cinema	550.51	482.01
Digitisation income	600.15	587.94
Registration fees income	42.96	53.17
Other revenue	24.15	240.35
	39,624.11	39,728.30
Sale of products		
Lamp and spares sale	1,428.59	1,717.05
Sale of digital cinema equipments	1,364.84	960.78
	2,793.43	2,677.83
Other operating income		
Sundry balances written back	50.50	245.72
	50.50	245.72
	42,468.04	42,651.85

22. Other income *

₹ in Lacs

	31 March 2019	31 March 2018
Miscellaneous income	59.17	100.57
Commission on financial guarantee given	9.85	13.08
	69.02	113.65

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

23. Operating direct costs

₹ in Lacs

	31 March 2019	31 March 2018
Advertisement revenue share	6,911.20	6,513.37
Exhibition equipments repairs	1,685.59	1,531.92
Technical service fees	911.91	818.64
Bandwidth charges	746.24	665.57
Purchase of digital cinema equipment	847.69	798.83
Purchase of lamps	1,103.38	1,347.22
Rent on equipments	-	45.10
Content processing charges	432.44	321.01
Virtual print fees sharing	868.78	1,154.50
Other expenses	169.80	158.91
	13,677.03	13,355.07
Changes in inventories of traded goods (lamps)		
Inventories at the beginning of the year	417.03	497.09
Less : Inventories at the end of the year	(333.97)	(417.03)
	83.06	80.06
Consumables and spares		
Opening stock	216.26	132.22
Add : purchases	327.90	353.85
Less : closing stock	(257.74)	(216.26)
	286.42	269.81
	14,046.51	13,704.94

Notes to standalone financial statements as at and for the year ended 31 March 2019
24. Employee benefit expenses

₹ in Lacs

	31 March 2019	31 March 2018
Salaries and wages (including bonus)	6,620.78	6,124.82
Contribution to provident and other funds	344.15	321.12
Gratuity expenses (refer note 29)	119.34	214.26
Compensated absences (refer note 29)	75.84	54.50
Employee stock compensation expenses (refer note 30)	371.72	-
Staff welfare expenses	403.52	484.16
	7,935.35	7,198.86

25. Other expenses

₹ in Lacs

	31 March 2019	31 March 2018
Rent	956.65	904.32
Lease rental expenses	24.10	4.12
Freight and forwarding charges	357.94	473.05
Legal, professional and consultancy charges	1,633.97	1,573.81
Directors sitting fees including commission	90.00	98.00
Commission on advertisement revenue	2,074.57	1,879.05
Commission on other revenue	116.35	103.32
Corporate social responsibility expenses	163.00	218.19
Sales promotion expenses	636.08	390.90
Electricity charges	222.06	219.31
Rates and taxes	133.26	94.61
Payment to auditor (please refer (i) below)	62.59	97.91
Repairs and maintenance		
- Plant and machinery	20.59	6.81
- Building	2.22	2.35
- Furniture and fixtures	-	0.18
- Others	220.48	210.06
Insurance	73.06	57.22
Travelling and conveyance expenses	516.19	528.16
Communication and courier expenses	142.59	165.78
Printing and stationery	50.47	45.10
Bad debts written-off	48.87	38.33
Less: Provision utilised	(34.91)	(4.75)
Loss on sale and write off of fixed assets (net)	34.48	52.57
Provision for doubtful debts	348.87	223.68
Provision of diminishing in value of investment	145.00	-
Foreign exchange loss (net)	143.99	13.79
Miscellaneous expenses	449.63	518.97
	8,632.10	7,914.84

Notes to standalone financial statements as at and for the year ended 31 March 2019

(i) Payment to auditor

₹ in Lacs

	31 March 2019	March 2018
Statutory auditor		
Statutory audit	41.50	44.50
Tax audit	3.50	5.00
Limited review	14.00	28.50
Reimbursement of expenses	1.09	0.41
In other capacity		
Other services (certification fees)	2.50	19.50
	62.59	97.91

26. Finance costs

₹ in Lacs

	31 March 2019	March 2018
Interest on		
- Term loan	712.87	473.06
- Others	23.00	3.14
Interest expenses on financial liabilities carried at amortised cost	137.21	81.30
Bank charges	16.88	50.34
	889.96	607.84

27. Finance income

₹ in Lacs

	31 March 2019	March 2018
Interest on:		
- Fixed deposits	100.07	135.25
- Others	111.15	161.16
Interest income financial assets carried at amortised cost	24.20	4.09
Fair valuation gain financial instruments (FVTPL)	250.67	148.23
Gain on sale of current investments (net)	530.54	136.26
Dividend income from subsidiaries (refer note 32)	-	3,092.52
	1,016.63	3,677.51

28. Earnings per share (EPS)

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

₹ in Lacs

	31 March 2019	31 March 2018
Basic		
Net profit after tax as per statement of profit and loss	4,058.22	8,187.56
Net profit for calculation of basic EPS	4,058.22	8,187.56
Weighted average number of equity shares in calculating basic EPS	28,350,801	27,826,828
Earning per share (₹) (Face value of ₹ 10/- each)	14.31	29.43
Diluted		
Net profit for calculation of basic EPS	4,058.22	8,187.56
Weighted average number of equity shares in calculating basic EPS	28,350,801	27,826,828
Effect of dilutions for share warrants/stock options granted under ESOP scheme	-	48,023
Weighted average number of shares outstanding (including dilution)	28,350,802	27,874,852
Earning per share (₹) (Face value of ₹ 10/- each)	14.31	29.38

Notes to standalone financial statements as at and for the year ended 31 March 2019

29. Gratuity and other post-employment benefit plans

a) Defined contribution plan

The Company has recognised and included in Note 24 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

	₹ in Lacs	
Particulars	31 March 2019	31 March 2018
Contribution to provident fund	324.85	299.38
Administration charge - provident fund	18.33	19.94
Contribution to ESIC - employer share	0.97	1.79
	344.15	321.12

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 summaries 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 31 March 2019

Particulars	Defined benefit obligation	Fair value of plan assets	(Benefit) / Liability
As at 1 April 2018	804.20	395.74	408.46
Service cost	88.91	-	88.91
Net interest expense	60.67	-	60.67
Interest income	-	30.24	(30.24)
Recognised in the Statement of profit and loss	149.58	30.24	119.34
Benefit paid	(21.67)	(21.67)	-
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	20.88	(20.88)
Actuarial changes arising from changes in demographic assumptions	0.22	-	0.22
Actuarial changes arising from changes in financial assumptions	53.51	-	53.51
Experience adjustments	19.65	-	19.65
Recognised in other comprehensive income	73.38	20.88	52.49
Contribution by employer	-	64.84	(64.84)
As at 31 March 2019	1,005.49	490.03	515.46

Notes to standalone financial statements as at and for the year ended 31 March 2019

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2018			₹ in Lacs
Particulars	Defined benefit obligation	Fair value of plan assets	(Benefit) / Liability
As at 1 April 2017	600.75	325.93	274.82
Service cost	75.36	-	75.36
Net interest expense	40.22	-	40.22
Past service cost	120.50	-	120.50
Interest Income	-	21.82	(21.82)
Recognised in the Statement of profit and loss	236.08	21.82	214.26
Benefit paid	(29.92)	(35.45)	5.53
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	2.56	(2.56)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from Changes in financial assumptions	(35.70)	-	(35.70)
Experience Adjustments	32.99	-	32.99
Net actuarial (gain) / loss recognised in the year	-	-	-
Recognised in other comprehensive income	(2.71)	2.56	(5.27)
Contribution by employer	-	80.88	(80.88)
As at 31 March 2018	804.20	395.74	408.46

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2019	31 March 2018
Discount rate	7.30%	7.55%
Future Salary increase	8.00%	7.00%
Employee turnover	13.10%	15.00%
Retirement age (years)	58	58
Expected returns on assets	8%	8%
Mortality rate	% of IALM 06-08	% of IALM 06-08

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 assumption is shown below ₹ in Lacs

Particulars	31 March 2019	31 March 2018
Discount rate (-1%)	1,066.03	846.44
Discount rate (+1%)	951.16	765.88
Salary Growth rate (-1%)	959.50	771.14
Salary Growth rate (+1%)	1,054.29	839.32
Attrition rate (-0.5%)	1,006.48	782.86
Attrition rate (+0.5%)	1,004.67	814.19

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. This sensitivities are based on change in one single assumption, other assumptions, being constant.

Notes to standalone financial statements as at and for the year ended 31 March 2019
The following payments are expected contributions to the defined benefit plan in future years

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Within the next 12 months(next annual reporting period)	604.96	479.86
Total expected payments	604.96	479.86

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2018 : 5 years)

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

Gratuity	31 March 2019	31 March 2018
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

Provision in respect of compensated absences 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 ₹ 75.84 lacs (31 March 2018: ₹ 54.50 lacs) is recognised as an expense in the Statement of profit and loss.

30. Employee stock option plans

During the year ended 31 March 2019, the Company's equity settled ESOP Schemes viz., ESOP Scheme 2014 was in existence.

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

The Compensation Committee recommended the new ESOP Scheme 2014 and the Board approved the new ESOP Scheme 2014 at its meeting held on 11 November 2014 and Shareholders approved this ESOP Scheme 2014 at its meeting held on 20 November 2014.

As per the ESOP Scheme 2014, 25% of the options shall vest equally at the end of each year from the date of grant.

The exercise period of these options is as follows :

- For the employees while in employment of the Company : 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 or death, respectively.

*On 3 April 2018, the Board of Directors of the Company and on 15 May 2018 the Shareholders of the Company have approved the amendment in the employee stock option scheme 2014, whereby exercise price of existing granted options (419,002 vested options and 209,501 unvested options) got revised from ₹ 600/- per option to ₹ 400/- per option and its exercise period got extended upto 11 December 2020.

*On 3 April 2018, the Board of Directors approved the grant of 208,578 options under employee stock option Scheme 2014 at an exercise price of ₹ 400/- per option to the employee of the Company and its Subsidiaries.

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

	31 March 2019		31 March 2018	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year*(refer note above)	628,503	400	853,519	600
Granted during the year due to scheme modification	208,578	400	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(16,512)	-	(225,016)	-
Outstanding at the end of the year	820,569	400	628,503	600
Exercisable at the end of the year	611,991	400	419,002	600
Weighted average remaining contractual life (in months)	21	-	15	-

Notes to standalone financial statements as at and for the year ended 31 March 2019

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

	31 March 2019	31 March 2018
Expected volatility	32.79%	0.50%
Risk free interest rate	6.65%	8.10%
Weighted average share price	384.70	387.71
Exercise price (Rupees)	400.00	600.00
Dividend yield	3.25%	-
Expected life of options granted in years	1.85	3.50

There is effect of ₹ 371.72 lacs of the employee share-based payment plans on the statement of profit and loss and on its financial position.

The carrying amount of employee stock option reserve as at 31 March 2019 is ₹ 371.72 lacs (31 March 2018 : ₹ Nil). The expenses recognised for employee service received during the year is ₹ 371.72 lacs (31 March 2018 : ₹ Nil).

31. Leases

Operating lease : Company as lessee

The Company's significant leasing arrangements are in respect of operating leases taken for office premises, warehouses and digital equipment. These leases are operating lease agreements under a lock-in-period & upon expiry of the said period these contract are renewable at the option of both the lessor and the lessee. The initial tenure of the office lease is generally for 11 to 36 months. The initial tenure of the digital equipment on lease is generally for 36 to 72 months.

	₹ in Lacs	
Particulars	31 March 2019	31 March 2018
Lease payment recognised in statement of profit and loss	980.75	908.45
	980.75	908.45

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

	₹ in Lacs	
Particulars	31 March 2019	31 March 2018
Due not later than one year	69.79	75.57
Due later than one year but not later than five years	132.21	201.98
Later than five years	-	-
	201.99	277.55

Operating lease commitments – Company as lessor

The Company has leased out Digital Cinema Equipment to theaters, franchisees and subsidiary companies on operating lease arrangement. These leases are cancellable operating 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 theaters 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.

Notes to standalone financial statements as at and for the year ended 31 March 2019

32. Related party disclosure

1. Names of related parties where control exists irrespective of whether transactions have occurred or not.

Subsidiaries	Scrabble Entertainment Limited Valuable Digital Screens Private Limited United Film Organisers Nepal Private Limited, Nepal PJSA Technosoft Private Limited UFO Lanka Private Limited, Sri Lanka* UFO Software Technologies Private Limited United Film Organisers(Mauritius) Private Limited, Mauritius (upto 08 June 2018)
Step-down subsidiaries	Scrabble Entertainment DMCC, Dubai Scrabble Entertainment (Lebanon) Sarl, Lebanon Scrabble Digital Inc.,USA. Scrabble Entertainment Mauritius Limited, Mauritius Scrabble Entertainment Israel Ltd, Israel* Scrabble Digital Limited (w.e.f. 15 December 2018)

* Under voluntary liquidation

Names of other related parties with whom transactions have taken place during the year.

Key management personnel	Mr. Sanjay Gaikwad - Managing Director Mr. Kapil Agarwal - Joint Managing Director Mr. Ashish Malushte - Chief Financial Officer Mr. Rajesh Mishra - CEO- Indian Operations Mr. Sameer Chavan - Company Secretary Mr. Sanjeev Aga - Independent and Non executive director Mr. S. Madhavan - Independent and Non executive director Ms. Lynn de Souza - Independent and Non executive director Mr. Ameya Hete - Non executive director
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Relatives of Key management personnel	Mr. Narendra Hete
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Enterprises owned or significantly influenced by key management personnel or their relatives

Media Infotek Park
 Shree Enterprises
 Valuable Media Limited
 Valuable Technologies Limited
 Valuable Edutainment Private Limited
 Valuable Infotainment Private Limited
 Qwik Entertainment India Limited
 Impact Media Exchange Limited
 Nifty Portfolio Services Private Limited
 Advent Fiscal Private Limited
 S.Madhavan (HUF)

Associate of Subsidiary	Scrabble Digital Limited (upto 14 December 2018) Mukta VN Films Limited Scrabble Digital DMCC, Dubai Scrabble Ventures LLC, USA Scrabble Ventures, S.de R.L. de C.V., Mexico
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Notes to standalone financial statements as at and for the year ended 31 March 2019

2. Details of transactions with related parties during the year

₹ in Lacs

Sr. No.	Particulars	31 March 2019	31 March 2018
	Nature of transaction / Name of the parties		
1	Subsidiaries companies		
A	Virtual print fees (Income)		
i)	Scrabble Entertainment Limited	727.40	1,244.82
B	Lease rental income		
i)	Scrabble Entertainment Limited	287.96	416.48
C	Unsecured loan given		
i)	Valuable Digital Screens Private Limited	742.00	710.00
ii)	PJSA Technosoft Private Limited	1.00	Nil
D	Interest income on loans		
i)	Valuable Digital Screens Private Limited	108.74	131.52
ii)	PJSA Technosoft Private Limited	0.02	Nil
E	Rent income (Miscellaneous receipts)		
i)	Scrabble Entertainment Limited	9.80	5.57
ii)	Valuable Digital Screens Private Limited	2.66	Nil
F	Advertisement revenue share (expenses)		
i)	Valuable Digital Screens Private Limited	938.04	13.65
G	Reimbursement of expenses		
i)	Scrabble Entertainment Limited	1.77	7.84
ii)	Valuable Digital Screens Private Limited	1.22	Nil
H	Rent paid		
i)	Scrabble Entertainment Limited	16.82	8.43
I	Virtual print fee sharing (expenses)		
i)	Scrabble Entertainment Limited	420.04	374.34
J	Lease rental expenses		
i)	Scrabble Entertainment Limited	88.26	86.91
K	Content provisioning charges		
i)	Valuable Digital Screens Private Limited	9.54	0.78
L	Franchisee fees charges		
i)	Valuable Digital Screens Private Limited	0.83	Nil
M	Security deposit paid back		
i)	Scrabble Entertainment Limited	291.00	621.00
N	Security deposit paid		
i)	Scrabble Entertainment Limited	Nil	0.18
O	Security deposit received		
i)	Scrabble Entertainment Limited	3.48	Nil
ii)	Valuable Digital Screens Private Limited	1.16	Nil
P	Repayment received against loan		
i)	Valuable Digital Screens Private Limited	845.03	Nil
Q	Interest received on loans		
i)	Valuable Digital Screens Private Limited	154.97	Nil
R	Sale of equipments and lamps		
i)	Scrabble Entertainment Limited	26.85	26.33
ii)	Valuable Digital Screens Private Limited	4.28	Nil
S	Dividend income		
i)	Scrabble Entertainment Limited	Nil	3,088.92
T	Corporate guarantee given on borrowing (please refer (b) below)		
i)	Valuable Digital Screens Private Limited	257.63	366.66

Notes to standalone financial statements as at and for the year ended 31 March 2019

₹ in Lacs

Sr. No.	Particulars	31 March 2019	31 March 2018
2	Step-down subsidiaries		
A	Sale of equipments and lamps		
i)	Scrabble Entertainment DMCC, Dubai	31.79	Nil
B	Digitalisation income		
i)	Scrabble Digital Limited	1.69	Nil
C	Rent income (Miscellaneous receipts)		
i)	Scrabble Digital Limited	0.36	Nil
D	Security deposit received		
i)	Scrabble Digital Limited	0.28	Nil
E	Content processing charges		
i)	Scrabble Digital Limited	100.43	Nil
3	Enterprises owned or significantly influenced by key management personnel or their relatives		
A	Expenses reimbursed		
i)	Media Infotek Park	119.70	118.11
B	Technical services fees (expenses)		
i)	Valuable Technologies Limited	911.91	818.64
C	Operating direct expenses (Repair and maintenance)		
i)	Valuable Technologies Limited	0.91	Nil
D	Operating direct expenses (Licensee fees – Impact)		
i)	Impact Media Exchange Limited	72.00	72.00
E	Licensee fee- (Other income Club X)		
i)	Valuable Media Limited	9.45	9.75
F	Rent paid (expenses)		
i)	Media Infotek Park	542.54	516.71
G	Rent income (Miscellaneous receipts)		
i)	Valuable Media Limited	5.14	4.51
ii)	Valuable Edutainment Private Limited	1.19	1.60
iii)	Valuable Infotainment Private Limited	Nil	0.02
H	Consultancy & reimbursement expenses		
i)	Shree Enterprises	Nil	1.89
I	Security deposit received		
i)	Valuable Media Limited	0.11	0.25
ii)	Valuable Edutainment Private Limited	0.11	Nil
J	Dividend paid		
i)	Valuable Media Limited	280.53	149.43
ii)	Valuable Technologies Limited	280.46	224.37
iii)	Nifty Portfolio Services Private Limited	67.77	54.21
iv)	Advent Fiscal Private Limited	92.15	73.72
v)	S. Madhavan (HUF)	0.13	0.05
K	Purchase of equity shares		
i)	Valuable Digital Screens Private Limited	60.00	Nil
L	Issue of equity shares on preferential allotment		
i)	Valuable Media Limited	Nil	3,000.98
M	Money received against share warrants		
i)	Valuable Media Limited	Nil	1,025.33

Notes to standalone financial statements as at and for the year ended 31 March 2019

₹ in Lacs

Sr. No.	Particulars	31 March 2019	31 March 2018
4	Associates of subsidiary		
A	Content processing charges		
i)	Scrabble Digital Limited	240.58	246.74
B	Sale of equipments and lamps		
i)	Scrabble Digital Limited	0.49	Nil
C	Digitalisation income		
i)	Scrabble Digital Limited	1.13	1.69
D	Rent income (Miscellaneous receipts)		
i)	Scrabble Digital Limited	0.45	Nil
5	Key managerial personnel and their relatives		
A	Remuneration to key managerial personnel*		
i)	Mr. Sanjay Gaikwad	290.99	275.00
ii)	Mr. Kapil Agarwal	277.92	275.00
iii)	Mr. Ashish Malushte	99.45	111.94
iv)	Mr. Rajesh Mishra	149.16	144.87
v)	Mr. Sameer Chavan	22.84	20.04
B	Directors sitting fee and commission expenses		
i)	Mr. S. Madhavan	25.00	28.75
ii)	Ms. Lynn de Souza	25.00	29.25
iii)	Mr. Sanjeev Aga - Independent and Non executive director	40.00	40.00
C	Dividend paid to key managerial personnel		
i)	Mr. Sanjay Gaikwad	32.97	26.38
ii)	Mr. Kapil Agarwal	57.79	46.24
iii)	Mr. Ashish Malushte	2.30	1.84
iv)	Mr. Ameya Hete	27.22	21.78
v)	Mr. S. Madhavan	0.50	0.30
vi)	Mr. Rajesh Mishra	3.58	2.86
D	Money received against share warrants		
i)	Mr. Sanjay Gaikwad	Nil	250.08
ii)	Mr. Narendra Hete	Nil	250.08

3. Balance outstanding at the year end

₹ in Lacs

Sr. No.	Particulars	31 March 2019	31 March 2018
1	Subsidiaries companies		
A	Unsecured loans		
i)	Valuable Digital Screens Private Limited	1,286.97	1,390.00
ii)	PJSA Technosoft Private Limited	1.00	Nil
B	Interest accrued on loans		
i)	Valuable Digital Screens Private Limited	72.06	129.16
ii)	PJSA Technosoft Private Limited	0.02	Nil
C	Trade receivables		
i)	Valuable Digital Screens Private Limited	Nil	44.39
ii)	Scrabble Entertainment Limited	461.90	102.26
D	Trade payable		
i)	Valuable Digital Screens Private Limited	600.18	Nil

Notes to standalone financial statements as at and for the year ended 31 March 2019

		₹ in Lacs	
Sr. No.	Particulars	31 March 2019	31 March 2018
E	Deposit receivable		
	ii) Scrabble Entertainment Limited	3.64	3.64
F	Deposit payable		
	i) Valuable Digital Screens Private Limited	1.16	Nil
	ii) Scrabble Entertainment Limited	349.38	636.90
G	Unbilled revenue		
	i) Scrabble Entertainment Limited	25.24	17.54
H	Corporate guarantee given to bank for borrowing (please refer (b) below)		
	i) Valuable Digital Screens Private Limited	466.72	730.13
2	Step-down subsidiaries		
A	Trade receivables		
	i) Scrabble Digital Limited	3.04	Nil
B	Amount payable		
	i) Scrabble Digital Limited	284.40	Nil
C	Deposit payable		
	i) Scrabble Digital Limited	0.28	Nil
3	Enterprises owned or significantly influenced by key management personnel or their relatives		
A	Amount receivable		
	i) Valuable Media Limited	1.58	3.44
	ii) Valuable Infotainment Private Limited	0.27	0.37
	iii) Valuable Edutainment Private Limited	1.38	0.31
B	Deposit receivable		
	i) Media infotek Park	357.72	357.72
C	Deposit payable		
	i) Valuable Media Limited	1.84	1.72
	ii) Valuable Infotainment Private Limited	0.06	0.06
	iii) Valuable Edutainment Private Limited	0.44	0.33
D	Trade receivables		
	i) Qwik Entertainment India Limited	Nil	4.96
E	Bank guarantee given (please refer 34 (a) below)		
	i) Impact Media Exchange Limited	Nil	100.00
4	Key management personnel		
A	Provision for commission payable		
	i) Mr. S. Madhavan	11.00	10.50
	ii) Ms. Lynn de Souza	12.50	15.50
	iii) Mr. Sanjeev Aga	26.00	25.50
5	Associates of subsidiary		
A	Corporate guarantee given to bank for borrowing (please refer (a) below)		
	i) Mukta V N Films Limited	200.00	300.00
B	Amount payable		
	i) Scrabble Digital Limited	Nil	14.67
C	Amount receivable		
	i) Scrabble Digital Limited	Nil	1.33

Notes to standalone financial statements as at and for the year ended 31 March 2019

Compensation of key management personnel of the Company:

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Remuneration	840.36	826.85

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

Notes:

- As at 31 March 2018, the Company has provided corporate guarantee to bank for overdraft facility of ₹ 300 lacs taken by Mukta VN Films Limited, associate of subsidiary assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable. The corporate guarantee has been reduced to ₹ 200 lacs as at 31 March 2019.
- The Company has provided corporate guarantee to bank for term loan and cash credit facility of ₹ 2,384 lacs taken by Valuable Digital Screens Private Limited (subsidiary) assuring that it will take all necessary steps so that the repayment of the loan is honored as and when due and payable. The outstanding term loan of the subsidiary Company as on 31 March 2019 is ₹ 466.72 lacs (31 March 2018 : ₹ 730.13 lacs)
- 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.

33. Capital and other commitments

₹ in Lacs

	31 March 2019	31 March 2018
Capital commitments (estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))	453.94	2,920.14
Other commitments (Operating expenses)	264.73	318.30
	718.66	3,238.44

34. Contingent liabilities

₹ in Lacs

	31 March 2019	31 March 2018
Bank guarantee (refer note a)	-	100.00
Pending litigations / matters		
(i) In respect of income tax matters		
Income tax matters (refer note b)	-	22.13
(ii) In respect of indirect tax matters		
VAT and service tax matters (refer note c)	76.00	47.75
	76.00	169.88

Notes:

- As at 31 March 2018, the Company has provided bank guarantee of ₹ 100 lacs to Chief Secretary, Revenue Department, Government of Maharashtra on behalf of Impact Exchange Media Private Limited, for declaring it as approved satellite based computer ticketing system provider in Maharashtra in connection with the business of operating satellite based ticketing system managed by the Company.
- 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.

Notes to standalone financial statements as at and for the year ended 31 March 2019

- c) i) **West Bengal Case** : The Company has received an Order dated 4 July 2011 from the Senior Jt. Commissioner, Sales Tax Behala Circle (West Bengal) for the year 2007-2008 demanding sales tax payment of ₹ 41.90 lacs. The Company has filed an appeal on 26 August 2011 at Honorable Appellate Tribunal of Sales tax Kolkata. The Company has received favorable order from Assessing officer in same issues for subsequent years.
- ii) **Cochin Case** : The Company has received an Order dated 30 January 2017 from Asst. Commissioner, Commercial Tax Special Circle Ernakulum for the period 2012 to 2013 demanding tax on the difference in closing stock & difference in material movement value as per VAT return & VAT Audit report. The dispute is that Sales Tax Department has passed an order without considering the fact that Company has already applied for the application for revision of return and it is pending for approval from commercial tax department. The Sales Tax Department has issued the notification allowing the revision of return of earlier period. The Company is in process of revising the VAT Returns. Post revision of return the outstanding liability will be nullified.

On 24 August 2017, the Company received an order from Customs Excise and Service Tax Appellate Tribunal ('CESTAT') dated 18 August 2017 ('the Order'), where in the demand raised by the Commissioner of Service Tax Mumbai of ₹ 2,201 lacs, excluding interest and penalty on account of disallowance of CENVAT credit claimed on Capital Goods (Digital Cinema Equipments) by the Company for the period April 2008 to March 2014 and demand of ₹ 937 Lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period April 2008 to September 2011 has been dropped.

Further, CESTAT remanded the matter relating to demand of ₹ 1,526 lacs, excluding interest and penalty on account of service tax on equipment rental income of the Company for the period October 2011 to March 2014 for reconsideration to the adjudicating authority viz, the Commissioner of Service Tax Mumbai. The department has appealed with honorable High Court against the Order on 22 March 2018.

The Company received show cause cum demand notice dated 16 April 2018 for April 2014 to June 2017 in respect of

- i. disallowance of cenvat credit claimed on capital goods – ₹ 391.46 lacs
- ii. double taxation issue i.e. service tax on rental from leasing of Digital Cinema Equipment – ₹ 3,245.86 lacs

Since the demand is in relation to similar matter as stated above for the period, the same has been set aside by the department and the case will be heard post finalisation of earlier matter at High Court.

The Company believes its position will likely to be upheld in the appellate process and liability will not arise to the Company on this matter.

The above does not include all other obligations resulting from customer claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

35. 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 02 October 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to micro and small enterprises:

₹ in Lacs		
Particulars	31 March 2019	31 March 2018
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Notes to standalone financial statements as at and for the year ended 31 March 2019

36. Business combinations and acquisition of non controlling interest

- a) On 1 November 2017, the Board of Directors of the Company had approved the composite scheme of arrangement and amalgamation amongst the Company and Qube Cinema Technologies Private Limited ("QCTPL"); Qube Digital Cinema Private Limited ("QDCPL"); Moviebuff Private Limited ("MPL") and PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors ("the Qube Scheme") under Sections 230 to 232 and other relevant provisions of the Act.

The Company had filed the Qube Scheme with the National Company Law Tribunal (NCLT), Mumbai Bench on 13 March 2018. Further, the shareholders of the Company had approved the Qube Scheme at the NCLT Mumbai convened meeting held on 21 May 2018. NCLT at a hearing held on 21 January 2019, has dismissed the petition filed jointly by the Company and PJSA before the NCLT for the approval of the Qube Scheme. The Company and PJSA have filed an appeal on 25 February 2019 before the National Company Law Appellate Tribunal challenging the aforementioned order of the NCLT.

- b) During the year ended 31 March 2018, the Company acquired additional 15.82% stake in Scrabble Entertainment Limited (SEL) from the minority shareholders for ₹ 1453.41 lacs. Post this investment, the Company holds 100 % of equity share capital of SEL.
- c) During the year ended 31 March 2019, the Company acquired additional 20% stake 2,895 equity shares in Valuable Digital Screens Private Limited (VDSPL) from the minority shareholders for ₹ 60.00 lacs. Post this investment, the Company holds 100 % of equity share capital of VDSPL.

d) Common control transactions

- a) On 22 June 2018, 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, V N Films Private Limited ("VNFPL"), Edridge Limited ("EL"), UFO International Limited ("UIL") and Southern Digital Screenz India Private Limited ("SDS") (together referred to as the "merging companies") with the Company ("the Scheme")
- b) UFO is principally engaged in the delivery of content via satellite directly to theatres. The Company is largest digital cinema distribution network and in-cinema advertising platform. VNFPL, EL, UIL and SDS are in the business of providing digital cinema services.
- c) 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 29 June 2018 with effect from the appointed date of 01 April 2016 for the amalgamation of VNFPL, EL and UIL with the Company and the appointed date of 01 July 2016 for SDS.
- d) 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.
- e) In accordance with the Scheme :
- (i) All assets and liabilities, including reserves of the Amalgamating Companies have been recorded at their respective book values as appearing in their respective books on the date immediately preceding the Appointed Date.
 - (ii) The difference in books of accounts of the Transferee Company on account of:
 - (a) Net assets taken over;
 - (b) Reserves acquired and cancellation of investments in Transferor Companies is recorded in Amalgamation Reserve account of the Transferee Company.
 - (iii) The debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve account has been adjusted against Securities Premium of the Transferee Company.

Notes to standalone financial statements as at and for the year ended 31 March 2019

Summary of the assets, liabilities and reserves taken over as mentioned below:-

₹ in Lacs

Particulars	Total	VNFPL	SDS	EL	UIL
Assets					
Non-current assets					
Property, plant and equipment	131.50	-	131.50	-	-
Other intangible assets	305.80	-	203.45	-	102.35
Financial assets		-	-	-	-
- Investments	8,381.21	306.00	-	7,872.78	202.43
- Loans	684.49	-	684.49	-	-
Deferred tax assets (net)	140.92	-	140.92	-	-
Other non- current assets	24.25	24.25	-	-	-
Total non-current assets (A)	9,668.17	330.25	1,160.36	7,872.78	304.78
Current assets					
Financial assets					
- Investments	1,200.00	-	1,200.00	-	-
- Trade receivables	123.82	1.05	114.40	0.02	8.34
- Cash and cash equivalents	825.25	6.19	778.35	-	40.72
- Loans	198.46	0.11	198.34	-	-
Other current assets	35.62	22.45	13.17	-	-
Total current assets (B)	2,383.14	29.80	2,304.26	0.02	49.05
Total assets (C=A+B)	12,051.31	360.05	3,464.62	7,872.80	353.84
Liabilities					
Non-current liabilities					
Provisions	5.49	0.53	4.96	-	-
Total non-current liabilities (D)	5.49	0.53	4.96	-	-
Current liabilities					
Financial liabilities					
- Borrowings	432.27	431.78	-	0.49	-
- Trade payables	457.78	27.06	418.79	9.58	2.37
- Other financial liabilities	363.23	1.30	361.93	-	-
Provisions	26.27	1.30	24.97	-	-
Total current liabilities (E)	1,279.57	461.44	805.69	10.07	2.37
Total liabilities (G=D+E)	1,285.06	461.97	810.66	10.07	2.37
Net assets taken over (H= C-G)	10,766.25	(101.92)	2,653.96	7,862.74	351.47
Reserves taken over					
Securities premium (I)	13,824.01	-	1,422.74	7,579.55	4,821.72
Debit balance in profit and loss account (J)	(6,653.46)	(102.92)	(923.66)	(487.58)	(5,139.29)
Share capital of respective entities (K=H-I-J)	3,595.70	1.00	2,154.88	770.77	669.05
Cancellation of investments (L)	21,039.18	1.00	7,426.61	5,738.79	7,872.78
Amalgamation reserves (M=K-L)	(17,443.48)	0.00	(5,271.72)	(4,968.02)	(7,203.73)
Amalgamation reserves and debit balance in the profit and loss account of transferor companies, accounted under securities premium account (M+J)	(24,096.94)	(102.92)	(6,195.39)	(5,455.61)	(12,343.03)

- (iv) As a part of scheme of amalgamation approved by NCLT, the authorised capital of transferor Companies namely, Equity share capital of ₹ 805 lacs and Preference share capital of ₹ 1,800 lacs were added to the authorised share capital of the Company.

Notes to standalone financial statements as at and for the year ended 31 March 2019

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 management hierarchy of the Company's Financial assets and liabilities.

The carrying value and fair value of financial assets by categories as at 31 March 2019 were as follows: ₹ in Lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial assets					
Cash and cash equivalents	844.40	-	-	844.40	
Other bank balance	1,335.97	-	-	1,335.97	
Trade receivables	13,856.91	-	-	13,856.91	
Loans	1,822.47	-	-	1,822.47	
Investments in other securities	-	-	11,545.39	11,545.39	Level 2
Investments in subsidiaries	-	-	11,369.36	11,369.36	Level 3
Other financial assets	797.80	-	-	797.80	
Total	18,657.55	-	22,914.75	41,572.30	
Financial liabilities					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,532.26	-	-	4,532.26	
Borrowings (Other than debt securities)	3,731.01	-	-	3,731.01	
Other financial liabilities	7,600.45	-	-	7,600.45	
Total	15,863.72	-	-	15,863.72	

Details for the year ended 31 March 2018 are as follows:

₹ in Lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial assets					
Cash and cash equivalents	859.59	-	-	859.59	
Other bank balance	2,212.40	-	-	2,212.40	
Trade receivables	14,649.61	-	-	14,649.61	
Loans	1,901.39	-	-	1,901.39	
Investments in other securities	-	-	8,121.12	8,121.12	Level 2
Investments in subsidiaries	-	-	11,454.38	11,454.38	Level 3
Derivative assets	-	-	70.78	70.78	Level 2
Other financial assets	509.98	-	-	509.98	
Total	20,132.97	-	19,646.28	39,779.25	

Notes to standalone financial statements as at and for the year ended 31 March 2019

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial liabilities					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,078.84	-	-	3,078.84	
Borrowings (Other than debt securities)	1,550.00	-	-	1,550.00	
Other financial liabilities	12,313.25	-	-	12,313.25	
Total	16,942.09	-	-	16,942.09	

* 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 31 March 2019 and 31 March 2018.

38. Financial risk management / Objectives and policies

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

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

1. Market risk

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

a) Interest rate risk :

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

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

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

Particulars	Increase effect		Decrease effect	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Effect of increase/decrease in floating interest rate by 100 basis points (1%) for term loans	60.57	68.02	(60.57)	(68.02)

₹ in Lacs

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 except foreign currency borrowing for which it uses forward contract to hedge exposure to foreign currency risk.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions.

Notes to standalone financial statements as at and for the year ended 31 March 2019

₹ in Lacs

Outstanding foreign Currency Exposure as at	31 March 2019	31 March 2018
Other receivable	-	13.64
USD (lacs)	-	0.21
Trade payable	0.77	1,454.39
USD (lacs)	0.01	22.36
Advance to vendor	131.70	-
USD (lacs)	1.90	-

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

₹ in Lacs

Particulars	31 March 2019	31 March 2018
1% increase in foreign exchange rate :	(1.31)	14.41
1% (decrease)in foreign exchange rate:	1.31	(14.41)

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. 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 reciveables,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 was ₹ 28,362.82 lacs and ₹ 26,415.01 lacs as at 31 March 2019 and 31 March 2018 respectively as per the table below.

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Balance with banks including bank deposits	2,172.77	3,073.39
Investments	11,545.39	8,121.12
Trade receivables	13,856.91	14,649.61
Unbilled revenue	686.48	334.74
Other financial assets	101.27	236.15
Total	28,362.82	26,415.01

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.

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 31 March 2019

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	₹ in Lacs			
Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
At 31 March 2019				
Borrowing	2,325.88	3,615.38	-	5,941.26
Trade payables	4,532.26	-	-	4,532.26
Other financial liabilities	4,687.93	2,912.52	-	7,600.45
At 31 March 2018				
Borrowing	5,252.40	1,550.00	-	6,802.40
Trade payables	3,078.84	-	-	3,078.84
Other financial liabilities	8,945.01	3,368.24	-	12,313.25

39. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	₹ in Lacs
Contract liabilities (Advance or deferred income)	Amount
Opening balance 1 April 2018	531.21
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(434.33)
Add: invoices raised for which no revenue is recognised during the year	124.90
Closing balance 31 March 2019	221.78

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 Company's contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortised along with the associated revenue.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Reconciliation of revenue recognised in the Statement of profit and loss with the contracted price

	₹ in Lacs
Particulars	31 March 2019
Revenue from contracts with customers (as per Statement of profit and loss)	42,468.04
Add: Discounts, rebates, refunds, credits, price concessions	-
Less / Add: Deferred and unbilled revenue adjustments	(309.43)
Add: Allocation of transaction price from bundled contracts	-
Contracted price with the customers	42,158.61

Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Notes to standalone financial statements as at and for the year ended 31 March 2019

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, money received against share warrants and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts including current maturities divided by equity attributable to owners of Company.

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Long term debt including current maturities	5,941	6,802
Total Equity	49,247	49,187
Gearing Ratio	12.06%	13.83%

41. Events subsequent to Balance Sheet date

Dividend on equity shares

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Proposed dividend on equity shares for the year ended 31 March 2019 : ₹ 2.50 per share (31 March 2018: ₹ 12.50)*	708.77	3,543.85
Dividend distribution tax on proposed dividend	145.69	728.45
Interim dividend for the year ended 31 March 2019 is of ₹ 27.50 per share (31 March 2018 : ₹Nil) per share which include special dividend of ₹ 15 per share	7,796.47	-
Dividend distribution tax on interim dividend	1,602.59	-
	10,253.52	4,272.30

*On 21 May 2019 the Board proposed dividend on equity shares. This dividend is subject to approval of shareholders in the ensuing annual general meeting.

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:

₹ in Lacs

Particulars	31 March 2019	31 March 2018
Gross amount required to be spent	162.58	154.79
Spent during the year (promoting campaigns of "Health Food Safety Standard" and "Chief Minister Distress Relief Fund)	163.00	218.19
Balance unspent during the year	-	-

Free campaigns screened as per the communication received from films division of Ministry of Information and Broadcasting and Information and Public Relation Department, Kerala has been considered as Company's contribution towards CSR.

Notes to standalone financial statements as at and for the year ended 31 March 2019
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 note 4)

Corporate guarantees given by the Company in respect of guarantee (refer note 32)

Details of loan given

₹ in Lacs

Sr. No.	Name of the loanee	Rate of interest	31 March 2018	Given during the year	Repayment during the year	31 March 2019
1	Valuable Digital Screens Private Limited	9.50% to 12.00%	1,390.00	742.00	845.03	1,286.97
2	PJSA Technosoft Private Limited	9.50%	-	1.00	-	1.00
			1,390.00	743.00	845.03	1,287.97

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

The accompanying notes 1 to 43 are an integral part of the 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**
Rajesh Mehra

Partner

Membership No: 103145

Kapil Agarwal

Joint Managing Director

DIN No.: 00024378

Ameya Hete

Director

DIN No.: 01645102

Place : Mumbai

Date : 21 May 2019

Rajesh Mishra

CEO - Indian Operations

Ashish Malushte

Chief Financial Officer

Sameer Chavan

Company Secretary

Membership No. F7211



UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India

Phone: +91 (22) 4030 5060 **Fax:** +91 (22) 4030 5110

Email: investors@ufomoviez.com **Website:** www.ufomoviez.com

ATTENDANCE SLIP

15TH ANNUAL GENERAL MEETING ON JULY 25, 2019

(To be signed and handed over at the entrance of the meeting venue)

Sr. No.

Name & Address of Sole/First named Member :

Name's of the Joint Member(s) if any :

DP ID No. & Client ID No. / Folio No. :

Number of shares held :

I / We hereby record my / our presence at the 15th Annual General Meeting of the Company on Thursday, July 25, 2019 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai – 400093.

Signature of 1st Holder

Signature of 2nd Holder

Signature of 3rd Holder

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Venue. Attendance Slips shall also be issued at the Venue.
2. Electronic copy of the Annual Report for the year ended March 31, 2019 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for the year ended March 31, 2019 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose e-mail Id is not registered

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

Note: Please read the instructions for remote e-voting given alongwith Annual Report. The remote e-voting period starts from Sunday, July 21, 2019 (10:00 am) and ends on Wednesday, July 24, 2019 (05:00 pm). The e-voting module shall be disabled by Karvy upon expiry of aforesaid period.



digital cinema

UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India

Phone: +91 (22) 4030 5060 **Fax:** +91 (22) 4030 5110

Email: investors@ufomoviez.com **Website:** www.ufomoviez.com

PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No./ DP ID No.: Client Id No.:

I / We, being the member(s) of Equity Shares of UFO Moviez India Limited, hereby appoint.

(1) Name Address

Email Id: Signature or failing him/her;

(2) Name Address

Email Id: Signature or failing him/her;

(3) Name Address

Email Id: Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Thursday, July 25, 2019 at 03:00 p.m. at Senate Hall, Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai - 400093 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions
1.	To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2.	To confirm payment of an interim dividend of 275% (₹ 27.50 per equity share on the face value of ₹ 10 each) for the financial year ended March 31, 2019 which includes a onetime special dividend of 150% (₹ 15.00 per equity share on the face value of ₹10 each) declared by the Board.
3.	To declare a final dividend of 25% (₹ 2.50 per equity share on the face value of ₹ 10 each), for the financial year ended March 31, 2019.
4.	To appoint a Director in place of Mr. Raaja Kanwar (DIN 00024402), who retires by rotation, and being eligible, offers himself for re-appointment

Signed this day of 2019

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix
₹ 1/-
Revenue
stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

[illegible]

[illegible]



UFO

digital cinema

If undelivered, please return to:

UFO MOVIEZ INDIA LIMITED

CIN: L22120MH2004PLC285453

Valuable Techno Park

Plot No. 53/1, Road No. 7,

MIDC, Marol, Andheri (East),

Mumbai - 400093

Tel: +91 22 4030 5060