

# ANNUAL REPORT 2018 - 2019





Apno ke saath,  
full-on funbaazi

#Groupbaazi Mein Mazaa



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**>8 MN VISITORS  
IN 6 YEARS**

**FOOTFALL - 1.6MN**

**VFS GLOBAL**

**TIMES TRAVEL  
AWARD 2019**

**ADVENTURE  
ATTRACTION  
SECTOR**

# Corporate

## Information

### BOARD OF DIRECTORS

Mr. Manmohan Shetty - Chairman  
Mr. Steven A. Pinto - Independent Director  
Mr. Ghulam Mohammed - Independent Director  
Ms. Meghna Ghai Puri - Independent Director  
Mr. Kapil Bagla - Non-Executive Director  
Mr. Ashutosh Kale - Executive Director & Jt. CEO

### BANKERS & FINANCIAL INSTITUTIONS

Union Bank of India  
Indian Overseas Bank  
Bank of Baroda  
Corporation Bank  
Jammu and Kashmir Bank  
Bank of India  
Central Bank of India  
Syndicate Bank  
Punjab and Sind Bank  
Vijaya Bank  
Dena Bank  
Life Insurance Corporation of India  
Tourism Finance Corporation of India Limited

### KEY MANAGERIAL PERSONNEL

Mr. Ashutosh Kale - Executive Director & Jt. CEO  
Mr. Dhimant Bakshi - Jt. Chief Executive Officer (CEO)  
Mr. Mayuresh Kore - Chief Financial Officer  
Ms. Divyata Raval - Company Secretary & Compliance Officer

### STATUTORY AUDITORS

M/s. A.T. Jain & Co., Chartered Accountants  
(Firm Registration No. 103886W)

### SECRETARIAL AUDITORS

M/s. Aabid & Co., Company Secretaries  
(FCS No. 6579)

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited  
C - 101, 247 Park, L.B.S. Marg,  
Vikhroli West, Mumbai - 400 083  
Tel: (022) 4918 6270 Fax: (022) 4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### COMPANY DETAILS

ADLABS ENTERTAINMENT LIMITED  
CIN: L92490MH2010PLC199925

### REGISTERED OFFICE

30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad - 410 203

### CORPORATE OFFICE

9<sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai - 400053  
T: 022 40680000 F: +91-22 4068 0088

Email : [compliance@adlabsentertainment.com](mailto:compliance@adlabsentertainment.com) Website : [www.adlabsimagica.com](http://www.adlabsimagica.com)





# Chairman's Message

## OUR MISSION

"We deliver best in Class entertainment for Delightful Memories, in a Clean, Safe and Happy Environment."

I would like to update that despite sincere efforts from the management to avoid a NPA scenario, the company slipped into NPA during the year. However, even though the company has become NPA, the operations of the park have been stable and not impacted by any means. We are providing the same quality of service and guest experience as before.

The lenders and the management have been working together on arriving at an amicable debt resolution. Various reports like Forensic, Valuation, Legal, etc has been prepared by reputed firms and been submitted to the lenders towards the process of debt resolution.

It is my pleasure to inform you that since the launch in April 2013, over 8.0 million people have visited Imagica. The visitors continue to show the appreciation of the product among our guests across the country. I am also pleased to update that our hotel 'Novotel Imagica' has become fully operational from September 2018. This year would be the first full year of operations with complete 287 rooms.

Imagica has also bagged many accolades under its belt like the IAAPI National Awards For Excellence 2018-2019 in five categories, VFS Global Times Travel Awards 2019 – Adventure Attraction Sector for the second time in a row.

Last year, GST was reduced to 18% from 28%. This year, we are diligently working towards getting the refund mechanism set-up for the SGST share of 9% in lieu of Entertainment tax waiver the company has received for its mega tourism status from Government of Maharashtra. The company has made a number of representations to the Government of Maharashtra with respect to the SGST refund. We have also approached the Bombay High Court to have this expedited.

As part of ongoing marketing activities, Imagica has forged strong cross promotion alliances with variety of brands across multiple industries such as airlines and travel, food and retail, banks, mobile wallets and service providers and education brands.

We are also one of the preferred destinations for MICE, weddings and family holidays. In spite of this, we have some way to go in making this project every Indian's 'must-visit' holiday destination.

I thank you for your investment and for having continued faith in our Company despite this difficult phase which we are going through. We assure you of our continued commitment to make people happy and to ultimately take this company to its full potential.

I would also like to thank our Board of directors and employees in this ongoing journey in making our vision a reality and continuously offering a high class entertainment experience to our patrons.

**Manmohan Shetty**  
Chairman



**INDIA'S RETAIL CHAMPIONS AWARD 2019**  
Winner – Entertainment Category



*Innovative Promotional Activity through Media – OOH*

*Innovative Promotional Activity through Media  
Digital Marketing | Radio Category | TV Channel*

*Innovative Promotional activity through Print Media.*

**LIMCA BOOK OF RECORDS**  
Largest collection and  
distribution of Toys Drive (2018)



**INDIA LICENSING AWARDS 2018 (LIMA 2018)**  
Licensee of the Year – Theme & Amusement Park



Rekha Jitesh Parte

It was an awesome experience. So much fun. This is a perfect place to visit, fun and enjoy with your family and friends. All the rides are good enough. Multiple options like slides, crazy river, wave pool and rain dance we enjoyed. We loved it. Thank you to my family and Thank you Imagica for this wonderful experience.



Sanjay Kumar Das

It was my first time to visit a theme park, it was an awesome experience and best theme park I have seen. It is suitable for every age. All the rides are interesting and thrilling. Out of that, I found Nitro roller coaster, scream machine and deep space were just breathtaking. Some are very interesting like are I For India (Witness the magnificence of India in a unique flying experience!), Dare to drop & Rajasaurus River Adventure.



Nachiket Kelkar

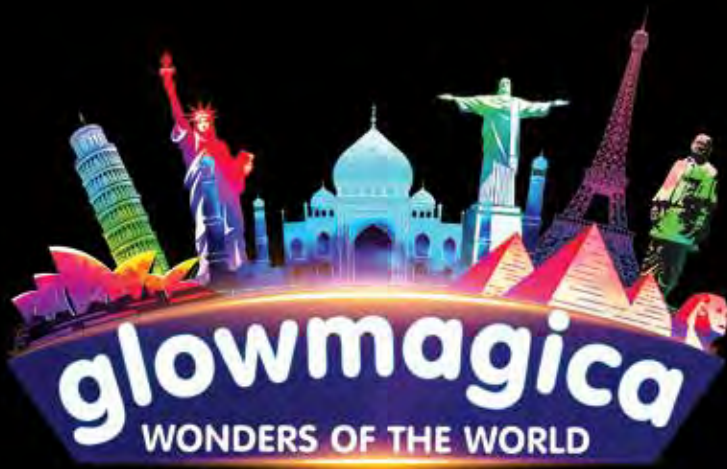
Full 2 dhamal  
Had an office picnic to this place. Enjoyed the rides a lot. Food was delicious too. Best place to visit in summer



Priyal Mohite

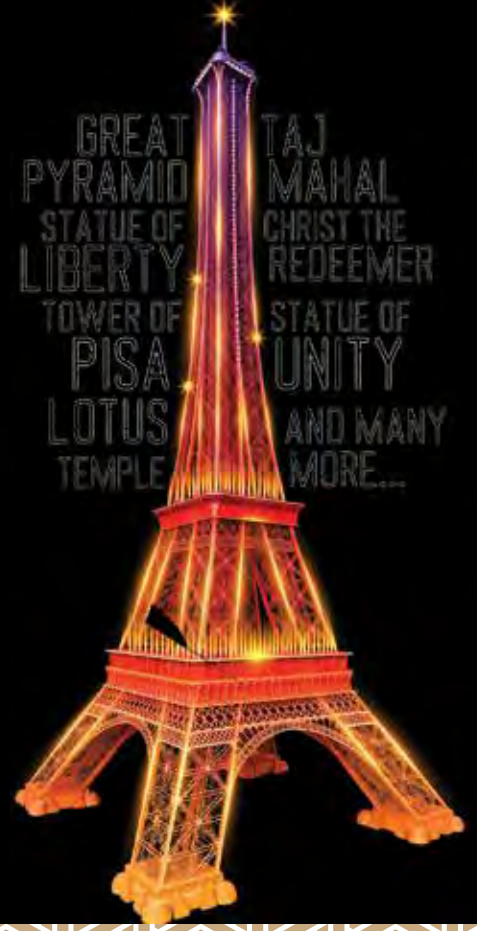
Full entertainment....very good management.. specially aqua park is highly under life guards observance...big place but superb managed... cooperative and polite staff





GREAT  
PYRAMID  
STATUE OF  
LIBERTY  
TOWER OF  
PISA  
LOTUS  
TEMPLE

TAJ  
MAHAL  
CHRIST THE  
REDEEMER  
STATUE OF  
UNITY  
AND MANY  
MORE...



# NEW ATTRACTIONS





WEDDING  
DESTINATION





Anniversary Bash Day

8,500+  
Guests



New Year Eve

8,000+  
Guests



Holi Bash

34,000+  
Guests





## FINANCIAL HIGHLIGHTS - STANDALONE

(₹ in Lakhs)

Particulars	2018-2019	2017-2018 <sup>(1)</sup>	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
<b>FINANCIAL RESULTS</b>										
Revenue from operations	24,037.88	23,628.77	23,907.65	23,397.90	18,942.15	10,380.20	-	-	-	-
Total Revenue	24,666.92	23,727.91	23,959.38	25,065.62	19,125.18	10,701.30	392.98	-	-	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	5,358.76	6,366.59	6,136.26	5,679.44	2,235.39	706.11	(212.39)	(53.00)	-	-
Depreciation and amortisation expense	10,177.55	9,242.37	9,447.25	8,771.24	7,974.73	3,051.79	1.30	-	-	-
Exceptional Items	-	-	-	-	-	-	6.35	-	-	-
<b>Profit / (Loss) after tax for the year</b>	<b>(34,742.95)</b>	<b>(15,517.43)</b>	<b>(11,713.57)</b>	<b>(9,113.32)</b>	<b>(10,716.09)</b>	<b>(5,275.73)</b>	<b>(145.74)</b>	<b>(60.60)</b>	-	-
<b>FINANCIAL POSITION</b>										
Equity Share Capital	8,806.21	8,806.21	7,989.78	7,989.78	7,989.78	4,846.30	4,587.21	4,191.67	-	-
Other Equity	(2,630.48)	32,108.74	41,985.97	53,704.62	62,949.66	26,517.66	26,352.48	20,847.70	4,302.26	3,473.43
<b>Shareholders Funds</b>	<b>6,175.73</b>	<b>40,914.95</b>	<b>49,975.75</b>	<b>61,694.40</b>	<b>70,939.44</b>	<b>31,363.96</b>	<b>30,939.69</b>	<b>25,039.37</b>	<b>18,583.80</b>	<b>15,642.13</b>
Borrowings	1,19,698.80	1,10,391.11	1,08,335.69	1,01,278.81	1,17,350.14	1,14,004.37	78,810.28	19,808.30	22,886.06	19,115.55
Gross Fixed Assets	1,63,663.48	1,62,810.04	1,62,077.99	1,58,191.88	1,58,601.68	1,42,745.55	1,07,288.96	44,706.70	-	-
Net Fixed Assets	1,14,799.00	1,24,123.09	1,32,606.42	1,38,147.90	1,47,327.67	1,39,446.27	1,07,041.15	44,571.39	4,549.04	2,323.75
Current & Non-Current Assets, Loans & Advances & Deposits	6,126.80	6,874.52	4,400.25	7,096.11	45,110.35	9,142.62	8,341.97	2,183.25	27,150.80	24,228.44
Investments in equity instrument	10,618.16	10,618.16	10,617.16	10,617.16	41.50	-	-	-	27,078.22	24,206.97
Total Assets	1,31,597.88	1,58,210.24	1,64,218.30	1,68,847.95	2,00,394.25	1,50,023.63	1,15,457.39	46,754.64	1,447.42	752.98
<b>EQUITY SHARE DATA</b>										
Earnings Per Share Note(s):	(39.45)	(18.72)	(14.66)	(11.41)	(20.96)	(11.29)	(0.33)	(0.16)	28,562.03	24,992.80

(1) The Figures for the previous year has been regrouped/ rearranged wherever necessary to confirm with current period's classification.

## NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Members of **Adlabs Entertainment Limited** will be held on Thursday, August 01, 2019 at 12:00 noon at Imagica Theme Park, Imagica Capital, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad 410 203, to transact the following business:

### Ordinary Business:

- To receive, consider and adopt:
  - the audited financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors' thereon; and
  - the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, the report of the Auditors' thereon.
- To appoint a Director in place of Mr. Kapil Bagla (DIN: 00387814), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Statutory Auditors and fix their remuneration and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act"), read with rules framed thereunder & other applicable provisions of the Act, if any, and all other applicable statutes and laws, if any (including any statutory modification or re-enactment thereof, for the time being in force), M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. : 109208W) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring auditors M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration No. 103886W), to hold office from the conclusion of this Tenth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting, at remuneration of ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) and out of pocket expenses, as may be decided by the Board of Directors of the Company."

### Special Business:

- To re-appoint Mr. Ashutosh Kale (DIN: 06844520) as an Executive Director of the Company and in this regard, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable statutes and laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Ashutosh Kale (DIN: 06844520) as an Executive Director of the Company, for a further period starting from May 24, 2019 till January 31, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit and within limits prescribed under the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors**

**Divyata Raval**  
Company Secretary and Compliance Officer

Date : May 16, 2019  
Place: Mumbai

**Registered Office:**  
30/31, Sangdewadi, Khopoli-Pali Road,  
Taluka Khalapur, District Raigad 410 203



**Notes:**

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting"/ "AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**  
**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 only a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. The explanatory statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 ("the Act"), Secretarial Standards – 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") forms part of this notice.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Act authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members/ Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company and at Corporate Office of the Company situated at 9<sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai - 400053 on all working days, except Saturdays during business hours up to the date of the Meeting.
8. The Register of Members and Transfer Books of the Company shall remain closed from Friday, July 26, 2019 to Thursday, August 1, 2019 (both days inclusive) for the purpose of AGM.
9. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts immediately. Members holding shares in physical form are also requested to intimate any change of address or bank mandates immediately to the Company/ Registrar and Transfer Agent, Link Intime India Private Limited (herein after referred to as "RTA"/"Link Intime").
10. Non-resident Indian Members are requested to inform Link Intime immediately on:
  - a) the change in the residential status on return to India for permanent settlement; and
  - b) the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
11. The details of the Directors seeking re-appointment under item no. 2 and 4 of the accompanying Notice, as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards – 2 on General Meetings, are annexed to this notice as **Annexure I**.
12. In accordance with the Act and the Rules thereunder, the Audit Committee and Board of Directors of the Company have recommended appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. : 109208W) subject to approval of the shareholders.
13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in 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 accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agent.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
  15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime, for consolidation into a single folio.
  16. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication's including Annual Report, Notices, Circulars, etc. from the Company electronically.
  17. Members may note that the Road map to the venue of the AGM is provided in this Notice. Also, Members may note that easy public transport to the venue is available from Khopoli Railway Station, which is the nearest railway station to the venue.
  18. Voting through electronic means:
    - I) In compliance with Regulation 44 of Listing Regulations, Section 108 of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to provide its Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Linkintime India Private Limited ("LI IPL").
    - II) Board has appointed Mr. Sanjay Dholakia, Practicing Company Secretary (Membership No.: 2655 & COP No.: 1798) as the scrutinizer ("the Scrutinizer") to scrutinize the remote e-voting and voting process at the AGM in fair and transparent matter.
    - III) The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
  - IV) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - V) The remote e-voting period commences on Monday, July 29, 2019 (9:00 a.m.) and ends on Wednesday, July 31, 2019 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date i.e. Friday, July 26, 2019 ("Cut-Off date"), may cast their vote by remote e-voting during the said period. The remote e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

**Instructions for shareholders to vote electronically:**

**EVENT NUMBER :- 190068**

➤ **Log-in to e-Voting website of Link Intime India Private Limited ("LI IPL")**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.
5. Your Password details are given below:  
If you are using e-Voting system of LI IPL:



<https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numerical, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository participant or in the company record are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	<p>Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (4-c) above.</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and/ or voted on an earlier voting of any company then you can use your existing password to login.

### **If Shareholders, holding shares in Demat Form or Physical Form, have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numerical, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### ➤ **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote for.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

Enter the number of shares (which represents no. of votes) as on the Cut-Off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
  9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
  10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
  11. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.
- **General Guidelines for shareholders**
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/ Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution/ authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/ Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/ demat account(s) shall choose the voting process separately for each of the folios/ demat account(s).
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on Tel : 022 - 4918 6270.
- VI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-Off date i.e. Friday, July 26, 2019.
  - VII. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the Cut-Off date i.e. Friday, July 26, 2019, may obtain the login ID and password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or to the Company at [compliance@adlabsentertainment.com](mailto:compliance@adlabsentertainment.com).
- However, if you are already registered with LIPL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://instavote.linkintime.co.in>, or contact LIPL at the toll free no. i.e. 1800-222-990.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-Off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. Person who is not a member as on Cut-Off date should treat this notice for information purpose only.
  - IX. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - X. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - XI. The results declared alongwith the report of the Scrutinizer shall be displayed at the Registered Office and Corporate Office of the Company and placed on the website of the Company i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com) and on the e-voting website of LIPL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standards - 2 on General Meetings and Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

The following statement sets out all material facts relating to the Ordinary business relating to appointment of Statutory Auditors and the Special Business mentioned in Item no. 4 of the accompanying Notice:

**Item No. 3**

The Statutory Auditors of the Company, viz. M/s. A.T. Jain & Co., Chartered Accountants, were appointed as Statutory Auditors at the Annual General Meeting of the Company held on July 26, 2017 for the year 2017-18 and 2018-19, to hold office till the conclusion of the Tenth Annual General Meeting of the Company. The tenure of M/s. A. T. Jain & Co. Chartered Accountants, as Statutory Auditors of the Company shall expire at the conclusion of the ensuing Tenth Annual General Meeting in terms of Section 139 of the Companies Act, 2013 ("the Act") and Rules framed thereunder.

Accordingly, the Board of Directors at its Meeting held on May 16, 2019 appointed M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.: 109208W) in place of retiring auditors M/s. A. T. Jain & Co. As per the provisions of the Act read with rules made thereunder, appointment of new Statutory Auditors in place of a retiring auditor needs to be approved by the members in a general meeting. Accordingly, upon the recommendation of the Audit Committee of the Board of Directors and considering that the experience and qualifications of M/s. V. Sankar Aiyar & Co. commensurate with the size and requirements of the company, the Board of Directors have recommended the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to the members of the company for their approval at the ensuing Tenth Annual General Meeting by way of passing an ordinary resolution, to hold office from conclusion of the ensuing Tenth Annual General Meeting till the conclusion of the Eleventh Annual General Meeting. M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be in accordance with the provisions of the Act and that they satisfy the criteria as prescribed in Section 141 of the Act.

Your Directors recommend the resolution set out at Item no. 3 of this Notice for approval of members of the Company by way of Ordinary Resolution.

None of the Directors and/ or Key Managerial Personnel of the Company or their relatives is in any way, financially or otherwise, concerned or interested in the proposed Item no. 3 except to the extent of their shareholding in the Company.

**Item No. 4**

Mr. Ashutosh Kale (DIN:06844520) was appointed as an Executive Director of the Company at the Annual General Meeting held in July 28, 2016 for a period of three years starting from May 24, 2016 to May 23, 2019 subject to him receiving remuneration within limits prescribed under the Companies Act, 2013 ("the Act") and Schedule V thereof. His term expires on May 23, 2019.

The Company has received a notice in writing from a member pursuant to Section 160 of the Act proposing the candidature of Mr. Ashutosh Kale for the office of Director of the Company. Mr. Kale is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Further, Part II – B (ii) of Schedule V of the Act specifies that the Company can continue to pay the remuneration to the Managerial Person within prescribed limits specified in Part II - A of Schedule V as long as the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditors. In case of such default, prior approval of the bank or public financial institution concerned is required to be obtained by the company before obtaining the approval in the general meeting. Accordingly, the members may note that the Company has availed approval of the lenders in line with Part II – B (ii) of Schedule V of the Act in order to continue to pay the remuneration to Mr. Kale within limits specified in the Schedule V.

Upon the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has approved re-appointment of Mr. Ashutosh Kale as an Executive Director of the Company for a period commencing from May 24, 2019 to January 31, 2020 subject to approval of shareholders of the Company to be availed at the Annual General Meeting.



The remuneration payable to and terms of appointment of Mr. Ashutosh Kale as Executive Director of the Company during the tenure of his appointment will comprise of salary, allowances, and other perquisites, the aggregate monetary value of such salary, allowances and perquisites, being limited to ₹ 67,82,752/- per annum (Rupees Sixty Seven Lakhs Eighty Two Thousand Seven Hundred and Fifty Two Only) (Fixed plus variable including Performance Linked Incentive) which is within the limit prescribed under Schedule V Part II of the Act. The Board/ Nomination and Remuneration Committee is entitled to revise the salary, allowances and perquisites payable to Mr. Ashutosh Kale at any time, such that the overall remuneration payable shall not exceed the limits specified in schedule V to the Act.

Approval of the Members is accordingly sought for the Appointment of Mr. Ashutosh Kale as an Executive Director of the Company for a period commencing from May 24, 2019 to January 31, 2020, as set out in Item no. 4 of the accompanying notice.

Mr. Ashutosh Kale fulfils the conditions for eligibility contained in Part I of Schedule V to the Act. The terms and conditions of appointment and payment of remuneration are set out in the Agreement to be entered into between the Company and Mr. Ashutosh Kale. The draft Agreement to be entered into between the Company and Mr. Ashutosh Kale is available for inspection of the members at the registered office of the Company.

Information pursuant to provisions of Schedule V of the Act and forming part of the explanatory statement to the Notice convening the General Meeting:

## I. GENERAL INFORMATION

- 1) **Nature of Industry:** Entertainment
- 2) **Date of Commencement of Commercial Operations:** The Company commenced its business on November 01, 2013
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4) **Financial Performance based on given indicators (Based on Audited financial Statements for the year ended March 31, 2019):**

Particulars	(₹ in Lakhs)	
	<b>Financial year ended March 31, 2019</b>	Financial year ended March 31, 2018
Revenue from operations	24,037.88	23,628.77
Profit/(Loss) before tax	(18,202.40)	(15,517.43)
Tax expenses	16,540.55	-
Profit/(Loss) after tax	(34,742.95)	(15,517.43)

- 5) **Foreign Investments or collaborations, if any:** There are no foreign investments made by the Company and there are no Foreign Collaborations.

## II. INFORMATION ABOUT THE APOINTEE

### 1) Background details:

Mr. Ashutosh Kale is an alumnus of National Defence Academy, has over two decades of experience in the Indian Army. He holds a Master's degree in Defence and Strategic Analysis and has been trained in Kenya in International Operations by the British Army. He has served as an instructor in the Indian Military Academy and as an Anti-Terrorism Expert. He was handpicked to lead a contingent of 1700 Indian troops in the United Nations wherein he was responsible for leading Strategic, Diplomatic, Cultural, PR and Humanitarian initiatives in the Horn of Africa. He has worked closely with OXFAM, ICRC and UNHCR. He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea). He has also worked with The Leela and Go Air and looked after their Pan India Security Operations.

### 2) Past Remuneration:

Mr. Ashutosh Kale received remuneration of ₹ 67,82,752/- (Fixed component ₹ 57,65,339/- plus Performance Linked Incentive ₹ 10,17,413/-) per annum.

### 3) Recognition and Awards:

He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea).

### 4) Job profile and his suitability:

In his tenure as Joint Chief Executive Officer and Executive Director of the Company, he has performed

well and given his valuable contributions to the operations of the Company. Mr. Kale being a highly experienced professional and possessing a variety of skill sets most suitable for the Business of the Company, the Board has considered him to be suitable for the said re-appointment.

**5) Remuneration proposed:**

₹ 67,82,752/- per annum (Rupees Sixty Seven Lakhs Eighty Two Thousand Seven Hundred and Fifty Two Only) (Fixed plus variable including Performance Linked Incentive) which is within the limit prescribed under Schedule V Part II of the Act.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration proposed is best suited as compared with the industry and commensurate with size of the Company and profile of his position.

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Apart from receiving managerial remuneration, he does not have any other pecuniary relationship, directly or indirectly, with the Company.

**III. OTHER INFORMATION**

**1) Reasons for Loss or Inadequate Profits:**

The Company has been generating operating Profits from the first year of the operations. The losses are primarily on account of (i) Depreciation and (ii) Interest on Loans. This is not unusual in the initial years for newer companies implementing projects with large Capital Expenditure.

**2) Steps taken or proposed to be taken to improve performance:**

The Company has embarked on strategic and operational measures that are expected to result in the improvement in the present position. The Company has also been pursuing plans for deleveraging.

**3) Expected increase in operating/ capacity utilization and profits in measureable terms:**

The Company has taken various initiatives to improve its financial performance. It has been pursuing and implementing strategies to improve financial performance.

**IV. DISCLOSURES**

As required, the information is provided under Corporate Governance Section of the Annual Report.

Save and expect Mr. Ashutosh Kale and his relatives, to the extent of their shareholding interest, if any, in Company, none of the other Directors and Key Managerial Personnel of the Company and their Relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in the Item no. 4 of the Notice.

**By Order of the Board of Directors**

**Divyata Raval**

Company Secretary & Compliance Officer

Date : May 16, 2019

Place: Mumbai

**Registered Office:**

30/31, Sangdewadi, Khopoli-Pali Road,  
Taluka Khalapur, District Raigad 410 203

### Annexure I to the Notice dated May 16, 2019

Details of Directors retiring by rotation/ seeking appointment/ re-appointment at the ensuing Annual General Meeting

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Particulars	Mr. Ashutosh Kale	Mr. Kapil Bagla
Age	54 years	50 years
Qualification	He is an alumnus of National Defence Academy and holds a Master's degree in Defence and Strategic Analysis	He holds bachelor's degree in Mechanical Engineering from Regional College of Engineering and Technology, Surat and a Master's degree in Management Studies from the Welingkar Institute of Management and Research, University of Mumbai
Experience (including expertise in specific functional area) / Brief Resume	He has served as an instructor in the Indian Military Academy and as an Anti-Terrorism Expert. He was handpicked to lead a contingent of 1700 Indian troops in the United Nations wherein he was responsible for leading Strategic, Diplomatic, Cultural, PR and Humanitarian initiatives in the Horn of Africa. He has worked closely with OXFAM, ICRC and UNHCR. He has been awarded the prestigious United Nations Medal for EXEMPLARY SERVICE under hazardous conditions (Ethiopia & Eritrea). He has also worked with The Leela and Go Air and looked after their Pan India Security Operations.	He has over two decades of experience in financial services and media industry. Prior to joining the Company as Executive Director in the year 2010, he was working with Adlabs Films Limited as the Corporate Head – Strategic Planning and Acquisitions, Centrum Capital Limited as an Executive Director, Calculus Credit Limited as the Assistant Vice - President, Apple Industries Limited and Larsen & Toubro Limited. He has been instrumental in the creation of "Imagica". He has wide experience in business management, strategic planning, project implementation, and corporate finance.
Terms and Conditions of Appointment/ Re-appointment	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company
Remuneration last drawn (including sitting fees, if any)	₹ 67,82,752/- (Rupees Sixty Seven Lakhs Eighty Two Thousand Seven Hundred and Fifty Two)	Nil
Remuneration proposed to be paid	₹ 67,82,752/- (Rupees Sixty Seven Lakhs Eighty Two Thousand Seven Hundred and Fifty Two Only) (Fixed plus variable including Performance Linked Incentive) which is within the limit prescribed under Schedule V Part II of the Act	Nil
Date of first appointment on the Board	May 24, 2016	February 10, 2010
Shareholding in the Company as on March 31, 2019	2,500	178
Relationship with other Directors/ Key Managerial Personnel	None of the Directors are related inter-se	None of the Directors are related inter-se
Number of meetings of the Board attended during the year	4 out of 4	4 out of 4
Directorships of other Boards <sup>(1)</sup>	Nil	1) Thrill Park Limited 2) Maurya Sugar Limited 3) Centrum Alternative Investment Managers Limited
Membership / Chairmanship of Committees of other Boards <sup>(2)</sup>	Nil	<b>Adlabs Entertainment Limited</b> 1) Audit Committee - Member 2) Stakeholders' Relationship Committee - Member  <b>Walkwater Properties Private Limited</b> Audit Committee - Chairman

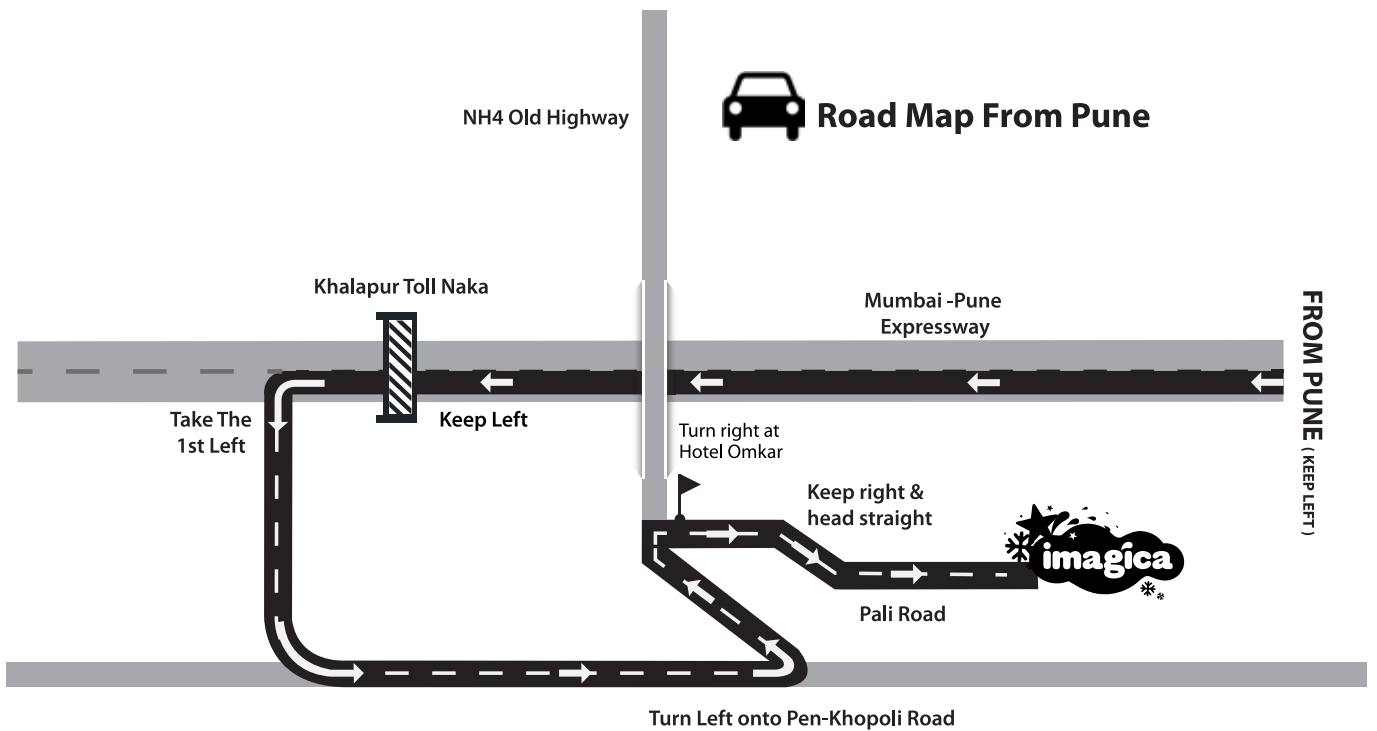
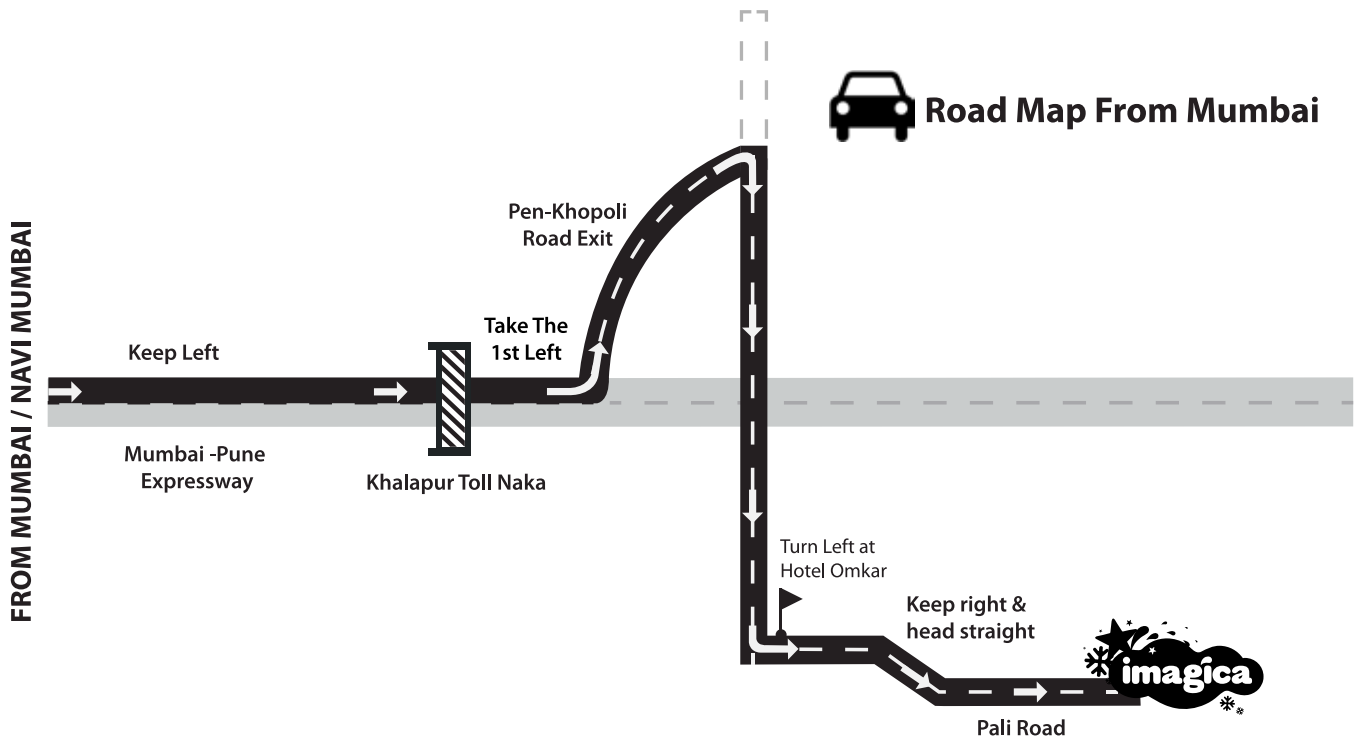
Note(s):

(1) Excludes directorships in the Company, Foreign Companies, Private Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and Companies formed under Section 8 of the Companies Act, 2013.

(2) As per the provisions of Regulation 26 of the SEBI Listing Regulations, only two committees viz. Audit Committee and Shareholders' Relationship Committee are considered;



## Route Map to the venue of the AGM



## REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Company's Directors hereby present the Tenth Annual Report of your Company along with Audited Financial Statements for the financial year ended March 31, 2019 ("year under review/ FY 2018-19").

### SUMMARY OF FINANCIAL HIGHLIGHTS

The standalone performance of the Company for the financial year ended March 31, 2019 is summarized below:

Particulars	(₹ In Lakhs)	
	<b>Financial Year ended March 31, 2019</b>	Financial Year ended March 31, 2018 <sup>(1)</sup>
Revenue from Operations	24,037.88	23,628.77
Profit/ (Loss) before tax	(18,202.40)	(15,517.43)
Tax Expenses		
- Current Tax	-	-
- Deferred Tax <sup>(2)</sup>	16,540.55	-
Profit/ (Loss) after tax	(34,742.95)	(15,517.43)

Note(s):-

- (1) The figures for the previous year have been regrouped/ rearranged wherever necessary to confirm with current period's classification.
- (2) The company had to write-off Deferred Tax Asset of ₹ 165 crore, as opined by the statutory auditors and concurred by the management.

### FINANCIAL PERFORMANCE

For FY 2018-19, at standalone level, your Company reported a growth of 2% in Revenue vis-a-vis FY 2017-18. Revenue increased to ₹ 24,037.88 Lakhs from ₹ 23,628.77 Lakhs for the corresponding period. EBITDA reduced to ₹ 4,729.72 Lakhs from ₹ 6,267.44 Lakhs (which does not include other Income) mainly due to one-time expenses and write-offs, higher sales & marketing expense and repairs & maintenance expenses in FY 2018-19.

During the year under review, your Company has recorded 16.34 Lakhs visitors, down from the previous year number of 17.22 Lakhs, resulting in a drop of 5%.

The outstanding secured loan including interest over due as on March 31, 2019 aggregates to ₹ 1,14,459.44 Lakhs.

### DIVIDEND & TRANSFER TO RESERVES

In view of the loss for FY 2018-19, no amount is proposed to be transferred to the reserves and your Directors have not

recommended payment of any dividend for the year under review.

### THE STATE OF COMPANY AFFAIRS

Your Company owns and operates an Integrated Entertainment Holiday Destination "IMAGICA" which is built to match global standards and includes a theme park, a water park, a snow park, a hotel, and other associated activities such as retail & merchandise, food and beverages etc.

### STATUS OF DEBT RESOLUTION PLAN

Your company has been diligently working towards reducing its debt to bring it to manageable levels. Your company is in constant discussions with consortium lenders to arrive at a sustainable resolution and ultimately reduce the debt levels. Since June 2018, when the company became Non Performing Asset ("NPA"), several consortium meetings of lenders have been conducted with this objective. Your Company has proposed that the sale of its non core assets which were announced hitherto, now will form part of the overall resolution. Subsequently, various financing and ARC discussions have been explored along with the lenders to address the indebtedness and ultimately ensure sustainability of cash flows as well as growth of core business.

### UPDATE ON SALE OF INVESTMENT OF THE COMPANY IN WALKWATER PROPERTIES PRIVATE LIMITED, WHOLLY OWNED SUBSIDIARY AND SURPLUS LAND OF APPROX. 65 ACRES OF THE COMPANY

In October 2017, the Company had entered into MOU with Shaan Agro and Realty India Pvt. Ltd. ("SARPL") with respect to sale of Surplus Land for overall consideration of ₹ 200 Crore. The Company was successful in negotiating the following arrangement (a) ₹ 50 Crore to be paid towards purchase of equity shares of the Company on Preferential basis (b) ₹ 150 Crore to be paid towards the acquisition of surplus vacant Land admeasuring approx 204 acres of Land based at Khopoli. This helped Company to receive upfront cash for its interest payments. Both of the above had been approved by the Board of Directors and Shareholders of the Company.

Accordingly, the first phase was completed by SARPL and necessary procedures related to preferential allotment

of equity were completed in December 2017. However in the second phase of transfer of surplus land, the Company had made respective applications to all the lenders. Unfortunately, there was a delay in receipt of NOCs from lenders and in the interim, the account slipped into NPA.

As per the terms of the MOU, the Company had to complete the entire process within a period of 6 months from the date of signing of MOU. However due to non-consummation of the transaction despite several reminders, SARPL has lodged a Commercial Suit for interim relief against the Company in the Mumbai High Court. After due consideration and considering the original objective of the Company to offload the Surplus land to achieve debt reduction; the Company has agreed to Consent Terms being filed in the High Court.

#### **UPDATE ON HOTEL SALE**

During FY 2017-18, The Company had availed approval of the shareholders of the Company through Postal Ballot to sell hotel business undertaking "Novotel Imagica Khopoli" with underlying land of 6.1 acres and additional surplus land of 8.9 acres together with all specified tangible and intangible assets to Bright Star Investments Pvt. Ltd. ("BSIPL") and had entered into a Term Sheet with BSIPL for the said Sale. BSIPL had paid ₹ 15 Crore of earnest money towards the same. However, there has been a delay in executing the said Sale due to non-receipt of NOCs from lenders of the Company as well as on account of an existing litigant who had prayed for an injunction on the said Sale transaction. While the request for injunction has been dismissed at the arbitration level, the Company had been successful in High Court in obtaining relaxation of a covenant stipulated by the Hon. Arbitrator. The Company is making various efforts to convince BSIPL on the legal position.

#### **SHARE CAPITAL**

The paid up Equity Share Capital of the Company as on March 31, 2019 was ₹ 8,806.21 Lakhs. There was no change in the share capital during the year under review. During FY 2018-19, the Company did not issue or allot any equity shares of the Company.

During the Financial Year 2017-18, Company had issued and allotted 5 (Five) Convertible Warrants of ₹ 2,37,25,000 /- (Rupees Two Crore Thirty Seven Lakhs Twenty Five Thousand Only) each on preferential basis to Bennett Coleman and Company Limited ("BCCL") on June 20, 2017 pursuant to receipt of 25% upfront payment consideration from BCCL.

The convertible warrants were to be converted in to such number of equity shares as per the terms and conditions agreed within 18 months from the date of their allotment, i.e. on or before December 19, 2018 by paying balance 75% of the consideration as per the terms and conditions agreed.

Since the company neither received any request for conversion of Share warrants into Equity Shares, nor had received balance 75% of the sums payable on such conversion option being exercised by the warrant holder, the consideration therefore paid by such warrant holders at the time of issuance of share warrants is forfeited.

#### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 ("the Act") read with Rules framed thereunder do not apply to the Company as it has never declared and paid dividend.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Act, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) accounting policies selected have been applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the year under review and the profit and loss of the Company for the year under review;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts of your Company have been prepared on 'a going concern' basis;
- e) internal financial controls were laid down & followed by your company and it was ensured that such internal financial controls are adequate and were operating effectively; and

- f) proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## A. BOARD OF DIRECTORS

### a) Number of meetings

The Board of Directors met 4 (four) times during FY 2018-19 i.e. on May 17, 2018, August 03, 2018, November 01, 2018 and February 05, 2019. The maximum interval between any two meetings did not exceed maximum permissible limit prescribed under the applicable laws. Details of the meetings of the Board along with attendance of the Directors therein have been disclosed in the Corporate Governance Report forming part of this Annual Report.

Further, the Board has also dealt with certain items through circular resolutions, which were duly confirmed by the Directors at the subsequent Board meeting(s).

### b) Appointments/ Resignations

Details of the Directors, who were appointed or have resigned or re-appointed during the year under review, are as under:

Name of the Director and DIN	Designation	Appointment/ Resignation
Mr. Manmohan Shetty <sup>(1)</sup> DIN: 00013961	Executive Chairman	Re-appointed as Executive Chairman
Ms. Pooja Deora <sup>(2)</sup> DIN: 00013027	Non-Executive Director	Resigned
Ms. Anjali Seth <sup>(2)</sup> DIN: 05234352	Independent Director	Resigned
Mr. Ghulam Mohammed <sup>(3)</sup> DIN: 00173420	Independent Director	Re-appointed as Independent Director
Mr. Steven Pinto <sup>(3)</sup> DIN: 00871062	Independent Director	Re-appointed as Independent Director
Mr. Ashutosh Kale <sup>(4)</sup> DIN: 06844520	Executive Director	Re-appointed as Executive Director

Note(s):-

- (1) Re-appointed as Executive Chairman of the Company for a period of five consecutive years starting from September 02, 2018 to September 01, 2023
- (2) Resigned and ceased to be Director of the Company w.e.f. close of business hours of November 01, 2018
- (3) Re-appointed as Independent Directors of the Company for a second term consisting of three consecutive years starting from April 04, 2019 to April 03, 2022

- (4) Proposed re-appointment for a period starting from May 24, 2019 to January 31, 2020 as Executive Director of the Company subject to approval of the Members of the Company at the ensuing Annual General Meeting of the Company

The aforesaid appointments were approved by the Board on recommendation of the Nomination and Remuneration Committee of Board of Directors.

The Board places its gratitude on record for the valuable contributions of Ms. Anjali Seth and Ms. Pooja Deora during their tenure as Directors of the Company.

Further, pursuant to applicable provisions of the Act and Articles of Association of the Company, Mr. Kapil Bagla, Non-Executive Director of the Company, retires by rotation at the ensuing Tenth Annual General Meeting and being eligible, offers himself for re-appointment. Business with respect to his re-appointment also forms part of the notice of the ensuing Annual General Meeting of the Company.

### c) Declaration of Independence

All the Independent Directors of the Company have given their respective confirmation that they meet the criteria of independence as prescribed in the provisions of Section 149(6) the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.

All the Independent Directors of your Company have also confirmed compliance and adherence to the Code for Independent Directors prescribed in Schedule IV of the Act.

### d) Confirmation of compliance of Code of Conduct for Directors and Senior Management

The Company has formulated and adopted a Code of Conduct for Directors and employees at Senior Management level. All the Directors and employees at Senior Management level ("SMPs") have confirmed adherence to the said Code of Conduct and compliance of the same.



**e) Formal Annual Evaluation:**

The Company has devised a policy for performance evaluation of its individual directors, the Board and the Committees constituted by it, which includes criteria for performance evaluation.

The Board has carried out an annual evaluation of its own performance, working of its Committees and the Directors individually in line with the requirements of the Act and Listing Regulations.

The Directors were provided with structured questionnaire to record their views. The reports generated out of the evaluation process were placed before the Board at its meeting and noted by the Directors. The evaluation process was attentive on various aspects of the functioning of the Board and its Committees, such as experience and competencies, performance of specific duties and obligations of the Board & its Committees, and governance issues etc. The Board also carried out the evaluation of the performance of individual directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the performance of the Company etc.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation, effective participation in meetings and contribution towards positive growth of the Company etc.

A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of the Non Independent Directors, the Board as a whole and that of the Chairman.

**f) Familiarisation programme for Independent Directors**

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our business, group structure, subsidiary company, Board constitution and

procedures, matters reserved for the Board, and the Company's major risks and risk management strategy. Details of Familiarisation Programmes imparted to Independent Directors can be viewed at <https://www.adlabsimagica.com/investordocs/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

**B. COMMITTEES OF THE BOARD**

The Board of Directors have constituted various Committees which are constituted in compliance with the applicable provisions of the Act and Listing Regulations. Detailed composition of all the committees along with number of meetings of these committees held during the year under review is provided in Corporate Governance Report of the Company.

**a) Audit Committee**

The composition of the Audit Committee of the Board of Directors is as follows:

<b>Name of the Member</b>	<b>Category</b>
Mr. Steven A. Pinto (Chairman)	Independent Director
Mr. Ghulam Mohammed	Independent Director
Ms. Meghna Ghai Puri	Independent Director
Mr. Kapil Bagla	Non-Executive Director

During the FY 2018-19, the recommendation(s) made by Audit Committee to the Board, from time to time have been accepted by the Board.

**Vigil Mechanism**

The Board has established and adopted a Vigil Mechanism/ Whistle Blower Mechanism that enables the Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct of the Company and to report unprofessional misconduct without fear of reprisal. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism are made available on the Company's website at [https://www.adlabsimagica.com/investor\\_docs/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf)

**b) Nomination and Remuneration Committee ("NRC")**

The Company has duly constituted NRC, with its composition, quorum, terms of reference and scope & powers in line with the applicable provisions of the Act and Listing Regulations.

**Nomination and Remuneration Policy**

The Board has adopted a Policy on Nomination and Remuneration of Directors and Senior Managerial Personnel of the Company. The Nomination and Remuneration Policy prescribes roles and responsibilities of the NRC and is framed mainly to deal with the following matters, falling within the scope of the Nomination and Remuneration Committee of the Board of Directors:

- i. To provide processes which enable the identification of individuals who are qualified to become Directors, Key Managerial Personnels ("KMPs") and employees at Senior Management level ("SMPs") and recommend their appointment to the Board;
- ii. To devise a policy on Board diversity and succession plan for the Board, KMPs and SMPs;
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of Independent Directors;
- iv. To frame evaluation criteria of the Board, its Committees and individual Directors;
- v. Remuneration programme designed to ensure that remuneration is reasonable to attract, retain and reward executives of the Company who will contribute to the long-term success of the Company based on their performance; and
- vi. Determine remuneration of members of the Board, KMPs and SMPs of the Company and maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

The Board in its meeting held on February 05, 2019, amended the said Nomination and Remuneration Policy to bring it in line with statutory amendments brought into the Act and Listing Regulations ("statutory amendments"). Brief of such amendments made in the said Policy are as follows:

- i. Updation in the definition and meaning of Senior Management;
- ii. Role of the Committee enhanced in line with statutory amendments w.r.t. its duties in relation to Nomination and remuneration of Directors, KMPs and SMPs; and
- iii. Quorum of the NRC meeting prescribed to include atleast two members or one third of the members of the committee, whichever is greater, including presence of at least one Independent Director.

The Nomination and Remuneration Policy of the Company can be accessed on the website of Company at - [https://www.adlabsimagica.com/investor\\_docs/Nomination%20and%20Remuneration%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Nomination%20and%20Remuneration%20Policy.pdf)

**c) Risk Management Committee ("RMC")**

Board has constituted a Risk Management Committee of the Board, to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks. Risk Management Committee works towards identifying internal and external risks and implementing risk mitigation steps. Status updates are provided to the Board of Directors of the Company on quarterly basis. More information on risks and threats has been disclosed in the section "Management Discussion and Analysis" which forms part of this Report.

**d) Corporate Social Responsibility Committee ("CSR Committee")**

CSR is Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continuously seeks ways

to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

The Company has duly constituted CSR Committee comprising of Mr. Manmohan Shetty, Executive Chairman (Chairperson); Mr. Steven A. Pinto, Independent Director; Mr. Ashutosh Kale, Executive Director.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating CSR activities to be undertaken.
- ii. Recommending the amount of expenditure on the CSR activities.
- iii. Monitoring CSR activities from time to time.

CSR policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities. The Company has always made consistent efforts to maintain an active corporate social responsibility portfolio. CSR Policy is uploaded on the website of the Company and can be accessed from [https://www.adlabsimagica.com/investor\\_docs/Corporate%20Social%20Responsibility%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Corporate%20Social%20Responsibility%20Policy.pdf)

In view of the losses for the year under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. Accordingly, the details of the CSR activities during the year under review are not provided in this Report.

#### e) Stakeholders' Relationship Committee ("SRC")

The Company has duly constituted Stakeholders' Relationship Committee comprising of Ms. Meghna Ghai Puri, Independent Director (Chairperson); Mr. Kapil Bagla, Non-Executive Director and Mr. Manmohan Shetty, Executive Chairman. The terms of reference, scope and powers of SRC are in line with the applicable provisions of the Act and Listing Regulations.

#### C. KEY MANAGERIAL PERSONNEL

The key managerial personnel ("KMP") of the Company as per Section 2(51) and 203 of the Act are as follows:

1. Mr. Ashutosh Kale: Executive Director & Joint Chief Executive Officer
2. Mr. Dhimant Bakshi: Joint Chief Executive Officer
3. Mr. Mayuresh Kore: Chief Financial Officer
4. Ms. Divyata Raval: Company Secretary

During the year under review, Ms. Madhulika Rawat resigned as Company Secretary of the Company w.e.f. February 01, 2019. The Board of Directors of the Company, upon recommendation of Nomination and Remuneration Committee, appointed Ms. Divyata Raval as Company Secretary of the Company w.e.f. February 01, 2019.

The Board places on record its gratitude for valuable contributions of Ms. Madhulika Rawat during her tenure as a KMP of the Company.

#### D. REMUNERATION OF DIRECTORS & EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as **Annexure I** to this Report.

Please note that the Company has not employed any employee(s) for whom details are required to be disclosed under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### E. DISCLOSURES RELATING TO SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company has two wholly owned subsidiaries as on March 31, 2019 i.e. Walkwater Properties Private Limited and Blue Haven Entertainment Private Limited. During the year under review, no company became/ ceased to be subsidiary/ associate/ joint venture of the Company.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, salient features of the Financial Statements of each of subsidiaries are set out in the prescribed form AOC - 1, which forms part of the Financial Statements section of the Annual Report.

Pursuant to the Section 136 of the Act, The financial statements of the subsidiary companies are uploaded on the website of your Company i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com) under "About us/ Investors Relations" tab and shall also be made available for inspection by any member at the registered office of your Company during business hours on all working days (Monday to Friday) during business hours up to the date of the Annual General Meeting. Any Member desirous of obtaining a copy of the said financial statements of subsidiary companies may write to the Company Secretary at the registered office address of your Company.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link - [https://www.adlabsimagica.com/investor\\_docs/Material%20Subsidiary%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Material%20Subsidiary%20Policy.pdf)

#### **F. DEPOSITS**

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Therefore, as on March 31, 2019, there were no deposits which were unpaid or unclaimed and due for repayment.

#### **G. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year under review, there were no guarantees given under Section 186 of the Act. Particulars of loans and investments have been disclosed as part of the financial statements of your Company for the year under review, in Note 12 and Note 5 respectively.

#### **H. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE ACT IN THE PRESCRIBED FORM**

All contract(s)/ arrangement(s)/ transaction(s) entered into by your Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis"; and
- not "material"

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, Form AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are "not at arm's length basis" and also, which are "material & at arm's length basis", is not provided as an annexure of the Directors' Report.

However, details of the related party transactions entered into during the year under review and as on March 31, 2019, are disclosed as part of the financial statements of your Company for the year under review, as Note 40.

Further, pursuant to the provisions of the Act and the Listing Regulations, Board has, approved and adopted a Policy on related party transactions. The said policy is available on your Company's website at [https://www.adlabsimagica.com/investor\\_docs/Related%20Party%20Transaction%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Related%20Party%20Transaction%20Policy.pdf)

#### **I. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Act do not apply as there was no dividend declared and paid by the Company.

#### **J. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

#### **K. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS**

During the year under review, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.



**L. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has adequate internal control procedures which commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements. Further internal auditors are appointed to carry audit assignments and to periodically review the transactions across the divisions and evaluate effectiveness of internal control systems.

**M. AUDITORS****a) Statutory Auditors**

M/s. A. T. Jain & Co., Chartered Accountants, were appointed as Statutory Auditors of your Company at the Eighth Annual General Meeting of the Company to hold office for a period of 2 (two) consecutive years i.e. from the conclusion of the Eighth Annual General Meeting until the conclusion of the Tenth Annual General Meeting of the Company i.e. for Financial Years 2017-18 and 2018-19. The two terms/ tenure of the Statutory Auditors viz. M/s. A. T. Jain & Co., Chartered Accountants, shall expire at the conclusion of the ensuing Annual General Meeting in line with Section 139 of the Companies Act, 2013 and Rules framed thereunder.

Upon recommendation of the Audit Committee, the Board has in its meeting held on May 16, 2019, has approved appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.: 109208W) as the Statutory Auditors of the Company for a period of one year i.e. from the conclusion of ensuing Tenth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting, subject to the approval of the Shareholders at the ensuing Tenth Annual General Meeting of the Company ("proposed appointment").

M/s. V. Sankar Aiyar & Co., Chartered Accountants have issued a certificate certifying that their proposed appointment, if made, would be in accordance with the provisions of the Act and that they satisfy the

criteria as prescribed in Section 141 of the Act. The Experience and qualifications of M/s. V. Sankar Aiyar & Co., Chartered Accountants commensurate with the size and requirements of the company. Business with respect to the proposed appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as the Statutory Auditors of the Company forms part of the notice of the ensuing Annual General Meeting of the Company.

The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 134 of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**b) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Aabid & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Report of the Secretarial Audit issued by M/s. Aabid & Co. in Form MR 3 for the financial year 2018-19 is annexed as **Annexure II** to this Report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report. The Board has appointed M/s. Aabid & Co., Company Secretaries as Secretarial Auditors for the financial year 2019-20.

Further, in compliance with Regulation 24A of the Listing Regulations, M/s. Aabid & Co., Company Secretaries have conducted secretarial audit of Walkwater Properties Private Limited ("WPPL"), material subsidiary of the Company. There were no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report issued to WPPL.

**N. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure III** to this Report.

## O. CORPORATE GOVERNANCE AND COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India on Meeting of the Board of Directors and General Meetings.

## P. ANNUAL RETURN

Extract of annual return is enclosed as **Annexure IV**. Copy of the Annual Return prepared in accordance with Section 92 of the Act is also uploaded on the website of the Company i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com) and can be accessed from [https://www.adlabsimagica.com/investor\\_docs/Form%20MGT-9-Extract%20of%20Annual%20Return.pdf](https://www.adlabsimagica.com/investor_docs/Form%20MGT-9-Extract%20of%20Annual%20Return.pdf)

## Q. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis is annexed as **Annexure V**.

## R. HUMAN RESOURCES

The Company regards human resources as a valuable asset. The Company encourages a performance driven culture and enables the employees with focused training at regular intervals. Further, the training needs at all divisions are periodically assessed and training programmes are conducted using internal resources and/or engaging external facilitators and trainers. The total number of permanent employees on the rolls of the Company as on the year end were 729.

## S. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual

working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Policy on Prevention of Sexual Harassment at Workplace has been formulated by the Company. The policy aims to develop a harmonious and productive working environment free from sexual harassment. This policy is applicable to all employees (permanent, contractual, temporary, trainees). The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, prohibition and Redressal) Act, 2003. During the year under review, the Company received 5 (five) complaints pertaining to sexual harassment. The Company ensured that all allegations of sexual harassment were investigated and dealt with appropriately in accordance with the procedures prescribed under the Policy on Prevention of Sexual Harassment at Workplace. All the Complaints received during the year under review have been duly resolved and there are no complaints pending as at the end of the year under review.

## T. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the continued co-operation and assistance received from shareholders, customers, vendors, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their sincere appreciation for the hard-work, solidarity and commitment of each and every executives, officers and staff of the Company during the financial year.

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

**Manmohan Shetty**  
Chairman  
(DIN: 00013961)

Place: Mumbai  
Date: May 16, 2019

**Annexure I****STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ("FY 2018-19")**

Name of Director	Median <sup>(3)</sup> (in ₹)	Remuneration (in ₹)	Ratio
Mr. Manmohan Shetty <sup>(1)</sup>	2,50,502	0	1 : 00
Mr. Kapil Bagla <sup>(1)</sup>	2,50,502	0	1 : 00
Mr. Ashutosh Kale	2,50,502	67,82,752	1 : 27.08
Ms. Pooja Deora <sup>(2)</sup>	2,50,502	0	1 : 00
Mr. Ghulam Mohammed <sup>(4)</sup>	2,50,502	4,50,000	1 : 1.80
Mr. Steven A. Pinto <sup>(4)</sup>	2,50,502	4,75,000	1 : 1.90
Ms. Anjali Seth <sup>(2) &amp; (4)</sup>	2,50,502	3,00,000	1 : 1.20
Ms. Meghna Ghai Puri <sup>(4)</sup>	2,50,502	2,75,000	1 : 1.10

Note(s):-

- (1) Mr. Manmohan Shetty, Chairman & Mr. Kapil Bagla, Non-executive Director of the Company did not draw any remuneration during the FY 2018-19
- (2) Resigned w.e.f close of business hours on November 01, 2018.
- (3) To derive median, only employees on the payroll of the Company are taken into consideration.
- (4) Mr. Steven A. Pinto, Ms. Anjali Seth, Ms. Meghna Ghai Puri and Mr. Ghulam Mohammed received only sitting fees which are not considered as remuneration for the purpose of calculation of median.

**(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year**

Name of Director	Designation	FY 2017-18	FY 2018-19	% increased
Mr. Kapil Bagla	Non-Executive Director	1,51,40,004	0	-
Mr. Ashutosh Kale	Executive Director & Joint Chief Executive Officer	58,47,200	67,82,752	16%
Mr. Dhimant Bakshi	Joint Chief Executive Officer	78,29,004	90,81,644	16%
Mr. Mayuresh Kore	Chief Financial Officer	56,82,996	65,92,300	16%
Ms. Madhulika Rawat <sup>(1)</sup>	Company Secretary	20,25,705	24,70,100	21.94%

Note(s):

- (1) Ms. Madhulika Rawat ceased to be Company Secretary w.e.f. February 01, 2019 and the remuneration was paid to her only till January 31, 2019;
- (2) Mr. Steven A. Pinto, Ms. Anjali Seth, Ms. Meghna Ghai Puri and Mr. Ghulam Mohammed were paid sitting fees and hence the same is not considered in providing this information.

**(iii) The percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration of employees in the financial year 2018-19 is 9.00%.

**(iv) The number of permanent employees on the rolls of Company**

Permanent employees on the rolls of the Company as on March 31, 2019 were 729.

**(v) 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**

Average percentile increase for employees (other than managerial personnel) for the FY 2018-19 is 11% and average percentile increase for managerial personnel for the FY 2018-19 is 17.49%. The increment given to each individual employee was based on the employees' potential, experience, performance and contribution to the Company's performance targets over a period of time and also benchmarked against Industry standard.

**(vi) Affirmation that the remuneration is as per the remuneration policy of the Company**

The remuneration paid for FY 2018-19 was as per remuneration policy of the Company and approved by the Nomination and Remuneration Committee of the Board.



## Annexure II

### 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 of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Adlabs Entertainment Limited**

We have conducted the Secretarial Audit of the compliances of the applicable statutory provisions and the adherence to good corporate practices by Adlabs Entertainment Limited (L92490MH2010PLC199925) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verifications of the Company'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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 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:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company as given in ANNEXURE- I for the Financial Year ended on 31<sup>st</sup> March, 2019 according to the applicable 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - 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 Employees Benefits) Regulations, 2014 ;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The other Laws applicable specifically to the Company is Annexed with this Report as ANNEXURE- II.

We have also examined Compliance with the applicable clauses of 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 (NSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. 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 directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We 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.

The Company has given all the details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Aabid & Co.**  
Company Secretaries

**Mohammad Aabid**  
Partner  
FCS No.:6579  
C.P.No.: 6625

Place : Mumbai

Date : May 16, 2019

*Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE- III' and forms an integral part of this report.*

## ANNEXURE – I

### List of documents verified

1. Memorandum & Articles of Association of the Company
2. Annual Report for the Financial Year ended 31<sup>st</sup> March, 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Notices and Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 164 (2) and 184 (1) of Companies Act, 2013.
7. E-forms filed by the company, from time to time, under applicable provisions of The Companies Act, 2013 and attachments thereof during the financial year under report.
8. Statutory Registers viz.
  - Register of Directors' & Key Managerial Personnel (KMP) and their Shareholding
  - Register of Members
  - Register of Charges
  - Register of Contracts and arrangements

## ANNEXURE – II

### Registered office:

30/31 Sangdewadi, Khopoli, Pali Road, Taluka-Khalapur, District Raigad 410203 Maharashtra

### Address other than Registered Office where all or any books of account and papers are maintained

9<sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai 400053 Maharashtra

**List of Applicable Laws to the Company under the Major Group and Head:**

1. The Factories, Act, 1948
2. The Contract Labour (Regulation & Abolition) Act, 1970
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Payment of Bonus Act, 1965
6. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
7. The Workmen's Compensation Act, 1923
8. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013
9. The Maternity Benefit Act, 1961
10. The Industrial Employment (Standing Orders) Act, 1946
11. The Payment of Gratuity Act, 1972
12. The Employees State Insurance Act, 1948
13. The Apprentices Act, 1961
14. The Maharashtra Labour Welfare Fund Act, 1953
15. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
16. The Maharashtra Shops & Establishments Act, 1948
17. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
18. The Trade Unions Act, 1926
19. The Equal Remuneration Act, 1976
20. Motor Vehicles Act, 1988
21. The Electricity Act, 2003
22. The Petroleum Act, 1934
23. Environment Protection Act
24. The Water (Prevention and Control of Pollution Act), 1974
25. Air Pollution Control Act
26. Hazardous Waste Management Rules
27. Foreign Trade Development & Regulation Act, 1992.
28. Negotiable Instruments Act, 1881

29. Information Technology Act, 2000
30. Micro, Small and Medium Enterprises Development Act, 2006
31. Industrial Dispute Act, 1947

**ANNEXURE-III**

To,  
The Members,  
**Adlabs Entertainment Limited.**

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of The Company. Our responsibility is to express an opinion on these secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.  
  
The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.
4. Wherever required we have obtained Management Representation about the compliance laws, rules, regulations and happening of the events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Annexure III****PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANY (ACCOUNTS) RULES, 2014.****A. Conservation of Energy****(i) The steps taken or impact on conservation of energy:**

The following steps have been taken to conserve energy during the Financial Year ("the Financial Year/ FY 2018-19"):

**Water Park:**

Optimization of running hours of the rides at the Water Park based on Guest Population – Green Initiative.

**Theme Park:**

- a) During non-peak, winter & rainy days, the Company has been controlling the Heating Ventilation Air Conditioning (HVAC) units ON & OFF timings through Installation Building Management System (IBMS system).
- b) During FY 2018-19 Central water body – Cascade filtration power consumption was 2,49,548 units as compared to 2,64,229 units during FY 2017-18. Hence, the Company saved total 14,681 KWh of power consumption during the financial year. This reduction in power consumption happened due to optimising the operation of water fall as the Company has installed jet fountains in the lagoon for enhancing the guest experience. Now total 9 fountains are in operation in lagoon.
- c) Replacement of florescent tube lights with lesser wattage LED tube lights in both rides and park. The investment is about ₹ 0.55 Lakh and this will provide a saving in power cost of about ₹ 1.00 Lakh in one year of operation.
- d) Optimization of running hours of the rides at the Theme Park based on Guest Population – Green Initiatives continued.

**Hotel :**

- a) To minimize heat load on air-conditioning, infrared shielding sun film has been applied to the atrium glass panelling.

- b) Installation of heat pump in plant room to cool the Electrical Panel room & Plant room. The hot water output from heat pump serves hot water requirement at various location.
- c) Extra insulation is provided for chilled water distribution lines of HVAC system.
- d) Installation of BMS system for utility operation. These systems control and monitor heating, ventilation and air conditioning, and can reduce total energy costs by 10% or more.
- e) The halogen bulbs were main stream when the hotel was completed. However, halogen bulbs consume a great deal of electricity and generate a large cooling load. To reduce the energy consumption for lighting, the halogen bulbs were replaced with LEDs.

**(ii) The steps taken by the Company for utilizing alternate sources of energy:**

- (a) the Company is already utilising alternate source of energy (Solar & Wind Power) for its energy demand through Open Access arrangement. In FY 2018-19, Company's Solar / Wind Power consumption through Open Access was 1,24,13,781 KWh, compared to 30,04,413 KWh in FY 2017-18.
- (b) We are also in discussions with Solar Power vendors for a Captive Solar project installation of 6 MW capacity on account of Adlabs.

**(iii) The capital investment on energy conservation equipment: Nil****B. Technology Absorption****1. The efforts made towards technology absorption**

As the Company is an end user of Ride systems and not into manufacturing, the technology absorption is not relevant.

Detailed operations and maintenance manuals are



provided by the vendor and are followed in our maintenance routine.

**2. The benefits derived like product improvement, cost reduction, product development or import substitution**

The Company has developed a domestic vendor database for specific Electrical and Mechanical components used in ride systems, like authorized distributors of the products and sales outlets in India.

For general replacement parts and components, the Company has also developed import substitution for components such as Bearings, Allen Bradley Electronic products (like detectors, sensors), Electrical drives, Drive brakes, Drive chains, Rope drives, Drive tyres etc.

Import substitution of ride components has yielded a yearly saving of about ₹ 38 Lakhs.

For the last 6 years we were operating the Bow-Wow show using HDPS system Imported on lease from M/s. Jim Henson, USA. Annually we had to spend about ₹ 20 Lakhs as the license fee and hand control maintenance & calibration cost for utilising this equipment for the show. After some research on alternate technology which can be used for this show, we were successful in utilising Face & Motion Capture technology. This resulted in ease of operations & cost saving – Cost of new equipment – ₹ 3.25 Lakhs.

Pop Jet– Replaced Micro control based system with more versatile DMX control system for synchronising the water jets & lights with music – Cost ₹ 2 Lakhs.

**3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

- **the details of technology imported; the year of import**
- **whether the technology been fully absorbed; and if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.**

As the Company is an end user of Ride systems and not into manufacturing, the technology absorption is not relevant.

Detailed operations and maintenance manuals are provided by the vendor and are followed in our maintenance routine.

**4. The expenditure incurred on Research and Development**

As this is a service industry, the expenditure is on service improvement and cost reduction, which is detailed in point 2 above.

**C. Foreign Exchange Earnings and Outgo**

Activities related to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company does not possess any foreign technology. The Company has however engaged a few theme park professionals for maintenance, inspection, creation of design development and project management.

Total foreign exchange earnings and outgo for the financial year is as follows:

- (a) Total Foreign Exchange earnings : NIL
- (b) Total Foreign Exchange outgo : ₹ 267.15 Lakhs

**Annexure IV****Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

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**

1	CIN	L92490MH2010PLC199925
2	Registration Date	February 10, 2010
3	Name of the Company	Adlabs Entertainment Limited
4	Category	Company Limited by Shares
5	Sub Category of the Company	Indian Non-government Company
6	Address of the registered office and contact details	30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad 410203, Maharashtra T: +91-2192 669 900; F: +91-22 4068 0088 Email: <a href="mailto:compliance@adlabsentertainment.com">compliance@adlabsentertainment.com</a>
7	Whether listed company	Yes
8	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 Tel: (022) 4918 6270; Fax: (022) 4918 6060

**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	Amusement Park	93210	83.88
2	Hotel	9963/ 99631110	16.12

**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	Blue Haven Entertainment Private Limited 9 <sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai 400 053	U92190MH2008PTC187832	Subsidiary Company	100.00	2(87)
2	Walkwater Properties Private Limited 9 <sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai 400 053	U45400MH2007PTC175247	Subsidiary Company	100.00	2(87)

#### 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 (As on April 01, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A) PROMOTERS</b>									
<b>1. Indian</b>									
(a) Individual/ HUF	21,21,152	-	21,21,152	2.41	1,29,000	-	1,29,000	0.15	(2.26)
(b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c) Banks/FI	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	4,20,00,087	-	4,20,00,087	47.69	2,72,41,127	-	2,72,41,127	30.93	(16.76)
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>4,41,21,239</b>	<b>-</b>	<b>4,41,21,239</b>	<b>50.10</b>	<b>2,73,70,127</b>	<b>-</b>	<b>2,73,70,127</b>	<b>31.08</b>	<b>(19.02)</b>
<b>2. Foreign</b>									
(a) NRIs Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4,41,21,239</b>	<b>-</b>	<b>4,41,21,239</b>	<b>50.10</b>	<b>2,73,70,127</b>	<b>-</b>	<b>2,73,70,127</b>	<b>31.08</b>	<b>(19.02)</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	34,60,477	-	34,60,477	3.93	32,57,505	-	32,57,505	3.70	(0.23)
(b) Banks/ FI	79,030	-	79,030	0.09	14,382	-	14,382	0.02	(0.07)
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Foreign Portfolio Investor	27,13,000	-	27,13,000	3.08	27,13,000	-	27,13,000	3.08	0.00
(j) Alternate Investment Funds	1,41,000	-	1,41,000	0.16	-	-	-	-	(0.16)
<b>Sub-Total (B)(1)</b>	<b>63,93,507</b>	<b>-</b>	<b>63,93,507</b>	<b>7.26</b>	<b>59,84,887</b>	<b>-</b>	<b>59,84,887</b>	<b>6.80</b>	<b>(0.46)</b>
<b>2. Non-institutions</b>									
(a) Bodies Corporate									
i. Indian	2,08,55,935	-	2,08,55,935	23.68	2,67,63,325	-	2,67,63,325	30.39	6.71
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 Lakh.	91,06,584	2	91,06,586	10.34	1,29,86,383	2	1,29,86,385	14.76	4.42

Category of shareholders	No. of shares held at the beginning of the year (As on April 01, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh.	34,01,609	-	34,01,609	3.86	93,69,863	-	93,69,863	10.64	6.78
(c) NBFCs registered with RBI	-	-	-	-	5,911	-	5,911	0.01	0.00
(d) Others									
NRI	3,94,826	-	3,94,826	0.45	4,82,420	-	4,82,420	0.55	0.10
Foreign Company	25,40,084	-	25,40,084	2.89	25,40,084	-	25,40,084	2.88	0.00
Clearing Member	4,88,357	-	4,88,357	0.55	11,32,972	-	11,32,972	1.29	0.73
Hindu Undivided Family	7,22,780	-	7,22,780	0.82	13,86,649	-	13,86,649	1.57	0.75
Trust	29,700	-	29,700	0.03	29,500	-	29,500	0.03	0.00
Foreign Nationals	7,500	-	7,500	0.01	10,000	-	10,000	0.01	0.00
<b>Sub-Total (B)(2)</b>	<b>3,75,47,375</b>	<b>2</b>	<b>3,75,47,377</b>	<b>42.64</b>	<b>5,47,07,107</b>	<b>2</b>	<b>5,47,07,109</b>	<b>62.12</b>	<b>19.49</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4,39,40,882</b>	<b>2</b>	<b>4,39,40,884</b>	<b>49.90</b>	<b>6,06,91,994</b>	<b>2</b>	<b>6,06,91,996</b>	<b>68.92</b>	<b>19.02</b>
(C) Shares held by Custodian for GDRS & ADRS	-	-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	<b>8,80,62,121</b>	<b>2</b>	<b>8,80,62,123</b>	<b>100.00</b>	<b>8,80,62,121</b>	<b>2</b>	<b>8,80,62,123</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoter and Promoter Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% 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	Thrill Park Limited	4,20,00,087	47.69	29.44	2,72,41,127	30.93	19.08	(16.76)
2	Manmohan Shetty	21,21,152	2.41	2.26	1,29,000	0.15	0.00	(2.26)
	<b>Total</b>	<b>4,41,21,239</b>	<b>50.10</b>	<b>31.70</b>	<b>2,73,70,127</b>	<b>31.08</b>	<b>19.08</b>	<b>(19.02)</b>

**(iii) Change in Promoters' Shareholding**

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
1	<b>Thrill Park Limited</b>					
	At the beginning of the year <sup>(2)</sup>	4,20,00,087	47.69			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					



Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	-September 25, 2018	(8,37,017)	0.95	Invocation <sup>(3)</sup>	4,11,63,070	46.74
	-September 27, 2018	(13,73,960)	1.56	Invocation <sup>(3)</sup>	3,97,89,110	45.18
	-September 29, 2018	(71,839)	0.08	Invocation <sup>(3)</sup>	3,97,17,271	45.10
	-October 10, 2018	(3,50,622)	0.40	Invocation <sup>(3)</sup>	3,93,66,649	44.70
	-October 15, 2018	(4,24,136)	0.48	Invocation <sup>(3)</sup>	3,89,42,513	44.22
	-October 16, 2018	(8,40,000)	0.95	Invocation <sup>(3)</sup>	3,81,02,513	43.27
	-October 17, 2018	(3,51,534)	0.40	Invocation <sup>(3)</sup>	3,77,50,979	42.87
	-October 19, 2018	(2,11,315)	0.24	Invocation <sup>(3)</sup>	3,75,39,664	42.63
	-October 22, 2018	(1,72,726)	0.20	Invocation <sup>(3)</sup>	3,73,66,938	42.43
	-October 23, 2018	(40,997)	0.05	Invocation <sup>(3)</sup>	3,73,25,941	42.39
	-October 24, 2018	(3,18,124)	0.36	Invocation <sup>(3)</sup>	3,70,07,817	42.02
	-October 25, 2018	(88,461)	0.10	Invocation <sup>(3)</sup>	3,69,19,356	41.92
	-November 19, 2018	(3,60,626)	0.41	Invocation <sup>(3)</sup>	3,65,58,730	41.51
	-November 20, 2018	(1,52,190)	0.17	Invocation <sup>(3)</sup>	3,64,06,540	41.34
	-November 21, 2018	(2,16,406)	0.25	Invocation <sup>(3)</sup>	3,61,90,134	41.10
	-November 22, 2018	(5,08,199)	0.58	Invocation <sup>(3)</sup>	3,56,81,935	40.52
	-November 26, 2018	(2,54,383)	0.29	Invocation <sup>(3)</sup>	3,54,27,552	40.23
	-November 27, 2018	(4,96,756)	0.56	Invocation <sup>(3)</sup>	3,49,30,796	39.67
	-November 28, 2018	(4,62,989)	0.53	Invocation <sup>(3)</sup>	3,44,67,807	39.14
	-November 29, 2018	(5,41,092)	0.61	Invocation <sup>(3)</sup>	3,39,26,715	38.53
	-November 30, 2018	(1,07,862)	0.12	Invocation <sup>(3)</sup>	3,38,18,853	38.40
	-December 03, 2018	(4,92,138)	0.56	Invocation <sup>(3)</sup>	3,33,26,715	37.84
	-December 04, 2018	(4,98,553)	0.57	Invocation <sup>(3)</sup>	3,28,28,162	37.28
	-December 18, 2018	(18,415)	0.02	Invocation <sup>(3)</sup>	3,28,09,747	37.26
	-December 19, 2018	(54,000)	0.06	Invocation <sup>(3)</sup>	3,27,55,747	37.20
	-January 11, 2019	(1,66,660)	0.19	Invocation <sup>(3)</sup>	3,25,89,087	37.01
	-January 18, 2019	(71,814)	0.08	Invocation <sup>(3)</sup>	3,25,17,273	36.93
	-January 21, 2019	(46,90,000)	5.33	Invocation <sup>(3)</sup>	2,78,27,273	31.60
	-January 25, 2019	(84,824)	0.10	Invocation <sup>(3)</sup>	2,77,42,449	31.50
	-February 18, 2019	(68,262)	0.08	Invocation <sup>(3)</sup>	2,76,74,187	31.43
	-February 19, 2019	(1,50,000)	0.17	Invocation <sup>(3)</sup>	2,75,24,187	31.26
	-February 22, 2019	(17,848)	0.02	Invocation <sup>(3)</sup>	2,75,06,339	31.24
	-February 25, 2019	(67,952)	0.08	Invocation <sup>(3)</sup>	2,74,38,387	31.16
	-March 06, 2019	(15,841)	0.02	Invocation <sup>(3)</sup>	2,74,22,546	31.14
	-March 07, 2019	(1,16,700)	0.13	Invocation <sup>(3)</sup>	2,73,05,846	31.01
	-March 08, 2019	(64,719)	0.07	Invocation <sup>(3)</sup>	2,72,41,127	30.93
	At the end of the year <sup>(2)</sup>	2,72,41,127	30.93			
2	<b>Mr. Manmohan Shetty</b>					
	At the beginning of the year <sup>(2)</sup>	21,21,152	2.41			

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-February 20, 2019	(3,50,000)	0.40	Invocation <sup>(3)</sup>	17,71,152	2.01
	-February 21, 2019	(8,30,000)	0.94	Invocation <sup>(3)</sup>	9,41,152	1.07
	-February 22, 2019	(8,12,152)	0.91	Invocation <sup>(3)</sup>	1,29,000	0.15
	At the end of the year <sup>(2)</sup>	1,29,000	0.15			

Note(s):-

(1) The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-à-vis the paid-up capital of the Company, on such particular day

(2) Beginning of the year is as on April 1, 2018; End of the year is as on March 31, 2019; and During the year is from April 1, 2018 upto March 31, 2019

(3) Invocation stands for Invocation of Pledged Shares

**(iv) Shareholding Pattern of top ten Shareholders<sup>(5)</sup> (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
<b>1</b>	<b>India Advantage Fund S3 I</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	1,04,34,779	11.85			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-March 22, 2019	(4,64,513)	0.52	transfer	99,70,266	11.32
	-March 29, 2019	(26,76,309)	3.04	transfer	72,93,957	8.28
	At the end of the year <sup>(2)</sup>	72,93,957	8.28			
<b>2</b>	<b>Shaan Agro And Realty India Private Limited</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	69,15,629	7.85			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	69,15,629	7.85			
<b>3</b>	<b>Begonia Realtors Private Limited</b> <sup>(4)</sup>					
	At the beginning of the year <sup>(2)</sup>	0	0			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-November 02, 2018	1,08,139	0.12	transfer	1,08,139	0.12
	-December 07, 2018	7,71,693	0.88	transfer	8,79,832	1.00
	-December 21, 2018	65,168	0.07	transfer	9,45,000	1.07
	-December 28, 2018	1,04,846	0.12	transfer	10,49,846	1.19
	-December 31, 2018	50,001	0.06	transfer	10,99,847	1.25
	-January 18, 2019	2,22,277	0.25	transfer	13,22,124	1.50
	-January 25, 2019	29,26,842	3.32	transfer	42,48,966	4.82

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	-February 01, 2019	20,895	0.02	transfer	42,69,861	4.85
	-February 08, 2019	12,21,024	1.39	transfer	54,90,885	6.24
	At the end of the year <sup>(2)</sup>	5490885	6.24			
<b>4</b>	<b>SBI Contra Fund</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	32,57,505	3.70			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	32,57,505	3.70			
<b>5</b>	<b>NYLIM Jacob Ballas India (FPI) IV LLC</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	27,13,000	3.08			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	27,13,000	3.08			
<b>6</b>	<b>NYLIM Jacob Ballas India Holdings IV</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	25,40,084	2.88			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	25,40,084	2.88			
<b>7</b>	<b>Caishen Enterprise LLP</b> <sup>(4)</sup>					
	At the beginning of the year <sup>(2)</sup>	0	0			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-February 01, 2019	10,000	0.01	transfer	10,000	0.01
	-February 08, 2019	90,000	0.10	transfer	1,00,000	0.11
	-February 15, 2019	16,783	0.02	transfer	1,16,783	0.13
	-February 22, 2019	5,05,370	0.57	transfer	6,22,153	0.71
	-March 01, 2019	13,77,847	1.56	transfer	20,00,000	2.27
	-March 08, 2019	36,000	0.04	transfer	20,36,000	2.31
	-March 29, 2019	64,000	0.07	transfer	21,00,000	2.38
	At the end of the year <sup>(2)</sup>	21,00,000	2.38			
<b>8</b>	<b>Bennett, Coleman And Company Limited</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	12,48,684	1.42			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	12,48,684	1.42			
<b>9</b>	<b>Gaurav Chandrakant Shah</b> <sup>(4)</sup>					
	At the beginning of the year <sup>(2)</sup>	0	0			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-September 29, 2018	7,908	0.01	transfer	7,908	0.01
	-October 05, 2018	36,696	0.04	transfer	44,604	0.05
	-October 19, 2018	1,40,502	0.16	transfer	1,85,106	0.21
	-November 09, 2018	(1,00,000)	0.11	transfer	85,106	0.10
	-November 16, 2018	(40,500)	0.05	transfer	44,606	0.05

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	-November 23, 2018	1,20,000	0.14	transfer	1,64,606	0.19
	-November 30, 2018	2,25,000	0.26	transfer	3,89,606	0.44
	-December 07, 2018	25,000	0.03	transfer	4,14,606	0.47
	-December 14, 2018	(25,000)	0.03	transfer	3,89,606	0.44
	-March 22, 2019	(1,00,000)	0.11	transfer	2,89,606	0.33
	-March 29, 2019	5,00,000	0.57	transfer	7,89,606	0.90
	At the end of the year <sup>(2)</sup>	7,89,606	0.90			
<b>10</b>	<b>Abhinandan Leasing And Finance Private Limited<sup>(4)</sup></b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-March 29, 2019	5,40,000	0.61	transfer	5,40,000	0.61
	At the end of the year <sup>(2)</sup>	5,40,000	0.61			
<b>11</b>	<b>SBI Magnum Balanced Fund (SBI Equity Hybrid Fund)<sup>(3) &amp; (4)</sup></b>					
	At the beginning of the year <sup>(2)</sup>	15,57,505	1.77			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	15,57,505	1.77			
<b>12</b>	<b>Sanjay Ranchhodlal Shah<sup>(3)</sup></b>					
	At the beginning of the year <sup>(2)</sup>	3,50,000	0.40			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-May 25, 2018	3,50,000	0.40	transfer	0	0.00
	At the end of the year <sup>(2)</sup>	0	0.00			
<b>13</b>	<b>Guinness Securities Limited<sup>(3) &amp; (4)</sup></b>					
	At the beginning of the year <sup>(2)</sup>	3,05,473	0.35			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-April 06, 2018	(20)	0.00	transfer	3,05,453	0.35
	-May 25, 2018	(50)	0.00	transfer	3,05,403	0.35
	-June 01, 2018	250	0.00	transfer	3,05,653	0.35
	-June 08, 2018	1,831	0.00	transfer	3,07,484	0.35
	-June 15, 2018	(1,040)	0.00	transfer	3,06,444	0.35
	-June 30, 2018	(1,300)	0.00	transfer	3,05,144	0.35
	-July 06, 2018	(100)	0.00	transfer	3,05,044	0.35
	-July 20, 2018	(150)	0.00	transfer	3,04,894	0.35
	-July 27, 2018	(100)	0.00	transfer	3,04,794	0.35
	-August 03, 2018	(50)	0.00	transfer	3,04,744	0.35
	-August 10, 2018	50	0.00	transfer	3,04,794	0.35
	-August 24, 2018	(50)	0.00	transfer	3,04,744	0.35
	-August 31, 2018	(50)	0.00	transfer	3,04,694	0.35
	-September 07, 2018	(10,246)	0.01	transfer	2,94,448	0.33
	-September 14, 2018	(22,457)	0.03	transfer	2,71,991	0.31
	-September 21, 2018	(100)	0.00	transfer	2,71,891	0.31



Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	-September 29, 2018	(6,710)	0.01	transfer	2,65,181	0.30
	-October 05, 2018	350	0.00	transfer	2,65,531	0.30
	-October 12, 2018	(590)	0.00	transfer	2,64,941	0.30
	-October 19, 2018	(10,100)	0.01	transfer	2,54,841	0.29
	-October 26, 2018	250	0.00	transfer	2,55,091	0.29
	-November 09, 2018	(35,200)	0.04	transfer	2,19,891	0.25
	-December 07, 2018	(2,14,718)	0.24	transfer	5,173	0.01
	At the end of the year <sup>(2)</sup>	5,173	0.01			
<b>14</b>	<b>Jacob Ballas Capital India Private Limited</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	2,71,089	0.31			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	2,71,089	0.31			
<b>15</b>	<b>Centrum Financial Services Limited</b> <sup>(3) &amp; (4)</sup>					
	At the beginning of the year <sup>(2)</sup>	10,000	0.01			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	10,000	0.01			

Notes(s):-

- (1) The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-à-vis the paid-up capital of the Company, on such particular day
- (2) Beginning of the year is as on April 1, 2018; End of the year is as on March 31, 2019; and During the year is from April 1, 2018 upto March 31, 2019
- (3) Part of Top Ten Shareholders as on April 01, 2018
- (4) Part of Top Ten Shareholders as on March 31, 2019
- (5) The above information is based on the weekly beneficiary position received from Depositories

**(v) Shareholding of Directors and Key Managerial Personnel (“KMP”)**

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
<b>1</b>	<b>Mr. Manmohan Shetty (Chairman &amp; Executive Director)</b>					
	At the beginning of the year <sup>(2)</sup>	21,21,152	2.41			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	- February 20, 2019	(3,50,000)	0.40	Invocation of Pledged shares	17,71,152	2.01
	- February 21, 2019	(8,30,000)	0.94		9,41,152	1.07
	- February 22, 2019	(8,12,152)	0.91		1,29,000	0.15
	At the end of the year <sup>(2)</sup>	1,29,000	0.15			
<b>2</b>	<b>Mr. Steven A. Pinto (Non Executive and Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	0	0.00			
<b>3</b>	<b>Mr. Ghulam Mohammed (Non-Executive and Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	0	0.00			
<b>4</b>	<b>Ms. Anjali Seth<sup>(3)</sup> (Non-Executive and Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of her tenure	0	0.00			
<b>5</b>	<b>Ms. Meghna Ghai Puri (Non-Executive and Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	0	0.00			
<b>6</b>	<b>Ms. Pooja Deora<sup>(3)</sup> (Non-Executive and Non-Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of her tenure	0	0.00			
<b>7</b>	<b>Mr. Kapil Bagla (Non-Executive and Non-Independent Director)</b>					
	At the beginning of the year <sup>(2)</sup>	178	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	178	0.00			
<b>8</b>	<b>Mr. Ashutosh Kale (Executive Director &amp; Joint Chief Executive Officer)</b>					
	At the beginning of the year <sup>(2)</sup>	1,000	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-January 18, 2019	1,500	0.00	transfer	2,500	0.00
	At the end of the year <sup>(2)</sup>	2,500	0.00			
<b>9</b>	<b>Mr. Dhimant Bakshi (Joint Chief Executive Director)</b>					
	At the beginning of the year <sup>(2)</sup>	1,100	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>					
	-June 15, 2018	1,000	0.00	transfer	100	0.00
	At the end of the year <sup>(2)</sup>	100	0.00			
<b>10</b>	<b>Mr. Mayuresh Kore (Chief Financial Officer)</b>					
	At the beginning of the year <sup>(2)</sup>	1,775	0.00			

Sr. No.	Name of the Shareholder	Shareholding		Reason(s) for change in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>(1)</sup>		No. of shares	% of total shares of the Company <sup>(1)</sup>
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	1,775	0.00			
<b>11</b>	<b>Ms. Madhulika Rawat<sup>(4)</sup> (Company Secretary)</b>					
	At the beginning of the year <sup>(2)</sup>	100	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of her tenure	100	0.00			
<b>12</b>	<b>Ms. Divyata Raval<sup>(5)</sup> (Company Secretary w.e.f. February 01, 2019)</b>					
	At the beginning her tenure	0	0.00			
	Date wise Increase/ Decrease during the year <sup>(2)</sup>	-	-	-	-	-
	At the end of the year <sup>(2)</sup>	0	0.00			

Note(s):-

- (1) The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-à-vis the paid-up capital of the Company, on such particular day
- (2) Beginning of the year is as on April 1, 2018; End of the year is as on March 31, 2019; and During the year is from April 1, 2018 upto March 31, 2019
- (3) Ms. Anjali Seth and Ms. Pooja Deora, resigned as Director of the Company w.e.f. close of business hours on November 01, 2018. Therefore, the details of their shareholdings have been provided upto the date of their resignation
- (4) Ms. Madhulika Rawat resigned as Company Secretary of the Company w.e.f. February 01, 2019, thereby ceasing to be one of the KMP of the Company Therefore, the details of her shareholding have been provided upto the date of her resignation
- (5) Ms. Divyata Raval was appointed as Company Secretary of the Company w.e.f. February 01, 2019, thereby becoming one of the KMP of the Company Therefore, the details of her shareholding have been provided from the date of her appointment

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ In Lakhs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year (April 01, 2018)</b>				
i) Principal Amount	-	4,876.61	-	4,876.61
Secured Term Loan	1,02,667.36	-	-	1,02,667.36
Secured Buyers Credit	-	-	-	-
ii) Interest due but not paid	2,942.56	-	-	2,942.56
iii) Interest accrued but not Due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,05,609.92</b>	<b>4,876.61</b>	<b>-</b>	<b>1,10,486.53</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	12,347.79	662.31	-	13,010.10
• Reduction	(3,498.27)	(299.56)	-	(3,797.83)
<b>Net Change</b>	<b>8,849.52</b>	<b>362.75</b>	<b>-</b>	<b>9,212.27</b>

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year (March 31, 2019)</b>				-
i) Principal Amount	-	5,239.36	-	5,239.36
Secured Term Loan	1,02,019.72	-	-	1,02,019.72
Secured Buyers Credit	-	-	-	-
ii) Interest due but not paid	12,439.72	-	-	12,439.72
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,14,459.44</b>	<b>5,239.36</b>	-	<b>1,19,698.80</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of Executive Director		Total Amount
		Ashutosh Kale		
1	Gross salary <sup>(1)</sup>			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		49.36	49.36
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00	0.00
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0.00	0.00
2	Stock Option		0.00	0.00
3	Sweat Equity		0.00	0.00
4	Commission			
	- as % of profit			
	- others		0.00	0.00
5	Others <sup>(2)</sup>		11.45	11.45
	<b>Total (A)</b>		<b>60.81</b>	<b>60.81</b>
	Ceiling as per the Companies Act, 2013			<b>84.00</b>

Note(s):-

(1) Gross Salary mentioned in the table is the amount paid during the FY 2018-19

(2) Reimbursements paid are shown in "Others"

### B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Steven A. Pinto	Mr. Ghulam Mohammed	Ms. Anjali Seth <sup>(1)</sup>	Ms. Meghna Ghai Puri	
1	<b>Independent Directors</b>					
	• Fee for attending board committee meetings	4.75	4.50	3.00	2.75	15.00
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>4.75</b>	<b>4.50</b>	<b>3.00</b>	<b>2.75</b>	<b>15.00</b>



Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Steven A. Pinto	Mr. Ghulam Mohammed	Ms. Anjali Seth <sup>(1)</sup>	Ms. Meghna Ghai Puri	
<b>2</b>	<b>Other Non-Executive Directors</b>					
	• Fee for attending board committee meetings	NA	NA	NA	NA	0
	• Commission	NA	NA	NA	NA	0
	• Others, please specify	NA	NA	NA	NA	0
	• Consultancy Fees					
	<b>Total (2)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>00.00</b>
	<b>Total (B)=(1+2)</b>	<b>4.75</b>	<b>4.50</b>	<b>3.00</b>	<b>2.75</b>	<b>15.00</b>
	<b>Total Managerial Remuneration<sup>(2)</sup></b>					<b>75.81</b>
	Overall Ceiling as per the Companies Act, 2013	Non Executive Directors are paid remuneration only by way of Sitting fees. The sitting fees paid during the year were in compliance with Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 and all other applicable provisions of laws.				

Note(s):

(1) Resigned and ceased to be Director of the Company w.e.f. close of business hours on November 01, 2018

(2) Total Managerial Remuneration includes remuneration paid to Executive Director and other Directors (being the total of A and B)

### C. Remuneration to Key Managerial Personnel ("KMP")

Sr. no.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Mr. Ashutosh Kale (Executive Director and Joint CEO)	Mr. Dhimant Bakshi (Joint CEO)	Mr. Mayuresh Kore (Chief Financial Officer)	Ms. Madhulika Rawat (Company Secretary) <sup>(3)</sup>	Ms. Divyata Raval (Company Secretary) <sup>(4)</sup>	
1	Gross salary <sup>(1)</sup>						
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.36	68.84	49.50	15.94	3.05	186.69
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0	0
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission						
	- as % of profit	0	0	0	0	0	0

Sr. no.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Mr. Ashutosh Kale (Executive Director and Joint CEO)	Mr. Dhimant Bakshi (Joint CEO)	Mr. Mayuresh Kore (Chief Financial Officer)	Ms. Madhulika Rawat (Company Secretary) <sup>(3)</sup>	Ms. Divyata Raval (Company Secretary) <sup>(4)</sup>	
	- others	0	0	0	0	0	0
5	Others <sup>(2)</sup>	11.45	15.48	9.09	4.95	0	40.97
	<b>Total</b>	<b>60.81</b>	<b>84.33</b>	<b>58.59</b>	<b>20.89</b>	<b>3.05</b>	<b>227.66</b>

Note(s):-

(1) Gross Salary mentioned in the table is the amount paid during the FY 2018-19

(2) Reimbursements paid are shown in "Others"

(3) Ms. Madhulika Rawat resigned as Company Secretary of the company w.e.f February 01, 2019

(4) Ms. Divyata Raval was appointed as Company Secretary w.e.f. February 1, 2019

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
- Penalty					
- Punishment			NIL		
- Compounding					
<b>B. DIRECTORS</b>					
- Penalty					
- Punishment			NIL		
- Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
- Penalty					
- Punishment			NIL		
- Compounding					

## Annexure V

# Management Discussion and Analysis

## AN OVERVIEW OF THE INDUSTRY

### The Global Parks Industry

The global parks industry traces its origins to the 1950s when the first parks were open in the USA and Canada. These were a natural extension of the town fairs that were held periodically to coincide with cultural and religious events. According to the International Association of Amusement Parks and Attractions (IAAPA), an Amusement Park is defined as 'a large, high-profile attraction that offers guests a complex of rides, food services and games'.

Park format are broadly classified as amusement parks, theme parks and water parks. A theme park is defined as a unique setting or rides with specific themes. Water parks, on the other hand, offer a range of water based activities.

The total global parks industry was estimated at over ₹ 2.66 Trillion in terms of revenues. Geographically, parks in the USA and Europe are near maturity levels now, and Asia is fast emerging as the new growth hot-spot for in the industry.

As per TEACOM 2017 The Global Attractions Attendance Report, Asia's attendance expanded by 5.5% driven by China with Shanghai's Disneylands first full year of operations.

Expansion fuelled by intellectual property is a recent development observed across international theme parks. From Sesame Street to Star Wars, Harry Potter, Minions, Avatar, DC & Marvel comic characters, among others, theme park additions are increasingly exploiting the connect of these brands with the audience to generate footfalls.

Expanding market areas such as the Asia Pacific and Latin America, due to lower park to population ratio, there is ample scope for growth. Rising income levels and increasing expenditure on leisure activities in the region will be the key drivers for growth.

### The Indian Parks Industry

The Indian amusement park sector grew by 9.2% to reach approx. ₹ 32 Billion continues to be at a very nascent stage when compared to the global amusement park industry, which stands at ₹ 2.66 Trillion.

The Indian Amusement & Theme Park industry has been growing at a compounded annual growth rate (CAGR) of more than 17.5%. The industry provides direct employment to over 75,000 people.

With the rising income levels, increasing domestic tourism and favourable demographics, the sector is estimated to grow by a Compounded Annual Growth Rate (CAGR) of 25% over the next three years, thereby offering immense growth opportunities in this sector. The sector is estimated to grow to ₹ 62.5 billion by 2022.

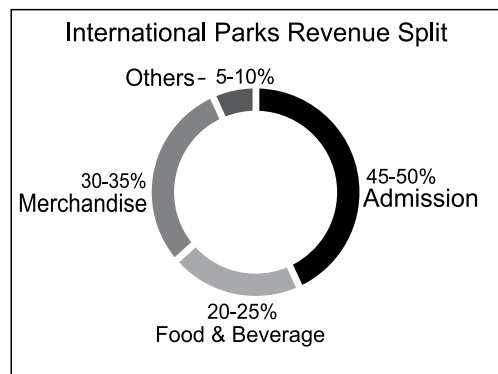
There are many investments proposed in the Indian Amusement & Theme Park industry both on Public Private Partnership (PPP) basis and by private players in India. There is more than ₹ 200 Billion investment proposed towards developing large parks in India over the next four to five years.

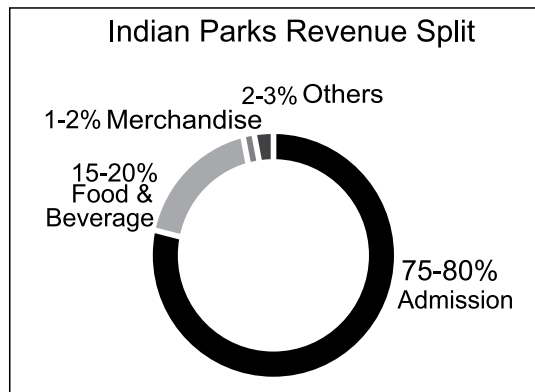
(Source KPMG India – FICCI India Media and Entertainment Industry Report, 2017 and 'Indian Amusement Park industry needs government support' VW BUREAU article)

### Revenue Mix

In India, the revenue from parks is still highly dominated by admission tickets forming about 75 per cent to 80 per cent to the total revenues. Internationally, admission tickets revenues account for about 50 per cent of the total revenue. The share of F&B, retailing and merchandise sales is low in India. However, this mix is fast changing and the revenue mix is expected to be aligned to international trend.

The following chart showcases the typical revenue break-up:





### COMPANY AND BUSINESS OVERVIEW

Adlabs Entertainment Limited is the brainchild of Mr. Manmohan Shetty who has been closely associated with the entertainment business in India. As one of the pioneers of the multiplex business in India, Mr. Shetty was instrumental in transforming the film exhibition business through India's first IMAX theatre and Adlabs chains of multiplexes that brought world class cinematic experience to the Indian audiences.

Adlabs Entertainment Limited has now successfully created India's First & Only International Standard Entertainment Holiday Destination "IMAGICA", which includes a Theme Park, a Water Park, a Snow Park & a Luxury Hotel – Novotel Imagica Khopoli.

Below are some of the achievements at Imagica:

- India's first International Theme Destination
- India's first International Standard Theme Park
- Imagica Snow Park is India's Largest Snow Park
- Novotel Imagica Khopoli is India's first Theme park based Hotel
- VFS Global Times Travel Awards 2019 - Winner – Adventure Attraction Sector
- IAAPI National Awards For Excellence 2018-2019 in 5 categories
- India's Retail Champions Award 2019 – Winner – Entertainment Category
- ET Business Icons February 2019 – Winner – Preferred Themed Entertainment Destination
- LIMCA BOOK OF RECORDS – Largest collection and distribution of Toys Drive(2018)
- India Licensing Awards 2018 (LIMA 2018) – Licensee of the Year - Theme & Amusement Park
- VFS Global Times Travel Awards 2018 – Winner – Adventure Attraction Sector
- Times Retail Icon Awards 2018 – Preferred Theme Park Destination
- Customer Experience Awards 2018 – Best Customer Experience in the Services Sector – Winner
- BLTM (Business & Luxury Travel Mart) 2017 – Award for Excellence – Winner of Most Innovative Product
- India Licensing Awards 2017 – Honorary Award - Theme Park
- TripAdvisor's Traveller's Choice Awards 2017 - Top 25 Water Parks — World
- TripAdvisor's Traveller's Choice Awards 2017 - Top 10 Amusement Parks & Water Parks in India
- Kids Stop Press' Digital Awards 2017 – Best Outdoor Park
- IAAPI Awards 2017 - Most Innovative Rides & Attractions – Winner
- IAAPI Awards 2017 - Innovative Promotional Activity through Electronic Media TV Channel – Winner
- HICSA Awards 2016 – Best New Hotel of the Year – Novotel Imagica Khopoli
- IAAPI Awards 2016 - Innovative Promotional Activity through Print Media – Winner
- IAAPI Awards 2016 - Innovative Promotional Activity through Electronic Media TV Channel – Winner
- IAAPI Awards 2016 - Most Innovative Rides & Attractions – Runner Up
- India's Most Attractive Brands – Entertainment Category – Rank 1 (2015)
- India's Most Trusted Brands 2015 – Theme Park category
- TripAdvisor's Traveller's Choice Awards 2015
- OTM Award for Excellence – Most Promising New Destination Award (2015)
- I For India - For the first time in Asia Pacific a simulation ride that gives flying experience over India's exquisite monuments and varied landscapes.
- Mr. India-The Ride is India's first Bollywood movie integrated ride

- Nitro is India's Longest, Tallest & Fastest roller coaster
- Deep Space is India's first indoor high speed roller coaster
- Rajasaurus is India's longest flume ride.
- Wrath of God is India's first attraction that is a blend of live theatre, special effects and multimedia.
- Aqua Loop is India's first water park loop ride

### **Imagica – The destination**

Imagica is a magical & fun-filled world of its own, offering entertainment, fun, relaxation, dining, shopping and accommodation at a single location. Offering a world class Theme Park, international standard Water Park, India's largest Snow Park, & first theme park hotel - the luxurious Novotel Imagica, Imagica is India's favourite family holiday destination. The company recently added 'House of Stars' museum which will showcase interactive life-size figurines of leading Bollywood personalities.

Imagica is located off the Mumbai-Pune expressway at Khopoli approximately a 90 minute drive from Mumbai & Pune. Due to its proximity, Imagica is easily reachable from anywhere in India via air, rail or road. Imagica also offers bus and car packages with pick up options from Mumbai and Pune. Spread over 130 acres, this 'all weather family entertainment destination' provides interesting experiences to all its guests, 365 days a year.

### **Imagica Theme Park**

With 24 indoor & outdoor rides and attractions, and 5 F&B outlets to choose from, Imagica Theme Park is the perfect destination for friends and family alike. While easy rides such as Mambo Chai Chama, Tubby Takes Off and Wagon-O-Wheels are for the tiny tots, attractions like Mr India, I For India, Rajasaurus – The River Adventure and Splash Ahoy have something for everyone in the family. For the thrill seekers, there are massive roller coasters and high-speed adventurous rides such as Scream Machine, Nitro and Gold Rush Express. So whether one is looking for a fun-filled outing with friends or some bonding time with family, Imagica has it all!

### **Imagica Water Park**

Located next to the Theme Park is Imagica Water Park. Inspired by the Greek Mykonos theme, Imagica Water Park

welcomes visitors with 14 thrilling rides like the Loopy Whoopy, Swirl Whirl and Twisty Turvy and 7 exciting restaurants that will entertain one's stomach in every way. The chilled out vibe at this day party destination just makes one want to 'Go With The Flow'. It is recommended that guests carry the required swimwear while visiting the park, which is compulsory for all the rides. There are swimwear options also available at the park's retail outlets. The Water Park also offers locker facilities for guests to keep their personal belongings.

### **Imagica Snow Park**

Spread over 30,000 sq feet, the recently added Imagica Snow Park is India's largest, with real snow fall and a 50 foot dome. Imagica Snow Park has a variety of activities for guests visiting for a typical 45 minutes session. Guests can enjoy the magic of snow by playing basketball, slide down the toboggans and rafts, climb the rocky snowy mountains, have a snowball fight, or just relax and sip a cup of coffee at minus 5 degrees temperature. Guests can also spend their time doing activities like snow hiking, snow rafting as well as dance on the snow dance floor or pose amidst the snow castle and one-of-its-kind ice sculptures. The park, which provides jackets, gloves and boots to its guests on entry, is also environment friendly with 100% edible snow made from purified water and no chemicals or preservatives.

Snow park is operated under a revenue sharing arrangement with ACME Entertainment, whereby ACME has constructed, installed, erected and operating the Snow Park. The snow park has built upon the experience by adding a totally new option and thus augmented Imagica's positioning as a ONE STOP ENTERTAINMENT destination.

### **Novotel Imagica**

Imagica also has a 287 room Hotel – Novotel Imagica is adjacent to the park, which offers attractive 1 Night and 2 Night stay packages as a basecamp for guests to relax and enjoy the destination. The hotel also boasts of a swimming pool, hi-speed Wi-Fi access, children's activity centre, specialty themed restaurants, well-equipped gym and banquet halls for hosting up to 600 people at a time. The hotel also features one of the largest meeting spaces in the Lonavala area with a pillar-less ballroom and a height like no other, which makes it a suitable venue for corporate as well as wedding events.



## Food & Beverage business

### Restaurants @ Imagica Theme Park

Imagica offers a host of food & beverage options to suit the tastes of every palate. Roberto's Food Court, the pure veg restaurant in the park, serves various cuisines ranging from Indian, Mexican, Italian and Pan Asian, as well as a separate kitchen for Jain meals. The Imagica Capital serves some delicious Indian buffet meals, while American food lovers could head to Red Bonnet American Diner and indulge in the comforts of their finger-licking fare. Armada - A classic ship anchored amidst Spanish settings overlooking a breath-taking view of the lagoon offers refreshing cups of coffee or chilled beverages, with some freshly made sandwiches & salads on the side.

### Restaurants @ Imagica Water Park

Imagica Water Park has plenty of food options to choose, while guests enjoy being in water all day. There is an array of Entrees, Mains, and Desserts from cuisine across the globe with unique signature dining options. Sunbeatz Pizzeria & Bar serves some lip-smacking pizzas and Lebanese cuisine, along with a bar counter, while the Red Bonnet Express serves the spirit of classic grunge American food in one's plate, with kids and picnic meals available as an option. Ammos is the food court to pick from an array of cuisines, whereas Cones has ice-creams and Sandy Sipss serves refreshing juices and smoothies. There are also convenient Food Booths offering quick bites to full-service meal dining; perfect for every taste and budget!

## Merchandise

Imagica has a host of in-house merchandise options to take back as souvenirs, from the latest T-shirts, Crop tops, formal shirts and sweatshirts to handbags, backpacks and tote bags. There are also soft toys and pillows to choose from for kids, as well as sipper bottles, coffee mugs and cocktail glasses, all designed especially for Imagica. There are also candy stores if you wish to pamper your sweet tooth. You can also purchase the products at the retail store in Novotel Imagica.

## Safety

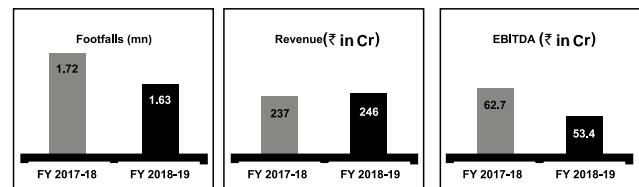
All the rides at Imagica are designed keeping utmost safety in mind. The Vendors are compliant with international standards – ASTM, European or EN Standard, with all

international safety certifications in place. TUV SUD South Asia Pvt Ltd has been engaged to carry out inspection, testing and installation certificate.

## Debt Reduction

The Company has been diligently working towards reducing its debt to bring it to manageable levels. The company is in constant discussions with consortium lenders to arrive at a sustainable resolution and ultimately reduce the debt levels. Since June, 2018 when the company became NPA, several consortium meetings have been conducted with this objective. The Company has proposed the sale of its non core assets which were announced hitherto, as part of the overall resolution. Subsequently various financing, ARC discussions have been explored along with the lenders to address the indebtedness and ultimately ensure sustainability of cash flows as well as growth of core business.

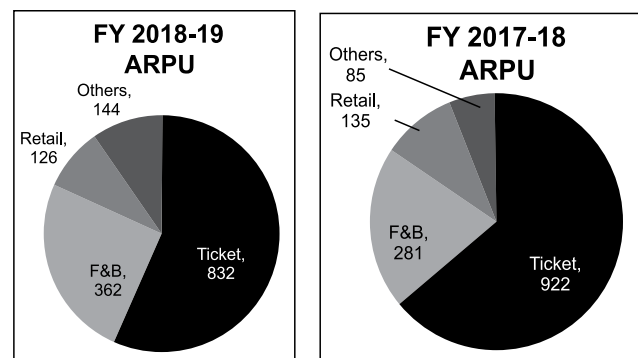
## Business Review



The summary performance for the Company for the year ended March 31, 2019 is as follows:

## Average Realization and Operating Costs

Average realisation per visitor (weighted average for Theme Park & Water Park put together) for FY 2018-19 was ₹ 1,463, as compared to ₹ 1,422 for FY 2017-18. The break-up of the realisation is as follows:



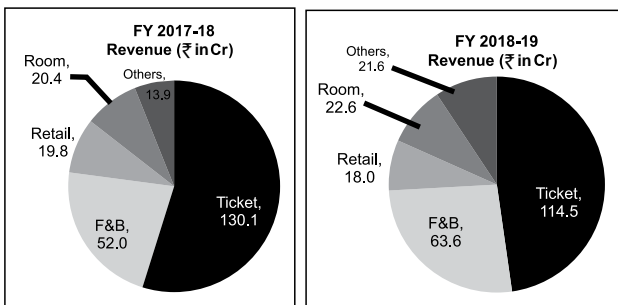
The outstanding bank loan as on March 31, 2019 is ₹ 1,14,459.44 Lakhs, including overdue interest.

The weighted average rate of interest is 11.23% p.a.

Since April 2013, nearly 8.0 million people have visited the parks. While these numbers and guest feedbacks give us a good idea of their expectation and appreciation of the product, we have a long way to go in making this project every Indians 'must-visit' holiday destination.

The first phase of Novotel Imagica Khopoli comprises of 116 rooms and was launched in September 2015, while the second phase also got operational this year in September 2018 adding additional 171 rooms. The total room inventory of the hotel now stands at 287 rooms, which is the highest room inventory of a hotel near Greater Mumbai. The hotel has been receiving excellent reviews and feedbacks. The ARR (including Room, F&B and Others) of the hotel was over ₹ 10,205/- in for FY 2018- 19. Novotel Imagica in a short period of operations has been able to firmly establish its niche in the leisure and social segments and has firmly established Imagica's position as complete family holiday destination.

**Segment Performance**



The Total Revenue of the company improved by 1.7% YoY. There was a decline in ticketing revenue of 12.3% YoY, which was offset by growth in the non-ticketing business. Revenue from F&B business grew by 22.6% YoY, and the Revenue from Hotel rooms grew by 10.6% YoY.

**KEY STRENGTHS OF THE COMPANY**

The Company's primary competitive strengths are set out below:

- **The Company is uniquely positioned to capitalise on the increasing propensity of Indians to spend on entertainment**

Favourable macroeconomic and demographic factors such as economic growth, rising disposable income, a growing young population, an expanding middle class and rapid urbanisation have resulted in the Indian population spending more on entertainment. With the rise in education levels and exposure to international trends, Indian consumers are willing to pay a premium for quality entertainment.

Imagica is the only One Stop Entertainment Destination in India, designed to provide a wholesome and 'value for money' entertainment option for guests. The Company offers entertainment options for all age groups through a variety of rides and attractions, which the Company believes are comparable to and provide the international standards of experience that leading theme parks and water parks offer globally. Company's offerings are also customised to Indian tastes. This positions Imagica to capitalise on the increasing number of Indian customers spending on good quality entertainment.

- **The Company is strategically located in an attractive catchment area**

Imagica is located off the Mumbai - Pune Expressway. Currently, it attracts guests from Mumbai, Pune and the rest of Maharashtra and Gujarat, which are some of the more economically developed areas in India. Mumbai is well connected to other large cities in India by air, road and rail with multiple flight options in a day. Further, Imagica is located in a region that experiences suitable weather throughout the year for spending a day outdoors. In addition, the majority of the rides, attractions and queuing areas in the parks are covered to avoid any inconvenience during the monsoon season.

- **Rides and Attractions of International Quality Standards which are customised to indian tastes and preferences**

Imagica is attractively themed and aims to deliver high-quality entertainment, aesthetic appeal, shopping and dining options.

The Parks have been designed by internationally acclaimed design consultants. The rides and attractions for the theme park have been designed by and sourced from global industry leaders such as

Bolliger & Mabillard Inc., Zamperla Asia Pacific Inc., Sally Industries Inc., E2M Technologies B.V. and Santec Fabricators (India) Private Limited, which is a part of the Sanderson Group. The water slides and equipment in the water park have been sourced from global industry leaders such as Whitewater West Industries Limited, Neptune Benson (Defender Water Filtration Systems) and Polin Dis Tic. Ltd. Sti. The Company also follows high levels of park security and safety standards to offer a safe and injury free environment for its guests to enjoy the parks.

- **Competitive advantage through entry barriers**

The Company has the opportunity to leverage the 'first-mover advantage' through Imagica. There are significant barriers to entry in the business of theme and water parks in India and it is difficult to replicate a project of similar scale and size in India. Among the most important of these barriers is the need for significant capital expenditure to set up theme and water parks, the difficulty to identify and purchase large and suitable parcels of land on commercially viable terms and the long lead-time from the conceptualisation to the launch of rides and attractions. The Company believes that its location off the Mumbai - Pune Expressway, the large parcel of land owned by the Company, the rides and attractions of international quality and standards and the qualified management and operations team provide the Company with a significant competitive advantage over any new park.

- **A well-positioned brand and marketing focus**

In the short operational history, the Company has been able to establish brand recognition in Mumbai, Pune and the rest of Maharashtra and Gujarat markets. The Company believes that it has been able to achieve this through a combination of factors:

- Delivering superior visitor experiences in the parks through the diverse offerings of rides and attractions and other entertainment options and thus, developing a brand recall through word of mouth publicity;
- The Company has also actively focused on attracting school groups as the Company believes that school children who visit the parks act as the Company's brand ambassadors and have the

potential of bringing the entire family back on another visit;

- Dynamic and attractive pricing strategy to coincide with various events, festivals, seasons and holidays throughout the year;
- Existing well-established position of the 'Adlabs' brand in the media and entertainment industry; and
- Engaging with various target groups through focused marketing, consisting of regular electronic, print and digital media campaigns and direct sales efforts.

- **Proven and experienced management team and execution strength**

Company's senior management team includes experienced media and entertainment, marketing and consumer businesses executives, with an average tenure of more than 15 years in such industries. Mr. Manmohan Shetty is a well known entrepreneur in the media and entertainment business in India and has more than three decades of experience in consumer-facing entertainment businesses.

## FINANCIAL RATIOS

The Debtor turnover ratio stood at 35.75 times the average debtors in FY19 from 54.35 times in FY18, this was due to the increase in the debtors at the end of FY19, due to the last two days of the year being a weekend while overall debtors remain under control. The Inventory turnover ratio declined by 9% to 1.72 times the average inventory, compared to 1.88 times the average inventory in FY18. This was due to the working capital optimization measures taken by the company to reduce the inventory holding by the company. The Interest Coverage ratio for FY19 was -0.36 times, this was at -0.23 times in FY19. The ratio declined as the interest expense increased in FY19 as the outstanding debt liabilities have increased this year. The current ratio of the company dropped from 0.20 times in FY18 to 0.04 times in FY19, since the entire outstanding debt is now being classified as current liabilities as the loan has been called by the lender after the company has become NPA.

In FY19, the Company chose to write-off Deferred Tax Asset of Rs. 165 crores, as opined by the statutory auditors and concurred by the management. Due to the one time impact

of the Deferred Tax Asset write off, some of the profitability ratios have been affected this year. The Operating Profit Margin of the company has changed from -12.1% in FY18 to -19.5% in FY19, while the Net Profit Margin has changed from -65% in FY18 to -141% in FY19. The Return on Net worth was at -568% in FY19 against -38% in FY18.

## OUTLOOK AND OPPORTUNITIES

The all-round India growth story continues to remain strong and attractive. Both IMF and World Bank (WB) have predicted the Indian economy to grow at 7.3% for FY2018-19. The key drivers of growth for the India economy are in place for a sustained and uninterrupted growth in the future. Both favourable macroeconomic factors as well as dynamic demographics indicate to a period of assured uptrend and growth in the Indian amusement parks industry.

Against this positive and optimistic outlook of the economy, the outlook for the Company is extremely favourable and exciting, with a high potential for accelerated growth and expansion.

### Medium & Long Term Business Strategies

The Company is adopting the following business strategies to grow the business in the future:

- **Develop Imagica as an Integrated Holiday Destination**

Currently, a significant majority of the guests are residents of the catchment area i.e. Mumbai, Pune, rest of Maharashtra and Gujarat who make day-trips to the theme park off the Mumbai - Pune Expressway. With the launch of the Hotel Novotel Imagica, the Company intends to market Imagica as a multiple day holiday destination and attract guests for a longer stay. The Company intends to offer various cost promotion and combination packages of admission tickets to its parks and stay at the hotel to take advantage of cross selling opportunities. In addition, the Company aims to market its facilities as a suitable venue for hosting wedding receptions, parties, conferences and meetings and other corporate events.

- **Continue to focus on increasing the number of guests hosted at the parks**

The Company plans to increase attendance at the parks through the following strategies:

- Increasing awareness of the parks, and 'Imagica' brand through effective media and marketing campaigns, aimed at various target groups including families, young kids, college students and young professionals. The Company will also continue to reach out to a greater number of schools and corporates for increasing attendance at its parks;

- Offering a variety of ticket options and disciplined pricing and promotional strategies to coincide with events and holidays throughout the year. The Company also aims to follow a dynamic pricing model which will enable us to adjust admission prices for the parks based on expected demand and attract diverse segments of customer base;

- By periodically introducing new attractions, differentiating experiences and enhancing service offerings, the Company believes that word of mouth is the most important marketing tool for our product and, therefore, the Company's primary business objective is to make the time spent by the guests in its parks as enjoyable as possible. The Company specifically focuses on entrance and security procedures, queue management, cleanliness, quick availability of F&B products and retail merchandise to make the guests' experiences as comfortable and entertaining as possible; and

- Focusing on sales and marketing initiatives in the secondary catchment areas, such as the print campaign from time to time in major cities like Delhi NCR, Bangalore, Hyderabad and Jaipur, to attract tourists visiting the Mumbai - Pune region.

- **Diversify our Revenue Streams**

Sale of admission tickets comprises a significant portion of the Company's total income and going forward the Company intends to increase its non-ticketing revenue through the following strategies:

- Focus on F&B and retail & merchandise operations by targeting the per capita spending of guests. The Company believes that by providing guests additional and enhanced offerings at various price points, the Company can increase spending in its parks. The Company will continue to

innovate in its F&B offerings to cater to the diverse preferences of its guests.

- Monetise the crowd movement in the parks by offering sponsorship opportunities to advertisers for special events, naming rights for the rides and attractions, partnering in destination advertising and assisting in products and brand activations;
  - With the hotel, the Company intends to position Imagica as a destination for varying customer requirements, including for entertainment, corporate meetings and off-sites and other social events;
  - The Company aims to develop an emotional connect with the guests through its brands and characters developed by the Company, which will provide the opportunities to leverage the intellectual property portfolio, and to develop new media and entertainment options and to increase the sale of consumer products, in and outside Imagica.
- **Increase profitability and achieve cost optimisation**

The Company believes that increased attendance at its parks and an increase in the per capita spending will allow the Company to make its business more profitable because of the relatively fixed cost-base and the high operative leverage involved in the business. The Company will continue to focus on F&B and retail and merchandise spending to improve its operating margins. With the commencement of operations of our water park, snow park and hotel, the Company will be able to offer more dynamic pricing to account for seasonal fluctuations in attendance. The Company also aims to achieve better cost optimisation through economies of scale by measures such as company-wide and centralised procurement and sourcing strategy and integrated marketing campaigns. In addition, the Company aims to benefit from shared services such as security, ticketing, F&B and general administration of the parks.

- **Expand our existing operations and foray into new geographies in India**

The company aims to pursue other expansion opportunities at its parks.

The company also intends to set up integrated holiday destinations in other locations in India, either through parks owned and operated by the Company or through a partnership or a franchise model. Company believes it should have two more parks apart from Mumbai i.e one in south and one in north. The size and scale of the parks will be designed on the basis of the market potential of that region and financial viability.

The company has entered into a JV to set-up and operate a Theme and Water park in Amravathi, the new capital of Andra Pradesh, on a revenue sharing model. This will expand our presence in the southern region of the country. The company has also been receiving similar offers from various state governments and private players to set-up theme parks in joint ventures. The company is exploring options to set-up small-to-med parks with no/low capital contribution from the company, purely based on revenue share or management fee basis.

#### **PARK SECURITY AND SAFETY**

The Company was awarded with an ISO certificate for Integrated Management Systems by Bureau of Indian Standards (BIS) for Imagica Theme Park. Following is the list of ISO certifications awarded:

- Quality Management System- IS/ISO 9001:2008
- Environmental Management System-I/ISO 14001:2004
- Occupational Health and Safety Management system - IS 18001:2007

The Company recognises park security and safety as one of its most important focus areas in ensuring the success of the parks. The park security and safety plan is based on three principles: being proactive, the utilisation of an optimum combination of technology and manpower and meeting international standards on security and safety. Some of the key features of the security and safety plan are set out below:

- **Security Agency:** The Company has engaged one of the leading security solutions providers in India for its security needs and has developed a security plan based on a study of threats and vulnerabilities. The scope of services provided by its security solutions service provider includes the development of, setting up and operating the security infrastructure in the parks, deploying security personnel and carrying out



regular training for the employees for security related issues, particularly emergency response situations.

- **Identified Perimeters and Zones:** Company has divided its parks into various layers with defined internal and external perimeters for effective monitoring and response. The Company has deployed access control measures at the identified entry and exit points to reduce trespassing and monitor crowd movement. The Company has also divided the parks into various zones to facilitate effective emergency response, evacuation and deployment of resources and manpower.
- **Command Centre:** The Company's command centre has been planned as an integrated set-up, capable of monitoring and controlling the management of the parks and responding to all circumstances which may have an adverse effect on guest experiences. The functions of the command centre include controlling and monitoring all access controls across the parks, including the entry and exit points and for other rides and attractions; coordinate the response to any situation that requires attention; operate the public address system which is designed for effective communication for functions such as crowd management; Company's security infrastructure consists of necessary equipments such as metal detectors, explosive vapour and trace detectors, radio sets, forced entry resistant door system, panic buttons, hooters and retractable barriers, which have been deployed at vantage points across the parks.
- The most important aspect of the safety procedures is regular training and assessment of the ride operators and attendants to prevent accidents or injuries resulting from unsafe acts and conditions. In addition to monitoring for any hazard or unsafe condition, the ride operators carry out inspections at pre-designated intervals and report any unsafe condition to the maintenance department for correction. A detailed inspection and monitoring procedure is followed for some of the critical rides and attractions, such as the roller-coasters. The Company has also engaged qualified lifeguards, who are on duty during the operating hours of the water park.
- **Fire and Medical Emergency Plan:** Company also has a comprehensive fire and medical emergency response plan. The Company has installed smoke and heat detectors in its offices and indoor attractions

and water sprinkler and fire hydrant systems and fire extinguishers across the parks. In addition, there is a team of fire-men stationed in the theme park throughout the operational hours. There is a medical centre in the theme park & water park including a five- bed ward, which is staffed by a team of one doctor and eight nurses to respond to any medical emergency in the theme park up to such time that the guests are moved to the nearby hospitals. There are two ambulances which are deployed in the parks throughout the operational hours.

## MAINTENANCE

The Company's maintenance team is responsible for the inspection, upkeep, repairs and testing of the rides and attractions. The Company has appointed a safety officer as a member of each of its parks management team to supervise the maintenance and ride operations teams, and carry out regular audits and surprise inspections.

Every ride and attraction at the parks is inspected regularly, according to daily, weekly, monthly, and annual schedules.

The Company has formulated detailed maintenance guidelines and checklists for each of its rides and attractions with the objective of ensuring that the rides and attractions are operating within the manufacturer's criteria and that maintenance is conducted according to internal standards, industry best practice and standards, as well as the ride designer or manufacturer's specifications. The Company has installed a networked enterprise software system which is used to plan and track all the maintenance activities. The maintenance system of some of the rides and attractions is also linked over VPN to the respective vendors to ensure effective monitoring, data sharing and resolution of issues, if any. All ride maintenance personnel are trained to perform their duties according to internal training processes, in addition to recognised industry certification programs for maintenance activities. The Company's infrastructure maintenance function comprises upkeep, repair, preventive maintenance and improvement of the parks infrastructure. The Company obtains safety certifications from its vendors certifying that the rides and attractions installed at the parks have been designed and manufactured in accordance with international standards such as the American Society for Testing and Materials, or the ASTM standard, the European, or the EN standard or the Deutsches Institut für Normung e.V., or the DIN standard. Company has also engaged TUV SUD South Asia Pvt. Ltd., a leading global

technical services organisation to carry out inspection, testing and installations certifications for the rides and attractions. Company also periodically engage the services of third-party maintenance audit agencies to inspect the maintenance procedures.

## RISKS

- **The business is seasonal in nature, and may be affected by weather conditions, school vacations, public holidays and weekends.**

The theme and water park industry is seasonal in nature. The parks could experience volatility in attendance as a result of school vacations, public holidays, weekends and adverse weather conditions such as excessive heat and monsoons. It is believed that attendance at the theme and water park and revenues from F&B and retail and merchandise operations is, and will continue to be, higher during school vacations, public holidays and weekends. In addition, the water park is expected to generate higher revenues in the summer months. Conversely, the Company may face a reduction in revenues during the monsoon months. Further, unfavourable weather conditions such as forecasts of excessive rainfalls or heat may reduce the attendance at the parks.

- **Company's business and results of operations could be adversely affected by changes in public and consumer tastes or a decline in discretionary consumer spending, consumer confidence and general economic conditions.**

The success of the parks depends substantially on consumer tastes and preferences that can change in often unpredictable ways. The Company must adapt to these changes to meet consumer tastes and preferences. The Company carries out research and analysis before opening new rides and attractions and often invest substantial time and resources to gauge the extent to which these new rides and attractions will earn consumer acceptance. Further, the success depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of disposable income. Actual or perceived difficult economic conditions and inflationary periods may adversely impact park attendance figures, the frequency with which guests choose to visit the

parks and guest spending patterns at the parks. Both attendance and total per capita spending at the parks are key drivers of its revenue and profitability, and reductions in either can adversely affect the business and results of operations.

- **Incidents or adverse publicity concerning the parks or the theme or the water park industry generally could harm Company's brands or reputation as well as negatively impact the business.**

The Company's brands and reputation are among the most important assets. The ability to attract and retain guests depends, in part, upon the external perceptions of the parks, the quality of the parks and services and performance of the operations team. The operation of the parks involves the risk of accidents, contagious, airborne or waterborne diseases and other incidents that may negatively affect guest satisfaction and the perception of the guests in relation to safety, health and security of the parks, which could negatively impact the brands and reputation and the business and results of operations.

- **High levels of Outstanding Debt**

The company has more than 1000 Crore of outstanding debt, which has impeded our cash flows. The company has not been able to generate sufficient cash to service the interest and principal repayments. This risk has restricted the risk taking ability of the company for entering into new businesses, expanding current operations, expanding to newer geographies, and also to experiment with disruption revenue models. The company is working on a debt reduction/resolution plan to mitigate this risk.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal controls commensurate with its size. It has also adopted standard operating procedures, policies and process guidelines. These guidelines are well documented with clearly defined authority limits corresponding with the level of responsibility for each functional area. They are designed to ensure that transactions are conducted and authorised within their framework. Further, the Company's reporting guidelines ensure that transactions are recorded and reported in conformity with generally accepted accounting principles. These guidelines are regularly reviewed and updated to meet the expectations of the current business environment.

The Company's Code of Business Conduct lays down ethical standards expected from each of its personnel's and business associates in their day to day actions. The Company's robust internal audit programme which works to conduct a risk-based audit not only tests the adherence to laid down policies and procedures but also suggests improvements in the current processes and systems. The audit program is agreed upon with the Audit Committee. Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations. Company had appointed PNS & Co. as the internal auditor during the financial year 2017-18.

### **SIGNIFICANT DEVELOPMENT IN HUMAN RESOURCES**

People are one of the key and critical success factors for the Company. The Theme Park and Amusement Park industry in India is in the nascent stages. As such to find skilled manpower having experience of the industry is challenging. The company has developed a very strong on-job training and development program, which cuts across the junior team members as well as the middle management layer. The senior technical & engineering team has been trained under supervision of global experts of theme park industry. The Company engaged these experts during the development and initial operations of the Park.

Being located in the outskirts of Mumbai and Pune, the Company needs to ensure that the employees are motivated enough to travel the distance for work. The Company provides employee friendly transport and local stay facilities for the same. Employee satisfaction is a top priority, and the Company ensures that all its employees enjoy a safe,

healthy and progressive work environment at all its offices. The Company's Human Resource team works cohesively with the employees to help them in their personal as well as professional development. The Company has a well-defined Code of Conduct that guides all employees in their interaction with the various stakeholders of the Company. The Company has a unique work-culture based on team building and bonding through cross-job training.

As of March 31, 2019, the total number of permanent employees on the rolls of the Company were 729.

### **CAUTIONARY STATEMENT**

This document contains statements about expected future events, financial and operating results of Adlabs Entertainment Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis section.

## CORPORATE GOVERNANCE REPORT

### OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is an important component in enhancing stakeholders' value and it emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws. As a Company, we believe in implementing Corporate Governance practices that go beyond meeting the letter of law. The Company has comprehensively adopted practices mandated in the Listing Regulations.

Your Company presents this report, prepared in terms of the Listing Regulations (including amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

### BOARD OF DIRECTORS

The Board of Directors (the "Board") of your Company has an appropriate blend of Directors to maintain its diversity and independence, the Board of your Company has an optimum combination of such number of Executive, Non-Executive and Independent Directors, including a Woman Director. Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with the statutory as well as business requirements.

#### Composition of the Board

Composition of the Board of Directors is in conformity with the requirements prescribed under the Act and Listing Regulations. As on the date of this Report, your Company's Board comprises of six (6) Directors.

The Details of Directors who held directorship of the Company during Financial Year 2018-19 are provided below:

Name of Directors	DIN	Category
Mr. Manmohan Shetty <sup>(1)</sup>	00013961	Promoter, Chairman and Executive Director
Mr. Steven A. Pinto <sup>(2)</sup>	00871062	Non-Executive and Independent Director
Mr. Ghulam Mohammed <sup>(2)</sup>	00173420	Non-Executive and Independent Director
Ms. Meghna Ghai Puri	00130085	Non-Executive and Independent Director
Ms. Anjali Seth <sup>(3)</sup>	05234352	Non-Executive and Independent Director
Ms. Pooja Deora <sup>(3)</sup>	00013027	Non-Executive and Non-Independent Director
Mr. Kapil Bagla	00387814	Non-Executive and Non-Independent Director
Mr. Ashutosh Kale <sup>(4)</sup>	06844520	Executive Director

Note(s):-

- (1) Re-appointed as Executive Chairman of the Company for a period of five consecutive years starting from September 02, 2018 to September 01, 2023
- (2) Re-appointed as Independent Director of the Company for a second term consisting of three consecutive years starting from April 04, 2019 to April 03, 2022
- (3) Resigned and ceased to be Director of the Company w.e.f. close of business hours of November 01, 2018
- (4) Re-appointment as Executive Director is proposed for a period starting from May 24, 2019 to January 31, 2020 subject to approval of the members of the Company

Further, pursuant to applicable provisions of the Act and Articles of Association of the Company, Mr. Kapil Bagla, Non-Executive Director of the Company, retires by rotation in the ensuing Tenth Annual General Meeting ("AGM") of the Company and being eligible, offers himself for re-appointment. Details of Directors retiring or being appointed/ re-appointed as required under applicable laws are disclosed in the Notice of ensuing Tenth Annual General Meeting.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the Listing Regulations, the Directors presented necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that, as on the date of this Report, none of the Directors of your Company:-

- is related to each other;
- holds directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with provisions of section 165 of the Act; and
- is a member of more than 10 Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 Committees across all the public companies (listed or unlisted) in which he/ she is a Director.

The Company has also obtained a Certificate from M/s. Aabid & Co., Company Secretaries, that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority. The said certificate forms part of this Report.

The details of each Director along with the number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) and their shareholding in the Company as on March 31, 2019, are provided herein below:

Name of Director	No. of Directorship(s) in other Companies <sup>(1)</sup>	Shareholding in the company	No. of Board Committees of other companies in which Member/ Chairperson <sup>(1) &amp; (2)</sup>		Name(s) of the Listed Entity(ies) in which the Director holds Directorship(s)
			Member	Chairperson	
Mr. Manmohan Shetty	6	1,29,000	2	-	1) Centrum Capital Limited - Independent Director 2) Mukta Arts Limited - Non-Executive Independent Director
Mr. Steven A. Pinto	5	-	1	1	Automobile Corporation of Goa Limited - Non-Executive Independent Director
Mr. Ghulam Mohammed	10	-	1	1	Oriental Industrial Investment Corporation Limited - Independent Director
Ms. Meghna Ghai Puri	2	-	1	1	-
Mr. Kapil Bagla	8	178	-	1	-
Mr. Ashutosh Kale	-	2,500	-	-	-

Note(s):-

- Directorship(s) and membership(s)/ Chairmanship(s) in the Committees of the Board of Directors exclude Adlabs Entertainment Limited, foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013
- Chairmanship/ Membership of Committee only include the Audit Committee and Stakeholders' Relationship Committee in other Indian Public & Private Companies (Listed and Unlisted & excludes Adlabs Entertainment Limited)
- None of the Directors hold directorship in more than 8 (Eight) Listed Entities as per Regulation 17A(1) of Listing Regulations
- No Director holds membership(s) of more than 10 committees of any board, nor, is a chairperson of more than 5 committees of any Board across all listed companies with which he/ she is associated as a Director

### Details of Meetings of the Board of Directors and Annual General Meeting held during the year under review, along with attendance of Directors at each meeting







































The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company and its subsidiary companies. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/ targets.

The Board meets at least 4 times in a year (one meeting in every calendar quarter) and the maximum gap between any two consecutive meetings is less than 120 days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. Additional meetings are held as and when necessary.



During the financial year 2018-19, the Board met 4 (Four) times i.e. on May 17, 2018, August 03, 2018, November 01, 2018, and February 05, 2019. The details of attendance

of Directors at each such meeting of the Board and at the Ninth Annual General Meeting of the Company held on August 03, 2018, are provided herein below:

Name of Director	Meetings of Board in financial year 2018-19				Attendance at last 9 <sup>th</sup> AGM	
	Held during the tenure	May 17, 2018	August 03, 2018	November 01, 2018		February 05, 2019
Mr. Manmohan Shetty	4					
Mr. Steven A. Pinto	4					
Mr. Ghulam Mohammed	4					
Ms. Anjali Seth <sup>(1)</sup>	3				-	
Ms. Meghna Ghai Puri	4					
Ms. Pooja Deora <sup>(1)</sup>	3				-	
Mr. Kapil Bagla	4					
Mr. Ashutosh Kale	4					

Note(s):-

(1) Resigned and ceased to be Director of the Company w.e.f. close of business hours of November 01, 2018

### Independent Directors

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table. During the year, Mr. Ghulam Mohammed and Mr. Steven Pinto, Independent Directors were re-appointed as Independent Directors of the Company for a second term consisting of three consecutive years starting from April 04, 2019 to April 03, 2022.

Ms. Anjali Seth, Independent Director resigned from the company with effect from close of business hours of November 01, 2018. Company has received her resignation letter in which she has expressed her inability to continue as Director of the Company due to prior commitments and continuous travels. She has not specified any other material reasons for her resignation from the position of Independent Director of the company.

### Separate meeting of Independent Directors

The Independent Directors met once during the year, on February 5, 2019, without the presence of Executive

Directors or Management representatives, *inter alia*, to discuss the performance of Non-Independent Directors & the Board as a whole and to assess the quality, quantity & timeliness of flow of information between the Management of the Company and the Board, which is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present for the meeting of Independent Directors.

### Familiarisation

In terms of the provisions of Regulation 25 of the Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company. The Familiarisation Programme aims to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and its business in depth etc.

The details of the Familiarisation Programmes held for Independent Directors during FY 2018-19 are also available on the website of the Company and can be accessed at [https://www.adlabsimagica.com/investor\\_docs/Familiarisation%20Programme%20for%20Independent%20Directors.pdf](https://www.adlabsimagica.com/investor_docs/Familiarisation%20Programme%20for%20Independent%20Directors.pdf)

### Core Competence of the Board of Directors

The Board of Directors of the Company has identified the following core competencies that it must possess considering the nature of business and the sector in which the company operates. Following are such identified competencies/ skills:

**a) Technical Competencies**

The director's understanding and appropriate application of essential practical and theoretical knowledge of Entertainment Sector and Consumer focused Business, Marketing, Engineering, Finance, Strategy, Legal & Compliance, Corporate Governance and Safety & Security.

**b) Professional Competencies**

The attitude and character that shapes director's responses and behaviour in the decision making process of the Board of Directors. The ability of Board Members to have ethical and professional approach to the performance oriented decisions of the Board of Directors.

**c) Behavioural Competencies**

The expertise that directors bring to their role by possessing ability to think strategically, analyse information, make rightful and fair decisions, communicate, lead and influence the Board decisions in a rightful manner.

The current Board of Directors of the Company possesses all the required and identified competencies mentioned here above.

**COMMITTEES OF THE BOARD**

The Board of Directors have constituted its Committees to deal with the specific areas which require a closer review. The Board Committees are formed with approval of the Board of Directors and they function under their respective terms of references. The Board Committees meet at regular intervals as and when required and take necessary steps to perform its duties entrusted by the Board. The minutes of the meetings of all the Committees are placed before the Board for its noting.

The Board of Directors of the Company has constituted five committees of the Board as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

**A. AUDIT COMMITTEE**

The Board has constituted Audit Committee which acts as a link between the management, Statutory and Internal Auditors and the Board. The Composition, quorum and terms of reference of the Audit Committee are in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations. All the members of the Committee are financially literate and possess expertise in the fields of finance, taxation etc. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

**Composition and Attendance**

Composition of the Audit Committee is in line with Section 177 of the Act and Regulation 18 of the Listing Regulations. During the Financial Year 2018-19, the Committee met four times i.e. on May 17, 2018, August 03, 2018, November 01, 2018 and February 05, 2019. The Details of Composition and meetings attended by Members during the Financial Year 2018-19 are given below:

Name of Members	Category	No. of meetings	
		Held during the tenure	Attended
Mr. Steven Pinto (Chairperson)	Independent Director	4	4
Mr. Ghulam Mohammed (Member)	Independent Director	4	4
Ms. Meghna Ghai Puri <sup>(1)</sup> (Member)	Independent Director	1	1
Mr. Manmohan Shetty (Member)	Executive Director	4	4
Ms. Anjali Seth <sup>(2)</sup> (Member)	Independent Director	3	3

Note(s):-

- (1) Appointed as a Member of the Committee by the Board at its meeting held on November 01, 2018
- (2) Ceased to be a Member of the Committee due to resignation w.e.f. close of business hours of November 01, 2018

Chief Executive Officer, Chief Financial Officer, representatives of the Statutory Auditors and Internal Auditors of your Company are also invited to the Audit Committee Meetings. Mr. Steven Pinto, Chairperson of the Committee was present at the last Annual General Meeting i.e. Ninth AGM held on August 03, 2018 to answer the queries of the Members of the Company.

Ms. Divyata Raval, Company Secretary & Compliance Officer of the Company, acts as the Secretary to the Committee.

Minutes of all meetings of the Audit Committee are circulated to all the members of the Board and are also placed in the next scheduled meeting of the Board, for discussion and review thereof.

#### **Brief Description of Terms of reference:**

The terms of reference of the Audit Committee are in terms of the applicable provisions of the Act and Regulation 18 read with Part C of Schedule II of Listing Regulations. The Terms of reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions; and
  - g. modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- The audit committee shall review the information required as per Listing Regulations.
- To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of the SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulation, 2018.

## B. NOMINATION AND REMUNERATION COMMITTEE

The Board of your Company has duly constituted Nomination and Remuneration Committee in line with Section 178 of the Act and Regulation 19 of Listing Regulations. The Composition, quorum and terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Act and Regulation 19 of Listing Regulations.

### Composition and Attendance

During the Financial Year 2018-19, the Committee met two times i.e. on May 17, 2018 & February 05, 2019. The Details of Composition and meetings attended by Members during the Financial Year 2018-19 are as follows:

Name of Members	Category	No. of meetings	
		Held during the tenure	Attended
Mr. Steven Pinto (Chairperson)	Independent Director	2	2

Name of Members	Category	No. of meetings	
		Held during the tenure	Attended
Mr. Ghulam Mohammed (Member)	Independent Director	2	2
Mr. Kapil Bagla <sup>(1)</sup> (Member)	Non-Executive Director	1	1
Mr. Manmohan Shetty (Member)	Executive Director	2	2
Ms. Pooja Deora <sup>(2)</sup> (Member)	Non-Executive Director	1	1

Note(s):-

- (1) Appointed as a Member of the Committee by the Board at its meeting held on November 01, 2018
- (2) Ceased to be a Member of the Committee due to resignation w.e.f. close of business hours of November 01, 2018

Mr. Steven Pinto, Chairperson of the Committee was present at the last Annual General Meeting i.e. the Ninth AGM held on August 03, 2018.

### Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as follows:

- to formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- to recommend to the Board the appointment and removal of Senior Management;
- To carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/ her performance;
- to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management, (ii) Executive Directors remuneration and incentive and (iii) all remuneration, in whatever form, payable to senior management;
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to devise a policy on Board diversity;
- to develop a succession plan for the Board and to regularly review the plan;
- to formulate policy for nomination and remuneration of directors and senior management to ensure that: (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ KMPs of the quality required to run the Company successfully; (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (iii) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to formulate the terms and conditions of the Employee Stock Option Plan, to administer and implement the said plan, to determine number of Options to be granted, to determine vesting and/or lock-in-period, etc. and to perform such functions as are required to be performed by the Committee under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

### Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors ("IDs") are determined by the Nomination and Remuneration Committee. The performance of the IDs of the Company is evaluated on the following criterias:

- participation and contribution by IDs in business of the company discussed at the meetings;
- Effective deployment of knowledge and expertise and commitment;

- Keeps himself/ herself prepared on areas and issues that are likely to be discussed at the Board level;
- Invests time in understanding the Company and its distinctive requirements;
- Conducts himself/ herself in the manner that is ethical and consistent with various laws and regulations; and
- Stays conscious of being independent of the management

### Remuneration to Directors

#### Non-Executive Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees for each Meeting of the Board or Committees attended by them. Pursuant to the limits approved by the Board, all Non-Executive Independent Directors are paid sitting fees of ₹ 50,000/- for attending each meeting of the Board and Audit Committee and ₹ 25,000/- for attending each meeting of Committees of Board except Audit Committee. The Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.

The sitting fees paid during the financial year 2018-19 to the Non Executive Independent Directors for attending the Board and Committee Meetings for the financial year 2018-19, are as follows:

Name of the Director	Sitting Fees (₹)
Mr. Steven A. Pinto	4,75,000
Ms. Anjali Seth <sup>(1)</sup>	3,00,000
Mr. Ghulam Mohammed	4,50,000
Ms. Meghna Ghai Puri	2,75,000

Note(s):-

(1) Resigned and ceased to be Director of the Company w.e.f. close of business hours of November 01, 2018

Mr. Kapil Bagla, Non-Executive Director of the Company did not receive any remuneration during the year under review and he has waived his right to receive sitting fees as Non-executive Director of the Company.

No remuneration by way of commission was proposed to the Non-Executive Directors for the financial year 2018-19.



## Executive Directors

The Board comprises of two Executive Directors i.e. Mr. Manmohan Shetty, Chairman & Executive Director & Mr. Ashutosh Kale, Executive Director & Joint Chief Executive Officer. In terms of the provisions of the Act and in line with the Nomination and Remuneration Policy of the Company, the appointment and remuneration of Executive Directors is approved by the Board and the Members of the Company, on recommendation of the Nomination and Remuneration Committee.

- 1) Mr. Manmohan Shetty, Chairman and Executive Director of the Company was appointed without any remuneration.
- 2) All elements of remuneration package of Mr. Ashutosh Kale, Executive Director are as follows:

Particulars	(Amount in ₹)	
	Mr. Ashutosh Kale <sup>(1)</sup>	
All elements of remuneration package		
- Salary and Allowances	51,85,439	
- Gratuity and Contribution to Provident Fund	3,87,706	
- Ex-gratia	1,92,194	
- Performance Linked Incentives (PLI)	10,17,413	
<b>Total</b>	<b>67,82,752</b>	
<b>Details of fixed component and PLI</b>		
- Fixed Component	57,65,339	
- Performance Linked Incentive (PLI)	10,17,413	
<b>Total</b>	<b>67,82,752</b>	
Service Contract	3 years <sup>(2)</sup>	
Notice Period	60 Days	
Severance Fees	NA	
Stock Options, if any	NA	

Note(s):-

- (1) Remuneration is within the limits prescribed under Section 197 of the Act read with Schedule V of the Act
- (2) The Tenure of Mr. Kale as Executive Director of the Company was approved by the Shareholders on July 28, 2016 for three years i.e. from May 24, 2016 to May 23, 2019. His re-appointment is approved by the Nomination and Remuneration Committee and the Board of Directors of the Company on May 16, 2019 subject to approval of the shareholders of the Company to be availed at the ensuing Tenth Annual General Meeting of the Company for a period starting from May 24, 2019 to January 31, 2020

## Performance Linked Incentive (PLI)

Executive Director's Performance Linked Incentive is linked to individual performance and the performance of the Company. The total reward package for Executive Directors is intended to be market competitive with linkage to performance in line with Company's Remuneration Policy.

Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent. The Nomination and Remuneration Policy is displayed on website of the Company i.e. at [https://www.adlabsimagica.com/investor\\_docs/Nomination%20and%20Remuneration%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Nomination%20and%20Remuneration%20Policy.pdf)

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of your Company has duly constituted Stakeholders' Relationship Committee in line with Section 178 of the Act and Regulation 20 of Listing Regulations. The Composition, quorum and terms of reference of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations.

### Composition and Attendance

During the Financial Year 2018-19, the Committee met one time i.e. on February 05, 2019. The Details of Composition and meetings attended by Members during the Financial Year 2018-19 are given below:

Name of Members	Category	No. of meetings	
		Held during the tenure	Attended
Ms. Meghna Ghai Puri <sup>(1)</sup> (Chairperson)	Independent Director	1	1
Ms. Anjali Seth <sup>(2)</sup> (Chairperson)	Independent Director	-	-
Mr. Kapil Bagla (Member)	Non-Executive Director	1	1
Mr. Manmohan Shetty (Member)	Executive Director	1	1

Note(s):-

- (1) Appointed as a Member & Chairperson of the Committee by the Board at its meeting held on November 01, 2018
- (2) Ceased to be a Member of the Committee due to resignation w.e.f. close of business hours of November 01, 2018

**Terms of reference**

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.;
- 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

**Name and designation of Compliance Officer**

Ms. Divyata Raval, the Company Secretary is the Compliance Officer of the Company. The details of shareholders' complaints received and disposed off during the year under review are as under:

Investor Complaints pending at the beginning of FY 2018-19	0
received during FY 2018-19	5
resolved during FY 2018-19	5
Investor Complaints pending as at the end of FY 2018-19	0

All the complaints received during the year were resolved to the satisfaction of the respective shareholders.

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in terms of the provisions of the Act.

**Composition and Attendance**

Composition of the Corporate Social Responsibility Committee is in line with Section 135 of the Act. During the Financial Year 2018-19, the Committee met one time i.e. on February 05, 2019. The Details of Composition and meetings attended by Members during FY 2018-19 are given below:

Name of Members	Category	No. of meeting(s)	
		Held during the tenure	Attended
Mr. Manmohan Shetty (Chairperson)	Executive Director	1	1
Mr. Steven A. Pinto (Member)	Independent Director	1	1
Mr. Ashutosh Kale (Member)	Executive Director	1	1

**Terms of reference**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be incurred on such activities.
- Monitor the Company's CSR Policy periodically.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company and can be accessed at [https://www.adlabsimagica.com/investor\\_docs/Corporate%20Social%20Responsibility%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Corporate%20Social%20Responsibility%20Policy.pdf)

**E. RISK MANAGEMENT COMMITTEE**

The Board of your Company has constituted a Risk Management Committee ("RMC") in accordance with the provisions of Regulation 21 of Listing Regulations. The Composition and terms of reference of the Risk Management Committee are also in compliance with the provisions of Regulation 21 of Listing Regulations.

Risk Management Committee has been constituted to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### Composition and Attendance

During the Financial Year 2018-19, the Committee met one time i.e. on February 05, 2019. The Details of Composition and meetings attended by Members during FY 2018-19 are given below:

Name of Members	Category	No. of meeting(s)	
		Held during the tenure	Attended
Mr. Manmohan Shetty (Chairperson)	Executive Director	1	1
Mr. Kapil Bagla (Member)	Non-Executive Director	1	1

## GENERAL BODY MEETINGS

### A. Annual General Meetings

Details of last three Annual General Meetings of the Company along with details of special resolution(s) passed at such AGMs are tabled herein below:

Location:-	Imagica Theme Park, Imagica Capital, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad - 410203	
Date	Time	Particulars of special resolution(s) passed
August 03, 2018	11:30 a.m.	<ol style="list-style-type: none"> <li>To re-appoint Mr. Manmohan Shetty (DIN:00013961) as Chairman of the Company.</li> <li>Sale of Investments or Shareholding of the Company in Walkwater Properties Private Limited, wholly owned subsidiary company and Surplus Land of approximately 65 acres of the Company.</li> <li>Issue of Securities to Qualified Institutional Buyers</li> </ol>
July 26, 2017	12.00 noon	To re-appoint Mr. Kapil Bagla (DIN: 00387814) as a Whole Time Director of the Company.
July 28, 2016	11:30 a.m.	To approve appointment of Mr. Ashutosh Kale as an Executive Director of the Company for a period of 3 years and his remuneration

Name of Members	Category	No. of meeting(s)	
		Held during the tenure	Attended
Mr. Ashutosh Kale (Member)	Executive Director	1	1

### Terms of reference

The terms of reference of the Risk Management Committee are as follows:

- develop and implement Risk Management procedure/ plan, including identification therein of elements of risk, if any, which may threaten the existence of the Company and such function shall specifically cover cyber security.
- enable the Company to proactively manage the uncertainty, changes in the internal and external environment to limit negative impacts; and
- capitalise on opportunities along with minimisation of identifiable risks, in compliance with the provisions of the Act and Regulations 4(2)(f)(ii)(7) and 17(9)(b) of Listing Regulations, which require the Company to lay down procedure for risk assessment and procedure for risk minimisation.

**B. Postal Ballot**

During the year under review, the Company conducted one Postal Ballot. The details of the Postal Ballot are as follows:

Date of Postal Ballot Notice	:	February 05, 2019
Date of declaration of results	:	March 26, 2019
Voting period	:	February 23, 2019 to March 24, 2019
Date of approval	:	March 26, 2019

Sr. No.	Particulars of Resolution	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1	Re-appointment of Mr. Steven A. Pinto (DIN: 00871062) as an Independent Director of the Company.	Special Resolution	5,10,93,121	5,10,87,226	99.99	5,895	0.01
2	Re-appointment of Mr. Ghulam Mohammed (DIN: 00173420) as an Independent Director of the Company.	Special Resolution	5,10,93,120	5,10,87,223	99.99	5,897	0.01

**Procedure for Postal Ballot**

In compliance of Sections 108 and 110 and all other applicable provisions of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notices were sent (a) through electronic mails to Members whose email IDs are registered in the records of depository participants (b) through physical mode, along with postage prepaid self-addressed Business Reply Envelope to those Members whose email IDs were not registered with the Company/ depository participants. The Company had engaged services of Link Intime India Private Limited ("LIPL") for the purpose of providing e-voting facility to all its Members. The Company also published a notice in the newspaper declaring the details and requirements relating to the said Postal Ballot as mandated by the Act and applicable rules. The Notice of postal ballot was accompanied with detailed instruction kit to enable the members to understand the procedure and manner in which postal ballot voting (including electronic e-voting) to be carried out.

Voting rights were reckoned on the paid up value of the shares registered in the names of the members whose names appeared on the Register of Members/ List of Beneficial Owners as on the cut off date. Members were requested to vote through physical postal ballot or through

electronic mode on or before the close of voting period. Mr. Mohammed Aabid, Practicing Company Secretary was appointed as Scrutinizer for Scrutinising the votes cast by postal ballot/ e-voting process in a fair and transparent manner. The Scrutiniser completed his scrutiny and submitted his report to the officer duly authorised by the Chairman and consolidated results of the voting were announced by the Chairman/ the authorised officer and communicated on the same day to the Stock Exchanges, depository, registrar and share transfer agents of the Company and also displayed on the Company's website [www.adlabsimagica.com](http://www.adlabsimagica.com). The Results were also displayed on the notice Board at the Registered and Corporate Office of the Company.

At present, there is no special resolution proposed to be conducted through Postal Ballot.

**DISCLOSURES****1) Related Party Transactions**

During the financial year 2018-19, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters or Directors or Management or their relatives, or subsidiaries other than the transactions carried out

in the normal course of business. The related party transactions are disclosed in Notes to Accounts. A copy of the policy on dealing with related party transactions has been posted on the Company's website and can be accessed at [https://www.adlabsimagica.com/investor\\_docs/Related%20Party%20Transaction%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Related%20Party%20Transaction%20Policy.pdf)

## 2) Compliances by the Company

The Company has complied with the applicable requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the capital markets during the last three years.

Further, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

## 3) Whistle Blower Policy/ Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy/ vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [https://www.adlabsimagica.com/investor\\_docs/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf)

## 4) Subsidiaries

The Company monitors performance of the subsidiary companies, *inter-alia*, by following means:

a) Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.

b) Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.

c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board/ Audit Committee.

d) Quarterly review of Risk Management process by the Audit Committee/ Board.

e) The Company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's website and can be accessed at [https://www.adlabsimagica.com/investor\\_docs/Material%20Subsidiary%20Policy.pdf](https://www.adlabsimagica.com/investor_docs/Material%20Subsidiary%20Policy.pdf)

## 5) Commodity Price risks and commodity hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

## 6) Details of compliance of mandatory requirements and adoption of non-mandatory requirements

Your Company has complied with all the mandatory requirements of Listing Regulations relating to Corporate Governance.

In addition, your Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of Listing Regulations, to the extent applicable:

i) **Audit Report:** Statutory Auditors of your Company has not raised any qualification/ modified opinion on its financial statements since last three years (including the financial year under review) and accordingly, your Company has moved towards regime of Financial Statements with an Unmodified Audit Opinion.

ii) **Reporting of Internal Auditor:** In accordance with the provisions of Section 138 of the Act, the

Company has appointed an Internal Auditor who directly reports to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary actions.

#### 7) **Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

#### 8) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations**

During the year under review, your Company has not raised any proceeds from preferential issue or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations.

#### 9) **Certificate from a Company Secretary in Practice**

The Company has availed a certificate from M/s. Aabid & Co., Company Secretaries in Practice that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any other Statutory Authority. Said Certificate is annexed herewith as part of this Report.

#### 10) **Where the board had not accepted recommendation(s) of any Committee**

During the year under review, all the recommendations made by all the Committees, which are mandatorily required, have been duly accepted by the Board of Directors.

#### 11) **Details of total fees paid to Statutory Auditors**

Details of total fees paid to the Statutory Auditor relating to all services availed by the Company and its subsidiaries, on consolidated basis, are given in Note 35 to the Standalone Financial Statements and Note 34 to the Consolidated Financial Statements.

#### 12) **Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company had received five (5) complaints during FY 2018-19 and all these five (5) complaints were disposed off in accordance with the Policy adopted by the Company under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. There are no complaints pending as at the end of FY 2018-19.

#### 13) **MEANS OF COMMUNICATION**

- Quarterly Results/ half yearly/ annual results along with the Limited Review/ Auditor's Report thereon are filed with BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") at their respective electronic platforms i.e. BSE Corporate Compliance & Listing Centre and NSE Electronic Application Processing System (NEAPS), so as to enable them to display the same on their respective websites. The aforesaid results are also published in Business Standard, English daily newspaper circulating in substantially the whole of India and in Sakal, Marathi vernacular daily newspaper and are also posted on the Company's website i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com).
- Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com).
- Annual Report containing, *inter alia*, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report and is displayed on Company's website.
- A separate dedicated "Investor Relations" section under "about us" tab on the website of the Company, gives information on the aforesaid results, shareholding pattern and other relevant information of interest to the investors/ public. The Company has also designated the email-id: [compliance@adlabsentertainment.com](mailto:compliance@adlabsentertainment.com) exclusively for investor servicing.



## GENERAL SHAREHOLDERS' INFORMATION

In terms of the provisions of Point No. 9 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), General Information of your Company for reference of the Shareholders is provided as under:

CIN	:	L92490MH2010PLC199925
Registered office Address	:	30/31, Sangdewadi, Khopoli Pali Road, Taluka Khalapur, District Raigad 410 203
Date, Time and Venue of Annual General Meeting	:	Thursday, August 01, 2019 at 12.00 noon at Imagica Theme Park, Imagica Capital, 30/31, Sangdewadi, Khopoli Pali Road, Taluka Khalapur, District Raigad 410 203
Financial year	:	April 1 to March 31
Book closure dates	:	July 26, 2019 to August 01, 2019 (both days inclusive)
Dividend Payment Date	:	Not Applicable
Listing on Stock Exchanges	:	The Equity Shares of the Company are listed on: i) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 ii) National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex Bandra (E), Mumbai 400 051
Stock Code	:	The BSE scrip code of equity shares is "539056" The NSE scrip symbol of equity shares is "ADLABS"
ISIN	:	INE172N01012
Listing Fees	:	Annual listing fees for the year 2019-20 (as applicable) have been paid by the Company to the stock exchanges.

## Tentative calendar of the Board Meetings for consideration of quarterly/ half yearly/ annual results for the Financial Year 2019-20:

For the quarter ended June 30, 2019	:	July/ August, 2019
For the quarter and half year ended September 30, 2019	:	October/ November, 2019
For the quarter ended December 31, 2019	:	January/ February, 2020
For the quarter and year ended March 31, 2020	:	April/ May, 2020

## Market Price Data and performance in comparison to broad based indices

Month-Year	BSE		NSE		BSE Sensex Closing
	High	Low	High	Low	
April-2018	57.70	46.75	58.45	46.70	18,401.67
May-2018	52.05	39.05	52.60	39.20	17,249.45
June-2018	48.45	31.75	48.45	30.65	16,032.15
July-2018	40.40	31.85	40.60	32.20	16,584.16
August-2018	38.50	32.25	38.70	32.20	17,193.20
September-2018	37.00	17.10	37.20	17.10	14,430.68
October-2018	17.95	10.25	17.65	10.15	14,201.37
November-2018	15.34	9.85	15.40	9.85	14,427.16
December-2018	11.74	8.85	11.75	8.80	14,706.69
January-2019	11.69	8.91	11.60	8.75	13,926.22
February-2019	9.60	8.00	9.60	8.00	13,689.84
March-2019	12.51	7.95	12.35	8.00	15,027.36

## Registrar and Transfer Agent ("RTA")

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai- 400 083  
Tel: +91 22 4918 6270  
Fax: +91 22 4918 6060  
e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Share Transfer System

Shareholders/ Investors are requested to send share certificate(s) along with share transfer deed in the prescribed form no. SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA. No such request was received during the year.

**Distribution of shareholding as on March 31, 2019**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of total shares
1 – 500	20,092	31,15,910	3.54
501 - 1000	2,763	22,62,414	2.57
1001 - 2000	1,593	24,94,127	2.83
2001 – 3000	603	15,69,844	1.78
3001 – 4000	260	9,45,749	1.07
4001 – 5000	301	14,47,508	1.64
5001 – 10000	359	27,18,143	3.09
10001 and above	403	7,35,08,428	83.47
<b>TOTAL</b>	<b>26,374</b>	<b>8,80,62,123</b>	<b>100.00</b>

**Category-wise Shareholding Pattern of the Company as on March 31, 2019:**

Sr. No.	Category of shareholder	No. of Shareholders	Total no. of Shares	As % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	2	2,73,70,127	31.08
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of promoter and Promoter Group</b>	<b>2</b>	<b>2,73,70,127</b>	<b>31.08</b>
(B)	Public Shareholding			
(1)	Institutions	3	59,84,887	6.80
(2)	Non Institutions	25,818	5,47,07,109	62.12
	<b>Total Public Shareholding</b>	<b>25,821</b>	<b>6,06,91,996</b>	<b>69.92</b>
(C)	Shares held by Custodians and against which the depository receipts have been issued			
(1)	Promoter and Promoter Group	0	0	0.00
(2)	Public	0	0	0.00
	<b>TOTAL(A)+(B)+(C)</b>	<b>25,823<sup>(1)</sup></b>	<b>8,80,62,123</b>	<b>100.00</b>

Note(s):-

- (1) Number of shareholders mentioned here are consolidated on PAN basis as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017

**Address for Correspondence**

The Company's dedicated e-mail address for Members' Complaints and other communications is [compliance@adlabsentertainment.com](mailto:compliance@adlabsentertainment.com).

All Members' correspondence should be forwarded to Link Intime India Pvt. Ltd., the Registrar and Transfer Agent of the Company or to the Company Secretary of the Company at any of the addresses mentioned below:

**Registered Office:**

30/31, Sangdewadi, Khopoli - Pali Road, Taluka Khalapur, District Raigad 410 203, Maharashtra.

**Corporate Office:**

9<sup>th</sup> Floor, Lotus Business Park, New Link Road, Andheri (West), Mumbai – 400 053.

**Dematerialisation of shares**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories, viz. National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). As on March 31, 2019, 99.99% of the Company's equity shares are held in dematerialised form with NSDL and CDSL.

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

The Company does not have any outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

During the Financial Year 2017-18, Company had issued and allotted 5 (Five) Convertible Warrants of ₹ 2,37,25,000/- (Rupees Two Crore Thirty Seven Lakh Twenty Five Thousand Only) each on preferential basis to Bennett Coleman and Company Limited ("BCCL") on June 20, 2017 pursuant to receipt of 25% upfront payment consideration from BCCL. The convertible warrants were to be converted in to such number of equity shares as per the terms and conditions agreed within 18 months from the date of their allotment, i.e. on or before December 19, 2018 by paying balance 75% of the consideration as per the terms and conditions agreed.

Since the company neither received any request for conversion of Share warrants into Equity Shares, nor had received balance 75% of the sums payable on such conversion option being exercised by the warrant holder, the consideration therefore paid by such warrant holders at the time of issuance of share warrants is forfeited.



## Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

## Code of conduct

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been

circulated to all the members of the Board and employees at Senior Management level and the same has been put on the company's website i.e. [www.adlabsimagica.com](http://www.adlabsimagica.com). The Board members and senior management have affirmed their compliance with the code and a declaration signed by the CEO of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the code of conduct for Directors and Senior Management of the Company for the financial year 2018-19".

**Dhimant Bakshi**

Joint CEO

**Ashutosh Kale**

Executive Director and Joint CEO

**CEO/CFO Certification**

Mr. Dhimant Bakshi, Joint Chief Executive Officer, Mr. Ashutosh Kale, Executive Director and Joint Chief Executive Officer and Mr. Mayuresh Kore, Chief Financial Officer of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of Listing Regulations.

**CERTIFICATE OF CORPORATE GOVERNANCE**

To,  
The Members,  
**ADLABS ENTERTAINMENT LIMITED**  
30/31 Sangdewadi, Khopoli-Pali Road,  
Taluka Khalapur, Raigad 410203 Maharashtra

**Re: Certificate of Corporate Governance**

We have examined the compliance of corporate governance by Adlabs Entertainment Limited, for the year ended on 31<sup>st</sup> March, 2019 as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "Listing Regulations").

The compliance of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied of Corporate Governance as stipulated in the provisions as specified in Part C of Schedule V of the Listing Regulations.

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

Place: Mumbai  
Date: May 16, 2019

**For Aabid & Co**  
Company Secretaries

**Mohammad Aabid**  
Partner  
Membership No.:F6579  
C.P.No.:6625

**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  
**Adlabs Entertainment Limited**  
 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur,  
 District Raigad, Maharashtra - 410203.

We, Aabid & Co. have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Adlabs Entertainment Limited having CIN L92490MH2010PLC199925 and having registered office at 30/31, Sangdewadi, Khopoli- Pali Road, Taluka Khalapur, District Raigad, Maharashtra-410203 India. and (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and declarations furnished to us by the Directors of the Company .

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 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.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company (DD/MM/YYYY)</b>
1.	Manmohan Shetty	00013961	10/02/2010
2.	Meghna Ghai Puri	00130085	24/05/2016
3.	Ghulam Mohammed	00173420	04/04/2014
4.	Steven A. Pinto	00871062	04/04/2014
5.	Kapil Bagla	00387814	10/02/2010
6.	Ashutosh Kale	06844520	24/05/2016

Ensuring the eligibility of 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 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.

Place: Mumbai  
 Date: May 16, 2019

**For Aabid & Co**  
 Company Secretaries

**Mohammad Aabid**  
 Partner  
 Membership No.: F6579  
 C.P.No.: 6625

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADLABS ENTERTAINMENT LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying standalone financial statements of **Adlabs Entertainment Limited** ("the Company") which comprise the balance sheet as at 31<sup>st</sup> March, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with The Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty related to Going Concern

We draw attention to Note 33 in the standalone financial statements of the Company which indicates that the Company has incurred a net loss of ₹ 34,742.95 Lakhs during the year ended 31<sup>st</sup> March, 2019 and as of that date, the net worth of the Company has been substantially eroded. Further, borrowings of the company have been called back by the secured lenders due to material breach of debt covenants by the company and consequently, the company has re-classified the borrowings as current borrowings in the standalone financial statements. Subsequent to this reclassification, the current liabilities are substantially higher than current assets of the company as at 31<sup>st</sup> March, 2019. In addition to this, application has also been made against the company by one of the secured lenders to National Company Law Tribunal (NCLT), Mumbai under the provisions of the Insolvency Bankruptcy Code, 2016 as referred in the aforementioned note. These events or conditions indicate the existence of material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

However, the standalone financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of 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 that may cast significant doubt on the Company's ability to continue as a going concern in accordance with Standards of Auditing (SA) 570 (Revised) – Going Concern are described in the "Material Uncertainty related to Going Concern" section of this report. Apart from these key audit matters, we have determined the matter described below to be the key audit matter to be communicated in our report.



## 1. De-recognition of Deferred Tax Asset

The Company has de-recognised Deferred Tax Assets (DTA) of ₹16,540.55 Lakhs on uncertainty of future taxable profits. This amount mainly comprises of carry forward of business losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961. Refer note 32 to the Standalone Financial Statements.

### Principal Audit Procedures

We have evaluated the appropriateness of the management's judgment on uncertainty or non-availability of convincing other evidence that sufficient taxable profits will be available in future. We have involved our internal experts to review the management estimation of the future taxable profits of the company. Further, we have also considered the matters which may cast significant doubt on the Company's ability to continue as a going concern as reported above which impacts the assessment of de-recognition of Deferred Tax Asset in the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above mentioned reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the above mentioned reports, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance and will take appropriate actions as per the applicable laws and regulations.

## Responsibilities of Management and Those Charged With Governance

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 purpose 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 Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with Indian Accounting Standards specified under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. 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<sup>st</sup> March, 2019 on its financial position in its standalone financial statements – Refer Note no. 30;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For A.T. Jain & Co.**  
Chartered Accountants  
(Firm Registration No.: 103886W)

**Hiten Sarvaiya**  
Partner  
Membership No.: 164094

Place: Mumbai  
Date: 16<sup>th</sup> May, 2019

**Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of ADLABS ENTERTAINMENT LIMITED**

We report that

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As per the information and explanations given to us, Fixed Assets were physically verified during the year by the management as per its programme. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
  - c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. Stock of food items, merchandise, stores and spare parts are reported to be physically verified in accordance with the procedure followed by the management. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has granted loan to one party covered in the register maintained under Section 189 of the Act.
  - a) In our opinion and on the basis of explanation given to us, the terms and conditions on which the loans had been granted to the party were not *prima facie* prejudicial to the interest of the Company.
  - b) The loan is repayable on demand and there is no overdue.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given and investment made.
5. As per the information's and explanations given to us the company has not accepted any deposits from

the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
7. 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, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> 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 material dues of income tax, sales tax, service tax, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it Relates	Forum where dispute is Pending
Custom Act, 1962	Special Additional Duty (SAD)	77.49 <sup>(1)</sup>	June – 2012 to September -2013	CESTAT
Custom Act, 1962	Penalty	1118.49	June – 2012 to September -2013	CESTAT

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it Relates	Forum where dispute is Pending
Finance tax Act, 1994	Service Tax	57.83 <sup>(2)</sup>	April - 2010 to March - 2012	CESTAT
Finance tax Act, 1994	Penalty	64.74	April - 2010 to March - 2012	CESTAT

Note(s):-

(1) Total demand ₹1,118.49 Lakhs – amount deposited ₹1,041.00 Lakhs.

(2) Total demand ₹ 64.74 Lakhs – amount deposited ₹ 6.91 Lakhs.

8. According to the information and explanation given to us and based on the documents and records examined by us, the company has defaulted in repayment of loans due to following banks and financial institutions:-

Name of the Lenders	Amount of default as at the balance sheet date (₹ in Lakhs)	Period of default (Maximum No. of days delayed)
<b>A. Banks</b>		
1. Union Bank of India	25,925.73	372 days
2. Bank of Baroda	13,907.75	366 days
3. Vijaya Bank	5,460.95	336 days
4. Syndicate bank	5,147.36	244 days
5. Punjab and Sind Bank	5,218.89	244 days
6. Jammu and Kashmir Bank	6,833.61	244 days
7. Indian Overseas Bank	9,294.13	244 days
8. Corporation Bank	7,305.03	244 days
9. Dena Bank	4,383.47	244 days
10. Central Bank of India	4,941.34	244 days
11. Bank of India	6,033.88	244 days
<b>B. Financial Institutions</b>		
1. Life Insurance Corporation of India	4,628.61	366 days
2. Tourism Finance Corporation of India	5,313.39	366 days

9. In our opinion and on the basis of information and explanations given to us, money raised by way of public offer and the term loans were applied for the purposes for which they were raised.

10. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the company, the company has complied with the provision of section 42 of the Act while making preferential allotment or private placement of shares during the year and the amount raised were utilized for the purpose for which the funds were raised.
15. 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.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For A.T. Jain & Co.**

Chartered Accountants  
(Firm Registration No.: 103886W)

**Hiten Sarvaiya**

(Partner)  
Membership No.: 164094  
Place: Mumbai  
Date: 16<sup>th</sup> May, 2019

## **Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of ADLABS ENTERTAINMENT LIMITED**

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

We have audited the internal financial controls over financial reporting of Adlabs Entertainment Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively

as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A.T. Jain & Co.**

Chartered Accountants  
(Firm's Registration No.:103886W)

**Hiten Sarvaiya**

Partner  
Membership No.: 164094  
Place: Mumbai  
Date: 16<sup>th</sup> May, 2019





## Balance Sheet as on 31<sup>st</sup> March, 2019

(₹ in Lakhs)

	Notes	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	3	1,12,713.21	1,13,313.40
(b) Capital work- in-progress		286.24	8,620.08
(d) Other intangible asset	4	1,799.55	2,189.61
(e) Intangible assets under development		53.92	53.92
(f) Financial assets			
(i) Investments	5	10,618.16	10,618.16
(ii) Other financial asset	6	12.43	52.54
(i) Deferred tax assets (net)	32	-	16,540.55
(j) Other Non-current Assets	7	433.37	1,105.83
		<b>1,25,916.88</b>	<b>1,52,494.09</b>
<b>Current Assets</b>			
(a) Inventories	8	1,415.82	1,428.78
(b) Financial assets			
i) Trade receivables	9	940.15	511.62
ii) Cash and cash equivalents	10	185.47	284.01
iii) Bank balances other than (ii) above	11	43.60	3.46
iv) Loans	12	1,293.66	1,239.79
v) Other advances	13	52.89	349.53
(c) Current tax assets (net)		405.10	326.04
(d) Other Current Assets	14	1,344.30	1,572.92
		<b>5,680.99</b>	<b>5,716.15</b>
<b>Total</b>		<b>1,31,597.87</b>	<b>1,58,210.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	8,806.21	8,806.21
(b) Other Equity		(2,630.48)	32,108.73
		<b>6,175.73</b>	<b>40,914.94</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	-	89,114.99
(b) Provisions	17	132.11	138.65
		<b>132.11</b>	<b>89,253.64</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	1,07,259.08	8,376.61
(ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	36	39.20	12.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,662.46	2,729.82
(iii) Other Financial Liabilities	19	12,439.72	12,899.51
(b) Other Current Liabilities	20	2,816.00	3,997.51
(c) Provisions	21	73.57	25.46
		<b>1,25,290.03</b>	<b>28,041.66</b>
<b>Total</b>		<b>1,31,597.87</b>	<b>1,58,210.24</b>
Summary of Significant Accounting Policies. The accompanying notes are an integral part of the financial statements.	2		

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

Place: Mumbai

Date : 16<sup>th</sup> May, 2019**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited****Manmohan Shetty**  
Chairman**Ashutosh Kale**  
Executive Director & Jt. CEO**Dhimant Bakshi**  
Jt. CEO**Mayuresh Kore**  
Chief Financial Officer**Divyata Raval**  
Company Secretary

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019

(₹ in Lakhs)

	Notes	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
<b>INCOME:</b>			
Revenue from operations	22	24,037.88	23,628.77
Other income	23	629.04	99.14
<b>Total Revenue ( I )</b>		<b>24,666.92</b>	<b>23,727.91</b>
<b>EXPENSES:</b>			
Cost of material consumed	24	1,524.73	1,528.73
Purchase of trading goods			
Merchandise		827.29	1,024.05
Changes in inventories of stock-in-trade	25	90.34	44.28
Employee benefit expenses	26	5,387.89	5,109.30
Finance cost	27	13,383.61	12,641.65
Depreciation and amortisation expense (Refer Note No. 2.6 & 2.7)	3 & 4	10,177.55	9,242.37
Other expenses	28	11,477.91	9,654.96
<b>Total Expenses ( II )</b>		<b>42,869.32</b>	<b>39,245.34</b>
<b>Profit / (Loss) before exceptional and tax ( I-II )</b>		<b>(18,202.40)</b>	<b>(15,517.43)</b>
<b>Exceptional items</b>		-	-
<b>Profit / (Loss) before tax</b>		<b>(18,202.40)</b>	<b>(15,517.43)</b>
<b>Tax Expenses</b>			
Current tax		-	-
Deferred tax	32	16,540.55	-
<b>Profit/ (loss) for the year from continuing operations</b>		<b>(34,742.95)</b>	<b>(15,517.43)</b>
<b>Profit/ (loss) from discontinued operations</b>			
<b>Tax expense of discontinued operations</b>			
<b>Profit/ (loss) from discounting operations (after tax)</b>		-	-
<b>Profit/ (loss) for the year</b>		<b>(34,742.95)</b>	<b>(15,517.43)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/asset,		3.74	(26.18)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>(34,739.21)</b>	<b>(15,543.61)</b>
<b>Earnings per equity share (for continuing operations)</b>	29		
Basic		(39.45)	(18.72)
Diluted		(39.45)	(18.72)
<b>Earnings per equity share (for discontinued operations)</b>			
Basic		-	-
Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
Basic		(39.45)	(18.72)
Diluted		(39.45)	(18.72)
Summary of Significant Accounting Policies.	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

Place: Mumbai

Date : 16<sup>th</sup> May, 2019**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited****Manmohan Shetty**  
Chairman**Ashutosh Kale**  
Executive Director & Jt. CEO**Dhimant Bakshi**  
Jt. CEO**Mayuresh Kore**  
Chief Financial Officer**Divyata Raval**  
Company Secretary

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019

(₹ in Lakhs)

	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net loss before tax	(18,202.40)	(15,517.43)
<b>Adjustments for:</b>		
Depreciation and amortisation	10,177.55	9,242.37
Loss/(Gain) on Sale of Fixed Assets	-	4.06
Actuarial gains/(loss) in OCI	3.74	(26.18)
Interest income	(3.59)	(3.97)
Interest expense and finance cost	13,383.61	12,641.65
<b>Operating Loss before Working Capital Changes</b>	<b>5,358.91</b>	<b>6,340.50</b>
Movements in working capital:		
Decrease / (increase) in trade receivables	(428.53)	(153.70)
(Decrease) / increase in trade payables	(40.91)	(316.37)
Decrease / (increase) in inventories	12.96	(91.11)
Decrease / (increase) in other current and non current assets	1,199.51	(1,165.80)
(Decrease) / increase in current and non current liabilities	(1,139.94)	26.89
<b>Cash Generated from Operations</b>	<b>4,962.00</b>	<b>4,640.41</b>
Direct taxes paid (net of refunds)	(79.09)	(90.94)
<b>Net Cash generated in Operating Activities</b>	<b>4,882.91</b>	<b>4,549.47</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Tangible & Intangible assets and change in capital work-in-progress	(853.43)	(1,116.82)
Advance received for Sale of FA	-	1,500.00
Loan to related parties	(55.66)	(1,266.80)
Sale of Fixed Assets	-	7.12
Interest income	3.56	4.03
<b>Net Cash Used in Investing Activities</b>	<b>(905.53)</b>	<b>(872.47)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares	-	6,482.81
Proceeds / (Repayment) of Unsecured Term Loans from promoter (net)	162.75	(261.68)
Proceeds/ (Repayment) from non current borrowings (net)	-	(1,275.42)
Proceeds/ (Repayment) of Loan from Subsidiary companies	-	(506.08)
Proceeds/ (Repayment) of Loan from others	200.00	-
Proceeds/ (Repayment) from current borrowings (net)	(552.22)	3,500.00
Interest expense and finance cost paid	(3,886.45)	(12,042.98)
<b>Net Cash used in Financing Activities</b>	<b>(4,075.92)</b>	<b>(4,103.35)</b>
Net increase in cash and cash equivalents (A + B + C)	(98.54)	(426.35)
Cash and cash equivalents at the beginning of the year	284.01	710.36
<b>Cash and cash equivalents at the end of the year</b>	<b>185.47</b>	<b>284.01</b>
<b>Components of cash and cash equivalents as end of the year</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Cash on hand	80.33	126.40
With banks - on current account	105.14	157.61
<b>Cash and cash equivalent in cashflow statement</b>	<b>185.47</b>	<b>284.01</b>

**Notes :**

1. Comparative figures are regrouped wherever necessary.
2. Figures in bracket represent cash outflow.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

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

**Adlabs Entertainment Limited**

**Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director & Jt. CEO

**Dhimant Bakshi**

Jt. CEO

**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary

Place: Mumbai

Date : 16<sup>th</sup> May, 2019

**Statement of changes in equity for the year ended 31<sup>st</sup> March, 2019****A: Equity Share Capital**

(₹ in Lakhs)

	<b>For the year ended 31<sup>st</sup> March, 2019</b>
Balance at the beginning of the reporting year	8,806.21
Add/Less:- Changes in Equity share capital during the year	-
<b>Balance at the end of the reporting year</b>	<b>8,806.21</b>
	For the year ended 31 <sup>st</sup> March, 2018
Balance at the beginning of the reporting year	7,989.78
Add :- Issued during the year	816.43
Balance at the end of the reporting year	8,806.21

**B: Other Equity****For the year ended 31<sup>st</sup> March, 2019**

(₹ in Lakhs)

Particular	Reserves and Surplus			Other comprehensive income	Money received against Share warrant	Total
	Capital Reserves	Securities Premium	Retained Earning			
Balance as at 1 <sup>st</sup> April, 2018		84,250.44	(52,468.28)	30.01	296.56	32,108.73
Total comprehensive Income for the year			(34,742.95)	3.74		(34,739.21)
Transferred to Capital Reserve on forfeiture (Refer Note No. 49)	296.56				(296.56)	-
<b>Balance as on 31<sup>st</sup> March, 2019</b>	<b>296.56</b>	<b>84,250.44</b>	<b>(87,211.23)</b>	<b>33.75</b>	<b>-</b>	<b>(2,630.48)</b>

**For the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particular	Reserves and Surplus		Other comprehensive income	Money received against Share warrant	Total
	Securities Premium	Retained Earnings			
Balance as at 1 <sup>st</sup> April, 2017	78,880.62	(36,950.85)	56.19		41,985.96
Addition during the year	5,369.82				5,369.82
Total comprehensive Income for the year		(15,517.43)	(26.18)		(15,543.61)
Warrant Issued during the year				296.56	296.56
Balance as on 31 <sup>st</sup> March, 2018	84,250.44	(52,468.28)	30.01	296.56	32,108.73

Any part of the reserves presented under Equity Instruments through other comprehensive income which is realised in cash shall be disclosed separately.

@ - Debit balance of Statement of Profit and Loss shall be shown as a negative figure under the head 'Retained Earnings'.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Hiten Sarvaiya**

Partner

Membership No.: 164094

**Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director & Jt. CEO

**Dhimant Bakshi**

Jt. CEO

Place: Mumbai

Date: 16<sup>th</sup> May, 2019

**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION:

Adlabs Entertainment Limited (the Company) is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad 410 203.

The Company is engaged in the business of development and operations of theme based entertainment destinations in India, including theme parks, water parks and associated activities including retail merchandising and food and beverages. The flagship project of the company is located at Khalapur, on Mumbai Pune Expressway and is branded as “Imagica – Theme Park” for the theme park component, “Imagica – Water Park” for the water park component, “Imagica-Snow Park” for the snow park component and “Hotel – Novotel Imagica” for the Hotel component. During the F.Y 2018-2019, the Company has launched second phase of Hotel with 171 rooms.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation of Standalone Financial Statements

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in accounting policy hitherto in use.

The standalone financial statements are presented in Indian Rupees (‘INR’) and all values are rounded off to the nearest Lakh, except otherwise indicated.

#### 2.2 Use of Assumptions Judgments and Estimates

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

#### Critical accounting estimates:

##### (a) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs

## Notes forming part of the Financial Statements

of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

### **(b) Defined benefit plans:**

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and attrition rate. 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.

### **(c) Fair value measurement of financial instruments:**

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

### **(d) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### **(e) Deferred Tax:**

Significant judgments are involved in assessing the realizability of deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

### **(f) Property, Plant and Equipment:**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the



## Notes forming part of the Financial Statements

expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### 2.3 Recent Pronouncements

#### (a) Ind AS 116 - Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 – Leases. Ind AS 116 will replace the existing Standard i.e. Ind AS 17 – Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized 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 recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

#### (b) Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax

## Notes forming part of the Financial Statements

treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

### (c) **Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

## 2.4 Revenue Recognition

The Company has revenue recognition policies for its various operating segments that are appropriate to the nature of each business. The revenues are recognized when the general revenue recognition criteria given in Ind AS 115 are met.

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

The Company measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Company presents revenues net of indirect taxes collected in its statement of profit and loss.

Advances received for services and products are reported as "Advance received against sale" until all conditions for revenue recognition are met.

## Notes forming part of the Financial Statements

### **Tickets:**

Revenues from Theme park/ Water park/ Snow park ticket sales are recognized when the tickets are issued.

The accounting policy for recognizing revenue from sale of Open Pass/ Gift Passes or Open Day Tickets with all days validity which are Non-Refundable in nature are recognized when Passes/ Tickets are utilized or expired.

### **Food/Beverages:**

Revenue is recognized when food/ drinks are supplied or served or services rendered.

### **Merchandise:**

Retail sale are recognized on delivery of the merchandise to the customer, when the property in goods and significant risk and rewards are transferred for a price and no effective ownership control is retained.

### **Room Revenue:**

Revenue recognized upon rendering of services.

### **Barter:**

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue.

When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

### **Others:**

The revenue is recognized on accrual basis and when significant risk and rewards are transferred. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Lease rentals are recognized on a straight line basis over the lease term.

## **2.5 Taxes on Income**

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

### **Current Tax:**

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred Tax:**

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at

## Notes forming part of the Financial Statements

each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.6 Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work in progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as "Capital Advances" under other non-current assets. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Property, plant and equipment are eliminated from standalone financial statement on disposal. Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

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

## Notes forming part of the Financial Statements

Depreciation is charged on Straight Line Method over the useful life of the assets as specified in Schedule II of the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower. Useful life of the assets is tabulated below.

Sr.No.	Nature of Asset	Estimated Useful Life
<b>1.</b>	<b>Building</b>	
(a)	RCC Frame Structure ( Other than factory building )	60 Years
(b)	other than RCC Frame Structure ( Other than factory building )	30 Years
<b>2.</b>	<b>Roads</b>	5 Years
<b>3.</b>	<b>Plant and Machinery</b>	15 Years
<b>4.</b>	<b>Furniture and fittings</b>	
(a)	General furniture and fittings	10 Years
(b)	Furniture and fittings used in hotels and restaurants.	8 Years
<b>5.</b>	<b>Motor Vehicles</b>	
(a)	Motor cycles	8 Years
(b)	Motor buses and motor cars.	8 Years
(c)	Electrically operated vehicles including battery powered or fuel cell powered vehicles.	8 Years
<b>6.</b>	<b>Office equipments</b>	5 Years
<b>7.</b>	<b>Computers and data processing units</b>	
(a)	Servers and networks	6 Years
(b)	End user devices, such as, desktops, laptops, etc.	3 Years
<b>8.</b>	<b>Electrical Installations and Fittings</b>	10 Years
<b>9.</b>	<b>Pipes &amp; Fittings</b>	15 Years
<b>10.</b>	<b>Trees &amp; Nursery</b>	3 Years to 30 Years

### 2.7 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the estimated useful economic life of the assets by using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

## Notes forming part of the Financial Statements

**Intangible assets are amortized as follows:**

Sr. No.	Nature of asset	Estimated Useful Life
1.	Trademarks and Logos	10 Years
2.	Softwares	6 Years
3.	Films	10 Years

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

### 2.8 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is arrived in the following manner:

Food items	:	Weighted Average Basis
Merchandise	:	Cost
Consumable & Spare Parts	:	Cost

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

### 2.9 Non-Current Assets held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.



## Notes forming part of the Financial Statements

### 2.10 Financial Instruments

#### (i) Financial Assets:

##### Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through Profit and Loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

##### Subsequent measurement:

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

## Notes forming part of the Financial Statements

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

### **De - recognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset; or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Investment in Subsidiaries**

The Company has accounted for its investment in subsidiaries at cost.

#### **(ii) Financial Liabilities:**

##### **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

## Notes forming part of the Financial Statements

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **De - recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **(iii) Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Notes forming part of the Financial Statements

### 2.11 Impairment of Asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

#### **Impairment of financial assets:**

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### 2.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed, where an inflow of economic benefits is probable.

### 2.13 Foreign Currency Transactions

#### **Functional currency:**

The functional currency of the company is Indian Rupees ('INR'). These standalone financial statements are presented in Indian Rupees and the all values are rounded to the nearest Lakh, except otherwise indicated.

#### **Transactions and translations:**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and nonmonetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## Notes forming part of the Financial Statements

### 2.14 Borrowing Cost

Borrowing costs that are attributable to acquisition and construction of qualifying assets are capitalized till the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. The Company has capitalized borrowing costs of ₹ NIL.

All other borrowing costs are recognized as expenditure in the year in which they are incurred.

### 2.15 Earnings per Equity Share

#### Basic earnings per share:

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected.

### 2.16 Employee Benefit

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as

## Notes forming part of the Financial Statements

giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest expense or income.

### Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

### Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

## 2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.19 Lease

Operating Lease

### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as

## Notes forming part of the Financial Statements

lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

### As a lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 2.20 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the standalone financial statements.

### 2.21 Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.



## Notes forming part of the Financial Statements

### NOTE 3 : Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK			As at 31 <sup>st</sup> March, 2019	DEPRECIATION			As at 31 <sup>st</sup> March, 2019	NET BLOCK	
	As at 1 <sup>st</sup> April, 2018	Additions during the Year	Deductions/ Decapitalized during the Year		As at 1 <sup>st</sup> April, 2018	Depreciation for the Year	Deduction during the Year		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Land ( Refer Note no. 48a )	15,065.42	425.56	-	15,490.98	-	-	-	15,490.98	15,065.42	
Servers and networks	1,289.39	138.88	-	1,428.27	880.69	240.96	-	1,121.65	408.70	
End user devices	368.38	1.70	-	370.08	339.10	29.39	-	368.49	29.28	
Electrical Installation	9,315.04	1,027.69	-	10,342.73	3,847.14	1,031.07	-	4,878.21	5,467.90	
Furniture & Fixtures	10,579.38	4,064.93	-	14,644.31	4,316.86	1,636.74	-	5,953.60	6,262.52	
Office Equipments	3,431.05	586.91	-	4,017.96	2,596.89	668.15	-	3,265.04	834.16	
Plant & Machinery	61,137.77	200.20	-	61,337.97	17,182.64	4,224.44	-	21,407.08	43,955.12	
Building	44,239.07	2,582.18	-	46,821.25	5,621.82	1,412.64	-	7,034.46	38,617.25	
Building Road	1,050.59	15.93	-	1,066.52	757.51	185.40	-	942.91	293.08	
Pipes and Fittings	2,602.56	-	-	2,602.56	400.45	173.50	-	573.95	2,202.11	
Vehicles	216.37	11.05	-	227.42	143.40	27.67	-	171.07	72.97	
Electrical Vehicle	39.18	-	-	39.18	21.63	4.90	-	26.53	17.55	
Nursery	438.29	0.33	-	438.62	420.29	18.02	-	438.31	18.00	
Nursery - Tree	81.03	-	-	81.03	11.67	2.70	-	14.37	69.36	
<b>Total- A</b>	<b>1,49,853.52</b>	<b>9,055.36</b>	<b>-</b>	<b>1,58,908.88</b>	<b>36,540.09</b>	<b>9,655.58</b>	<b>-</b>	<b>46,195.67</b>	<b>1,12,713.21</b>	<b>1,13,313.41</b>

### NOTE 4 : Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK			As at 31 <sup>st</sup> March, 2019	DEPRECIATION			As at 31 <sup>st</sup> March, 2019	NET BLOCK	
	As at 1 <sup>st</sup> April, 2018	Additions during the Year	Deductions/ Decapitalized during the Year		As at 1 <sup>st</sup> April, 2018	Depreciation for the Year	Deduction during the Year		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Software	1,207.81	131.91	-	1,339.72	800.19	209.11	-	1,009.30	407.62	
Logo and Trade Mark	69.58	-	-	69.58	31.60	6.96	-	38.56	37.98	
Film	3,059.06	-	-	3,059.06	1,315.04	305.91	-	1,620.95	1,744.01	
<b>Total- B</b>	<b>4,336.45</b>	<b>131.91</b>	<b>-</b>	<b>4,468.36</b>	<b>2,146.83</b>	<b>521.98</b>	<b>-</b>	<b>2,668.81</b>	<b>2,189.61</b>	
<b>Grand Total A+B</b>	<b>1,54,189.97</b>	<b>9,187.27</b>	<b>-</b>	<b>1,63,377.24</b>	<b>38,686.92</b>	<b>10,177.56</b>	<b>-</b>	<b>48,864.48</b>	<b>1,14,512.76</b>	<b>1,15,503.02</b>

## Notes forming part of the Financial Statements

### NOTE 3 : Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1 <sup>st</sup> April, 2017	Additions during the Year	Deductions/ Decapitalized during the Year	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	Depreciation for the Year	Deduction during the Year	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Land ( Refer Note no. 48a )	15,065.42	-	-	15,065.42	-	-	-	-	15,065.42	15,065.42
Servers and networks	1,289.39	-	-	1,289.39	665.81	214.88	-	880.69	408.70	623.58
End user devises	368.29	0.09	-	368.38	300.54	38.55	-	339.09	29.29	67.74
Electrical Installation	9,243.15	74.71	2.81	9,315.05	2,918.46	928.68	-	3,847.14	5,467.91	6,324.68
Furniture & Fixtures	10,493.51	130.30	45.42	10,578.39	3,135.87	1,180.96	-	4,316.83	6,261.56	7,357.64
Office Equipments	3,414.42	12.95	1.07	3,426.30	1,920.90	675.66	0.10	2,596.46	829.84	1,493.52
Plant & Machinery	60,124.46	18.89	2.99	60,140.36	13,260.78	3,891.93	-	17,152.71	42,987.65	46,863.69
Building	43,929.70	158.29	20.15	44,067.84	4,263.07	1,356.19	-	5,619.26	38,448.58	39,666.63
Building Road	1,019.09	31.50	-	1,050.59	548.75	208.77	-	757.52	293.07	470.34
Pipes and Fittings	1,330.45	1,272.00	-	2,602.45	248.09	152.36	-	400.45	2,202.00	1,082.37
Vehicles	248.63	5.80	38.07	216.36	139.20	31.09	26.89	143.40	72.96	109.43
Electrical Vehicle	39.18	-	-	39.18	16.73	4.90	-	21.63	17.55	22.45
Nursery	441.50	-	3.22	438.28	362.32	57.98	-	420.30	17.98	79.18
Nursery - Tree	80.28	0.75	-	81.03	8.98	2.69	-	11.67	69.36	71.30
Rides & Attraction - Bandit of Robinhood (Refer Note no. 51)	1,174.38	-	-	1,174.38	32.97	-	-	32.97	1,141.41	1,141.41
<b>Total- A</b>	<b>1,48,261.85</b>	<b>1,705.28</b>	<b>113.73</b>	<b>1,49,853.40</b>	<b>27,822.47</b>	<b>8,744.64</b>	<b>26.99</b>	<b>36,540.12</b>	<b>1,13,313.28</b>	<b>1,20,439.39</b>

### NOTE 4 : Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1 <sup>st</sup> April, 2017	Additions during the Year	Deductions/ Decapitalized during the Year	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	Depreciation for the Year	Deduction during the Year	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Software	1,201.41	15.02	8.62	1,207.81	615.33	184.86	-	800.19	407.62	586.08
Logo and Trade Mark	69.58	-	-	69.58	24.64	6.96	-	31.60	37.98	44.94
Film	3,059.06	-	-	3,059.06	1,009.14	305.91	-	1,315.05	1,744.01	2,049.93
<b>Total- B</b>	<b>4,330.05</b>	<b>15.02</b>	<b>8.62</b>	<b>4,336.45</b>	<b>1,649.11</b>	<b>497.73</b>	<b>-</b>	<b>2,146.84</b>	<b>2,189.61</b>	<b>2,680.96</b>
<b>Grand Total A+B</b>	<b>1,52,591.90</b>	<b>1,720.30</b>	<b>122.35</b>	<b>1,54,189.85</b>	<b>29,471.58</b>	<b>9,242.37</b>	<b>26.99</b>	<b>38,686.96</b>	<b>1,15,502.89</b>	<b>1,23,120.35</b>

## Notes forming part of the Financial Statements

### NOTE 5 : Investments

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Investment in Equity Instruments	
<b>Subsidiaries</b>	
Walkwater Properties Private Limited ( F.V. ₹ 10/-) (No. of Equity shares CY-2,15,66,321, PY- 2,15,66,321)	10,617.16
Blue Haven Entertainment Private Limited.(F.V. ₹10 /-) (No. of Equity shares CY-10,000, PY- 10,000)	1.00
<b>Total</b>	<b>10,618.16</b>
Aggregate value of unquoted investment	10,618.16

### NOTE 6 : Other

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
<b>Bank deposits</b>	
Fixed deposits ( pledge with banks)	52.54
<b>Total</b>	<b>52.54</b>

### NOTE 7 : Other Non-Current Assets

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
<b>Capital Advances</b>	
i) Advance for land at Khalapur (Unsecured, considered doubtful , Refer Note no. 50)	667.64
Less:- Provision for doubtful advances	-
	667.64
ii) Other Advances for land	134.13
<b>Advances other than capital advances</b>	
Security deposits	
Unsecured, considered good	273.69
Deposits with government authorities	30.37
<b>Total</b>	<b>1,105.83</b>

## Notes forming part of the Financial Statements

### NOTE 8 : Inventories

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
<b>Raw material</b>	
Food Items	201.28
<b>Trading goods</b>	
Merchandise	493.61
Stores and spares	733.89
<b>Total</b>	<b>1,428.78</b>

### NOTE 9 : Trade Receivables

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
<b>Trade Receivables</b>	
Trade Receivables considered good - Unsecured	511.62
Trade Receivables which have significant increase in Credit Risk	-
Trade Receivables - credit impaired	29.03
	540.65
Less: Allowances for credit losses	29.03
<b>Total</b>	<b>511.62</b>

### NOTE 10 : Cash and Cash Equivalents

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
<b>Cash and Cash Equivalents</b>	
Balance with banks	157.61
Cash on hand	126.40
<b>Total</b>	<b>284.01</b>

### NOTE 11 : Bank Balances Other Than Above

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Fixed deposits (pledge with banks)	3.46
<b>Total</b>	<b>3.46</b>

### NOTE 12 : Loans

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Loan receivables considered good - Unsecured	
Loan to related parties	1,234.58
Other Loans	
Loan to employees	5.21
<b>Total</b>	<b>1,239.79</b>

## Notes forming part of the Financial Statements

### NOTE 13 : Other Advances

	(₹ in Lakhs)	
	<b>As at 31<sup>st</sup> March, 2019</b>	As at 31 <sup>st</sup> March, 2018
Deposit- others	1.00	297.64
Balance with government authorities	32.26	32.26
Receivable from Gratuity Trust	19.63	19.63
<b>Total</b>	<b>52.89</b>	<b>349.53</b>

### NOTE 14 : Other Current Assets

	(₹ in Lakhs)	
	<b>As at 31<sup>st</sup> March, 2019</b>	As at 31 <sup>st</sup> March, 2018
Advances other than capital advance		
Advance to related party	203.30	32.22
Advances to suppliers	947.43	1,345.81
Others		
Prepaid expenses	156.11	139.35
Other receivables	23.54	32.38
Rent Equalisation	11.77	10.71
Income Accrued but not due	2.15	10.88
Prepaid Gratuity (Refer Note no. 38)	-	1.57
<b>Total</b>	<b>1,344.30</b>	<b>1,572.92</b>

### NOTE 15 : Equity Share Capital

	(₹ in Lakhs)	
	<b>As at 31<sup>st</sup> March, 2019</b>	As at 31 <sup>st</sup> March, 2018
<b>Authorised Capital</b>		
<b>20,00,00,000</b> (Previous Year: 20,00,00,000)		
Equity shares of ₹ 10/- each	20,000.00	20,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
<b>8,80,62,123</b> (Previous Year: 8,80,62,123)		
Equity shares of ₹ 10/- each, fully paid up	8,806.21	7,989.78
Add:- Issued during the year	-	816.43
<b>Total</b>	<b>8,806.21</b>	<b>8,806.21</b>

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

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Number of shares	(₹ in Lakhs)	Number of shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	8,80,62,123	8,806.21	7,98,97,810	7,989.78
Add:- Issued during the year	-	-	81,64,313	816.43
<b>Outstanding at the end of the year</b>	<b>8,80,62,123</b>	<b>8,806.21</b>	<b>8,80,62,123</b>	<b>8,806.21</b>

## Notes forming part of the Financial Statements

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

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 shares held by holding Company

Name of the Shareholder	No of Shares	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
NA	-	-

### (d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Thrill Park Limited	2,72,41,127	30.93	4,20,00,087	47.69
India Advantage Fund S3 I	72,93,957	8.28	1,04,34,779	11.85
Shaan Agro And Realty India Private Limited	69,15,629	7.85	69,15,629	7.85
Begonia Realtors Private Limited	54,90,885	6.23	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### NOTE 16 : Borrowings

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Term Loans (Secured)</b>		
From banks ( Refer Note no. 45)	-	89,270.31
From financial institutions ( Refer Note no. 45)	-	9,801.63
	-	<b>99,071.94</b>
Less:- Amount disclosed under the head "Other current liabilities" (Refer Note no. 19)	-	9,956.95
<b>Total</b>	-	<b>89,114.99</b>
The above amount includes		
Loan guaranteed by promoters (Secured)	-	99,071.94

## Notes forming part of the Financial Statements

### NOTE 17 : Provisions

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Provision for Employee benefits	138.65
Provision for leave encashment	132.11
<b>Total</b>	<b>138.65</b>

### NOTE 18 : Borrowings

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Loan from banks ( Secured ) (Refer Note no. 39)	3,500.00
Loan from related party ( Unsecured) (Refer Note no. 40)	4,876.61
Loan from other companies (Unsecured)	-
<b>Total</b>	<b>8,376.61</b>
The above amount includes	
Loan guaranteed by promoters (Secured)	3,500.00

### NOTE 19 : Other Financial Liabilities

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Current maturity of long term borrowings (Refer Note no. 16)	9,956.95
Interest accrued and due (Refer Note no. 39)	2,942.56
<b>Total</b>	<b>12,899.51</b>

### NOTE 20 : Other Current Liabilities

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Revenue received in advances	764.86
Others	
IPO Expense Payable	73.00
Statutory dues	348.43
Security deposits from sales agents	26.60
Sundry creditors for land purchase	407.59
Advance received against Sale of Hotel	1,500.00
Sundry creditors for capital goods and services	877.03
<b>Total</b>	<b>3,997.51</b>



## Notes forming part of the Financial Statements

### NOTE 21: Provisions

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provisions for employee benefits		
Provision for gratuity (Refer Note no. 38)	57.88	-
Provision for leave travel allowance	8.14	17.78
Provision for leave encashment	7.55	7.68
<b>Total</b>	<b>73.57</b>	<b>25.46</b>

### NOTE 22 : Revenue from Operations

	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
Sale of products	8,166.53	7,185.54
Sale of Services	13,710.58	15,052.88
Other operating revenue	2,160.77	1,390.35
<b>Revenue from Operations (Net)</b>	<b>24,037.88</b>	<b>23,628.77</b>
<b>Details of Sale of Product</b>		
Food & beverages	6,363.68	5,201.89
Merchandise sales	1,802.85	1,983.65
<b>Total</b>	<b>8,166.53</b>	<b>7,185.54</b>
<b>Details of Sale of Services</b>		
Tickets sales	11,447.59	13,008.31
Room Revenue	2,262.99	2,044.57
<b>Total</b>	<b>13,710.58</b>	<b>15,052.88</b>
<b>Details of Other Operating Revenue</b>		
Income from parking services	143.88	145.81
Income from third party logistic services	366.74	489.41
Income from space on hire	341.69	265.85
Income from lockers	240.87	182.94
Misc. Income	1,067.59	306.34
<b>Total</b>	<b>2,160.77</b>	<b>1,390.35</b>
<b>Details of Barter Transaction</b>		
Tickets sales	2,245.95	1,939.36
Food & beverages	1,316.58	26.40
Room Revenue	-	9.56
<b>Total</b>	<b>3,562.53</b>	<b>1,975.32</b>

## Notes forming part of the Financial Statements

### NOTE 23 : Other Income

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Income from liquid fund investments	2.53	13.89
Interest Income	6.33	3.97
Other non operating Income	620.18	81.28
<b>Total</b>	<b>629.04</b>	<b>99.14</b>

### NOTE 24 : Cost of Material Consumed

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Cost of food & beverage, others	1,380.91	1,395.87
Cost of liquor	143.82	132.86
<b>Total</b>	<b>1,524.73</b>	<b>1,528.73</b>

### NOTE 25 : Changes in Inventories of Stock-In-Trade

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Stock in trade at the beginning of the year		
- Merchandise	493.61	537.89
Less: Stock in trade at the end of the year		
- Merchandise	403.27	493.61
<b>Total</b>	<b>90.34</b>	<b>44.28</b>

### NOTE 26 : Employee Benefit Expenses

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Salaries, wages and bonus	4,596.18	4,294.60
Contribution to provident fund	250.01	241.93
Employee welfare and other amenities	541.70	572.77
<b>Total</b>	<b>5,387.89</b>	<b>5,109.30</b>

### NOTE 27 : Finance Cost

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Interest	13,099.43	12,393.24
Funds raising expenses	282.59	222.01
Bank charges	1.59	26.40
<b>Total</b>	<b>13,383.61</b>	<b>12,641.65</b>

## Notes forming part of the Financial Statements

### NOTE 28 : Other Expenses

	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
		(₹ in Lakhs)
Consumables & spares parts	76.78	62.63
Rent	168.75	188.56
Rates and taxes	163.23	294.33
Repairs and Maintenance	1,164.98	910.59
Power, fuel and water	1,819.09	1,692.49
Freight and forwarding expenses	0.85	5.08
House keeping expenses	720.75	692.37
Event & entertainment expenses	110.80	61.06
Advertisement, sales and marketing expenses	3,618.03	2,839.02
Insurance expense	87.01	95.33
Communication expenses	43.45	48.76
Travelling and conveyance expenses	497.25	718.27
Payment to auditors (Refer Note no. 35)	19.25	19.78
Legal and professional fees	395.88	332.49
Provision for Doubtful Debts	4.36	7.74
Bad Debts Written off	3.03	-
Provision for Doubtful Advances	667.64	-
Foreign exchange loss ( net)	0.47	1.01
Commission	1,293.21	1,115.10
Security and safety expenses	363.73	315.65
Printing and stationery expenses	73.97	62.33
Directors sitting fees	15.00	26.79
Loss on Sale of Assets	-	4.06
Other operating expenses	170.40	161.54
<b>Total</b>	<b>11,477.91</b>	<b>9,654.98</b>

### NOTE 29: Earnings Per Share (EPS) - (Ind AS 33)

Sr. No	Particulars	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
1	Face Value per equity share in Rupees	10.00	10.00
2	Weighted Average number of equity shares outstanding	8,80,62,123	8,29,00,131
3	Net (Loss) as per Profit and Loss Statement (Continuing Operation) Rupees in Lakhs	(34,742.95)	(15,517.43)
4	Weighted Average earning per share from Continuing Operation (Basic and Diluted) in Rupees	(39.45)	(18.72)
5	Net (Loss) as per Profit and Loss Statement ( from Discontinuing Operation ) Rupees in Lakhs	-	-
6	Weighted Average earning per share from Discontinuing Operation (Basic and Diluted) in Rupees	-	-
7	Net (Loss) as per Profit and Loss Statement ( Continuing and Discontinuing Operation ) Rupees in Lakhs	(34,742.95)	(15,517.43)
8	Weighted Average earning per share from Continuing and Discontinuing Operation ( Basic and Diluted) in Rupees	(39.45)	(18.72)

## Notes forming part of the Financial Statements

### NOTE 30: Contingent Liabilities

Claim against the Company not acknowledged as debts for the year ended March 31, 2019 are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it Relates	Forum where dispute is Pending
Custom Act, 1962	Special Additional Duty (SAD)	77.49 <sup>(1)</sup>	June – 2012 to September -2013	CESTAT
Custom Act, 1962	Penalty	1,118.49	June – 2012 to September -2013	CESTAT
Finance tax Act, 1994	Service Tax	57.83 <sup>(2)</sup>	April - 2010 to March - 2012	CESTAT
Finance tax Act, 1994	Penalty	64.74	April - 2010 to March - 2012	CESTAT

Note(s):-

(1) Total demand ₹1,118.49 Lakhs – amount deposited ₹1,041.00 Lakhs.

(2) Total demand ₹ 64.74 Lakhs – amount deposited ₹ 6.91 Lakhs.

### NOTE 31: Capital Commitment

Estimated amount remaining to be executed on capital account and not provided for is ₹ 576.65 Lakhs as on 31st March, 2019.

### NOTE 32: Deferred Tax Asset (Net)

#### (a) Amount recognized in Standalone Financial Statements:

Particulars	(₹ in Lakhs)			
	Deferred Tax Asset (Net)		Deferred Tax Expense / (Income)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
(i) Deferred Tax Assets & Expense / (Income)				
Disallowance under Income Tax Act, 1961	3,307.12	369.01	(2,938.11)	(251.55)
Related to Carried forward Loss and Unabsorbed Depreciation	24,048.46	28,408.95	4,360.50	(5,471.90)
<b>Subtotal</b>	<b>27,355.58</b>	<b>28,777.96</b>	<b>1,422.38</b>	<b>(5,723.46)</b>
(ii) Deferred Tax Liabilities & Expense / (Income)				
Related to temporary difference on depreciation/amortisation	5,760.17	7,150.34	(1,390.17)	636.38
<b>Subtotal</b>	<b>5,760.17</b>	<b>7,150.34</b>	<b>(1,390.17)</b>	<b>636.38</b>
Net Deferred Tax Assets/ Deferred Tax Expense/(Income) to be recognized	21,595.41	21,627.63	32.21	(5,087.08)
De-recognition of Deferred Tax Assets (Refer note below)			16,540.55	-
Deferred Tax Assets Restricted to (Refer note below)	-	16,540.55		

## Notes forming part of the Financial Statements

### (b) Reconciliation of Tax Expenses/(Income):

Particulars	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
<b>Profit/ (Loss) before Tax</b>	(18,202.40)	(15,517.43)
Applicable Tax Rate	26.00%	33.06%
<b>Expected Income Tax Expenses / (Income) (i)</b>	<b>(4,732.62)</b>	<b>(5,130.53)</b>
Add/(Less):		
Deferred Tax Asset not recognised for the year – Restricted (Refer Note below)	4,732.62	5,130.53
Deferred Tax Asset de-recognised during the year (Refer Note below)	16,540.55	-
<b>Subtotal (ii)</b>	<b>21,273.17</b>	<b>5,130.53</b>
<b>Income Tax Expense/(Income) to Statement of Profit &amp; Loss [i+ii]</b>	<b>16,540.55</b>	-

During the financial year 2017-18 and 2018-19, the company has not recognised any incremental deferred tax assets as per above workings. Further, during the financial year 2018-19, the company has de-recognised the entire deferred tax assets of ₹ 16,540.55 Lakhs recognised by it in earlier financial years. The above treatment is in accordance with para 35 of “Ind AS 12 – Income Taxes” since at present there is no convincing evidence with the company that there will be sufficient taxable profits in future to utilise the unused tax losses or unused tax credits of the Company.

### NOTE 33: Use of Going Concern Assumption

The Company has incurred a net loss of ₹ 34,742.95 Lakhs for the year ended 31<sup>st</sup> March, 2019 and as of that date, the net worth of the Company has been substantially eroded. Further, borrowings of the company have been called back by the secured lenders due to material breach of debt covenants by the company and consequently, the company has re-classified the borrowings as current borrowings in the standalone financial statements. Subsequent to this reclassification, the current liabilities are substantially higher than current assets of the company as at 31<sup>st</sup> March, 2019. In addition to this, application has also been made against the company by one of the secured lenders to National Company Law Tribunal (NCLT), Mumbai under the provisions of the Insolvency and Bankruptcy Code, 2016.

In spite of above, the Company is defending against admission of proceedings by NCLT through its lawyers on various grounds including the fact that the Consortium of lenders is already evaluating various modes of resolution and majority lenders are inclined towards a resolution / upfront settlement / assignment. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders in accordance with existing RBI / internal lender guidelines. Considering these developments as well as the ongoing business operations which continue in normal course, the standalone financial statements continue to be prepared on going concern basis.

### NOTE 34: Revenue from Contracts with Customers ( Ind AS 115 )

On March 2018, the Ministry of Corporate Affairs (the MCA), Government of India notified Ind AS 115 ‘Revenue from Contracts with Customers’. The standard is applicable to the Company with effect from April 1, 2018.

The Company measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Company presents revenues net of indirect taxes collected in its statement of profit and loss.

## Notes forming part of the Financial Statements

### Disaggregate Revenue Information:

Details of Product sold	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
Tickets sales	11,447.59	13,008.31
Food & beverages	6,363.68	5,201.89
Merchandise sales	1,802.85	1,983.65
Room Revenue	2,262.99	2,044.57
<b>Total Revenue from Operations</b>	<b>21,877.11</b>	<b>22,238.42</b>

### Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The impact on account of applying Ind AS 115 – Revenue from contract with customers instead of the erstwhile Ind AS 18 – Revenue on the standalone financials statements of the Company for the year ended and as at March 31, 2019 is insignificant.

### NOTE 35: Payment to Auditors

Particulars	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
Audit Fees	14.00	14.00
Reimbursement of expenses	0.25	0.33
Taxation Matters	-	0.45
Income Tax Scrutiny Fees	1.00	1.00
Limited Review Fees	2.00	2.00
Tax Audit Fees	2.00	2.00
<b>Total</b>	<b>19.25</b>	<b>19.78</b>

### NOTE 36: Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises.

## Notes forming part of the Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Principal amount due to any supplier as at the year end	39.20	12.75
Interest due on the principal amount unpaid at the period end to any supplier	0.84	0.93
Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	-	-
Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period, but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	1.80	5.69
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above is actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED.	16.54	14.74

### NOTE 37: Lease

#### (a) Where the Company is a Lessee:

The Company has taken certain assets like Land, Office premises, furniture and fixtures and apartments on lease. They are on rental lease term which range between 10 months to 5 years and some of the lease agreement are having price escalation clause. The lease rentals expense during the year amount to ₹168.75 Lakhs (Previous Year ₹188.56 Lakhs).

The future minimum lease payments in respect of such operating leases as at 31<sup>st</sup> March, 2019 are summarized below.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Amount payable within one year from the balance sheet date	122.86	129.99
Amount payable in the period between one year and five years	8.77	118.44
Amount payable beyond five years	-	-
<b>Total</b>	<b>131.63</b>	<b>248.43</b>

The above lease payments are exclusive of Service Tax / GST.

#### (b) Where the company is a Lessor:

The Company has given on lease three premises / place for period of 5 years to 15 years and some of the lease agreement are having price escalation clause. The lease rentals income during the reporting year amount to ₹ 25.28 Lakhs (Previous Year ₹ 13.66 Lakhs).



## Notes forming part of the Financial Statements

The future minimum lease receipts of such operating leases as at 31<sup>st</sup> March, 2019 are summarized as below.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Amount receivable within one year from the balance sheet date	15.62	19.78
Amount receivable in the period between one year and five years	62.48	36.20
Amount receivable beyond five years	46.87	41.48
<b>Total</b>	<b>124.97</b>	<b>97.46</b>

The above lease receipts are exclusive of Service Tax / GST.

### NOTE 38: Post Retirement Benefit Plans

#### Defined Benefits Plan:

##### Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The gratuity plan is funded through an 'Approved Trust'. The Trust has taken a Policy from the HDFC Life Insurance and the management / investment of the fund is undertaken by the insurer.

The Company contributes all ascertained liabilities towards gratuity to the "Adlabs Entertainment Limited Employee's Gratuity Trust". The Trustees administer contributions made to the trust. As of 31<sup>st</sup> March, 2019, the plan assets have been primarily invested in insurer – managed funds.

The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

The following table shows the Actuarial Valuation as on 31<sup>st</sup> March, 2019 and amounts recognised in the standalone financial statements in respect of Employee Defined Benefit Schemes:

## Notes forming part of the Financial Statements

(₹ In Lakhs)

<b>Change in Defined Benefit Obligation during the year</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	<b>For the Year ended 31<sup>st</sup> March, 2018</b>
Defined Benefit Obligation, Beginning of year	205.15	184.37
Net Current Service Cost	61.17	71.61
Interest Cost on DBO	18.29	16.28
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(14.52)	(31.16)
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(20.47)	(54.68)
Past Service Cost	-	18.73
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of year	249.62	205.15
<b>Change in Fair value of Plan Assets during the year</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	<b>For the Year ended 31<sup>st</sup> March, 2018</b>
Fair value of Plan Assets, Beginning of year	206.72	-
Interest Income Plan Assets	16.27	2.59
Actual Company Contributions	-	209.11
Actuarial Gains / (Losses)	(10.77)	(4.98)
Benefits paid	(20.47)	-
Fair value of Plan Assets, End of year	191.74	206.72
<b>Amount Recognized in Statement of Financial Position at year End</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	<b>For the Year ended 31<sup>st</sup> March, 2018</b>
Present Value of Unfunded Defined Benefit Obligation	249.62	205.15
Fair value of Plan Assets	191.74	206.72
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	57.88	(1.57)
<b>Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at year End</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	<b>For the Year ended 31<sup>st</sup> March, 2018</b>
Service Cost	61.17	71.61
Net Interest Cost	2.02	13.69
Past Service Cost	-	18.73
Total Defined Benefit Cost/(Income) included in Profit & Loss	63.19	104.03

## Notes forming part of the Financial Statements

(₹ In Lakhs)

<b>Analysis of Amounts Recognised in Other Comprehensive (Income) /Loss at year End</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
Amount recognized in OCI, Beginning of year	(30.01)	(3.84)
Remeasurements due to :		
Effect of Change in financial assumptions	2.99	(12.08)
Effect of change in demographic assumption	-	-
Effect of experience adjustments	(17.51)	(19.07)
Return on plan assets (excluding interest)	10.78	4.98
Total remeasurements recognized in OCI	(3.74)	(26.18)
Amount recognized in OCI, End of year	(33.75)	(30.01)

(₹ In Lakhs)

<b>Maturity Profile of defined benefit obligation</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
Within the next 12 months	7.89	6.86
Between 2 to 5 years	57.22	37.49
Between 6 to 10 years	76.94	66.65

<b>Sensitivity Analysis</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
Defined Benefit Obligation - Discount Rate + 100 basis points	(30.54)	(24.96)
Defined Benefit Obligation - Discount Rate - 100 basis points	33.30	26.83
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	24.85	19.70
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(23.60)	(19.51)

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

(₹ In Lakhs)

<b>Financial Assumptions Used to Determine the Defined Benefit</b>	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
Discount Rate	7.78%	7.87%
Salary Escalation Rate	6.00%	6.00%
Expected Return on Plan Assets	N.A	N.A
Demographic Assumptions Used to Determine the Defined Benefit		
Withdrawal Rate	2.00%	2.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Retirement Age	58 years	58 years

## Notes forming part of the Financial Statements

### NOTE 39: Default in Repayment of Borrowing (Current) and Interest

During the year, the Company has defaulted in the repayment of borrowings to the Banks and Financial Institutions and interest thereon as under:

(₹ In Lakhs)

Secured Lenders	Principal amount of Borrowings		Interest on Borrowings	
	(1) Default in Repayment during the year ended 31 <sup>st</sup> March, 2019	Default as at 31 <sup>st</sup> March, 2019	Default in payment during the year ended 31 <sup>st</sup> March, 2019	Default as at 31 <sup>st</sup> March, 2019
Banks	90,942.90	92,299.41	11,102.47	11,230.19
Financial Institution	9,542.16	9,720.31	1,129.56	1,209.53
<b>Grand Total</b>	<b>100,485.06</b>	<b>102,019.72</b>	<b>12,232.03</b>	<b>12,439.72</b>

Note (s):-

(1) The secured borrowings taken by the company from Banks and Financial Institutions had a certain repayment schedule agreed and part of the principal obligations which were due during the year along with interest have not been repaid. Therefore, entire secured borrowings of the company have been called back by the secured lenders vide recall notices due to material breach of debt covenants by the company and consequently, the company has re-classified the borrowings as current borrowings in the standalone financial statements and has been disclosed as default in repayment in the above table.

Further, due to material breach of debt covenants by the company, few of the secured lenders have not confirmed their interest on borrowings for the year in their loan statement or have not provided the loan statement to the company. Hence, the Company has recognised Interest expense calculated on the basis of Interest rates, Penal Interest rates and other data agreed with the lenders in the Sanction Letter / Term Sheets (after latest revisions).

### NOTE 40: Related Party Disclosures (As identified by the Management)

#### a) Related Party Relationship:

##### i) Subsidiary Company:

- Walkwater Properties Private Limited
- Blue Haven Entertainment Private Limited

##### ii) Key Managerial Personnel ( KMP ):

- Mr. Manmohan Shetty
- Mr. Dhimant Bakshi
- Mr. Mayuresh Kore
- Mr. Ashutosh Kale

##### iii) Relatives of KMP:

- Ms. Pooja Deora
- Ms. Aarti Shetty

##### iv) Entities Controlled by KMP:

- Thrill Park Limited

## Notes forming part of the Financial Statements

### b) Transaction with Related Parties (Excluding Reimbursements):

					(₹ In Lakhs)
Sr. No	Nature of Transaction	Subsidiary Company	Key Managerial Personnel	Relatives	Entities Controlled by KMP
<b>1</b>	<b>Loan</b>				
	Received During the year	-	415.06	-	4,620.00
		(-)	(1,811.00)	(-)	(-)
	Repaid During the year	-	5,291.67	-	299.56
		(506.08)	(1,806.61)	(-)	(1,089.99)
	Given during the year	78.86	-	-	-
		(1,202.13)	(-)	(-)	(-)
<b>2</b>	<b>Investment</b>				
	During the year	-	-	-	-
		(1.0)	(-)	(-)	(-)
<b>3</b>	<b>Fixed Assets</b>				
	Purchase of Fixed Assets and adjusted against Security Deposit	-	-	-	-
		(54.00)	(-)	(-)	(-)
<b>2</b>	<b>Expenses</b>				
	Rent & Society Maintenance	-	119.65*	-	-
		(10.53*)	(105.53*)	-	(-)
	Fees	-	-	5.90*	-
		(-)	(-)	(46.75*)	(-)
	Remuneration	-	212.92	-	-
		(-)	(268.08)	(-)	(-)
	Royalty	-	1.18*	-	-
		(-)	(1.18*)	(-)	(-)
	Secondment Charges	147.87*	-	-	-
		(54.14*)	(-)	(-)	(-)
	Interest	-	-	-	728.67
		(-)	(515.54)	(-)	(-)

\* The amount includes taxes

### c) Outstanding as at the balance sheet date:

					(₹ In Lakhs)
		As at 31 <sup>st</sup> March, 2019	Maximum o/s bal. during the year	As at 31 <sup>st</sup> March, 2018	Maximum o/s bal. during the year
<b>1</b>	<b>Short Term Borrowing</b>				
	Manmohan Shetty	-	4,932.92	4,876.61	4,876.61
	Thrill Park Ltd.	5,039.36	5,039.36	-	1,080.24
	Walkwater Properties Pvt.Ltd.	-	-	-	506.08

## Notes forming part of the Financial Statements

	As at 31 <sup>st</sup> March, 2019	Maximum o/s bal. during the year	As at 31 <sup>st</sup> March, 2018	Maximum o/s bal. during the year
<b>2 Loan and Advances</b>				
Walkwater properties Pvt.Ltd.	1,290.24	1,290.24	1,234.59	-
<b>3 Trade Payable</b>				
Manmohan Shetty	43.74	87.22	81.59	81.59
Pooja Deora	-	-	-	13.18
Aarti Shetty	-	24.10	19.10	31.70
Mayuresh Kore	8.58	8.58	11.21	11.21
Dhimant Bakshi	9.24	9.24	17.21	17.21
Ashutosh Kale	8.83	8.83	12.25	12.25
<b>4 Non Current Investment</b>				
Walkwater Properties Pvt.Ltd.	10,617.16	10,617.16	10,617.16	10,617.16
Blue Haven Entertainment Pvt. Ltd	1.00	1.00	1.00	1.00
<b>5 Other Current Assets</b>				
Thrill Park Limited	-	-	9.75	-
Walkwater Properties Pvt.Ltd.	203.30	203.30	32.22	-
<b>6 Deposit Given</b>				
Walkwater Properties Pvt.Ltd.	-	-	-	54.00

Note (s):-

- Figures in the bracket represent previous year (P.Y.) figures.
- The Company has paid the Consultancy fees to Ms. Aarti Shetty ₹5.90 Lakhs (P.Y. ₹ 35.18 Lakhs), and Ms. Pooja Deora ₹NIL (P.Y. ₹11.58 Lakhs).
- The Company has paid the Remuneration to Mr. Ashutosh Kale ₹63.58 Lakhs ( P.Y. ₹52.57 Lakhs ), Mr. Dhimant Bakshi ₹ 88.05 Lakhs ( P.Y. ₹71.36 Lakhs ) and Mr. Mayuresh Kore ₹61.28 Lakhs ( P.Y. ₹ 53.06 Lakhs).
- The Company has paid Rent and Maintenance Charges for use of office premises and parking area located at 9th floor, Lotus Business Park, New Link Road, Andheri-West, Mumbai-400053. to Mr.Manmohan Shetty amounted to ₹119.65 Lakhs (P.Y. ₹ 105.53 Lakhs).
- The Company has paid royalty of ₹ 1.18 Lakhs (P.Y. ₹1.18 Lakhs) to Mr. Manmohan Shetty.
- The Company has paid Interest of ₹ NIL ( P.Y. ₹515.54 Lakhs ) on Loan taken from Mr. Manmohan Shetty.
- The Company has paid Interest of ₹728.67 Lakhs ( P.Y. ₹NIL) on Loan taken from M/s Thrill Park Limited.

### NOTE 41: Fair Value Measurement

Financial Instrument by category and hierarchy.

The fair values 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 methods and assumptions were used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to

## Notes forming part of the Financial Statements

account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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.

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.

The fair values for Non-Current borrowings, loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particular	Carrying Amount as at 31 <sup>st</sup> March, 2019	Fair value		
		Level 1	Level 2	Level 3
(₹ In Lakhs)				
<b>Financial Assets</b>				
Non- Current				
Investments	10,618.16	-	-	10,618.16
Others	12.43	-	-	12.43
Current				
Trade receivables	940.15	-	-	940.15
Cash and cash equivalents	185.47	-	-	185.47
Other bank balances	43.60	-	-	43.60
Loans	1,293.66	-	-	1,293.66
Others	52.89	-	-	52.89
<b>Total</b>	<b>13,146.36</b>	-	-	<b>13,146.36</b>
<b>Financial Liabilities</b>				
<b>Current</b>				
Borrowings	107,259.08	-	-	107,259.08
Trade payables	2,701.66	-	-	2,701.66
Other financial liabilities	12,439.72	-	-	12,439.72
<b>Total</b>	<b>122,400.46</b>	-	-	<b>122,400.46</b>



## Notes forming part of the Financial Statements

Particular	Carrying Amount as at 31 <sup>st</sup> March, 2018	Fair value		
		Level 1	Level 2	Level 3
(₹ In Lakhs)				
<b>Financial Assets</b>				
<b>Non- Current</b>				
Investments	10,618.16	-	-	10,618.16
Others	52.54	-	-	52.54
<b>Current</b>				
Trade receivables	511.62	-	-	511.62
Cash and cash equivalents	284.01	-	-	284.01
Other bank balances	3.46	-	-	3.46
Loans	1,239.79	-	-	1,239.79
Others	349.53	-	-	349.53
<b>Total</b>	<b>13,059.11</b>	-	-	<b>13,059.11</b>
<b>Financial Liabilities</b>				
<b>Non- Current</b>				
Borrowings	89,114.99	-	-	89,210.42
<b>Current</b>				
Borrowings	8,376.61	-	-	8,376.61
Trade payables	2,742.57	-	-	2,742.57
Other financial liabilities	12,899.51	-	-	12,899.51
<b>Total</b>	<b>113,133.68</b>	-	-	<b>113,229.11</b>

During the reporting period ending 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018, there were no transfer between Level 1 and Level 2 fair value measurement.

### NOTE 42: Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management Board.

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market Risk is attributable to all market risk sensitive financial instruments including investment and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through its finance department, which evaluate and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest Rate Risk:

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

## Notes forming part of the Financial Statements

### Exposure to interest rate risk:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Floating Rate Borrowings	1,02,019.72	1,02,571.94

### Interest rate sensitivity:

A change of 1% in interest rates would have following impact on profit before tax:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1% increase in interest rate – Decrease in Profit	(1,020.19)	(1,025.71)
1% decrease in interest rate – increase in Profit	1,020.19	1,025.71

### Foreign Currency Risk:

The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

### Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts on the basis of expected cash flows.

### Repayment of Term Loans are as per below:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Within the next 12 months	1,02,019.72	9,956.95
Between 2 to 5 years	-	80,554.10
5 years and above	-	21,300.00

As explained in note 33 and 39 above, the company has defaulted in repayment obligations of borrowings during the year and the secured lenders have recalled the entire amount of borrowings. Therefore, the borrowings has been reclassified as current borrowings during the year and the current liabilities of the company are significantly higher than the current assets of the company. Therefore, the company faces a significant liquidity risk.

### Credit Risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking in to account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

### NOTE 43: Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## Notes forming part of the Financial Statements

### NOTE 44: Disclosures As Required By Indian Accounting Standard (Ind As) 108 – Operating Segments

#### Operating Segments of the Company :

Tickets	:	Theme Park, Water Park and Snow Park Tickets
Food and Beverage	:	Park Restaurant and Hotel Restaurant
Merchandise	:	Park Merchandise and Hotel Merchandise
Rooms	:	Hotel Accommodation's
Other Operations	:	Parking, Lockers, Sponsorship, SPA, Revenue Sharing agreements & Lease Rentals

#### Identifications of Segments:

The chief operational decision maker monitors the operating results of its Business segment 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 in the standalone financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

#### Segment Revenue and Results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure & income.

#### Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

#### Summary of the Segmental Information as at and for the year ended 31<sup>st</sup> March, 2019 is as follows:

Particulars							(₹ In Lakhs)	
	Tickets	Food and Beverage	Merchandise	Rooms	Other Operations	Unallocated	Total	
Net Revenue	11,447.59	6,363.68	1,802.85	2,262.99	2,160.77	-	24,037.88	
Segment Result before Interest and Taxes	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(1,550.39)	(5,447.83)	
Less: Finance Cost	-	-	-	-	-	13,383.61	13,383.61	
Add: Interest and dividend income	-	-	-	-	-	629.04	629.04	
Profit before Tax	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(14,304.96)	(18,202.40)	
Deferred Tax	-	-	-	-	-	(16,540.55)	(16,540.55)	
Profit after tax	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(30,845.51)	(34,742.95)	
Other Information								
Segment assets	78,543.97	4,841.86	2,012.04	17,444.43	132.59	28,622.98	1,31,597.87	
Segment liabilities	2,127.66	169.15	218.94	493.34	162.05	1,22,251.00	1,25,422.14	
Capital Expenditure during the year	133.57	-	-	8,628.13	-	425.55	9,187.25	
Depreciation and Amortisation	7,916.46	434.52	102.92	1,723.66	-	-	10,177.55	

## Notes forming part of the Financial Statements

Summary of the Segmental Information as at and for the year ended 31<sup>st</sup> March, 2018 is as follows:

Particulars							(₹ In Lakhs)
	Tickets	Food and Beverage	Merchandise	Rooms	Other Operations	Unallocated	Total
Net Revenue	13,008.31	5,201.89	1,983.65	2,044.57	1,390.35	-	23,628.77
Segment Result before Interest and Taxes	(4,409.95)	1,889.39	409.23	(725.91)	716.49	(854.17)	(2,974.92)
Less: Finance Cost	-	-	-	-	-	(12,641.65)	(12,641.65)
Add: Interest and dividend income	-	-	-	-	-	99.14	99.14
Profit before Tax	(4,409.95)	1,889.39	409.23	(725.91)	716.49	(13,396.68)	(15,517.43)
Deferred Tax	-	-	-	-	-	-	-
Profit after tax	(4,409.95)	1,889.39	409.23	(725.91)	716.49	(13,396.68)	(15,517.43)
Other Information							
Segment assets	84,900.35	5,331.93	2,230.85	18,835.38	82.01	46,695.59	1,58,076.11
Segment liabilities	1,717.51	252.58	178.97	976.49	132.62	1,13,902.99	1,17,161.16
Capital Expenditure during the year	1,657.47	-	-	(59.41)	-	-	1,598.06
Depreciation and Amortisation	7,817.95	434.52	102.92	886.97	-	-	9,242.37

**NOTE 45:** The Term Loan facility availed by the Company is secured by pari passu first charge on movable and immovable fixed assets of the Company including mortgage of 298 acres of land (out of which 137 acres of land held by Walkwater Properties Pvt Ltd, wholly owned subsidiary of the Company) to consortium led by Union Bank of India in favour of IDBI Trusteeship Services Ltd.

The said loan is also secured by first pari passu charge on Current assets of the Company, pledge of shares held by promoters of the Company, Personal and Corporate Guarantees of the Promoters of the Company and wholly owned subsidiary.

The Additional facility availed from other lenders are secured by first charge on additional land parcels aggregating to 34 acres of Land and secured by Second and subservient charge on other assets of the Company. Further, as a collateral security have been furnished with Personal and Corporate Guarantees of the Promoters of the Company.

**NOTE 46:** The Company's equity shares are in dematerialized form with the Central Depository Services (India) Limited (CDSL) and with National Securities Depository Limited (NSDL) having ISIN No. INE172N01012.

**NOTE 47:** During the year, the company had operationalized its second phase of Hotel consisting of 171 rooms w.e.f. September 1, 2018.

**NOTE 48:** The Company to reduce its debt obligation had decided to off load its non-core assets as under:

- The company had entered into a term sheet with Shaan Agro and Realty Private Limited (SARPL) for sale of 65 acres Surplus land and 100% investment in wholly owned subsidiary Walkwater Properties Private Limited (WPPL) for ₹ 15,000 Lakhs. However, the closure of the said transaction depends upon the No Objection Certificate from Lenders holding the same as security. Therefore, the Company has not yet classified the Land and investment in subsidiary as "held for sale" in terms of para 6 of Ind AS 105 as "Non Current Assets held for sale and discontinued operations".

## Notes forming part of the Financial Statements

- b) Further, the company had entered into a term sheet with Bright Star Investments Private Limited (BSIPL) for the sale of its Hotel Segment “Novotel Imagica Khopoli” and BSIPL had paid ₹ 1,500 Lakhs towards Earnest Money Deposit. One litigant had attempted for an injunction with the arbitral bench, and the same was not granted. However, the closure of the said transaction depends upon the No Objection Certificate from Lenders holding the same as security. Consequently, the asset along with liabilities, revenue and expenses related thereto have not been classified as assets “held for sale” in terms of para 6 of Ind AS 105 as “Non Current Assets held for sale and discontinued operations”.

**NOTE 49:** During the FY 2017-18, Company had issued and allotted 5 (Five) Convertible Warrants of ₹ 2,37,25,000/- (Rupees Two Crore Thirty Seven Lakhs Twenty Five Thousand Only) each on preferential basis to Bennett Coleman and Company Limited (“BCCL”) on June 20, 2017 pursuant to receipt of 25% upfront payment consideration from BCCL. The said warrants were to be converted in to such number of equity shares as per the terms and conditions agreed within 18 months from the date of warrant allotment, i.e. on or before December 19, 2018 by paying balance 75% of the consideration. Since the company has neither received any request for conversion of share warrants into Equity Shares, nor have received balance 75% of the sum payable on such warrant, the consideration received therefore from warrant holder at the time of issuance of such warrants stands to be forfeited as on December 19, 2018 and transferred to Capital Reserve.

**NOTE 50:** In reference to capital advances given by the company for acquiring land at Khalapur amounting to ₹667.63 Lakhs grouped as Capital Advance under Non- Current Assets, the company have filed a suit for Specific performance and the same is pending since last eight years. Hence, the management have decided to make a provision for such doubtful advance in the standalone financial statements, without prejudice to the existing legal efforts.

**NOTE 51:** The company had suspended operation of one ride in 2014 on account of malfunctioning and it had pursued legal action with the vendor for damages including compensation for loss of business. In last year, the company has settled the dispute with the said vendor an overall consideration of EURO 4,50,000 of which EURO 1,50,000 was upfront compensation and EURO 3,00,000 in the form of discount on future purchase of rides/equipment. Also, the cost of recommencement of operation was reimbursed by the vendor. During the year, the said ride has commenced its operation.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Hiten Sarvaiya**

Partner

Membership No.: 164094

**Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director & Jt. CEO

**Dhimant Bakshi**

Jt. CEO

Place: Mumbai

Date : 16<sup>th</sup> May, 2019

**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF ADLABS ENTERTAINMENT LIMITED**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### Opinion

We have audited the accompanying consolidated financial statements of Adlabs Entertainment Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31<sup>st</sup> 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with The Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2019, and its consolidated loss and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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) together with the ethical requirements that are relevant to our audit of the consolidated financial

statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Material Uncertainty related to Going Concern

We draw attention to Note 32 in the consolidated financial statements of the Company which indicates that the Group has incurred a net loss of ₹ 34,778.30 Lakhs during the year ended 31<sup>st</sup> March, 2019 and as of that date, the net worth of the Group has been substantially eroded. Further, borrowings of the group have been called back by the secured lenders due to material breach of debt covenants by the group and consequently, the group has re-classified the borrowings as current borrowings in the consolidated financial statements. Subsequent to this reclassification, the current liabilities are substantially higher than current assets of the group as at 31<sup>st</sup> March, 2019. In addition to this, application has also been made against the company by one of the secured lenders to National Company Law Tribunal (NCLT), Mumbai under the provisions of the Insolvency Bankruptcy Code, 2016 as referred in the aforementioned note. These events or conditions indicate the existence of material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

However, the consolidated financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of 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 that may cast significant doubt on the Group's ability to continue as a going concern in accordance with Standards of Auditing (SA) 570 (Revised) – Going Concern

are described in the “Material Uncertainty related to Going Concern” section of this report. Apart from these key audit matters, we have determined the matter described below to be the key audit matter to be communicated in our report.

## 1. De-recognition of Deferred Tax Asset

The Group has de-recognised Deferred Tax Assets (DTA) of ₹16,540.55 Lakhs on uncertainty of future taxable profits. This amount mainly comprises of carry forward of business losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961- Refer Note no. 31 to the Consolidated Financial Statements.

### Principal Audit Procedures

We have evaluated the appropriateness of the management’s judgment on uncertainty or non-availability of convincing other evidence that sufficient taxable profits will be available in future. We have involved our internal experts to review the management estimation of the future taxable profits of the group. Further, we have also considered the matters which may cast significant doubt on the Group’s ability to continue as a going concern as reported above which impacts the assessment of de-recognition of Deferred Tax Asset in the consolidated financial statements.

## 2. Interest on Borrowings from Secured Lenders

The Group has recognised interest on borrowings of ₹12,347.78 Lakhs taken from secured lenders in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019. Due to material breach of debt covenants by the group as mentioned in “Material Uncertainty related to Going Concern” section of our report, few of the secured lenders have not confirmed their interest on borrowings for the year in their loan statement or have not provided loan statement to the group. Hence, the Group has recognised the Interest based on the Interest Calculation done by them.

Refer Note no. 38 to the Consolidated Financial Statements.

### Principal Audit Procedures

We have reviewed the interest calculation done by the group. We have further checked the Interest rates, Penal Interest rates and other data used in the calculations are

as per the Sanctioned Letter / Term Sheets (after latest revisions) by the secured lenders. We have also considered the notices received by the group from secured lenders during the year stating the amounts due to them.

## Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report thereon. The above mentioned reports are expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the above mentioned reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as per the applicable laws and regulations.

## Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as



amended) under Section 133 of the Act. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement

of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 and its subsidiary companies, which are companies incorporated in India, has adequate financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 the entities or the business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the

audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

### Other Matter

We did not audit the financial statements of the subsidiary, Blue Haven Entertainment Private Limited, whose financial information reflect total assets of ₹ 0.54 Lakhs as at March 31, 2019, total revenues of NIL and net cash inflows/ (outflows) amounting to ₹ (0.12) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of this subsidiary has been audited by other auditor whose report 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 this subsidiary company and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the

aforesaid subsidiary company is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above, 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 auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - 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 consolidated balance sheet, consolidated the statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and consolidated statement of changes in equity 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 Indian Accounting Standards specified under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
  - e. The matter described in Material uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - f. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors of the company and its subsidiaries incorporated in India and the reports of the statutory auditors of

its subsidiary companies incorporated in India, none of the directors of the Group are disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary companies incorporated in India.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. 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 Group has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its consolidated financial statements – Refer Note no. 29;
- (ii). The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For A.T. Jain & Co.**

Chartered Accountants  
(Firm Registration No.: 103886W)

**Hiten Sarvaiya**

Partner  
Membership No.: 164094

Place: Mumbai  
Date: 16<sup>th</sup> May, 2019

## **Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of ADLABS ENTERTAINMENT LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Adlabs Entertainment Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls,

both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their report 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 system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company – Blue Haven Entertainment Private Limited, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

### **For A.T. Jain & Co.**

Chartered Accountants  
(Firm Registration No.:103886W)

### **Hiten Sarvaiya**

Partner  
Membership No.: 164094

Place: Mumbai  
Date: 16<sup>th</sup> May, 2019

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019

(₹ in Lakhs)

	Notes	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	3	1,12,713.25	1,13,313.41
(b) Capital work- in-progress		286.24	8,620.08
(d) Other intangible asset	4	1,925.95	2,316.00
(e) Intangible assets under development		53.92	53.92
(f) Financial assets			
(i) Other financial asset	5	12.43	52.54
(i) Deferred tax assets (net)	31	-	16,540.55
(j) Other Non-current Assets	6	433.37	1,105.83
		<b>1,15,425.16</b>	<b>1,42,002.33</b>
<b>Current Assets</b>			
(a) Inventories	7	11,633.62	11,508.67
(b) Financial assets			
(i) Trade receivables	8	940.15	511.62
(ii) Cash and cash equivalents	9	189.66	290.55
(iii) Bank balances other than (ii) above	10	43.60	3.46
(iv) Loans	11	3.42	5.21
(v) Other advances	12	413.13	677.02
(c) Current tax assets (net)		408.89	329.83
(d) Other Current Assets	13	1,167.83	1,543.11
		<b>14,800.30</b>	<b>14,869.47</b>
<b>Total</b>		<b>1,30,225.46</b>	<b>1,56,871.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	8,806.21	8,806.21
(b) Other Equity		(4,155.64)	30,618.92
		<b>4,650.57</b>	<b>39,425.13</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	89,114.99
(b) Provisions	16	132.11	138.65
		<b>132.11</b>	<b>89,253.64</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	1,07,259.08	8,376.61
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	35	39.20	12.75
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,700.21	2,763.57
(iii) Other Financial Liabilities	18	12,439.72	12,899.51
(b) Other Current Liabilities	19	2,931.00	4,115.12
(c) Provisions	20	73.57	25.47
		<b>1,25,442.78</b>	<b>28,193.03</b>
<b>Total</b>		<b>1,30,225.46</b>	<b>1,56,871.80</b>
Summary of significant accounting policies.	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

Place: Mumbai

Date : 16<sup>th</sup> May, 2019

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director & Jt. CEO

**Dhimant Bakshi**

Jt. CEO

**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019**

(₹ in Lakhs)

	Notes	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
<b>INCOME:</b>			
Revenue from operations	21	24,037.88	23,628.77
Other income	22	629.04	132.75
<b>Total Revenue ( I )</b>		<b>24,666.92</b>	<b>23,761.52</b>
<b>EXPENSES:</b>			
Cost of material consumed	23	1,524.73	1,528.73
Purchase of trading goods			
Merchandise		827.29	1,024.05
Changes in inventories of stock-in-trade	24	90.34	44.28
Employee benefit expenses	25	5,416.80	4,877.76
Finance cost	26	13,383.61	12,750.25
Depreciation and amortisation expense (Refer Note no. 2.6 & 2.7 )	3 & 4	10,177.55	9,258.16
Other expenses	27	11,484.35	9,907.31
<b>Total Expenses ( II )</b>		<b>42,904.67</b>	<b>39,390.54</b>
<b>Profit / (Loss) before exceptional and tax ( I-II )</b>		(18,237.75)	(15,629.02)
<b>Exceptional items</b>			-
<b>Profit / (Loss) before tax</b>		(18,237.75)	(15,629.02)
<b>Tax Expenses</b>			
Current tax		-	-
Deferred tax	31	16,540.55	-
<b>Profit/ (loss) for the year from continuing operations</b>		(34,778.30)	(15,629.02)
<b>Profit/ (loss) from discontinued operations</b>			
<b>Tax expense of discontinued operations</b>			
<b>Profit/ (loss) from discounting operations (after tax)</b>			
<b>Profit/ (loss) for the year</b>		<b>(34,778.30)</b>	<b>(15,629.02)</b>
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/asset,		3.74	(26.18)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>(34,774.56)</b>	<b>(15,655.20)</b>
<b>Earnings per equity share (for continuing operations)</b>	28		
Basic		(39.49)	(18.85)
Diluted		(39.49)	(18.85)
<b>Earnings per equity share (for discontinued operations)</b>			
Basic		-	-
Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
Basic		(39.49)	(18.85)
Diluted		(39.49)	(18.85)
Summary of significant accounting policies.	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited****Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director &amp; Jt. CEO

**Dhimant Bakshi**

Jt. CEO

Place: Mumbai

Date : 16<sup>th</sup> May, 2019**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019

(₹ in Lakhs)

	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net loss before tax	(18,237.75)	(15,629.02)
<b>Adjustments for:</b>		
Depreciation and amortisation	10,177.55	9,258.15
Loss/(Gain) on Sale of Fixed Assets	-	(29.45)
Actuarial gains/(loss) in OCI	3.74	(26.18)
Interest income	(3.59)	(3.97)
Interest expense and finance cost	13,383.61	12,641.65
<b>Operating Loss before Working Capital Changes</b>	<b>5,323.56</b>	<b>6,211.18</b>
Movements in working capital:		
Decrease / (increase) in trade receivables	(428.53)	(153.70)
(Decrease) / increase in trade payables	(36.91)	(306.42)
Decrease / (increase) in inventories	(124.95)	(221.78)
Decrease / (increase) in other current and non current assets	1,313.42	(1,495.66)
(Decrease) / increase in current and non current liabilities	(1,142.55)	(161.98)
<b>Cash Generated from Operations</b>	<b>4,904.05</b>	<b>3,871.64</b>
Direct taxes paid (net of refunds)	(79.05)	(89.94)
<b>Net Cash generated in Operating Activities</b>	<b>4,825.00</b>	<b>3,781.70</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Tangible & Intangible assets and change in capital work-in-progress	(853.43)	(1,116.81)
Advance received for Sale of FA	-	1,500.00
Sale of Fixed Assets	-	7.12
Interest income	3.56	4.04
<b>Net Cash Used in Investing Activities</b>	<b>(849.87)</b>	<b>394.35</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares	-	6,482.81
Proceeds / (Repayment) of Unsecured Term Loans from promoter (net)	162.75	(261.68)
Proceeds/ (Repayment) from non current borrowings (net)	-	(1,275.41)
Proceeds/ (Repayment) of Loan from others	200.00	(1,000.00)
Proceeds/ (Repayment) from current borrowings (net)	(552.22)	3,500.00
Interest expense and finance cost paid	(3,886.55)	(12,043.05)
<b>Net Cash used in Financing Activities</b>	<b>(4,076.02)</b>	<b>(4,597.30)</b>
Net increase in cash and cash equivalents (A + B + C)	(100.89)	(422.08)
Cash and cash equivalents at the beginning of the year	290.55	712.63
<b>Cash and cash equivalents at the end of the year</b>	<b>189.66</b>	<b>290.55</b>
<b>Components of cash and cash equivalents as end of the year</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Cash on hand	80.55	126.65
With banks - on current account	109.11	163.90
<b>Cash and cash equivalent in cash flow statement</b>	<b>189.66</b>	<b>290.55</b>

Note(s) :-

1. Comparative figures are regrouped wherever necessary.
2. Figures in bracket represent cash outflow.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Manmohan Shetty**

Chairman

**Ashutosh Kale**

Executive Director & Jt. CEO

**Dhimant Bakshi**

Jt. CEO

**Mayuresh Kore**

Chief Financial Officer

**Divyata Raval**

Company Secretary

Place: Mumbai

Date: 16<sup>th</sup> May, 2019

**Consolidated Statement of changes in equity for the year ended 31<sup>st</sup> March, 2019****A: Equity Share Capital**

(₹ in Lakhs)

	<b>For the year ended 31<sup>st</sup> March, 2019</b>
Balance at the beginning of the reporting year	8,806.21
Add/Less:- Changes in Equity share capital during the year	-
<b>Balance at the end of the reporting year</b>	<b>8,806.21</b>
	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Balance at the beginning of the reporting year	7,989.78
Add :- Issued during the year	816.43
Balance at the end of the reporting year	<b>8,806.21</b>

**B: Other Equity****For the year ended 31<sup>st</sup> March, 2019**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other comprehensive income	Money received against Share warrant	Total
	Capital Reserves	Securities Premium	Retained Earning			
Balance as at 1 <sup>st</sup> April, 2018		84,250.44	(53,958.09)	30.01	296.56	30,618.92
Total comprehensive Income for the year			(34,778.30)	3.74		(34,774.56)
Transferred to Capital Reserve on forfeiture (Refer Note no. 49)	296.56				(296.56)	-
<b>Balance as on 31<sup>st</sup> March, 2019</b>	<b>296.56</b>	<b>84,250.44</b>	<b>(88,736.39)</b>	<b>33.75</b>	<b>-</b>	<b>(4,155.64)</b>

**For the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	Reserves and Surplus		Other comprehensive income	Money received against Share warrant	Total
	Securities Premium	Retained Earnings			
Balance as at 1 <sup>st</sup> April, 2017	78,880.62	(38,329.07)	56.19		40,607.74
Addition during the year	5,369.82				5,369.82
Total comprehensive Income for the year		(15,629.02)	(26.18)		(15,655.20)
Warrant Issued during the year				296.56	296.56
Balance as on 31 <sup>st</sup> March, 2018	84,250.44	(53,958.09)	30.01	296.56	30,618.92

Any part of the reserves presented under Equity Instruments through other comprehensive income which is realised in cash shall be disclosed separately.

@ - Debit balance of Statement of Profit and Loss shall be shown as a negative figure under the head 'Retained Earnings'.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

Place: Mumbai

Date : 16<sup>th</sup> May, 2019

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Manmohan Shetty**

Chairman

**Mayuresh Kore**

Chief Financial Officer

**Ashutosh Kale**

Executive Director & Jt. CEO

**Divyata Raval**

Company Secretary

**Dhimant Bakshi**

Jt. CEO

## Notes forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION:

Adlabs Entertainment Limited (the Company) is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad 410 203.

The Company is engaged in the business of development and operations of theme based entertainment destinations in India, including theme parks, water parks and associated activities including retail merchandising and food and beverages. The flagship project of the company is located at Khalapur, on Mumbai Pune Expressway and is branded "Imagica – Theme Park" for the theme park component, "Imagica – Water Park" for the water park component, "Imagica-Snow Park" for the snow park component and "Hotel – Novotel Imagica" for the Hotel component. During the F.Y. 2018-2019 the company has launched second phase of Hotel with 171 rooms.

Walkwater Properties Private Limited, a Wholly Owned Subsidiary of the Company, is engaged in the business of developing real estate.

Blue Haven Entertainment Private Limited, a Wholly Owned Subsidiary of the Company, is yet to commence its operations.

The Company and its subsidiaries (as mentioned above) is together referred to as "Group".

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in accounting policy hitherto in use.

The consolidated financial statements are presented in Indian Rupees ('INR') and all values are rounded off to the nearest Lakh, except otherwise indicated.

The consolidated financial statement of assets and liabilities of the Group as on 31st March, 2019, and the related financial statement of profits and losses and cash flows for the year ended 31st March, 2019 (herein collectively referred to as "Consolidated financial statements") have been compiled by the management from the Standalone financial statements of the Group for the year ended 31<sup>st</sup> March, 2019.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

In respect of, the Subsidiary company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Ind as - 110 - "Consolidated Financial Statements".

## Notes forming part of the Consolidated Financial Statements

The excess of cost to the Company of its investment in the Subsidiary Company over the Company's share of net assets of the Subsidiary Company is recognised in the financial statements as goodwill, which is tested for impairment at each balance sheet date. The excess of Company's share of net assets of the Subsidiary Company over the cost of acquisition is treated as capital reserve.

The results of operations of a Subsidiary are included in the Consolidated Financial Statements from the date on which the parent-Subsidiary relationship comes into existence.

The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

### 2.2 Use of Assumptions Judgments and Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Critical accounting estimates

#### (a) Impairment of Non-Financial Assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

## Notes forming part of the Consolidated Financial Statements

### (b) Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and attrition rate. 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.

### (c) Fair Value Measurement of Financial Instruments:

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

### (d) Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Group past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### (e) Deferred Tax:

Significant judgments are involved in assessing the realizability of deferred income tax assets. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

### (f) Property, Plant and Equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## 2.3 Recent Pronouncements

### (a) Ind AS 116 - Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 – Leases. Ind AS 116 will replace the existing Standard i.e. Ind AS 17 – Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee

## Notes forming part of the Consolidated Financial Statements

and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized 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 recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

### (b) Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

## Notes forming part of the Consolidated Financial Statements

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

### (c) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

## 2.4 Revenue Recognition

The Group has revenue recognition policies for its various operating segments that are appropriate to the nature of each business. The revenues are recognized when the general revenue recognition criteria given in Ind AS 115 are met.

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

The Group measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Group presents revenues net of indirect taxes collected in its statement of profit and loss.

Advances received for services and products are reported as "Advance received against sale" until all conditions for revenue recognition are met.

### **Tickets:**

Revenues from Theme park/ Water park/ Snow park ticket sales are recognized when the tickets are issued.

The accounting policy for recognizing revenue from sale of Open Pass/ Gift Passes or Open Day Tickets with all days validity which are Non-Refundable in nature are recognized when Passes/ Tickets are utilized or expired.

### **Food/Beverages:**

Revenue is recognized when food/ drinks are supplied or served or services rendered.

### **Merchandise:**

Retail sale are recognized on delivery of the merchandise to the customer, when the property in goods and significant risk and rewards are transferred for a price and no effective ownership control is retained.

## Notes forming part of the Consolidated Financial Statements

### **Room Revenue:**

Revenue recognized upon rendering of services.

### **Barter:**

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue.

When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

### **Others:**

The revenue is recognized on accrual basis and when significant risk and rewards are transferred. Profit on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and carrying value of the investment. Lease rentals are recognized on a straight line basis over the lease term.

## **2.5 Taxes on Income**

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

### **Current Tax:**

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred tax:**

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## Notes forming part of the Consolidated Financial Statements

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.6 Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work in progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as "Capital Advances" under other non-current assets. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

Property, plant and equipment are eliminated from consolidated financial statement on disposal. Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

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

Depreciation is charged on Straight Line Method over the useful life of the assets as specified in Schedule II of the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower. Useful life of the assets is tabulated below.

Sr. No.	Nature of Asset	Estimated Useful Life
<b>1.</b>	<b>Building</b>	
(a)	RCC Frame Structure ( Other than factory building )	60 Years
(b)	other than RCC Frame Structure ( Other than factory building )	30 Years
<b>2.</b>	<b>Roads</b>	5 Years
<b>3.</b>	<b>Plant and Machinery</b>	15 Years
<b>4.</b>	<b>Furniture and fittings</b>	
(a)	General furniture and fittings	10 Years
(b)	Furniture and fittings used in hotels and restaurants.	8 Years
<b>5.</b>	<b>Motor Vehicles</b>	
(a)	Motor cycles	8 Years

## Notes forming part of the Consolidated Financial Statements

<b>Sr. No.</b>	<b>Nature of Asset</b>	<b>Estimated Useful Life</b>
(b)	Motor buses and motor cars.	8 Years
(c)	Electrically operated vehicles including battery powered or fuel cell powered vehicles.	8 Years
<b>6.</b>	<b>Office equipments</b>	5 Years
<b>7.</b>	<b>Computers and data processing units</b>	
(a)	Servers and networks	6 Years
(b)	End user devices, such as, desktops, laptops, etc.	3 Years
<b>8.</b>	<b>Electrical Installations and Fittings</b>	10 Years
<b>9.</b>	<b>Pipes &amp; Fittings</b>	15 Years
<b>10.</b>	<b>Trees &amp; Nursery</b>	3 Years to 30 Years

### 2.7 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the estimated useful economic life of the assets by using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized as follows:

<b>Sr. No.</b>	<b>Nature of asset</b>	<b>Estimated Useful Life</b>
1.	Trademarks and Logos	10 Years
2.	Softwares	6 Years
3.	Films	10 Years

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

### 2.8 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is arrived in the following manner:

## Notes forming part of the Consolidated Financial Statements

Food items	:	Weighted Average Basis
Merchandise	:	Cost
Consumable & Spare Parts	:	Cost

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

### 2.9 Non-Current Assets held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

### 2.10 Financial Instruments

#### (i) Financial Assets:

##### Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through Profit and Loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

## Notes forming part of the Consolidated Financial Statements

### Subsequent measurement:

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in other comprehensive income.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

## Notes forming part of the Consolidated Financial Statements

### De - recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - (a) the Group has transferred substantially all the risks and rewards of the asset; or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### (ii) Financial Liabilities:

#### Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated

## Notes forming part of the Consolidated Financial Statements

as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **De - recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **(iii) Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.11 Impairment of Asset**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

### **Impairment of financial assets:**

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

## **2.12 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that is

## Notes forming part of the Consolidated Financial Statements

reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed, where an inflow of economic benefits is probable.

### 2.13 Foreign Currency Transactions

#### Functional currency:

The functional currency of the Group is Indian Rupees ('INR'). These consolidated financial statements are presented in Indian Rupees and the all values are rounded to the nearest Lakh, except otherwise indicated.

#### Transactions and translations:

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

### 2.14 Borrowing Cost

Borrowing costs that are attributable to acquisition and construction of qualifying assets are capitalized till the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. The Group has capitalized borrowing costs of ₹ NIL.

All other borrowing costs are recognized as expenditure in the year in which they are incurred.

### 2.15 Earnings per Equity Share

#### Basic earnings per share:

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

## Notes forming part of the Consolidated Financial Statements

### Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected.

### 2.16 Employee Benefit

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlement;
- Net interest expense or income.

### Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.



## Notes forming part of the Consolidated Financial Statements

### Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

### 2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 2.18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.19 Lease

#### Operating Lease:

##### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

##### As a lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 2.20 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the consolidated financial statements.

### 2.21 Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

## Notes forming part of the Consolidated Financial Statements

### NOTE 3 : Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK			As at 31 <sup>st</sup> March, 2019	DEPRECIATION			As at 31 <sup>st</sup> March, 2019	NET BLOCK	
	As at 1 <sup>st</sup> April, 2018	Additions during the Year	Deductions/ Decapitalized during the Year		As at 1 <sup>st</sup> April, 2018	Depreciation for the Year	Deduction during the Year		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Land (Refer Note no. 48a)	15,065.42	425.56	-	15,490.98	-	-	-	-	15,490.98	15,065.42
Servers and networks	1,289.39	138.88	-	1,428.27	880.69	240.96	-	1,121.65	306.62	408.70
End user devices	368.38	1.70	-	370.08	339.10	29.39	-	368.49	1.59	29.28
Electrical Installation	9,315.04	1,027.69	-	10,342.73	3,847.14	1,031.07	-	4,878.21	5,464.52	5,467.90
Furniture & Fixtures	10,579.38	4,064.93	-	14,644.31	4,316.82	1,636.74	-	5,953.56	8,690.75	6,262.52
Office Equipments	3,431.05	586.91	-	4,017.96	2,596.89	668.15	-	3,265.04	752.92	834.16
Plant & Machinery	61,137.77	200.20	-	61,337.97	17,182.64	4,224.44	-	21,407.08	39,930.89	43,955.12
Building	44,239.07	2,582.18	-	46,821.25	5,621.82	1,412.64	-	7,034.46	39,786.79	38,617.25
Building Road	1,050.59	15.93	-	1,066.52	757.51	185.40	-	942.91	123.61	293.08
Pipes and Fittings	2,602.56	-	-	2,602.56	400.45	173.50	-	573.95	2,028.61	2,202.11
Vehicles	216.37	11.05	-	227.42	143.40	27.67	-	171.07	56.35	72.97
Electrical Vehicle	39.18	-	-	39.18	21.63	4.90	-	26.53	12.65	17.55
Nursery	438.29	0.33	-	438.62	420.29	18.02	-	438.31	0.31	18.00
Nursery - Tree	81.03	-	-	81.03	11.67	2.70	-	14.37	66.66	69.36
<b>Total- A</b>	<b>1,49,853.52</b>	<b>9,055.36</b>	<b>-</b>	<b>1,58,908.88</b>	<b>36,540.05</b>	<b>9,655.58</b>	<b>-</b>	<b>46,195.63</b>	<b>1,12,713.25</b>	<b>1,13,313.41</b>

### NOTE 4 : Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK			As at 31 <sup>st</sup> March, 2019	DEPRECIATION			As at 31 <sup>st</sup> March, 2019	NET BLOCK	
	As at 1 <sup>st</sup> April, 2018	Additions during the Year	Deductions/ Decapitalized during the Year		As at 1 <sup>st</sup> April, 2018	Depreciation for the Year	Deduction during the Year		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Software	1,207.81	131.91	-	1,339.72	800.19	209.11	-	1,009.30	330.42	407.62
Logo and Trade Mark	69.58	-	-	69.58	31.60	6.96	-	38.56	31.02	37.98
Film	3,059.06	-	-	3,059.06	1,315.04	305.91	-	1,620.95	1,438.11	1,744.01
Goodwill	126.40	-	-	126.40	-	-	-	-	126.40	126.40
<b>Total- B</b>	<b>4,462.85</b>	<b>131.91</b>	<b>-</b>	<b>4,594.76</b>	<b>2,146.83</b>	<b>521.98</b>	<b>-</b>	<b>2,668.81</b>	<b>1,925.95</b>	<b>2,316.01</b>
<b>Grand Total A+B</b>	<b>1,54,316.37</b>	<b>9,187.27</b>	<b>-</b>	<b>1,63,503.64</b>	<b>38,686.88</b>	<b>10,177.56</b>	<b>-</b>	<b>48,864.44</b>	<b>1,14,639.20</b>	<b>1,15,629.42</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 3 : Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April, 2017	Additions during the Year	Deductions/ Decapitalized during the Year	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	Depreciation for the Year	Deduction during the Year	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Land ( Refer Note no. 48a )	15,065.42	-	-	15,065.42	-	-	-	-	15,065.42	15,065.42
Servers and networks	1,289.39	-	-	1,289.39	665.81	214.88	-	880.69	408.70	623.58
End user devises	368.29	0.09	-	368.38	300.55	38.55	-	339.10	29.28	67.74
Electrical Installation	9,243.14	74.71	2.81	9,315.04	2,918.46	928.68	-	3,847.14	5,467.90	6,324.68
Furniture & Fixtures	10,687.41	130.30	239.33	10,578.38	3,299.22	1,196.32	178.72	4,316.82	6,261.56	7,388.19
Office Equipments	3,456.60	12.95	43.25	3,426.30	1,960.93	676.09	40.57	2,596.45	829.85	1,495.67
Plant & Machinery	60,124.45	18.89	2.99	60,140.35	13,260.78	3,891.93	-	17,152.71	42,987.64	46,863.67
Building	43,929.71	158.29	20.15	44,067.85	4,263.07	1,356.19	-	5,619.26	38,448.59	39,666.64
Building Road	1,019.09	31.50	-	1,050.59	548.75	208.77	-	757.52	293.07	470.34
Pipes and Fittings	1,330.45	1,272.11	-	2,602.56	248.09	152.36	-	400.45	2,202.11	1,082.36
Vehicles	248.64	5.80	38.07	216.37	139.20	31.09	26.89	143.40	72.97	109.44
Electrical Vehicle	39.18	-	-	39.18	16.73	4.90	-	21.63	17.55	22.45
Nursery	441.51	-	3.22	438.29	362.31	57.98	-	420.29	18.00	79.20
Nursery - Tree	80.28	0.75	-	81.03	8.98	2.69	-	11.67	69.36	71.30
Rides & Attraction - Bandit of Robinhood ( Refer Note no. 51)	1,174.38	-	-	1,174.38	32.97	-	-	32.97	1,141.41	1,141.41
<b>Total- A</b>	<b>1,48,497.94</b>	<b>1,705.39</b>	<b>349.82</b>	<b>1,49,853.51</b>	<b>28,025.85</b>	<b>8,760.43</b>	<b>246.18</b>	<b>36,540.10</b>	<b>1,13,313.41</b>	<b>1,20,472.09</b>

### NOTE 4 : Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April, 2017	Additions during the Year	Deductions/ Decapitalized during the Year	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	Depreciation for the Year	Deduction during the Year	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Software	1,201.41	15.02	8.62	1,207.81	615.33	184.86	-	800.19	407.62	586.08
Logo and Trade Mark	69.58	-	-	69.58	24.65	6.96	-	31.61	37.97	44.93
Film	3,059.06	-	-	3,059.06	1,009.14	305.91	-	1,315.05	1,744.01	2,049.92
Goodwill	125.15	1.25	-	126.40	-	-	-	-	126.40	125.15
<b>Total- B</b>	<b>4,455.20</b>	<b>16.27</b>	<b>8.62</b>	<b>4,462.85</b>	<b>1,649.12</b>	<b>497.73</b>	<b>-</b>	<b>2,146.85</b>	<b>2,316.00</b>	<b>2,806.08</b>
<b>Grand Total A+B</b>	<b>1,52,953.14</b>	<b>1,721.66</b>	<b>358.44</b>	<b>1,54,316.36</b>	<b>29,674.97</b>	<b>9,258.16</b>	<b>246.18</b>	<b>38,686.95</b>	<b>1,15,629.41</b>	<b>1,23,278.17</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 5 : Other

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
		(₹ in Lakhs)
<b>Bank deposits</b>		
Fixed deposits (pledge with banks)	12.43	52.54
<b>Total</b>	<b>12.43</b>	<b>52.54</b>

### NOTE 6 : Other Non-Current Assets

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
		(₹ in Lakhs)
<b>Capital Advances</b>		
i) Advance for land at Khalapur (Unsecured, considered doubtful, Refer Note no. 50) Less:- Provision for doubtful advances	667.64	667.64
	667.64	-
	-	667.64
ii) Others Advances for land	134.13	134.13
<b>Advances other than capital advances</b>		
Security deposits		
Unsecured, considered good	270.29	273.69
Deposits with government authorities	28.95	30.37
<b>Total</b>	<b>433.37</b>	<b>1,105.83</b>

### NOTE 7 : Inventories

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
		(₹ in Lakhs)
<b>Raw material</b>		
Food Items	172.34	201.28
<b>Trading goods</b>		
Merchandise	403.27	493.61
Stores and spares	840.21	733.89
Land Work in Progress	10,217.80	10,079.89
<b>Total</b>	<b>11,633.62</b>	<b>11,508.67</b>

### NOTE 8 : Trade Receivables

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
		(₹ in Lakhs)
<b>Trade Receivables</b>		
Trade Receivables considered good - Unsecured	897.91	511.62
Trade Receivables which have significant increase in Credit Risk	42.24	-
Trade Receivables - credit impaired	34.02	29.03
	974.17	540.65
Less: Allowances for credit losses	34.02	29.03
<b>Total</b>	<b>940.15</b>	<b>511.62</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 9 : Cash and Cash Equivalents

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
<b>Cash and Cash Equivalents</b>	
Balance with banks	109.11
Cash on hand	80.55
<b>Total</b>	<b>189.66</b>
	As at 31 <sup>st</sup> March, 2018
	163.90
	126.65
	<b>290.55</b>

### NOTE 10 : Bank Balances Other Than Above

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Fixed Deposits (pledge with banks)	43.60
<b>Total</b>	<b>43.60</b>
	As at 31 <sup>st</sup> March, 2018
	3.46
	<b>3.46</b>

### NOTE 11 : Loans

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Loan receivables considered good - Unsecured	
Other Loans	
Loan to employees	3.42
<b>Total</b>	<b>3.42</b>
	As at 31 <sup>st</sup> March, 2018
	5.21
	<b>5.21</b>

### NOTE 12 : Other Advances

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Deposit- others	1.00
Balance with government authorities	83.96
Receivable from Gratuity Trust	19.63
Capital Advances	308.54
<b>Total</b>	<b>413.13</b>
	As at 31 <sup>st</sup> March, 2018
	297.64
	50.58
	19.63
	309.17
	<b>677.02</b>

### NOTE 13 : Other Current Assets

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2019
	As at 31 <sup>st</sup> March, 2018
Advances other than capital advance	
Advances to suppliers	947.43
Others	
Prepaid expenses	157.94
Other receivables	23.54
Rent Equalisation	11.77
Income Accrued but not due	2.15
Other Deposit	25.00
Prepaid Gratuity (Refer Note no. 37)	-
<b>Total</b>	<b>1,167.83</b>
	As at 31 <sup>st</sup> March, 2018
	1,345.81
	141.76
	32.38
	10.71
	10.88
	-
	1.57
	<b>1,543.11</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 14 : Equity Share Capital

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised Capital</b>		
<b>20,00,00,000</b> (Previous Year: 20,00,00,000)		
Equity shares of ₹ 10/- each	20,000.00	20,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
<b>8,80,62,123</b> (Previous Year: 8,80,62,123)		
Equity shares of ₹ 10/- each, fully paid up	8,806.21	7,989.78
Add:- Issued during the year	-	816.43
<b>Total</b>	<b>8,806.21</b>	<b>8,806.21</b>

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

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Number of shares	(₹ in Lakhs)	Number of shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	8,80,62,123	8,806.21	7,98,97,810	7,989.78
Add:- Issued during the year	-	-	81,64,313	816.43
<b>Outstanding at the end of the year</b>	<b>8,80,62,123</b>	<b>8,806.21</b>	<b>8,80,62,123</b>	<b>8,806.21</b>

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

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 shares held by holding Company

Name of the Shareholder	No of Shares	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
NA	-	-

#### (d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Thrill Park Limited	2,72,41,127	30.93	4,20,00,087	47.69
India Advantage Fund S3 I	72,93,957	8.28	1,04,34,779	11.85
Shaan Agro And Realty India Private Limited	69,15,629	7.85	69,15,629	7.85
Begonia Realtors Private Limited	54,90,885	6.23	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes forming part of the Consolidated Financial Statements

### NOTE 15 : Borrowings

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
<b>Term Loans (Secured)</b>	
From banks ( Refer Note no. 45)	89,270.31
From financial institutions ( Refer Note no. 45)	9,801.63
	99,071.94
Less:- Amount disclosed under the head "Other current liabilities" (Refer Note no. 18)	9,956.95
<b>Total</b>	<b>89,114.99</b>
The above amount includes	
Loan guaranteed by promoters (Secured)	99,071.94

### NOTE 16 : Provisions

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Provision for Employee benefits	
Provision for leave encashment	138.65
	132.11
<b>Total</b>	<b>138.65</b>

### NOTE 17 : Borrowings

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Loan from banks ( Secured ) (Refer Note no. 38)	3,500.00
Loan from related party ( Unsecured) (Refer Note no. 39)	4,876.61
Loan from other companies (Unsecured)	-
	1,02,019.72
<b>Total</b>	<b>8,376.61</b>
The above amount includes	
Loan guaranteed by promoters (Secured)	3,500.00

### NOTE 18 : Other Financial Liabilities

	(₹ in Lakhs)
	As at 31 <sup>st</sup> March, 2018
	As at 31 <sup>st</sup> March, 2019
Current maturity of long term borrowings (Refer Note no.15)	9,956.95
Interest accrued and due (Refer Note no. 38)	2,942.56
	12,439.72
<b>Total</b>	<b>12,899.51</b>



## Notes forming part of the Consolidated Financial Statements

### NOTE 19 : Other Current Liabilities

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Revenue received in advances	608.95	764.86
Others		
IPO Expense Payable	73.00	73.00
Statutory dues	262.52	351.03
Security deposits from sales agents	59.02	26.60
Sundry creditors for land purchase	-	407.59
Advance received against Sale of Hotel	1,500.00	1,500.00
Sundry creditors for capital goods and services	312.51	877.03
Other payables	115.00	115.00
<b>Total</b>	<b>2,931.00</b>	<b>4,115.11</b>

### NOTE 20: Provisions

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provisions for employee benefits		
Provision for gratuity (Refer Note no. 37)	57.88	-
Provision for leave travel allowance	8.14	17.78
Provision for leave encashment	7.55	7.68
<b>Total</b>	<b>73.57</b>	<b>25.46</b>

### NOTE 21 : Revenue from Operations

	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
Sale of products	8,166.53	7,185.54
Sale of Services	13,710.58	15,052.88
Other operating revenue	2,160.77	1,390.35
<b>Revenue from Operations (Net)</b>	<b>24,037.88</b>	<b>23,628.77</b>
<b>Details of Sale of Product</b>		
Food & beverages	6,363.68	5,201.89
Merchandise sales	1,802.85	1,983.65
<b>Total</b>	<b>8,166.53</b>	<b>7,185.54</b>
<b>Details of Sale of Services</b>		
Tickets sales	11,447.59	13,008.31
Room Revenue	2,262.99	2,044.57
<b>Total</b>	<b>13,710.58</b>	<b>15,052.88</b>
<b>Details of Other Operating Revenue</b>		
Income from parking services	143.88	145.81
Income from third party logistic services	366.74	489.41
Income from space on hire	341.69	353.49
Income from lockers	240.87	182.94
Misc. Income	1,067.59	218.70
<b>Total</b>	<b>2,160.77</b>	<b>1,390.35</b>

## Notes forming part of the Consolidated Financial Statements

	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
<b>Details of Barter Transaction</b>		
Tickets sales	2,245.95	1,939.36
Food & beverages	1,316.58	26.40
Room Revenue	-	9.56
<b>Total</b>	<b>3,562.53</b>	<b>1,975.32</b>

### NOTE 22 : Other Income

	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
(₹ in Lakhs)		
Income from liquid fund investments	2.53	13.89
Interest Income	6.33	4.07
Gain on Sale of Assets	-	33.51
Other non operating Income	620.18	81.28
<b>Total</b>	<b>629.04</b>	<b>132.75</b>

### NOTE 23 : Cost of Material Consumed

	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
(₹ in Lakhs)		
Cost of food & beverage, others	1,380.91	1,395.87
Cost of liquor	143.82	132.86
<b>Total</b>	<b>1,524.73</b>	<b>1,528.73</b>

### NOTE 24 : Changes in Inventories of Stock-In-Trade

	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
(₹ in Lakhs)		
Stock in trade at the beginning of the year		
- Merchandise	493.61	537.89
Less: Stock in trade at the end of the year		
- Merchandise	403.27	493.61
<b>Total</b>	<b>90.34</b>	<b>44.28</b>

### NOTE 25 : Employee Benefit Expenses

	<b>For the Year ended 31<sup>st</sup> March, 2019</b>	For the Year ended 31 <sup>st</sup> March, 2018
(₹ in Lakhs)		
Salaries, wages and bonus	4,625.09	4,063.06
Contribution to provident fund	250.01	241.93
Employee welfare and other amenities	541.70	572.77
<b>Total</b>	<b>5,416.80</b>	<b>4,877.76</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 26 : Finance Cost

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Interest	13,099.43	12,501.84
Funds raising expenses	282.59	222.01
Bank charges	1.59	26.40
<b>Total</b>	<b>13,383.61</b>	<b>12,750.25</b>

### NOTE 27 : Other Expenses

	(₹ in Lakhs)	
	For the Year ended 31 <sup>st</sup> March, 2019	
	For the Year ended 31 <sup>st</sup> March, 2018	
Consumables & spares parts	76.78	62.63
Rent	168.75	179.55
Rates and taxes	163.23	294.33
Repairs and Maintenance	1,165.12	910.77
Power, fuel and water	1,819.09	1,692.49
Freight and forwarding expenses	0.85	5.08
House keeping expenses	720.75	692.37
Event & entertainment expenses	110.80	61.06
Advertisement, sales and marketing expenses	3,618.03	2,839.02
Insurance expense	87.46	96.81
Communication expenses	43.45	48.76
Travelling and conveyance expenses	497.27	718.49
Payment to auditors (Refer Note no. 34)	19.81	19.78
Legal and professional fees	396.27	333.56
Provision for Doubtful Debts	5.00	7.74
Bad Debts Written off	3.03	-
Provision for Doubtful Advances	667.64	-
Foreign exchange loss ( net)	0.47	1.01
Commission	1,293.21	1,115.09
Security and safety expenses	363.73	315.65
Printing and stationery expenses	73.97	62.33
Directors sitting fees	15.00	26.79
Loss on Sale of Assets	-	4.06
Other operating expenses	174.64	419.94
<b>Total</b>	<b>11,484.35</b>	<b>9,907.31</b>

## Notes forming part of the Consolidated Financial Statements

### NOTE 28: Earnings Per Share (EPS)- ( Ind AS 33 )

Sr. No	Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
1	Face Value per equity share in Rupees	10.00	10.00
2	Weighted Average number of equity shares outstanding	8,80,62,123	8,29,00,131
3	Net (Loss) as per Profit and Loss Statement (Continuing Operation) Rupees in Lakhs	(34,778.30)	(15,629.02)
4	Weighted Average earning per share from Continuing Operation (Basic and Diluted) in Rupees	(39.49)	(18.85)
5	Net (Loss) as per Profit and Loss Statement (from Discontinuing Operation) Rupees in Lakhs	-	-
6	Weighted Average earning per share from Discontinuing Operation (Basic and Diluted) in Rupees	-	-
7	Net (Loss) as per Profit and Loss Statement (Continuing and Discontinuing Operation) Rupees in Lakhs	(34,778.30)	(15,629.02)
8	Weighted Average earning per share from Continuing and Discontinuing Operation ( Basic and Diluted) in Rupees	(39.49)	(18.85)

### NOTE 29: Contingent Liabilities

Claim against the Group not acknowledged as debts for the year ended March 31, 2019 are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it Relates	Forum where dispute is Pending
Custom Act, 1962	Special Additional Duty (SAD)	77.49 <sup>(1)</sup>	June – 2012 to September -2013	CESTAT
Custom Act, 1962	Penalty	1,118.49	June – 2012 to September -2013	CESTAT
Finance tax Act, 1994	Service Tax	57.83 <sup>(2)</sup>	April - 2010 to March – 2012	CESTAT
Finance tax Act, 1994	Penalty	64.74	April - 2010 to March – 2012	CESTAT

Note(s):-

(1) Total demand ₹1,118.49 Lakhs – amount deposited ₹1,041.00 Lakhs.

(2) Total demand ₹ 64.74 Lakhs – amount deposited ₹ 6.91 Lakhs.

### NOTE 30: Capital Commitment

Estimated amount remaining to be executed on capital account and not provided for is ₹ 576.65 Lakhs as on 31<sup>st</sup> March, 2019.

### NOTE 31: Deferred Tax Asset (Net)

#### (a) Amount recognized in Consolidated Financial Statements:

Particulars	(₹ in Lakhs)			
	Deferred Tax Asset (Net)		Deferred Tax Expense / (Income)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
(i) Deferred Tax Assets & Expense / (Income)				
Disallowance under Income Tax Act, 1961	3,307.12	369.01	(2,938.11)	(251.55)
Related to Carried forward Loss and Unabsorbed Depreciation	24,048.46	28,408.95	4,360.50	(5,471.90)
<b>Subtotal</b>	<b>27,355.58</b>	<b>28,777.96</b>	<b>1,422.38</b>	<b>(5,723.46)</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	Deferred Tax Asset (Net)		Deferred Tax Expense / (Income)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
(ii) Deferred Tax Liabilities & Expense / (Income)				
Related to temporary difference on depreciation/amortisation	5,760.17	7,150.34	(1,390.17)	636.38
<b>Subtotal</b>	<b>5,760.17</b>	<b>7,150.34</b>	<b>(1,390.17)</b>	<b>636.38</b>
Net Deferred Tax Assets/ Deferred Tax Expense/(Income) to be recognized	21,595.41	21,627.63	32.21	(5,087.08)
De-recognition of Deferred Tax Assets (Refer note below)			16,540.55	-
Deferred Tax Assets Restricted to (Refer note below)	-	16,540.55		

### (b) Reconciliation of Tax Expenses/(Income)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Profit/ (Loss) before Tax</b>	(18,237.75)	(15,629.02)
Applicable Tax Rate	26.00%	33.06%
<b>Expected Income Tax Expenses / (Income) (i)</b>	<b>(4,741.82)</b>	<b>(5,166.95)</b>
Add/(Less):		
Deferred Tax Asset not recognised for the year – Restricted (Refer Note below)	4,741.82	5,166.95
Deferred Tax Asset de-recognised during the year (Refer Note below)	16,540.55	-
<b>Subtotal (ii)</b>	<b>21,282.37</b>	<b>5,166.95</b>
<b>Income Tax Expense/(Income) to Statement of Profit &amp; Loss [i+ii]</b>	<b>16,540.55</b>	-

During the financial year 2017-18 and 2018-19, the group has not recognised any incremental deferred tax assets as per above workings. Further, during the financial year 2018-19, the Group has de-recognised the entire deferred tax assets of ₹ 16,540.55 Lakhs recognised by it in earlier financial years. The above treatment is in accordance with para 35 of "Ind As 12 – Income Taxes" since at present there is no convincing evidence with the group that there will be sufficient taxable profits in future to utilise the unused tax losses or unused tax credits of the Group.

### NOTE 32: Use of Going Concern Assumption

The Group has incurred a net loss of ₹ 34,778.30 Lakhs for the year ended 31<sup>st</sup> March, 2019 and as of that date, the net worth of the Group has been substantially eroded. Further, borrowings of the group have been called back by the secured lenders due to material breach of debt covenants by the group and consequently, the group has re-classified the borrowings as current borrowings in the consolidated financial statements. Subsequent to this reclassification, the current liabilities are substantially higher than current assets of the group as at 31<sup>st</sup> March, 2019. In addition to this, application has also been made against the group by one of the secured lenders to National Company Law Tribunal (NCLT), Mumbai under the provisions of the Insolvency and Bankruptcy Code, 2016.

In spite of above, the Group is defending against admission of proceedings by NCLT through its lawyers on various grounds including the fact that the Consortium of lenders is already evaluating various modes of resolution and majority lenders are inclined towards a resolution / upfront settlement / assignment. The Group is confident that a suitable debt resolution plan would be formulated along with its lenders in accordance with existing RBI / internal lender guidelines. Considering these developments as well as the ongoing business operations which continue in normal course, the consolidated financial statements continue to be prepared on going concern basis.

## Notes forming part of the Consolidated Financial Statements

### NOTE 33: Revenue from Contracts with Customers ( Ind AS 115 )

On March 2018, the Ministry of Corporate Affairs (the MCA), Government of India notified Ind AS 115 'Revenue from Contracts with Customers'. The standard is applicable to the Group with effect from April 1, 2018.

The Group measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Group presents revenues net of indirect taxes collected in its statement of profit and loss.

#### Disaggregate Revenue Information

Details of Product sold	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March , 2019	For the year ended 31 <sup>st</sup> March , 2018
Tickets sales	11,447.59	13,008.31
Food & beverages	6,363.68	5,201.89
Merchandise sales	1,802.85	1,983.65
Room revenue	2,262.99	2,044.57
<b>Total Revenue from Operations</b>	<b>21,877.11</b>	<b>22,238.42</b>

#### Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The impact on account of applying Ind AS 115 – Revenue from contract with customers instead of the erstwhile Ind AS 18 – Revenue on the consolidated financials statements of the Group for the year ended and as at March 31, 2019 is insignificant.

### NOTE 34: Payment to Auditors

Particulars	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March , 2019	For the year ended 31 <sup>st</sup> March , 2018
Audit Fees	14.50	14.00
Reimbursement of expenses	0.31	0.33
Taxation Matters	-	0.45
Income Tax Scrutiny Fees	1.00	1.00
Limited Review Fees	2.00	2.00
Tax Audit Fees	2.00	2.00
<b>Total</b>	<b>19.81</b>	<b>19.78</b>

### NOTE 35: Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). On the basis of the information and records available with the Group, the following disclosures are made for the amounts due to the Micro and Small enterprises.

## Notes forming part of the Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Principal amount due to any supplier as at the year end	39.20	12.75
Interest due on the principal amount unpaid at the period end to any supplier	0.84	0.93
Amount of Interest paid by the Group in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	-	-
Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period, but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	1.80	5.69
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above is actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED.	16.54	14.74

### NOTE 36: Lease

#### (a) Where the Group is a Lessee:

The Group has taken certain assets like Land, Office premises, furniture and fixtures and apartments on lease. They are on rental lease term which range between 10 months to 5 years and some of the lease agreement are having price escalation clause. The lease rentals expense during the year amount to ₹168.75 Lakhs (Previous Year ₹188.56 Lakhs).

The future minimum lease payments in respect of such operating leases as at 31<sup>st</sup> March, 2019 are summarized below.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Amount payable within one year from the balance sheet date.	122.86	129.99
Amount payable in the period between one year and five years	8.77	118.44
Amount payable beyond five years	-	-
<b>Total</b>	<b>131.63</b>	<b>248.43</b>

The above lease payments are exclusive of Service Tax / GST.

#### (b) Where the Group is a Lessor.

The Group has given on lease three premises / place for period of 5 years to 15 years and some of the lease agreement are having price escalation clause. The lease rentals income during the reporting year amount to ₹ 25.28 Lakhs (Previous Year ₹ 13.66 Lakhs).

The future minimum lease receipts of such operating leases as at 31<sup>st</sup> March, 2019 are summarized as below.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Amount receivable within one year from the balance sheet date.	15.62	19.78
Amount receivable in the period between one year and five years	62.48	36.20
Amount receivable beyond five years	46.87	41.48
<b>Total</b>	<b>124.97</b>	<b>97.46</b>

The above lease receipts are exclusive of Service Tax / GST.

## Notes forming part of the Consolidated Financial Statements

### NOTE 37: Post Retirement Benefit Plans

#### Defined Benefits Plan:

##### Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The gratuity plan is funded through an 'Approved Trust'. The Trust has taken a Policy from the HDFC Life Insurance and the management / investment of the fund is undertaken by the insurer.

The Group contributes all ascertained liabilities towards gratuity to the "Adlabs Entertainment Limited Employee's Gratuity Trust". The Trustees administer contributions made to the trust. As of 31<sup>st</sup> March, 2019, the plan assets have been primarily invested in insurer – managed funds.

The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

The following table shows the Actuarial Valuation as on 31<sup>st</sup> March, 2019 and amounts recognised in the consolidated financial statements in respect of Employee Defined Benefit Schemes:

	(₹ In Lakhs)	
Change in Defined Benefit Obligation during the year	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Defined Benefit Obligation, Beginning of year	205.15	184.37
Net Current Service Cost	61.17	71.61
Interest Cost on DBO	18.29	16.28
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(14.52)	(31.16)
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(20.47)	(54.68)
Past Service Cost	-	18.73
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of year	249.62	205.15
Change in Fair value of Plan Assets during the year	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Fair value of Plan Assets, Beginning of year	206.72	-
Interest Income Plan Assets	16.27	2.59
Actual Company Contributions	-	209.11
Actuarial Gains / (Losses)	(10.77)	(4.98)
Benefits paid	(20.47)	-
Fair value of Plan Assets, End of year	191.74	206.72



## Notes forming part of the Consolidated Financial Statements

<b>Amount Recognized in Statement of Financial Position at year End</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Present Value of Unfunded Defined Benefit Obligation	249.62	205.15
Fair value of Plan Assets	191.74	206.72
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	<b>57.88</b>	<b>(1.57)</b>
<b>Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at year End</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Service Cost	61.17	71.61
Net Interest Cost	2.02	13.69
Past Service Cost	-	18.73
Total Defined Benefit Cost/(Income) included in Profit & Loss	63.19	104.03
<b>Analysis of Amounts Recognised in Other Comprehensive (Income) /Loss at year End</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Amount recognized in OCI, Beginning of year	(30.01)	(3.84)
Remeasurements due to :		
Effect of Change in financial assumptions	2.99	(12.08)
Effect of change in demographic assumption	-	-
Effect of experience adjustments	(17.51)	(19.07)
Return on plan assets (excluding interest)	10.78	4.98
Total remeasurements recognized in OCI	(3.74)	(26.18)
Amount recognized in OCI, End of year	(33.75)	(30.01)
<b>Maturity Profile of defined benefit obligation</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Within the next 12 months	7.89	6.86
Between 2 to 5 years	57.22	37.49
Between 6 to 10 years	76.94	66.65
<b>Sensitivity Analysis</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Defined Benefit Obligation - Discount Rate + 100 basis points	(30.54)	(24.96)
Defined Benefit Obligation - Discount Rate - 100 basis points	33.30	26.83
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	24.85	19.70
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(23.60)	(19.51)
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
<b>Financial Assumptions Used to Determine the Defined Benefit</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Discount Rate	7.78%	7.87%
Salary Escalation Rate	6.00%	6.00%
Expected Return on Plan Assets	N.A	N.A
<b>Demographic Assumptions Used to Determine the Defined Benefit</b>		
Withdrawal Rate	2.00%	2.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Retirement Age	58 years	58 years

## Notes forming part of the Consolidated Financial Statements

### NOTE 38: Default in repayment of Borrowing (Current) and Interest

During the year, the Group has defaulted in the repayment of borrowings to the Banks and Financial Institutions and interest thereon as under:

Secured Lenders	(₹ In Lakhs)			
	Principal amount of Borrowings		Interest on Borrowings	
	<sup>(1)</sup> Default in Repayment during the year ended 31 <sup>st</sup> March, 2019	Default as at 31 <sup>st</sup> March, 2019	Default in payment during the year ended 31 <sup>st</sup> March, 2019	Default as at 31 <sup>st</sup> March, 2019
Banks	90,942.90	92,299.41	11,102.47	11,230.19
Financial Institutions	9,542.16	9,720.31	1,129.56	1,209.53
<b>Grand Total</b>	<b>100,485.06</b>	<b>102,019.72</b>	<b>12,232.03</b>	<b>12,439.72</b>

Note (s):-

(1) The secured borrowings taken by the group from Banks and Financial Institutions had a certain repayment schedule agreed and part of the principal obligations which were due during the year along with interest have not been repaid. Therefore, entire secured borrowings of the group have been called back by the secured lenders vide recall notices due to material breach of debt covenants by the group and consequently, the group has re-classified the borrowings as current borrowings in the consolidated financial statements and has been disclosed as default in repayment in the above table.

Further, due to material breach of debt covenants by the group, few of the secured lenders have not confirmed their interest on borrowings for the year in their loan statement or have not provided the loan statement to the group. Hence, the Group has recognised Interest expense calculated on the basis of Interest rates, Penal Interest rates and other data agreed with the lenders in the Sanctioned Letter / Term Sheets (after latest revisions).

### NOTE 39: Related Party Disclosures (As identified by the Management)

#### a) Related Party Relationship:

##### i) Key Managerial Personnel:

- Mr. Manmohan Shetty
- Mr. Dhimant Bakshi
- Mr. Mayuresh Kore
- Mr. Ashutosh Kale

##### ii) Relatives:

- Ms. Pooja Deora
- Ms. Aarti Shetty

##### iii) Entities Controlled by KMP:

- Thrill Park Limited

#### b) Transaction with Related Parties (Excluding Reimbursements).

Sr. No	Nature of Transaction	Key Managerial Personnel	Relatives	(₹ In Lakhs)
				Entities Controlled by KMP
1	Loan			
		Received During the year	415.06	-
		(1,811.00)	(-)	(-)
	Repaid During the year	5,291.67	-	299.56
		(1,806.61)	(-)	(1,089.99)

## Notes forming part of the Consolidated Financial Statements

Sr. No	Nature of Transaction	Key Managerial Personnel	Relatives	Entities Controlled by KMP
	Given during the year	-	-	-
		(-)	(-)	(-)
<b>2</b>	<b>Expenses</b>			
	Rent & Society Maintenance	119.65*	-	-
		(105.53*)	(-)	(-)
	Fees		5.90*	-
		(-)	(46.75*)	(-)
	Remuneration	212.92	-	-
		(268.08)	(-)	(-)
	Royalty	1.18*	-	-
		(1.18*)	(-)	(-)
	Interest	-	-	728.67
		<b>(515.54)</b>	<b>(-)</b>	<b>(-)</b>

\* The amount includes taxes

### c) Outstanding as at 31<sup>st</sup> March, 2019

		(₹ In Lakhs)			
		As at 31 <sup>st</sup> March, 2019	Maximum o/s bal. during the year	As at 31 <sup>st</sup> March, 2018	Maximum o/s bal. during the year
<b>1</b>	<b>Short Term Borrowing</b>				
	Manmohan Shetty	-	4,932.92	4,876.61	4,876.61
	Thrill Park Ltd.	5,039.36	5,039.36	-	1,080.24
<b>2</b>	<b>Trade Payable</b>				
	Manmohan Shetty	43.74	87.22	81.59	81.59
	Pooja Deora	-	-	-	13.18
	Aarti Shetty	-	24.10	19.10	31.70
	Mayuresh Kore	8.58	8.58	11.21	11.21
	Dhimant Bakshi	9.24	9.24	17.21	17.21
	Ashutosh Kale	8.83	8.83	12.25	12.25
<b>3</b>	<b>Other Current Assets</b>				
	Thrill Park Limited	-	-	9.75	-

Note (s):-

- Figures in the bracket represent previous year (P.Y.) figures.
- The Group has paid the Consultancy fees to Ms. Aarti Shetty ₹5.90 Lakhs (P.Y. ₹ 35.18 Lakhs), and Mrs. Pooja Deora ₹NIL (P.Y. ₹11.58 Lakhs).
- The Group has paid the Remuneration to Mr Ashutosh Kale ₹63.58 Lakhs ( P.Y. ₹52.57 Lakhs ), Mr. Dhimant Bakshi ₹ 88.05 Lakhs ( P.Y. ₹71.36 Lakhs ) and Mr. Mayuresh Kore ₹61.28 Lakhs ( P.Y. ₹ 53.06 Lakhs).
- The Group has paid Rent and Maintenance Charges for use of office premises and parking area located at 9th floor, Lotus Business Park, New Link Road, Andheri-West, Mumbai-400053 to Mr. Manmohan Shetty amounted to ₹119.65 Lakhs (P.Y. ₹ 105.53 Lakhs).
- The Group has paid royalty of ₹ 1.18 Lakhs (P.Y. ₹1.18 Lakhs) to Mr. Manmohan Shetty.
- The Group has paid Interest of ₹ NIL ( P.Y. ₹515.54 Lakhs ) on Loan taken from Mr. Manmohan Shetty.
- The Group has paid Interest of ₹728.67 Lakhs ( P.Y. ₹NIL) on Loan taken from M/s Thrill Park Limited.

## Notes forming part of the Consolidated Financial Statements

### NOTE 40: Fair Value Measurement

#### Financial Instrument by category and hierarchy:

The fair values 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 methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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.

The Group 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.

The fair values for Non-Current borrowings, loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ In Lakhs)

Particular	Carrying Amount as at 31 <sup>st</sup> March, 2019	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Non- Current				
Investments	-	-	-	-
Others	12.43	-	-	12.43
Current				
Trade receivables	940.15	-	-	940.15
Cash and cash equivalents	189.66	-	-	189.66
Other bank balances	43.60	-	-	43.60
Loans	3.42	-	-	3.42
Others	413.13	-	-	413.13
<b>Total</b>	<b>1,602.39</b>	-	-	<b>1,603.39</b>

## Notes forming part of the Consolidated Financial Statements

Particular	Carrying Amount as at 31 <sup>st</sup> March, 2019	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities</b>				
Current				
Borrowings	107,259.08	-	-	107,259.08
Trade payables	2,739.41	-	-	2,739.41
Other financial liabilities	12,439.72	-	-	12,439.72
<b>Total</b>	<b>122,438.21</b>	-	-	<b>122,438.21</b>

(₹ In Lakhs)

Particular	Carrying Amount as at 31 <sup>st</sup> March, 2018	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Non- Current				
Investments	-	-	-	-
Others	52.54	-	-	52.54
Current				
Trade receivables	511.62	-	-	511.62
Cash and cash equivalents	290.55	-	-	290.55
Other bank balances	3.46	-	-	3.46
Loans	5.21	-	-	5.21
Others	677.02	-	-	677.02
<b>Total</b>	<b>1,540.40</b>	-	-	<b>1,540.40</b>
<b>Financial Liabilities</b>				
Non- Current				
Borrowings	89,114.99	-	-	89,210.42
Current				
Borrowings	8,376.61	-	-	8,376.61
Trade payables	2,776.32	-	-	2,776.32
Other financial liabilities	12,899.51	-	-	12,899.51
<b>Total</b>	<b>113,167.43</b>	-	-	<b>113,167.43</b>

During the reporting period ending 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018, there were no transfer between Level 1 and Level 2 fair value measurement.

### NOTE 41: Financial Risk Management Objectives and Policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Management Board.

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market Risk is attributable to all market risk sensitive financial instruments including investment and deposits, foreign currency receivables, payables and loans and borrowings.

## Notes forming part of the Consolidated Financial Statements

The Group manages market risk through its finance department, which evaluate and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### Interest Rate Risk:

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### Exposure to interest rate risk:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Floating Rate Borrowings	1,02,019.72	1,02,571.94

### Interest rate sensitivity:

A change of 1% in interest rates would have following impact on profit before tax:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1% increase in interest rate – Decrease in Profit	(1,020.19)	(1,025.71)
1% decrease in interest rate – increase in Profit	1,020.19	1,025.71

### Foreign Currency Risk:

The Group is not exposed to significant foreign currency risk as at the respective reporting dates.

### Liquidity Risk:

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Groups net liquidity through rolling forecasts on the basis of expected cash flows.

### Repayment of Term Loans are as per below:

Particular	(₹ In Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Within the next 12 months	1,02,019.72	9,956.95
Between 2 to 5 years	-	80,554.10
5 years and above	-	21,300.00

As explained in note 32 and 38 above, the group has defaulted in repayment obligations of borrowings during the year and the secured lenders have recalled the entire amount of borrowings. Therefore, the borrowings has been reclassified as current borrowings during the year and the current liabilities of the group are significantly higher than the current assets of the group. Therefore, the group faces a significant liquidity risk.

### Credit Risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking in to account the financial condition,

## Notes forming part of the Consolidated Financial Statements

current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

### NOTE 42: Capital Risk Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### NOTE 43: Ratios of Consolidation for Net Assets and Profit and Loss Account are as follows:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs )	As % of consolidated profit or (loss)	Amount (₹ in Lakhs )
<b>Parent Company</b>	-118.81%	(5,527.04)	-99.90%	(34,739.15)
Adlabs Entertainment Limited				
<b>Indian Subsidiary Company</b>				
WalkWater Properties Pvt Ltd.	218.82%	10,178.54	-0.10%	(35.22)
Blue Haven Entertainment Ltd.	-0.01%	(0.46)	-0.00%	(0.11)

### NOTE 44: Disclosures As Required By Indian Accounting Standard (Ind As) 108 – Operating Segments

Operating Segments of the Group	:	
Tickets	:	Theme Park, Water Park and Snow Park Tickets
Food and Beverage	:	Park Restaurant and Hotel Restaurant
Merchandise	:	Park Merchandise and Hotel Merchandise
Rooms	:	Hotel Accommodation's
Other Operations Rentals	:	Parking, Lockers, Sponsorship, SPA, Revenue Sharing agreements & Lease
Identifications of Segments	:	

The chief operational decision maker monitors the operating results of its Business segment 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 in the Consolidated financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

## Notes forming part of the Consolidated Financial Statements

### Segment Revenue and Results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure & income.

### Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Summary of the Segmental Information as at and for the year ended 31<sup>st</sup> March, 2019 is as follows:

Particulars							(₹ In Lakhs)	
	Tickets	Food and Beverage	Merchandise	Rooms	Other Operations	Unallocated	Total	
Net Revenue	11,447.59	6,363.68	1,802.85	2,262.99	2,160.77	-	24,037.88	
Segment Result before Interest and Taxes	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(1,585.74)	(5,483.18)	
Less: Finance Cost	-	-	-	-	-	13,383.61	13,383.61	
Add: Interest and dividend income	-	-	-	-	-	629.04	629.04	
Profit before Tax	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(14,340.31)	(18,237.75)	
Deferred Tax	-	-	-	-	-	(16,540.55)	(16,540.55)	
Profit after tax	(7,580.13)	3,114.42	368.06	(1,446.19)	1,646.40	(30,880.86)	(34,778.30)	
Other Information								
Segment assets	78,543.97	4,841.86	2,012.04	17,444.43	132.59	27,250.56	1,30,225.45	
Segment liabilities	2,127.66	169.15	218.94	493.34	162.05	1,22,403.74	1,25,574.88	
Capital Expenditure during the year	133.57	-	-	8,628.13	-	425.55	9,187.25	
Depreciation and Amortisation	7,916.46	434.52	102.92	1,723.66	-	-	10,177.55	

Summary of the Segmental Information as at and for the year ended 31<sup>st</sup> March, 2018 is as follows:

Particulars							(₹ In Lakhs)	
	Tickets	Food and Beverage	Merchandise	Rooms	Other Operations	Unallocated	Total	
Net Revenue	13,008.31	5,201.89	1,983.65	2,044.57	1,390.35	-	23,628.77	
Segment Result before Interest and Taxes	(4,431.28)	1,889.39	409.23	(725.91)	716.49	132.75	(2,142.08)	
Less: Finance Cost	-	-	-	-	-	(891.57)	(891.57)	
Add: Interest and dividend income	-	-	-	-	-	(12,750.25)	(12,750.25)	
Profit before Tax	(4,431.28)	1,889.39	409.23	(725.91)	716.49	(13,509.07)	(15,651.15)	



## Notes forming part of the Consolidated Financial Statements

Particulars	Tickets	Food and Beverage	Merchandise	Rooms	Other Operations	Unallocated	Total
Deferred Tax	-	-	-	-	-	-	-
Profit after tax	(4,431.28)	1,889.39	409.23	(725.91)	716.49	(13,509.07)	(15,651.15)
Other Information							
Segment assets	84,900.35	5,331.93	2,230.85	18,835.38	82.01	45,357.15	1,56,737.67
Segment liabilities	1,717.51	252.58	178.97	976.49	132.62	1,14,053.98	1,17,312.15
Capital Expenditure during the year	1,657.47	-	-	(59.41)	-	1.25	1,598.06
Depreciation and Amortisation	7,817.95	434.52	102.92	886.97	-	15.36	9,258.15

**NOTE 45:** The Term Loan facility availed by the Group is secured by pari passu first charge on movable and immovable fixed assets of the Group including mortgage of 298 acres of land (out of which 137 acres of land held by Walkwater Properties Pvt Ltd, wholly owned subsidiary of the Company) to consortium led by Union Bank of India in favour of IDBI Trusteeship Services Ltd.

The said loan is also secured by first pari passu charge on Current assets of the Group, pledge of shares held by promoters of the Group, Personal and Corporate Guarantees of the Promoters of the Group and wholly owned subsidiary.

The Additional facility availed from other lenders are secured by first charge on additional land parcels aggregating to 34 acres of Land and secured by Second and subservient charge on other assets of the Group. Further, as a collateral security have been furnished with Personal and Corporate Guarantees of the Promoters of the Group.

**NOTE 46:** The Group equity shares are in dematerialized form with the Central Depository Services (India) Limited (CDSL) and with National Securities Depository Limited (NSDL) having ISIN No. INE172N01012.

**NOTE 47:** During the year, the Group had operationalized its second phase of Hotel consisting of 171 rooms w.e.f. September 1, 2018.

**NOTE 48:** The Group to reduce its debt obligation had decided to off load its non-core assets as under:

- The Company Adlabs Entertainment Limited (AEL) had entered into a term sheet with Shaan Agro and Realty Private Limited (SARPL) for sale of 65 acres Surplus land and 100% investment in wholly owned subsidiary Walkwater Properties Private Limited (WPPL) for ₹15,000 Lakhs. However, the closure of the said transaction depends upon the No Objection Certificate from Lenders holding the same as security. Therefore, the Group has not yet classified the Land and investment in subsidiary as "held for sale" in terms of para 6 of Ind AS 105 as "Non Current Assets held for sale and discontinued operations".
- Further, the Group had entered into a term sheet with Bright Star Investments Private Limited (BSIPL) for the sale of its Hotel Segment "Novotel Imagica Khopoli" and BSIPL had paid ₹1,500 Lakhs towards Earnest Money Deposit. One litigant had attempted for an injunction with the arbitral bench, and the same was not granted. However, the closure of the said transaction depends upon the No Objection Certificate from Lenders holding the same as security. Consequently, the asset along with liabilities, revenue and expenses related thereto have not been classified as assets "held for sale" in terms of para 6 of Ind AS 105 as "Non Current Assets held for sale and discontinued operations".

## Notes forming part of the Consolidated Financial Statements

**NOTE 49:** During the FY 2017-18, Group had issued and allotted 5 (Five) Convertible Warrants of ₹2,37,25,000/- (Rupees Two Crore Thirty Seven Lakhs Twenty Five Thousand Only) each on preferential basis to Bennett Coleman and Company Limited ("BCCL") on June 20, 2017 pursuant to receipt of 25% upfront payment consideration from BCCL. The said warrants were to be converted in to such number of equity shares as per the terms and conditions agreed within 18 months from the date of warrant allotment, i.e. on or before December 19, 2018 by paying balance 75% of the consideration. Since the group has neither received any request for conversion of share warrants into Equity Shares, nor have received balance 75% of the sum payable on such warrant, the consideration received therefore from warrant holder at the time of issuance of such warrants stands to be forfeited as on December 19, 2018 and transferred to capital reserve.

**NOTE 50:** In reference to capital advances given by the group for acquiring land at Khalapur amounting to ₹667.63 Lakhs grouped as Capital Advance under Non- Current Assets, the group have filed a suit for Specific performance and the same is pending since last eight years. Hence, the management have decided to make a provision for such doubtful advance in the consolidated financial statements, without prejudice to the existing legal efforts.

**NOTE 51:** The group had suspended operation of one ride in 2014 on account of malfunctioning and it had pursued legal action with the vendor for damages including compensation for loss of business. In last year, the group has settled the dispute with the said vendor an overall consideration of EURO 4,50,000 of which EURO 1,50,000 was upfront compensation and EURO 3,00,000 in the form of discount on future purchase of rides/equipment. Also, the cost of recommencement of operation was reimbursed by the vendor. During the year, the said ride has commenced its operation.

As per our report of even date

**For A. T. JAIN & CO.**

Firm Registration No.: 103886W

Chartered Accountants

**Hiten Sarvaiya**

Partner

Membership No.: 164094

Place: Mumbai

Date : 16<sup>th</sup> May, 2019

**For and on behalf of the Board of Directors of  
Adlabs Entertainment Limited**

**Manmohan Shetty**

Chairman

**Mayuresh Kore**

Chief Financial Officer

**Ashutosh Kale**

Executive Director & Jt. CEO

**Divyata Raval**

Company Secretary

**Dhimant Bakshi**

Jt. CEO

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

(₹ In Lakhs)

Sr. No.	Particulars	Details	Details
1.	Name of the subsidiary	Walkwater Properties Private Limited	Blue Haven Entertainment Private Limited
2.	The date since when subsidiary was acquired	September 11, 2014	November 16, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company	Same as holding company
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
5.	Share capital	2,156.63	1.00
6.	Reserves & surplus	8,021.88	(1.46)
7.	Total assets	11,823.76	0.54
8.	Total Liabilities	1,645.23	0.99
9.	Investments	0.00	0.00
10.	Turnover	0.00	0.00
11.	Profit before taxation	(35.22)	(0.12)
12.	Provision for taxation	0.00	0.00
13.	Profit after taxation	(35.22)	(0.12)
14.	Proposed Dividend	NIL	NIL
15.	Extent of shareholding (In percentage)	100.00	100.00

# ADLABS ENTERTAINMENT LIMITED

Registered office: 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad- 410 203  
Tel.: +91 2192 669 900; Fax: +91 22 4068 0088; Website: [www.adlabsimagica.com](http://www.adlabsimagica.com)  
E-mail: [compliance@adlabsentertainment.com](mailto:compliance@adlabsentertainment.com); CIN: L92490MH2010PLC199925



## PROXY FORM - MGT 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Folio No.: \_\_\_\_\_ DP ID - Client ID: \_\_\_\_\_

Registered Address : \_\_\_\_\_

I/We being the Member(s) of \_\_\_\_\_ equity shares of ₹ 10 each of Adlabs Entertainment Limited, hereby appoint:

1. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company, to be held on Thursday, August 01, 2019 at 12:00 noon at the Imagica Theme Park, Imagica Capital, 30/31, Sangdewadi, Khopoli-Pali Road, Taluka Khalapur, District Raigad - 410 203 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. no.	Resolutions	For	Against
1	To receive, consider and adopt: a) the audited financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors' thereon; and b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, the report of the Auditors' thereon.		
2	To appoint a Director in place of Mr. Kapil Bagla (DIN: 00387814), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint Statutory Auditors and fix their remuneration		
5	To re-appoint Mr. Ashutosh Kale (DIN: 06844520) as an Executive Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
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.**

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[www.adlabsimagica.com](http://www.adlabsimagica.com)