

## BOARD'S REPORT

Dear Shareowners,

Your Directors have pleasure in presenting the Thirty Third Annual Report along with the Audited Accounts and Financial Statements (including consolidated financial statements) for the year ended on 31<sup>st</sup> March, 2020.

### Financial Results (Standalone & Consolidated):

Particulars	(₹ In Lakhs)			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	4317.44	3468.21	4483.08	3557.02
Total Expenses	1942.56	3515.77	2038.61	3600.71
Profit before exceptional items & tax	2374.88	(47.56)	2444.47	(43.69)
Exceptional items	0.00	0.00	0.00	0.00
Profit before Tax	2374.88	(47.56)	2444.47	(43.69)
Tax Expenses	(79.71)	(57.81)	(79.71)	(57.81)
Other comprehensive income (net of tax)	0.00	0.00	11.77	(0.51)
Total comprehensive income for the year	2454.59	10.25	2535.95	13.61

### Operational Performance:

During the financial year 2019-20, total revenue on standalone and consolidated basis increased to ₹4317.44 Lakhs and ₹4483.08 Lakhs as against ₹3468.21 and ₹3557.02 respectively in the previous year; Profit before Tax for the current year is standalone ₹2374.88 Lakhs and consolidated ₹2444.47 Lakhs as against standalone (₹47.56) Lakhs and consolidated (₹43.69) Lakhs in the previous year and the total comprehensive income for the current year stood at standalone ₹2454.59 Lakhs and consolidated ₹2535.95 Lakhs as against standalone ₹10.25 Lakhs and consolidated ₹13.61 Lakhs in the previous year.

### Segment Performance:

The Company is engaged in the business of entertainment and films either through co-production and production of such films and subsequently exploiting and distributing such films in India through music release, theatrical distribution, DVD and VCD release, television licensing and other new media distribution avenues.

### Changes in the nature of business, if any:

There were no Changes as such in the Company for the year under review.

### Reserves:

During the year under review, no amount was transferred to Reserves.

### Dividend:

Considering the prevailing economic conditions and the requirement of cash the Board of Directors does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### Subsidiary, Associate and Joint Venture Companies:

Modern Production FZ LLC is 100% Subsidiary of the Company. Kindly refer Form AOC-1 which is enclosed as **Annexure-I** and forms part of this report.

### Share Capital & Listing:

The paid up equity capital as on March 31, 2020 was ₹ 5,00,05,000/-. As on date all the 50,00,500 Equity Shares of the Company are listed on the BSE Limited. The Company confirms that it has paid the Annual Listing fees for the year to the BSE where the Company's shares are listed.

**Extract of Annual Return & web-link for annual return:**

As per the requirements of Section 92(3) of the Act, the extract of the annual return is enclosed as **Annexure-II** and forms part of this report. Annual return for the financial year 2019-20, once file shall be available on the website of the Company at <https://poojaentertainmentandfilms.in/>.

### Revision in Financial Statements:

In terms of section 131 of the Companies Act, 2013, the Financial Statements and Board's Report are in compliance with the provisions of section 129 or section 134 of the act and that no revision has been made during any of the three preceding Financial Years.

### Deposits:

The Company has neither accepted nor invited any deposit from the public and hence directives issued by Reserve Bank of India and the provisions of Chapter V (Acceptance of deposits by Companies) of the Companies Act, 2013 and rules framed there under are not applicable for the year. However company is having unsecured loan of ₹42.60 Lakhs as on 31<sup>st</sup> March, 2020 from Directors of the company for which proper declaration has been furnished by them as required under Rule 2(viii) of the Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

### Material changes and commitments:

There were no Material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### COVID-19:

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity and the focus was immediately shifted to ensuring the health and well-being of all employees. While the adverse effects of the pandemic is already being felt across the world, varying opinions are emerging with regards to Covid-19's impact on Film Industry and your company is no exception to it however, the Company is focusing to finish the ongoing projects.

**Disclosure of Significant Orders Passed by Regulators or Courts or Tribunal:**

No significant and material orders passed which impact on the going concern and the operations in future.

**Directors Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the same period;
- c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) they have laid down internal financial controls in the Company that are adequate and were operating effectively and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**Changes in Directors and Key Managerial Personnel:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association, Mr. Vashu Bhagnani Director retiring by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Further, Mr. Vivek Bhole, Independent Director of the Company has resigned from his post with effect from 08.04.2019. Further, the Board on the recommendation of Nomination and Remuneration Committee the Company appointed Mr. Narendrakumar Badrinarayan Patel (DIN: 08467505) as Director of the Company with effect from 30.05.2019 Further, the members at their meeting held on 30.09.2019 confirmed the appointment Mr. Narendrakumar Badrinarayan Patel (DIN: 08467505) as Non-Executive Independent Director of the Company and re-appointment of Mr. Habibulla Sayed as Independent Director(s) for next term of 5 years. Ms. Swati Sahukara appointed as Company Secretary and Compliance officer w.e.f 05.09.2019 & resigned w.e.f 14.08.2020. In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, brief resume, expertise and other details of Director proposed to be appointed/re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

**Disclosure of Declaration for Disqualifications by Directors:**

As per the declaration received in Form 'DIR-8' pursuant to section 164(2) of the Companies Act, 2013 and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014; none of the Directors of the Company is disqualified from being appointed as Directors.

**Appointment/Re-Appointment of Independent Directors:**

On the recommendation of Nomination and Remuneration Committee the members at their meeting held on 30.09.2019 confirmed the appointment of Mr. Narendrakumar Badrinarayan Patel (DIN: 08467505) as Non-Executive Independent Director of the Company and re-appointed Mr. Habibulla Sayed as Independent Director(s) for next term of 5 years.

**Disclosure of Declaration for Independence by Independent Directors:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Familiarization Program for Independent Directors:**

The Independent Directors are provided with necessary documents/ brochures, reports and internal policies, Quarterly updates on relevant statutory, regulatory changes, visits to the site of the company are organised for the Independent Directors. Detailed information on the Company's business is made at the meetings of the Independent Directors from time to time. The details of such programs for Independent Directors are posted on the website of the company and can be accessed at <https://poojaentertainmentandfilms.in/>.

**Separate Meeting of Independent Directors:**

As mandated by Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was held on 14.02.2020. The Independent Directors in the said meeting has reviewed the performance of Non-Independent directors and Board as a whole including the performance of the Chairperson of the company after accounting the views of executive directors and non-executive directors and also assessed the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

**Report on Corporate Governance:**

As per the Regulation 15 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the provision relating to Corporate Governance is not applicable to those listed entity having paid up equity share capital not exceeding rupees ten Crore and net worth not exceeding rupees twenty five Crore, as on the last day of the previous financial year.

**Performance Evaluation & Nomination and Remuneration Policy:**

Pursuant to section 134(3)(p) of Companies Act 2013 and rule 8(4) of Companies (Accounts) Rules, 2014 and clause 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of its Committees as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. The said policy including above said criteria and other matters provided in Section 178(3) of the Act is enclosed as **Annexure-III** also the policy is available on the Company's website i.e. [www.poojaentertainmentandfilms.in](http://www.poojaentertainmentandfilms.in).

**Policies:**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 has mandated the formulation of certain policies for all listed companies. All our policies are available on our website ([www.poojaentertainmentandfilms.in](http://www.poojaentertainmentandfilms.in)). The policies are reviewed periodically by the board and updated on need and new compliance requirement.

**Number of Meetings of the Board:**

During the year under review Board meeting were held on 08/04/2019, 15/04/2019, 30/05/2019, 14/08/2019, 05/09/2019, 13/11/2019 and 14/02/2020. The gap between two meetings did not exceed one hundred and twenty days. Details of the Board of Directors and Attendance record of Directors during the financial year ended March 31, 2020 is as under:

Name of Director	Position	No. of meeting held	No. of meeting attended	Last AGM attended
Puja Bhagnani	Managing Director	7	7	Yes
Vashu Bhagnani	Non-executive Director	7	7	Yes
Deepshikha Deshmukh	Non-executive Director	7	7	Yes
Habibulla Sayed	Independent Director	7	7	Yes
Narendrakumar Patel	Independent Director	7	5	Yes
Vivek Bhole (Resigned 8/4/19)	Independent Director	7	-	No

**Audit Committee:**

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditor, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee met during the financial year on 30/05/2019, 14/08/2019, 13/11/2019 & 14/02/2020. Composition, Name of Members and Attendance during the year is as follows:

Name of Director	Position	Category	No. of meeting held	No. of meeting attended
Habibulla Sayed	Member	Independent Director	4	4
Narendrakumar Patel	Chairman	Independent Director	4	4
Deepshikha Deshmukh	Member	MD	4	4
Vivek Bhole (Resigned 8/4/19)	Member	Independent Director	4	-

**Nomination and Remuneration Committee:**

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees in the Company including those rendering clerical, administrative and professional service are suitably remunerated according to Industry norms.

During the year under review, Nomination and Remuneration Committee met 2 (Two) Committee Meetings in a year on 30/05/2019 & 05/09/2019.

Composition, Name of Members and Attendance during the year is as follows:

Name of Director	Position	Category	No. of meeting held	No. of meeting attended
Habibulla Sayed	Member	Independent Director	2	2
Narendrakumar Patel	Chairman	Independent Director	2	2
Deepshikha Deshmukh	Member	Managing Director	2	2
Vivek Bhole (Resigned 8/4/19)	Member	Independent Director	2	-

**Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee is constituted in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 20 of SEBI Listing Regulations. The Committee met during the financial year on 30/05/2019, 14/08/2019, 13/11/2019 & 14/02/2020. Composition, Name of Members and Attendance during the year is as follows:

Name of Director	Position	Category	No. of meeting held	No. of meeting attended
Habibulla Sayed	Member	Independent Director	4	4
Narendrakumar Patel	Chairman	Independent Director	4	4
Deepshikha Deshmukh	Member	Managing Director	4	4
Vivek Bhole (Resigned 8/4/19)	Member	Independent Director	4	-

**Auditors:**

**Statutory Auditors-**

M/s Jayantilal Thakkar & Co., Chartered Accountants (Firm's Registration No. 104133W) were re-appointed as the Statutory Auditors of the Company in the 32<sup>nd</sup> AGM held on 30<sup>th</sup> September, 2019, for a second term of five consecutive years. The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. Further no fraud has been

reported by the auditors under sub section (12) of section 143 of the Companies act, 2013.

**Secretarial Auditor-**

The Secretarial Audit Report in accordance with the provisions of Section 204 of the Companies Act, 2013 is enclosed as **Annexure-IV** and forms part of this report. The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

**Cost Records:**

Maintenance of cost records has not been specified by the Central Government in terms of provisions of section 148 of the Companies Act, 2013.

**Particulars of Loans, Guarantees or Investments u/s 186:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments held by company are given in the notes to the financial statements.

**Particulars of Contracts or Arrangements with Related Parties u/s 188:**

During the year, the Company did not enter into any contract/arrangement/transaction with a related party which can be considered as material. The related party transactions undertaken during the financial year 2019-20 are on arms length basis and detailed in the Notes to Accounts of the Financial Statements. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules there under and the Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.poojaentertainmentandfilms.in](http://www.poojaentertainmentandfilms.in).

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

As the Company is not a manufacturing Company, the Board of Directors has nothing to report on conservation of Energy and Technology absorption, Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

(a) Conservation of energy

1. The steps taken or impact on conservation of energy – N.A.
2. The steps taken by the Company for utilizing alternate sources of energy – N.A.
3. The capital investment on energy conservation equipment's – N.A.

(b) Technology absorption

1. The efforts made towards technology absorption – N.A.
2. The benefits derived like product improvement, cost reduction, product development or import substitution – N.A.

3. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a. The details of technology imported – N.A.
  - b. The year of import; – N.A.
  - c. Whether the technology been fully absorbed – N.A.
  - d. If not fully absorbed, areas where absorption has not taken place, and reasons thereof – N.A.
4. The expenditure incurred on Research and Development – N.A.

(c) During the year under review, the Company did not have earning and outgo of any foreign currency.

**Business Risk Management:**

The Company has been addressing various risks impacting the Company and the Board of Directors of the Company state that risk associated in the ordinary course of business is duly taken care by the board while taking business decisions. However, the constitution of Risk Management Committee is not applicable to the company, but company has framed the policy for Risk Management and uploaded the same on website of the company, at [www.poojaentertainmentandfilms.in](http://www.poojaentertainmentandfilms.in).

**Corporate Social Responsibility (CSR):**

The provisions of section 135 and Schedule VII of the Companies Act, 2013 in respect to CSR is not applicable on your Company.

**Internal Control Systems and their Adequacy:**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis which forms part of this report.

**Vigil Mechanism:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.poojaentertainmentandfilms.in](http://www.poojaentertainmentandfilms.in).

**Commission Received by Directors from Holding and Subsidiary:**

During the year under review neither the Managing Director nor Whole-time Director is in receipt of commission from the company and also has not received any remuneration or commission from any holding or subsidiary company of company u/s 197(14).

**Managerial Remuneration:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and;

Name of Director	Ratio to median Remuneration
Puja Bhagnani (MD)	7.91

Other than above none of the directors were paid any



remuneration during the year.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name	Percentage Increase
1	Puja Bhagnani (MD)	6.50
2	Omkar Pathak (CFO)	42.31

Other than above none of the directors were paid any remuneration during the year.

The company is having net profit during the current financial year i.e. 2019-20. The remuneration of the KMP's are duly reviewed on annual basis keeping in mind the tenure, the past performance and current performance.

3. The percentage increase in the median remuneration of employees in the financial year was (55.44%);
4. The number of permanent employees on the rolls of company as on 31.03.2020 was 5;
5. 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;

Remuneration paid to employees excluding managerial personnel for the 2018-19	₹753206
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Remuneration paid to employees excluding managerial personnel for the 2019-20	₹222145
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% Change in remuneration paid to employees excluding managerial personnel	(70.50)
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Remuneration paid to managerial personnel for the FY 2018-19	₹3207972
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Remuneration paid to managerial personnel for the FY 2019-20	₹2709000
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% Change in remuneration paid to managerial personnel	(15.55)
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Further there are no exceptional circumstances for increase in the managerial remuneration.

6. During the year no variable component of remuneration availed by Directors of the Company;
7. It is hereby affirmed that the remuneration paid by the Company to its Directors, KMP's and Employees during the year under review is as per the Nomination & Remuneration Policy of the company.
8. None of the employee has received remuneration of Rs. Eight Lakhs and Fifty Thousand per month or Rs. One Crores Two Lakhs per year or at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

#### Equity Shares with Differential Voting Rights:

The company has not issued any shares with differential voting rights and accordingly the provisions of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

#### Details of Sweat Equity Shares:

The company has not issued any sweat equity shares and accordingly the provisions of Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

#### Disclosure on Confirmation with Secretarial Standards:

The Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India to be complied pursuant to the Companies Act, 2013 and rules made there under, have been duly complied with.

#### Details of Employees Stock Option Scheme:

The company has not granted stock options and accordingly the provisions of Section 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

#### Disclosure of Voting Rights Not Exercised:

The company has not made any provision of money for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company and accordingly the provisions of Chapter IV (Share Capital and Debentures) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

#### Depository:

Equity shares of the Company are traded in Demat form as well as in physical form. For dematerialization of shares, the Company has connectivity with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Annual Custody/Issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL.

#### Management Discussion and Analysis:

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

#### Cash Flow Statement:

In conformity with the provisions of the Companies Act, 2013 and Regulation 34(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the cash flow statement for the year ended 31st March, 2020 is annexed hereto.

#### Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to prevent sexual harassment of women at work place under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the company has set up Internal Complaints Committee(s) to look into complaints relating to sexual harassment at work place of any women employee. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up

Committee for implementation of said policy. During the year under review the Company has neither received any complaint of harassment nor any complaints pending there under.

**Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information under SEBI (Prohibition of Insider Trading) Regulations, 2015:**

Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the Board of Directors has formulated and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Code of Fair Disclosure) of the Company.

**Acknowledgement:**

The Directors wish to place on record their sincere appreciation and acknowledge with gratitude the

support and co-operation extended by the Bankers, Shareholders, customers, suppliers, contractors and other associates for their continued support to the Company. The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. We look forward to their continued support in the future.

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

	<b>Puja Bhagnani</b>	<b>Deepshikha Deshmukh</b>
<b>Place: London, UK</b>	<b>Managing Director</b>	<b>Director</b>
<b>Date:05-12-2020</b>	<b>DIN: : 00044593</b>	<b>DIN: 02146210</b>

