

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditors' Report

To the Members of Scrabble Entertainment Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Scrabble Entertainment Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and of its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditors' Report (*Continued*)

Scrabble Entertainment Limited

Management's and Board of Directors' Responsibility for the financial statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

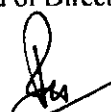
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.



Independent Auditors' Report (*Continued*)

Scrabble Entertainment Limited

Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



Independent Auditors' Report (*Continued*)

Scrabble Entertainment Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has no pending litigations as at 31 March 2022 in its financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.



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Independent Auditors' Report (*Continued*)

Scrabble Entertainment Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

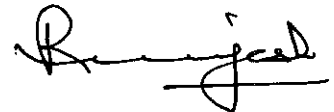
(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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

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

Chartered Accountants

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



Rajesh Mehra

Partner

Mumbai
26 May 2022

Membership Number: 103145
ICAI UDIN: 22103145AJRKUG9635

Scrabble Entertainment Limited

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no discrepancies noticed on verification between the physical stock and the book records that were more than 10% in the aggregate of each class of inventory.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.



Scrabble Entertainment Limited

Annexure A to the Independent Auditors' Report *(Continued)*

(iii)

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies during the year. The Company has not made any investments in firms, limited liability partnership or any other parties.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advances in the nature of loans. Thus, reporting under this clause is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advances in the nature of loans. Thus, reporting under this clause is not applicable.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party. Hence clause 3(iii)(e) is not applicable.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans that are repayable on demand.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act, or any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered/products traded in by the Company.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.



Scrabble Entertainment Limited**Annexure A to the Independent Auditors' Report (Continued)**

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service tax, duty of customs which have not been deposited on account of any dispute. The following dues of Value added tax and Sales tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues*	Amount (Rs in lakhs)*	Period (Financial year)	Forum where the dispute is pending
Odisha CST Act 1956	Sales Tax	4	2016-17 and 2017-18	Deputy Commissioner of Sales Tax
West Bengal CST Act 1956	Sales Tax	9	2017-18	Senior Joint Commissioner (Appeals)
Andhra Pradesh CST Act 1956	Sales Tax	7	2016-17	Appellate Joint Commissioner (ST)
Andhra Pradesh VAT Act, 2005	Sales Tax	101	2014-17	Appellate Deputy Commissioner (CT)
Gujarat CST Act 1956	Sales Tax	6	2015-16 and 2017-18	Appellate Jr. / Deputy Commissioner Sales Tax (CT)
Maharashtra VAT Act, 2002 and Maharashtra CST Act 1956	Sales Tax	8	2017-18	Joint Commissioner of State Tax (Appeal)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix)

- (a) The Company has not taken any loans or borrowings during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any loans or borrowings during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (d) The Company has not taken any loans or borrowings during the year. Accordingly, paragraph 3(ix)(d) of the Order is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.



Scrabble Entertainment Limited

Annexure A to the Independent Auditors' Report (*Continued*)

(x)

- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable

(xi)

- (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report has been filed with the Central Government under sub-section (12) of section 143 of the Companies Act read with rule 13 of Companies (Audit and Auditors) Rules, 2014.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions during the year with the related parties are in compliance with the provisions of Section 177 and Section 188 of the Act, wherever applicable. The details of such related party transactions have been disclosed in these financial statements..

(xiv)

- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year however has incurred cash losses in the immediately preceding financial year amounting to Rs. 336 lakhs.



Scrabble Entertainment Limited**Annexure A to the Independent Auditors' Report (Continued)**

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act as below:

Rs in lakhs

Financial Year*	Amount unspent on corporate social responsibility activities for "On-going Projects"	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
31 March 22	118	118	-

Mumbai
26 May 2022

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



Rajesh Mehra
Partner

Membership No: 103145
ICAI UDIN: 22103145AJRKUG9635

Scrabble Entertainment Limited

Annexure B to the Independent Auditors' Report on the financial statements of Scrabble Entertainment Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Scrabble Entertainment Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Scrabble Entertainment Limited

Annexure B to the Independent Auditors' Report on the financial statements of Scrabble Entertainment Limited for the year ended 31 March 2022 (Continued)

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

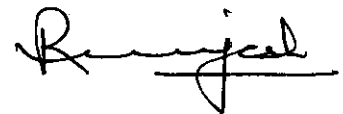
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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



Rajesh Mehra

Partner

Membership No: 103145

ICAI UDIN: 22103145AJRKUG9635

Mumbai
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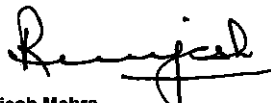
Scrabble Entertainment Limited
Balance sheet as at March 31, 2022

Balance sheet as at March 31, 2022		Rs. in lacs	
Particulars	Notes	March 31, 2022	March 31, 2021
Assets			
<u>Non-current Assets</u>			
Property, plant and equipment	3.1	62.37	114.83
Right of use assets	3.2	114.74	206.44
<u>Financial Assets</u>			
(i) Investment in subsidiaries and associates	4	4,227.71	3,965.21
(ii) Other financial assets	5	367.34	370.26
Income tax assets (net)	6	267.68	269.13
Deferred tax assets (net)	7	673.96	760.15
Other non-current assets	8	0.40	5.98
Total Non-Current Assets (A)		5,714.20	5,692.00
<u>Current Assets</u>			
Inventories	9	59.53	110.70
<u>Financial Assets</u>			
(i) Investments	10	503.89	1,521.61
(ii) Trade receivables	11	261.08	359.39
(iii) Cash and cash equivalents	12	126.91	51.70
(iv) Bank balances other than cash and cash equivalents		8.09	7.67
(v) Other financial assets	5	79.88	76.61
Other current assets	8	408.39	350.95
Total Current Assets (B)		1,447.77	2,478.63
Total Assets (A+B)		7,161.97	8,170.63
Equity And Liabilities			
Equity			
i) Share capital	13	76.84	76.84
ii) Other equity	14	4,666.07	5,274.69
Total Equity (C)		4,742.91	5,351.53
Liabilities			
<u>Non-current Liabilities</u>			
Financial liabilities			
i) Lease liabilities	28	32.64	152.00
ii) Other financial liabilities	15	314.88	377.77
Other non-current liabilities	17	54.22	66.82
Provisions	18	29.95	7.52
Total Non-current Liabilities (D)		431.69	604.11
<u>Current Liabilities</u>			
Financial liabilities			
i) Lease liabilities	28	119.36	102.68
ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises			
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,282.42	1,324.43
iii) Other financial liabilities	15	393.09	407.78
Other current liabilities	17	158.09	355.79
Provisions	18	34.41	24.31
Total Current Liabilities (E)		1,987.37	2,214.99
Total Liabilities (D+E)		2,419.06	2,819.10
Total Equity And Liabilities (C+D+E)		7,161.97	8,170.63
Significant accounting policies	2		

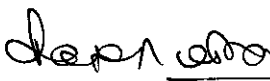
The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements.

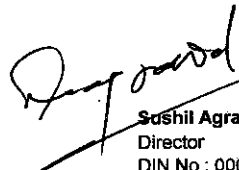
As per our report of even date attached.


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


Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the board of directors of
Scrabble Entertainment Limited
CIN : U92190MH2008PLC178456


Rajesh Mishra
Director
DIN: 00103157


Sushil Agrawal
Director
DIN No.: 00003163


Urmi Shah
Company Secretary
Membership No.: A25458

Place : Mumbai
Date: May 26, 2022

Scrabble Entertainment Limited
Standalone Statement of profit and loss for the year ended March 31, 2022

Particulars	Notes	Rs. in lacs	
		March 31, 2022	March 31, 2021
Income			
Revenue from operations	19	1,930.58	777.54
Other income	20	32.53	40.01
Total Income (I)		1,963.11	817.55
Expenses			
Operating direct costs	21	1,016.35	495.13
Cost of consumables and spares consumed		69.90	18.41
Purchases of digital cinema equipment		-	(6.80)
Purchases of lamp and spares		18.87	11.76
Changes in inventories of digital cinema equipments		0.03	1.62
Changes in inventories of lamp and spares		55.79	56.95
Virtual print fees sharing		663.47	193.42
Other operating direct cost		208.29	219.77
Employee benefits expense	22	356.22	322.03
Other expenses	23	300.75	576.05
Total Expenses (II)		1,673.32	1,393.21
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		289.79	(575.66)
Depreciation and amortisation expense	3.1 & 3.2	148.70	334.94
Finance cost	24	26.00	45.97
Finance income	25	(1,380.96)	(101.71)
Profit / (Loss) before tax		1,496.05	(854.86)
Tax Expense			
Current tax		-	27.64
Deferred tax charge / (credit)		91.39	(199.96)
Total Tax Expense		91.39	(172.32)
Profit / (Loss) for the year		1,404.66	(682.54)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefits plans		(20.67)	2.51
(ii) Income tax related to items that will not be reclassified to profit or loss		5.20	(0.63)
Total Comprehensive Income / (Loss) for the year		1,389.19	(680.66)
Earnings per equity share (Face value of share of Rs. 10 each)			
(i) Basic		182.81	(88.83)
(ii) Diluted		182.81	(88.83)

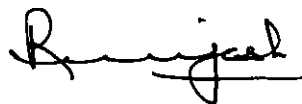
Significant accounting policies
2

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements.

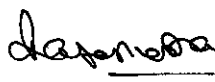
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For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

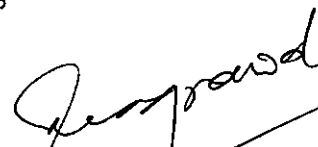
For and on behalf of the board of directors of
Scrabble Entertainment Limited
CIN : U92190MH2008PLC178456



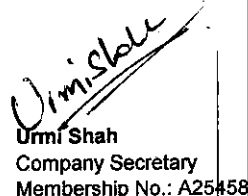
Rajesh Mehra
Partner
Membership No: 103145



Rajesh Mishra
Director
DIN: 00103157



Sushil Agrawal
Director
DIN No.: 00003163



Urmi Shah
Company Secretary
Membership No.: A25458

Place : Mumbai
Date: May 26, 2022

A. Share capital (refer note 13)

As at March 31, 2022			Rs. in lacs
Balance as at April 1, 2021	Changes in equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2022
76.84	-	-	76.84

As at March 31, 2021			Rs. in lacs
Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2021
76.84	-	-	76.84

B. Other equity (refer note 14)

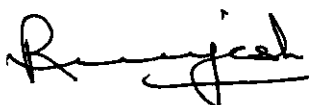
Particular	Reserves and Surplus			Rs. in lacs
	Securities premium reserve	Capital redemption reserve	Retained earnings	Total
As at April 1, 2020	3,370.56	399.99	2,184.80	5,955.35
Loss for the year	-	-	(682.54)	(682.54)
Other comprehensive income for the year	-	-	1.88	1.88
As at March 31, 2021	3,370.56	399.99	1,504.14	5,274.69
Profit for the year	-	-	1,404.66	1,404.66
Dividend on equity shares	-	-	(1,997.81)	(1,997.81)
Other comprehensive income for the year	-	-	(15.47)	(15.47)
As at March 31, 2022	3,370.56	399.99	895.52	4,666.07

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements.

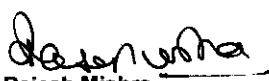
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For B S R & Co. LLP
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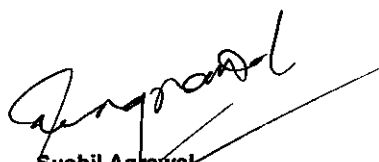
For and on behalf of the board of directors of
Scrabble Entertainment Limited
CIN : U92190MH2008PLC178456




Rajesh Mehra
Partner
Membership No: 103145



Rajesh Mishra
Director
DIN: 00103157



Sushil Agrawal
Director
DIN No.: 00003163.


Urmi Shah
Company Secretary
Membership No.: A25458

Place : Mumbai
Date: May 26, 2022

Scrabble Entertainment Limited
Statement of Cash Flows for the year ended March 31, 2022

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit / (Loss) before tax	1,496.05	(854.86)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	148.70	334.94
Provision for doubtful debts	(59.34)	263.61
Sundry balances written back	(294.88)	(201.65)
Unrealised foreign exchange loss (net)	(1.13)	(0.18)
Profit on sale and write off of fixed assets	0.22	(2.65)
Bad debts written-off	-	0.32
Net gain on current investments	(31.62)	(39.49)
Gain on lease concession	-	(18.31)
Interest on cash credit	-	8.95
Interest expense on lease liabilities	25.47	34.25
Interest expenses on financial liabilities carried at amortised cost	-	1.95
Interest income	(3.04)	(3.56)
Dividend income	(1,346.30)	(58.66)
Operating loss before working capital changes	(65.87)	(535.34)
Movements in working capital :		
(Decrease) in trade payables	(42.01)	(305.08)
(Decrease) in other financial current liabilities	(14.68)	(24.47)
Increase / (Decrease) in other current liabilities	97.19	92.98
(Decrease) in non current provisions	22.43	(1.04)
Increase / (Decrease) in provisions	(10.58)	4.00
(Decrease) in other non current financial liabilities	(62.90)	(111.45)
(Decrease) in other non current liabilities	(12.79)	(29.51)
Decrease in trade receivables	158.66	772.41
(Increase) / Decrease in current other financial assets	(3.26)	4.15
(Increase) / Decrease in other current assets	(57.16)	(49.90)
Decrease / (Increase) in inventories	51.17	59.39
Decrease / (Increase) in non current financial assets loan	5.26	0.41
Decrease in other non current assets	5.58	0.04
Cash generated from / (used in) operations	71.04	(123.41)
Net direct taxes paid (net of refunds)	1.46	(69.02)
Net cash flow from / (used in) operating activities (A)	72.50	(192.43)
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible and capital advances	(4.84)	(54.12)
Proceeds from sale of property, plant and equipment	0.09	2.58
Payment of purchase consideration for purchase of associates shares	(262.50)	(375.00)
Purchase of current investments	(2,136.50)	(1,694.86)
Proceeds from sale / redemption of current investments	3,185.84	2,319.26
Maturity of bank deposits (with original maturity more than 3 months) (net)	(2.76)	4.98
Interest received	3.04	3.73
Dividends received	1,346.30	58.66
Net cash flow from investing activities (B)	2,128.67	265.23
Cash flows from / (used in) financing activities		
Dividend on equity shares	(1,997.81)	-
Repayment of lease liabilities	(128.15)	(103.74)
Interest on cash credit	-	(8.95)
Net cash flow from / (used in) in financing activities (C)	(2,125.96)	(112.69)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	75.21	(39.89)
Cash and cash equivalents at the beginning of the year	51.70	91.59
Cash and cash equivalents at the end of the year	126.91	51.70
Components of cash and cash equivalents		
Cash on hand	0.87	0.85
Balance with banks:		
- in current accounts	126.04	50.85
Total cash and cash equivalents (refer note 12)	126.91	51.70

Notes:

1. The above Cash flows statement has been prepared under the "Indirect Method" set out in IND AS - 7 "Cash Flow Statements"

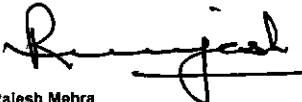
Summary of significant accounting policies

2

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements.

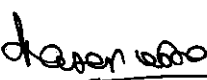
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For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Rajesh Mehra
Partner


Membership No: 103145

For and on behalf of the board of directors of
Scrabble Entertainment Limited
CIN : U92190MH2008PLC178456


Rajesh Mishra
Director

DIN: 00103157


Sushil Agrawal
Director
DIN No.: 00003163


Urmi Shah
Company Secretary
Membership No.: A25458

Place : Mumbai
Date : May 26, 2022

Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

1. Corporate information

Scrabble Entertainment Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India on February 1, 2008. The Company is into the business of providing digital cinema services. The Company is a subsidiary of UFO Moviez India Limited ("the Parent Company"). The registered office and principal place of business of Company is located at Valuable Techno Park, Plot no 53/1, MIDC, Marol, Andheri (East), Mumbai – 400093.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 26, 2022.

2. Significant accounting policies

2.1 Statement of compliance

These Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013 ("the Act"), the relevant provisions of the Act, as applicable, and were authorized for issue in accordance with a resolution of the directors on May 26, 2022.

2.2 Basis of Preparation:

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

The financial statements are prepared in Indian Rupees in lacs, except where mentioned otherwise.

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

2.3 Significant Accounting Judgements, Estimates and Assumptions:

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

(i) Judgements:

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

(ii) Estimates and Assumptions:

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



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

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

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

- **Defined Benefit Obligation:**

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

- **Recognition of Deferred Tax Assets:**

Availability of future taxable profit against which the tax losses carried forward can be used as disclosed in note 2.4(l) below.

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

Key assumptions about the likelihood and magnitude of outflow of resources as disclosed in Note 2.4(n) below.

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

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

- **Lease**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

• Covid 19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective April 1, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Amendments to Schedule III of the Companies Act, 2013

Amendments to Schedule III of the Companies Act, 2013 Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021 and applied to the standalone financial statements:

- a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

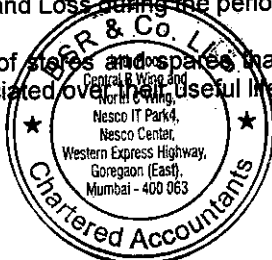
2.6 Summary of significant accounting policies:

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

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

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

(b) Depreciation on Property, Plant and Equipment

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

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

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

Type of Assets	Useful lives (years)
Plant and Equipment comprising of Exhibition Equipment and Other Equipments	6 – 7
Computer and Printers	3
Furniture and Fixtures	3
Office Equipment	5
Vehicles	5

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

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

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

(c) Impairment of Non-financial assets

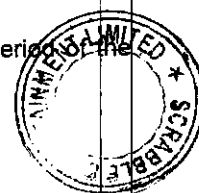
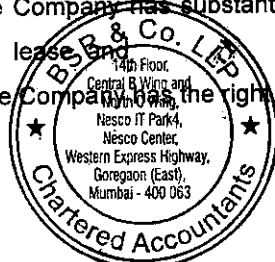
Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a DCF model. The impairment loss is recognized if the recoverable amount of the CGU is higher than its value in use or fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

(d) Leases

The Company has adopted Ind AS 116-Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease
- The Company has the right to direct the use of the asset.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(e) Inventories

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

(f) Revenue recognition

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

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

Income from services and sale of goods

- Content Delivery Charges (CDC/VPF) received from distributors of the films from D-Cinema and E-Cinema is recognised in the period in which the services are rendered.
- Registration fee is recognised in the period in which the services are rendered.
- Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.
- Revenue from commission and technical service income is recognised in period in which services are rendered.
- Revenue from sale of goods is recognized upon transfer of control to buyers and no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.
- Lease rental income on equipment is recognised as mentioned in note 2.3 (e) above

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any. Revenue also excludes taxes collected from customers.

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



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above, Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in the finance income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established.

(g) Foreign currency transaction

Foreign currency transactions and balances

(i) Initial recognition

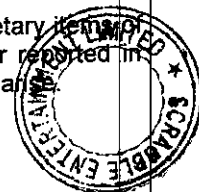
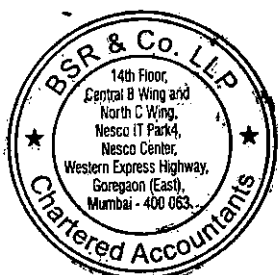
On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on translation of such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

(h) Financial Instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income ('FVOCI')

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

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

Financial assets at fair value through profit or loss ('FVTPL')

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

Financial liabilities

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

Equity instruments

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

Impairment of Financial Assets:

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

For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

Financial guarantee contracts:

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

De-recognition of Financial Assets:

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

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

De-recognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Equity Investments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or at FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss on disposal. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(i) Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair value at each balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

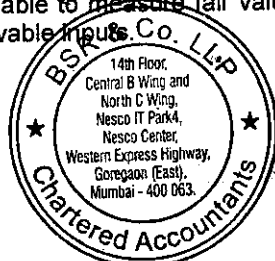
In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

(j) Employee benefits:

Defined contribution plans

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

Defined benefit plans

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

The Company recognizes the net obligation of a defined benefit plan in its Balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effects of any plan amendments are recognized in Statement of profit and loss. Past service, cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

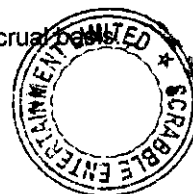
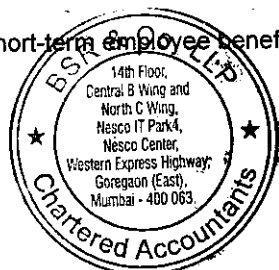
The gratuity obligation recognized in the Balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The gratuity plan is managed by a Life Insurance Corporation of India to which contributions are made by the Company.

Other long-term employee benefits

Long term compensated absences are provided for based on actuarial valuation at year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term employee benefits

Short-term employee benefits are recognized as an expense on accrual basis.



Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

(k) Current income taxes and deferred tax

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

(l) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

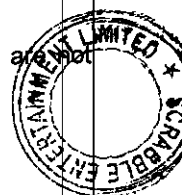
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Provisions and Contingent liabilities and Contingent assets

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

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

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



Scrabble Entertainment Limited
Notes to financial statements as at and for the year ended March 31, 2022

(n) Employee share based payment:

The Parent Company has floated various Share incentive plans to enable its affiliated entities to attract, reward, retain and motivate its employees.

Share-based compensation expense is recognized over the requisite service period for awards of equity instruments to employee based on the grant date fair value of those awards expected to ultimately vest.

(o) Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(p) Measurement of EBITDA

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

(q) Segment reporting

The Company does not present segment information in terms of Paragraph 4 of Ind AS 108 'Operating Segments'.



Scrabble Entertainment Limited
Notes to financial statements as at and for the year ended March 31, 2022

	Rs. in lacs						
3.1 Property, Plant and Equipment							
	Leasehold Improvements	Plant and Furniture and Equipment	Fixtures	Office Equipment	Computer and Printers	Vehicle	Total
Cost							1,518.39
At April 1, 2020	188.28	1,226.65	8.33	23.63	35.47	36.03	1,518.39
Additions	-	6.80	4.91	0.19	1.07	41.18	54.15
Disposals	-	-	-	-	-	(27.75)	(27.75)
At March 31, 2021	188.28	1,233.45	13.24	23.82	36.54	49.46	1,544.79
Additions	-	-	-	0.78	3.26	0.80	4.84
Disposals	-	(66.67)	-	(0.15)	-	-	(66.82)
At March 31, 2022	188.28	1,166.78	13.24	24.45	39.80	50.26	1,482.81
Accumulated depreciation / amortisation							1,214.53
At April 1, 2020	176.10	951.02	4.73	16.82	29.84	36.02	1,214.53
Charge for the year	12.18	222.97	1.86	3.09	3.13	0.02	243.25
On disposals	-	-	-	-	-	(27.82)	(27.82)
At March 31, 2021	188.28	1,173.99	6.59	19.91	32.97	8.22	1,429.96
Charge for the year	-	42.24	1.82	2.09	2.60	8.24	56.99
On disposals	-	(66.46)	-	(0.05)	-	-	(66.51)
At March 31, 2022	188.28	1,149.77	8.41	21.95	35.57	16.46	1,420.44
Net Block							114.83
At March 31, 2021	-	59.46	6.65	3.91	3.57	41.24	114.83
At March 31, 2022	-	17.01	4.83	2.50	4.23	33.80	62.37

The Company has not revalued its Property, Plant and Equipment (including Right-of- Use Assets) during the year.

3.2 Right to Use Assets (refer note 28)

	Rs. in lacs
Building Under Lease	
Cost	
At April 1, 2020	390.09
Additions	-
Disposals	-
At March 31, 2021	390.09
Additions	-
Disposals	-
At March 31, 2022	390.09
Accumulated depreciation / amortisation	
At April 1, 2020	91.95
Charge for the year	91.70
On disposals	-
At March 31, 2021	183.65
Charge for the year	91.70
On disposals	-
At March 31, 2022	275.35
Net Block	
At March 31, 2021	206.44
At March 31, 2022	114.74

(a) The Company's leases mainly comprise of land and buildings. The Company leases land and buildings for office and warehouse facilities.



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Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

4. Investment in subsidiaries and associates		Rs. in lacs	
	March 31, 2022	March 31, 2021	
Unquoted equity instruments (at cost)			
Investment in subsidiaries			
750,000 (March 31, 2021: 750,000) Ordinary Shares of USD 1 each at par fully paid up in Scrabble Entertainment (Mauritius) Limited	400.09		400.09
593,142 (March 31, 2021: 593,142) Equity Shares of Rs. 10 each fully paid up in Scrabble Digital Limited	2,798.97		2,798.97
5,000 (March 31, 2021: 5,000) Equity Shares in Scrabble Digital Inc.	337.59		337.59
Investment in step down subsidiary			
300 (March 31, 2021: 300) Equity Shares of AED 1,000 each at par fully paid up in Scrabble Entertainment DMCC	40.83		40.83
Investment in associates			
375,000 (March 31, 2021: 375,000) Equity Shares of Rs. 10 each fully paid up in Mumbai Movie Studios Private Limited	37.50		37.50
100 (March 31, 2021: 100) Ordinary Shares of AED 1000 each at par fully paid up in Scrabble Digital DMCC	12.73		12.73
Unquoted preference shares (at cost)			
Investment in associates			
7,500,000 (March 31, 2021 : 7,500,000) 75,00,000 Non Cumulative Optionally Convertible Redeemable Preference Shares (NOCORPS) of Rs. 10 each, paid up of Rs. 8 each in Mumbai Movie Studios Private Limited	600.00		337.50
	4,227.71		3,965.21

5. Other financial assets		Rs. in lacs	
	Non-current	Current	
	March 31, 2022	March 31, 2021	March 31, 2022
Security deposit to related parties (refer note 29)	276.13	275.66	73.25
Security deposit to others	51.39	57.12	6.41
Interest accrued on fixed deposits	-	0.01	0.22
Fixed deposit with remaining maturity more than 12 month (refer note 12)	39.82	37.47	-
	367.34	370.26	79.88

6. Income tax assets		Rs. in lacs	
	March 31, 2022	March 31, 2021	
Income tax assets (net of provision for taxation Rs. 6,631.20 lacs (March 31, 2021 : Rs. 6,631.20 lacs)	267.68		269.13
	267.68		269.13

7. Deferred tax assets (net)		Rs. in lacs	
	March 31, 2022	March 31, 2021	
Deferred tax assets			
Property, Plant and Equipment and Intangible Assets	354.65		402.61
Provision for doubtful debts and advances	153.05		182.42
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	167.58		192.28
Net deferred tax assets	675.28		777.31
B) Deferred tax liability			
Fair value of investment	(1.32)		(17.16)
Net deferred tax liabilities	(1.32)		(17.16)
Deferred taxes (net)	673.96		760.15

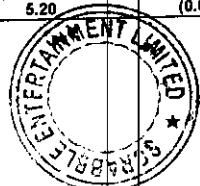
Movement during the year ended March 31, 2021		Rs. in lacs	
	As at March 31, 2020	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) In Other Comprehensive Income
Deferred tax assets /(liabilities)			
Property, Plant and Equipment and Intangible Assets	428.28	(25.67)	-
Provision for doubtful debt and advances	126.18	56.25	-
Others	6.36	169.38	(0.63)
Total	560.82	199.96	(0.63)

Movement during the year ended March 31, 2022		Rs. in lacs	
	As at March 31, 2021	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) In Other Comprehensive Income
Deferred tax assets /(liabilities)			
Property, Plant and Equipment and Intangible Assets	402.61	(47.96)	-
Provision for doubtful debt and advances	182.43	(29.38)	-
Others	175.11	(14.05)	5.20
Total	760.15	(91.39)	5.20

The major components of income tax expense for the year are as under:		Rs. in lacs	
	March 31, 2022	March 31, 2021	
i) Income tax recognised in the Standalone Statement of Profit and Loss			
Current tax	-		27.64
In respect of current year			
Deferred tax:	91.39		(199.96)
In respect of current year	91.39		(172.32)
Income tax expense recognised in the Statement of Profit and Loss			
ii) Income tax expense recognised in OCI			
Deferred tax :	5.20		(0.63)
Deferred tax expense on remeasurements of defined benefit plans	5.20		(0.63)
Income tax expense recognised in OCI			



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Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

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

	March 31, 2022	March 31, 2021	Rs. in lacs
Profit / (Loss) before tax	1,496.05		(854.86)
Income tax expense calculated at corporate tax rate at	25.168%		25.168%
Computed tax expenses	376.52		(215.15)
Impact on account of:			
Income exempt from tax	(33.21)		-
Effect of expenses not allowed for tax purpose	(353.77)		194.66
Effect of income which is taxed as special rates (dividend received from foreign subsidiaries)	-		(25.79)
Effect of income that is exempted from tax	10.46		73.92
Tax expense as per Statement of profit and loss	-		27.64

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

	Non-current		Current		Rs. in lacs
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Prepaid expenses	0.40	5.98	15.10		16.83
Others	-	-	2.06		2.33
	0.40	5.98	17.16		19.16
Advances to vendors					
Considered good	-	-	47.90		15.61
Credit impaired	-	-	-		-
	-	-	47.90		15.61
Less : Allowance for doubtful advances	-	-	47.90		15.61
Loans and advances to employees	-	-	2.37		0.01
Balances with statutory / government authorities	-	-	40.98		23.96
Goods and Service Tax (GST) credit receivable	-	-	299.98		292.21
	-	-	391.23		331.79
	0.40	5.98	408.39		350.95

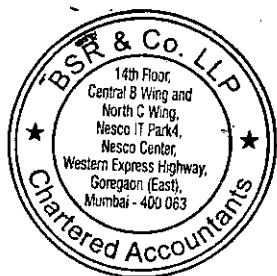
9. Inventories (Valued at cost or net realisable value, whichever is lower)

	March 31, 2022	March 31, 2021	Rs. in lacs
Traded Goods	1.72		1.75
Digital cinema equipments	8.68		64.47
Lamps	49.13		44.48
Consumables and spares	59.53		110.70

10. Current Investments

	March 31, 2022	March 31, 2021	Rs. in lacs
Carried at FVTPL			
Unquoted mutual funds	503.89		1,521.61
Investment in mutual funds	503.89		1,521.61
Aggregate amount of quoted investments and market value thereof	-		-
Aggregate amount of unquoted investments	503.89		1,521.61
Aggregate amount of impairment in value of investments	-		-

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Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

11.Trade receivables	Rs. in lacs	
	Current	March 31, 2021
	March 31, 2022	
Trade receivables considered good -Secured	261.08	359.39
Trade receivables considered good -unsecured	-	-
Less: Allowance for expected credit loss	-	-
Trade receivables with have significant increase in credit risk	608.12	724.83
Trade receivables -Credit impaired	(608.12)	(724.83)
Less: Allowance for credit impairment	261.08	359.39
Total		

For details pertaining to related party receivable refer note 29

Trade Receivables ageing schedule *							Rs. in lacs
As at March 31, 2022							
Particulars	Outstanding for following periods from due date of payment					Total	
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	67.26	4.81	0.68	139.09	-		211.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	1.83	7.93	18.63	94.87		123.26
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	8.67	0.41	1.81	167.78	306.18		484.85
Total	75.93	7.05	10.42	325.50	401.05		819.95
Add : Trade receivables - Unbilled							49.25
Trade receivables							869.20
Less : Allowance for doubtful trade receivable							(608.12)
Trade receivables (Net of allowance for doubtful trade receivable)							261.08

As at March 31, 2021							Rs. in lacs
Particulars	Outstanding for following periods from due date of payment					Total	
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	124.29	5.86	211.34	-	-		341.49
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	2.91	115.58	68.31	81.97		268.77
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	143.94	106.09	206.03		456.06
Total	124.29	8.77	470.86	174.40	288.00		1,066.32
Add : Trade receivables - Unbilled							17.90
Trade receivables							1,084.22
Less : Allowance for doubtful trade receivable							(724.83)
Trade receivables (Net of allowance for doubtful trade receivable)							359.39

* Trade receivables ageing is calculated from the date of invoice

12. Cash and bank balances	Non-current		Current		Rs. in lacs
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Cash and cash equivalents					
Balances with banks:					
- In current accounts	-	-	126.04	50.85	
Cash on hand	-	-	0.87	0.85	
			126.91	51.70	
Other bank balances					
- Deposits with remaining maturity for less than 12 months	35.85	33.50	6.09	5.67	
- Deposits with remaining maturity for more than 12 months	-	-	-	-	
- Margin money deposit with remaining maturity for less than 12 months	3.97	3.97	2.00	2.00	
- Margin money deposit with remaining maturity for more than 12 months	39.82	37.47	8.09	7.67	
	(39.82)	(37.47)			
			135.00	59.37	

Amount disclosed under non-current financial assets (refer note 5)

Margin money deposits:
Issuing bank guarantees to various State Governments to comply with the Sales Tax / VAT Registration formalities.



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Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2022

13. Share capital	March 31, 2022	March 31, 2021	Rs. in lacs
Authorized share capital			
1,000,000 (March 31, 2021: 1,000,000) equity shares of Rs.10 each	100.00	100.00	100.00
104,300 (March 31, 2021: 104,300) 6% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.1,150 each	1,199.45		1,199.45
Issued, subscribed and fully paid-up shares	76.84	76.84	76.84
768,387 (March 31, 2021: 768,387) equity shares of Rs. 10 each fully paid up	76.84	76.84	76.84
Total issued, subscribed and fully paid-up share capital			

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

Equity shares	March 31, 2022	March 31, 2021	Rs. in lacs
	No. of Shares	No. of Shares	Amount
At the beginning of the year	768,387	768,387	76.84
Issued during the year	-	-	-
Outstanding at the end of the year	768,387	768,387	76.84

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2022	March 31, 2021	
	No.	No.	% holding in the class
Equity shares of Rs.10 each fully paid	768,387	768,387	100.00%
UFO Moviez India Limited.			

Of the above, below shares are held by nominee

Name of Shareholders	Shareholding (No. of Shares)
Mr. Sanjay Gaikwad (As Nominee of UFO)	10
Mr. Kapil Agarwal (As Nominee of UFO)	10
Mr. Ashish Malushte (As Nominee of UFO)	10
Mr. Rajesh Mishra (As Nominee of UFO)	10
Mr. Pankaj Jaysinh (As Nominee of UFO)	10
Mr. Vishnu Patel (As Nominee of UFO)	10
Mr. Sushil Agrawal (As Nominee of UFO)	10
Total	70

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

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below :

Name of the shareholder	March 31, 2022	March 31, 2021
UFO Moviez India Limited, the holding company	76.84	76.84
768,387 (March 31, 2021 : 768,387) equity shares of Rs. 10 each fully paid		

(d) Details of shares held by promoters

As at 31 March 2022

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	UFO Moviez India Limited	768,387	-	768,387	100%	0%

As at 31 March 2021

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	UFO Moviez India Limited	768,387	-	768,387	100%	0%

(e) Terms / Rights attached to equity shares

Voting rights :

Each holder of equity shares having value of Rs.10 per equity share is entitled to one vote per equity share.

Rights pertaining to repayment of capital :

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms / Rights attached to preference shares :

The Company during the year ended March 31, 2014 redeemed 6% Optionally Convertible Redeemable Preference Shares (OCRPS) having par value of Rs. 1,150 each issued to the Investor.

The OCRPS shall rank senior to all other issued and outstanding securities of the Company including Equity Shares.

Dividend rights :

The OCRPS holders have right to receive dividend in preference to all other shareholders as and when declared by the Board of Directors.

(f) Terms of conversion/ redemption of OCRPS

The OCRPS shall be redeemed at the option of the investor in three equal installments at the end of third, fourth and fifth year from date of subscription at par.

The Investor shall have the option to require the Company to redeem all the OCRPS at any time prior to the maturity date under certain specified conditions as per the Shareholders' Agreement.

The OCRPS are convertible into equity shares, at the option of the investor at any time prior to expiry of one year from the date of each subscription in the ratio of 1:1.



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Scrabble Entertainment Limited
Notes to financial statements as at and for the year ended March 31, 2022

	Rs. in lacs	
14. Other equity	March 31, 2022	March 31, 2021
Securities premium account	3,370.56	3,370.56
Balance as per the last financial statements	-	-
Add: premium on issue of equity shares	3,370.56	3,370.56
Closing balance		
Capital redemption reserve	399.99	399.99
Balance as per the last financial statements	-	-
Add: Transferred from surplus in the statement of profit and loss on redemption of preference shares	399.99	399.99
Closing balance		
Surplus in the statement of profit and loss	1,504.14	2,184.80
Balance as per last financial statements	-	-
Add: Employee stock options expired transferred	1,504.14	2,184.80
	1,389.19	(880.66)
Profit / (Loss) for the year	-	-
Opening Ind AS adjustment 116	2,893.33	1,504.14
Profit available for appropriation	(1,997.81)	-
Less: Appropriation	895.51	1,504.14
Dividend on equity shares	-	-
Closing balance	4,666.06	5,274.69
Total other equity		

a) **Securities premium reserve** : Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b) **Capital redemption reserve** : As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013

c) **Retained earnings** : Retained earnings are the profit that the Company has earned till date, less any dividends or other distribution paid to the shareholders.

15. Other financial liabilities	Non-current		Current		Rs. in lacs
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Financial liabilities at amortised cost	306.14	369.03	389.88		402.83
Deposits from customers	7.04	7.04	-	-	-
Deposit from related parties (refer note 29)	1.70	1.70	-	-	-
Other security deposit	-	-	3.21	-	4.95
Salary and reimbursement payable	314.88	377.77	393.09	-	407.78

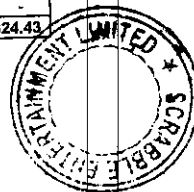
16. Trade Payable	March 31, 2022	March 31, 2021	Rs. in lacs
a) Total outstanding dues of micro enterprises and small enterprises (refer note 31)	1,282.42	-	1,324.43
b) Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,282.42	-	1,324.43

* For details pertaining to related party payable refer note 29

Trade Payables aging schedule (Outstanding from invoice date)

As at March 31, 2022	Rs. in lacs				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	655.50	203.51	59.55	363.86	1,282.42
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	655.50	203.51	59.55	363.86	1,282.42

As at March 31, 2021	Rs. in lacs				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	703.62	90.46	63.92	466.43	1,324.43
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	703.62	90.46	63.92	466.43	1,324.43

Scrabble Entertainment Limited

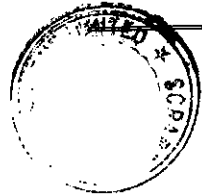
Notes to financial statements as at and for the year ended March 31, 2022

17. Other liabilities	Rs. in lacs			
	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Advance from customers	-	-	95.87	245.52
Deferred revenue on AMC services	54.22	61.46	18.11	81.99
Deferred lease rental revenue	-	5.36	-	-
Deferred Content Delivery Charge (CDC/VPF) revenue	-	-	7.22	2.95
Statutory dues *	-	-	36.89	25.33
	54.22	66.82	158.09	355.79
* Statutory dues payable includes			32.17	22.60
Tax deducted at source			4.58	2.80
Provident fund			0.07	0.05
ESIC			0.07	0.08
Professional tax			-	-
Labour Welfare Fund - Liability			36.89	25.33

18. Provisions	Rs. in lacs			
	Long-term		Short-term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits	29.95	7.52	-	-
Provision for gratuity (refer note 27)	-	-	33.14	22.39
Provision for compensated absences	-	-	-	-
Provision - Others:	-	-	1.27	1.92
Provision for Warranties	29.95	7.52	34.41	24.31

Provision for warranty
A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions. The product are generally covered under the warranty period ranging from 1 year to 6 years.

	Rs. in lacs	
	March 31, 2022	March 31, 2021
	March 31, 2022	March 31, 2021
At the beginning of the year	1.92	2.64
Arising during the year	-	-
Utilised during the year	(0.65)	(0.72)
At the end of the year	1.27	1.92
Current portion	0.49	0.54
Non-current portion	0.78	1.38



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Scrabble Entertainment Limited
Notes to financial statements as at and for the year ended March 31, 2022

19. Revenue from operations	Rs. in lacs	
	March 31, 2022	March 31, 2021
Sale of services		
Content delivery charges (CDC/VPF) - D - Cinema	1,185.34	329.68
Lease rental income - E-Cinema	-	0.22
Lease rental income - D-Cinema	121.43	47.96
Maintenance service fee	159.49	114.28
	1,466.26	492.14
Sale of products		
Lamp sale	89.12	73.69
Sale of digital cinema equipment	6.43	(19.72)
Sale of spares	73.89	29.78
	169.44	83.75
Other operating income		
Sundry balances written back	294.88	201.65
	294.88	201.65
	1,930.58	777.54

20. Other income	Rs. in lacs	
	March 31, 2022	March 31, 2021
Profit on sale of fixed assets	-	2.65
Miscellaneous income *	30.75	36.13
Foreign exchange gain (net)	1.78	1.23
	32.53	40.01

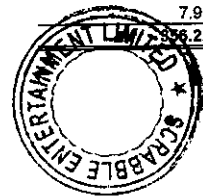
* Miscellaneous income include gain on lease concession of Rs. Nil (March 31, 2021 : Rs. 18.31 lacs)

21. Operating direct costs	Rs. in lacs	
	March 31, 2022	March 31, 2021
Repairs and maintenance exhibition equipments	150.43	126.22
Content processing charges	24.82	86.00
Virtual print fee sharing	663.47	193.42
Rent on equipments	33.05	7.55
	871.77	413.19
Consumables and spares		
Inventories at the beginning of the year	44.48	45.30
Add : Purchases	74.55	17.59
Less : Inventories at the end of the year	(49.13)	(44.48)
	69.90	18.41
Purchase of digital cinema equipment	-	(6.80)
Purchase of lamps	18.87	11.78
(Increase)/decrease in inventories of digital cinema equipments		
Inventories at the beginning of the year	1.75	3.37
Inventories at the end of the year	(1.72)	(1.75)
	0.03	1.62
(Increase)/decrease in inventories of lamps and spares		
Inventories at the beginning of the year	64.47	121.42
Inventories at the end of the year	(8.88)	(64.47)
	55.79	56.95
	1,016.36	495.13

22. Employee benefits expense	Rs. in lacs	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	305.86	283.76
Contribution to provident and other funds (refer note 27)	18.97	15.33
Gratuity expense (refer note 27)	7.51	13.69
Compensated absences (refer note 27)	15.97	3.86
Staff welfare expenses	7.91	5.39
	356.22	322.03



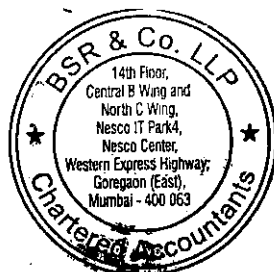
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Scrabble Entertainment Limited
Notes to financial statements as at and for the year ended March 31, 2022

23. Other expenses	Rs. in lacs	
	March 31, 2022	March 31, 2021
Electricity charges	13.30	9.40
Freight and forwarding charges	8.79	12.72
Rent	34.36	26.74
Rates and taxes	11.09	2.31
Insurance	12.59	31.53
Repairs and maintenance	19.36	10.81
Corporate social responsibility expenses (refer note 37)	50.23	88.50
Advertising and sales promotion	0.10	-
Travelling and conveyance	10.35	5.72
Communication costs	4.43	4.80
Printing and stationery	1.71	1.00
Legal, professional and consultancy charges	116.48	103.06
Directors sitting fees	4.38	3.38
Payment to auditor (refer details below)	8.50	6.80
Foreign exchange loss (net)	-	-
Bad debts / advances written off	57.37	40.44
Less: Provision utilised	(57.37)	(40.12)
Loss on sale and write off of fixed assets (net)	0.22	-
Provision for doubtful debts and advances	-	263.61
Miscellaneous expenses	4.86	5.35
	300.75	576.05
Payment to auditor		
	Rs. in lacs	
	March 31, 2022	March 31, 2021
As auditor:		
Audit fee	5.00	5.00
Tax audit fee	1.00	1.00
In other capacity:		
Other services (certification fees)	2.00	-
Out of pocket expenses	0.50	0.80
	8.50	6.80
24. Finance cost		
	Rs. in lacs	
	March 31, 2022	March 31, 2021
Interest on cash credit	-	8.95
Interest expenses on right to use	25.47	34.25
Interest expenses on financial liabilities carried at amortised cost	-	1.95
Bank charges	0.53	0.82
	26.00	45.97
25. Finance income		
	Rs. in lacs	
	March 31, 2022	March 31, 2021
Interest income on		
Bank deposits	3.04	3.56
Others	-	-
Dividend income (refer note 29)		
from current investments	-	-
from associate	1,346.30	58.66
from subsidiary/step down subsidiary	-	-
Net gain on current investments *	31.62	39.49
	1,380.96	101.71

* Includes fair value (loss) / gain of Rs. (62.95) lacs (March 31, 2021 : Rs. (254.37) lacs)



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able Entertainment Limited
es to standalone financial statements for the year ended March 31, 2022
Earnings per share (EPS)

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

Particulars	March 31, 2022	Rs. in lac March 31, 2021
Basic		
Net profit after tax as per statement of profit and loss	1,404.66	(682.54)
Weighted average number of equity shares in calculating basic EPS	768,387	768,387
Earnings per share (Rs) (Face value of Rs. 10 each)	182.81	(88.83)
Diluted		
Net profit for calculation of diluted EPS	1,404.66	(682.54)
Weighted average number of equity shares in calculating basic EPS	768,387	768,387
Earnings per share (Rs) (Face value of Rs. 10 each)	182.81	(88.83)

27. Gratuity and other post-employment benefit plans
a) Defined contribution plan

The Company has recognised and included in Note 22 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

Particulars	March 31, 2022	Rs. in lac March 31, 2021
Contribution to provident fund (Government)	18.25	14.72
Administration charge - Provident Fund	0.71	0.81
	18.96	15.33

b) Defined benefit plan - Gratuity

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

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at March 31, 2022

Particulars	Defined benefit obligation	Fair value of plan assets	Rs. in lac Benefit liability
As at April 1, 2021	53.78	46.26	7.52
Service cost	7.03	-	7.03
Net interest expense	2.99	-	2.99
Interest income	-	2.51	(2.51)
Recognised in statement of profit or loss	10.02	2.51	7.51
Benefit paid	(7.28)	(7.28)	-
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(0.10)	0.10
Actuarial changes arising from changes in financial assumptions	(1.68)	-	(1.68)
Experience adjustments	22.25	-	22.25
Recognised in other comprehensive income	20.57	(0.10)	20.67
Contribution by employer	-	5.75	(5.75)
As at March 31, 2022	77.09	47.14	29.95

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at March 31, 2021

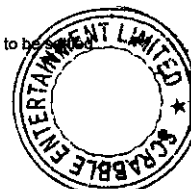
Particulars	Defined benefit obligation	Fair value of plan assets	Rs. in lac Benefit liability
As at April 1, 2020	42.72	34.17	8.55
Service cost	13.14	-	13.14
Net interest expense	2.73	-	2.73
Interest income	-	2.18	(2.18)
Recognised in statement of profit or loss	15.87	2.18	13.69
Benefit paid	(1.07)	(1.07)	-
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(1.23)	1.23
Actuarial changes arising from changes in financial assumptions	(2.40)	-	(2.40)
Experience adjustments	(1.34)	-	(1.34)
Recognised in other comprehensive income	(3.74)	(1.23)	(2.51)
Contribution by employer	-	12.21	(12.21)
As at March 31, 2021	53.78	46.26	7.52

The principal assumptions used in determining gratuity are as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.70%	6.30%
Future salary increase	6.00%	NIL for the first year and 6% thereafter
Employee turnover	13.10%	13.10%
Retirement age (years)	58	58
Expected returns on assets	8.00%	8.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Scrabble Entertainment Limited
Notes to standalone financial statements for the year ended March 31, 2022
A quantitative sensitivity analysis for significant assumption is shown below

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Discount rate (-1%)	75.08	50.63
Discount rate (+1%)	(66.85)	(44.58)
Salary growth rate (-1%)	(67.43)	(44.62)
Salary growth rate (+1%)	74.38	50.36
Attrition rate (-0.5%)	67.98	47.02
Attrition rate (+0.5%)	(72.41)	(47.54)

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions, being constant.

Expected contributions to the defined benefit plan in future years

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
within the next 12 months (next annual reporting period)	-	-
Total	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2021: 6 years)

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Expected cash flows over the next (valued on undiscounted basis):		
1 year	12.23	6.54
2 to 5 years	36.05	22.31
6 to 10 years	28.85	19.90
More to 10 years	37.33	27.40

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

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Gratuity		
Investments with insurer (Life Insurance Corporation Limited)	100%	100%

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year Rs 15.97 lacs (March 31, 2021: Rs 3.86 lacs) is recognised as an expense in the Statement of profit and loss.

28. Leases
Company as lessee

The Company's significant leasing arrangement comprises of land and buildings taken on lease for office and warehouse facilities. These leases are cancellable lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee.

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Lease payment recognised in Statement of profit and loss (Short term & low value leases)	67.41	34.29
	67.41	34.29

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

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Due not later than one year	141.67	8.85
Due later than one year but not later than five years	38.56	47.22
Later than five years	-	-
	180.23	56.07

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

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Opening at the beginning	254.68	342.48
Finance cost accrued during the period	25.47	34.25
Rent concessions recognised in the statement of profit and loss	-	(18.31)
Payment for lease liabilities	(128.15)	(103.74)
Balance at the end	152.00	254.68

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

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Current lease liabilities	119.36	102.68
Non-current lease liabilities	32.64	152.00
	152.00	254.68

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows :

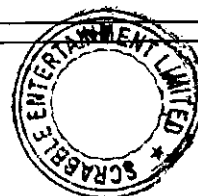
Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Due not later than one year	134.56	128.15
Due later than one year but not later than five years	34.04	168.60
Later than five years	-	-
	168.60	296.75

Company as lessor

The Company has leased out Digital Cinema Equipment to theatres, franchisees. These leases are cancellable lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The lease term is generally for 5 to 10 years. The Company as well as the theatres and franchisees have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement.

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Lease income recognised in Statement of profit and loss	121.43	48.17

Particulars	Rs. in lacs	
	March 31, 2022	March 31, 2021
Gross carrying amount	1,997.02	2,063.69
Accumulated depreciation	1,982.36	2,013.22
Depreciation recognized in the statement of profit and loss	14.65	50.47



Scrabble Entertainment Limited
Notes to standalone financial statements for the year ended March 31, 2022
29. Related party disclosures
1. Names of related parties where transactions have taken place during the year

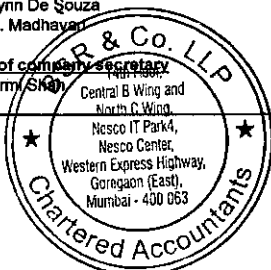
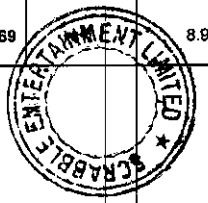
Holding company	UFO Moviez India Limited
Subsidiaries of holding company	Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited) United Film Organisers Nepal Private Limited, Nepal (till March 3, 2022) Zinglin Media Private Limited Plexigo Entertainment Private Limited UFO Lanka Private Limited, Sri Lanka UFO Software Technologies Private Limited
Subsidiaries	Scrabble Entertainment (Mauritius) Limited Scrabble Digital Inc Scrabble Digital Limited
Step down subsidiary	Scrabble Entertainment DMCC Scrabble Entertainment Lebanon Sarl Scrabble Entertainment (Israel) Limited

Names of other related parties with whom transactions have taken place during the year

Associate of the company	Scrabble Digital DMCC Mumbai Movie Studios Private Limited
Associate of a subsidiary company	Scrabble Ventures LLC, USA Scrabble Ventures, S. de R.L. de C.V, Mexico
Key management personnel	Mr. S. Madhavan - Independent and Non executive director Ms. Lynn D'Souza - Independent and Non executive director Ms. Urmi Shah - Company Secretary
Enterprises owned or significantly influenced by key management personnel or their relatives	Valuable Media Private Limited

2. Details of transactions with related parties during the year

		Rs. in lacs	
Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Name of the parties / Nature of expenses and income		
A	Holding company UFO Moviez India Limited		
	Income		
	i) Content Delivery Charge (CDC/VPF) (D-Cinema)	193.89	29.15
	ii) Rental income	19.94	2.25
	iii) Miscellaneous income - Rent (Warehouse)	9.27	4.64
B	Expenses		
	i) Rent on equipments	33.05	7.55
	ii) Virtual print fee sharing	110.42	13.99
	iii) Rent	12.76	6.19
	iv) Reimbursement of expense	0.53	0.30
C	Others		
	i) Security deposit paid	-	1.75
	ii) Dividend paid	1,997.81	-
2	Subsidiary of the company (including step down subsidiaries)		
A	Scrabble Digital Limited		
	i) Miscellaneous income - Rent (Warehouse)	14.98	7.28
	ii) Content processing charges	24.82	86.00
	iii) Sale of products	0.62	-
B	Scrabble Entertainment DMCC		
	i) Dividend income	100.88	-
C	Scrabble Entertainment (Mauritius) Limited		
	i) Dividend income	1,113.45	-
D	Scrabble Digital INC		
	i) Dividend Income	94.53	-
3	Associate of the company		
A	Scrabble Digital DMCC		
	i) Dividend income	37.45	58.66
B	Mumbai Movie Studios Private Limited		
	i) Purchase of equity shares	-	37.50
	ii) Purchase / call amount paid for preference share (NCOCRPS)	262.50	337.50
4	Enterprises owned or significantly influenced by key management personnel or their relatives		
A	Valuable Media Private Limited		
	i) Miscellaneous income - Rent (Warehouse)	0.66	0.33
5	Independent and non executive director		
A	Director sitting fees		
	i) Ms. Lynn De Souza	1.88	1.63
	ii) Mr. S. Madhavan	2.50	1.75
6	Salary of company secretary		
A	i) Ms. Urmi Shah	11.69	8.91

3. Balance outstanding at the year end

		Rs. in lacs	
Sr.No	Particulars	March 31, 2022	March 31, 2021
1	Holding company		
A	UFO Moviez India Limited		
	i) Amount payable	50.91	-
	ii) Security deposit given	349.38	349.38
	iii) Security deposit received	1.65	1.65
	iv) Amount receivable	-	4.26
	v) Unbilled revenue	49.26	9.48
	vi) Unbilled expenses	1.75	8.01
2	Subsidiaries companies		
A	Scrabble Digital Limited		
	i) Amount payable	202.77	267.87
	ii) Security deposit received	5.27	5.27
	iii) Unbilled expenses	(7.30)	61.82
3	Enterprises owned or significantly influenced by key management personnel or their relatives		
A	Valuable Media Private Limited		
	i) Amount receivable	-	0.06
	ii) Security deposit payable	0.12	0.12

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at year the year-end are unsecured.

Compensation of key management personnel of the Company:

Particulars	March 31, 2022	March 31, 2021
Short Term employee benefits	11.69	8.91

*key Managerial Personnel and Relatives of promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind As -19- Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above as they are determined on an actuarial basis for the Company as a whole.

30. Capital and other commitments

Particulars	March 31, 2022	March 31, 2021
Capital commitments	-	-
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))	90.30	29.30
Other commitments	90.30	29.30

31. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came in to force from October 2, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

Particular	March 31, 2022	March 31, 2021
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

32. Financial instruments - Accounting classifications and fair value measurement

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

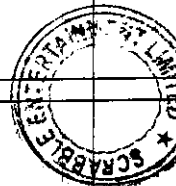
The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities.

The carrying value and fair value of financial assets and liabilities by categories as at March 31, 2022 were as follows:

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets					
Investments in subsidiaries	4,227.71	-	-	4,227.71	Level 2
Loans receivables	-	-	-	-	
Investments	-	-	503.89	503.89	
Trade receivables	261.08	-	-	261.08	
Cash and cash equivalents	126.91	-	-	126.91	
Bank balances other than cash and cash equivalents	8.09	-	-	8.09	
Other financial assets	447.23	-	-	447.23	
Total	5,071.02	-	503.89	5,574.91	
Financial Liabilities					
Lease liabilities	152.00	-	-	152.00	Level 2
Trade payables	1,282.42	-	-	1,282.42	
Other financial liabilities	707.96	-	-	707.96	
Total	2,142.38	-	-	2,142.38	



Signature



Details for the year ended March 31, 2021 are as follows:

Rs. in lacs

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets					
Investments in subsidiaries	3,965.21	-	-	3,965.21	Level 2
Loans receivables	-	-	-	-	
Investments	-	-	1,521.61	1,521.61	
Trade receivables	359.39	-	-	359.39	
Cash and cash equivalents	51.70	-	-	51.70	
Bank balances other than cash and cash equivalents	7.67	-	-	7.67	
Other financial assets	446.87	-	-	446.87	
Total	4,830.84	-	1,521.61	6,352.45	
Financial Liabilities					
Lease liabilities	254.68	-	-	254.68	
Trade payables	1,324.43	-	-	1,324.43	
Other financial liabilities	785.54	-	-	785.54	
Total	2,364.65	-	-	2,364.65	

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

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2022 and March 31, 2021.

33. Financial risk management - Objectives and policies

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks. The Company's senior management determines the financial risks and the appropriate financial risk governance framework through relevant policies and procedures for the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, investments and deposits, loans and derivative financial instruments.

a) Interest rate risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings wherever feasible. The Company does not have borrowings therefore is not exposed to interest rate risk.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The Majority of the Company's revenue and expense are in Indian Rupees, with the remainder denominated in US Dollars. Management Considers currency risk to be low and does not hedge its own currency risks.

The Company regularly evaluates exchange rates exposure arising from foreign currency transactions for taking appropriate actions.

Rs. in lacs

Outstanding foreign currency exposure as at	March 31, 2022	March 31, 2021
Export debtors	69.42	74.67
USD	0.92	1.03
Import creditors	-	59.14
USD	-	0.82
Advances to Supplier	38.14	-
USD	0.51	-
Advance from customers	12.69	36.03
USD	0.17	0.50
Cash balances	0.71	0.89
USD	0.06	0.06

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

Rs. in lacs

Particulars	March 31, 2022	March 31, 2021
1% increase in foreign exchange rate :	0.96	(0.20)
1% (decrease) in foreign exchange rate:	(0.96)	0.20



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Scrabble Entertainment Limited

Notes to standalone financial statements for the year ended March 31, 2022

2. Credit risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approval for credit.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure to credit risk was Rs 427.15 lacs and Rs.447.92 lacs as at March 31, 2022 and March 31, 2021 respectively as per the table below.

	March 31, 2022	March 31, 2021	Rs. in lacs
Particulars			
Balance with banks including bank deposits	165.85		88.32
Trade receivables	261.08		359.39
Other financial assets	0.22		0.21
Total	427.15		447.92

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international credit rating agencies.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue, which are typically unsecured and are derived from revenue from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and liquid mutual fund unit with financial institutions with high ratings assigned by international and credit rating agencies. None of the other financial assets of the Company result in material concentration of credit risk.

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing risk pertaining to financial assets. The Company continues to believe that there is no impact on such assets.

3. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitment associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from its operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The table below analyses financial liabilities of the Company into relevant maturity Companyings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 to 5 years	Over 5 years	Rs. in lacs
Particulars				Total
At March 31, 2022				
Lease liabilities	119.36	32.64	-	152.00
Trade payables	1,282.42	-	-	1,282.42
Other financial liabilities	393.09	314.88	-	707.97
At March 31, 2021				
Lease liabilities	102.68	152.00	-	254.68
Trade payables	1,324.43	-	-	1,324.43
Other financial liabilities	407.78	377.77	-	785.55

34. Unbilled receivables and Contract liabilities

The movement in unbilled receivables and contract liabilities from contracts with customers:

	March 31, 2022	March 31, 2021	Rs. in lacs
Unbilled receivables			
Opening balance	17.90	4.35	
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(17.90)	(3.87)	
Add: Invoices raised for which no revenue is recognised during the year	49.26	17.42	
Closing balance	49.26	17.90	

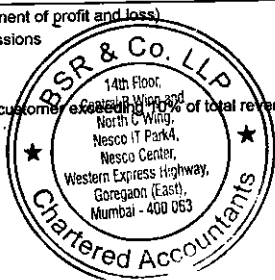
	March 31, 2022	March 31, 2021	Rs. in lacs
Contract liabilities (Advance or deferred income)			
Opening balance	146.39	181.04	
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(84.93)	(58.65)	
Add: Invoices raised for which no revenue is recognised during the year	18.09	24.00	
Closing balance	79.55	146.39	

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortised along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

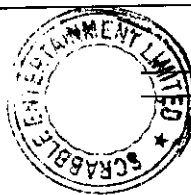
Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2022	March 31, 2021	Rs. in lacs
Particulars			
Revenue from contracts with customers (as per Statement of profit and loss)	1,930.58	777.54	
Add: Discounts, rebates, refunds, credits, price concessions	(35.49)	(21.09)	
Add / (Less): Unbilled revenue adjustments	1,895.09	756.45	
Contracted price with the customers			

The Company does not have revenue from individual customer exceeding 10% of total revenue



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Scrabble Entertainment Limited

Notes to standalone financial statements for the year ended March 31, 2022

35. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to ensure the going concern operation and to maintain an efficient capital structure to support the corporate strategy and maximise shareholder value.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various metrics. The Company maintains focus on capital efficiency without incurring material indebtedness and have negative working capital and positive free cash flows. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

36. Events subsequent to balance sheet date

There are no events subsequent to Balance Sheet date

37. Corporate social responsibilities

As per section 135 of the Companies Act, 2013 and rules therein, the Parent company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibilities expenditures are as follows:

The areas of CSR activities are on providing healthcare, education and rehabilitation for underprivileged girls and children from the rural village.

A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Details of CSR expenditure:		March 31, 2022	March 31, 2021	Rs. in lacs
a) Gross amount required to be spent by the Company during the year		50.23		88.50
b) Amount approved by the Board to be spent during the year		50.23		88.50
c) Amount spent during the year ending on March 31, 2022:				
i) Construction/acquisition of any asset	In cash	3.51	113.71	117.22
ii) On purposes other than (i) above	Yet to be paid in cash	6.99	4.35	11.34
d) Amount spent during the year ending on March 31, 2021:				
i) Construction/acquisition of any asset	In cash	5.82	69.62	75.44
ii) On purposes other than (i) above	Yet to be paid in cash	4.36	6.71	13.07
e) Details related to spent / unspent obligations				
i) Contribution to Public Trust				
ii) Contribution to Charitable Trust				
iii) Unspent amount in relation to:				
Ongoing project				
Other than ongoing project				
		10.50		10.18
		118.06		78.32

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance *		Unspent
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR A/c	
	78.32	50.23	2.64	7.86	47.59		70.47

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

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

* The Company has transferred unspent amount of Rs. 47.59 lacs in a special bank account opened for the purpose of Corporate Social Responsibility and will be spending the said amount within three years from the date of transfer i.e. April 7, 2022

38. Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013.

The Board of Directors of the Company in its meeting held on October 12, 2020, had approved an investment of up to Rs. 800 lacs in Mumbai Movie Studios Private Limited (MMSPL). Consequently, till the year end March 31, 2021, the Company had made an investment of Rs. 37.50 lacs, subscribing to 3,75,000 number of equity shares of Rs. 10 each and Rs. 337 lacs, subscribing to 75,00,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of Rs. 10 each, the paid up value of Rs. 4.5 per share.

Further on December 09, 2021, the Company made additional investment of Rs. 262.50 lacs towards the second call of Rs. 3.5 per share for each of 7,50,000 NCOCRPS. On this investment, the Company holds 30.74% stake in MMSPL, which has been treated as an associate for the purpose of accounting



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Scrabble Entertainment Limited

Notes to standalone financial statements for the year ended March 31, 2022

39. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.73	1.12	-35%	Variance is due to lower current Investments during the year
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Not Applicable
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	12.12	(3.35)	-462%	Increase in revenue and net profit during the year led to an improvement in the ratio.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.07	(0.03)	-332%	Net profit during the year led to an improvement in the ratio.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.22	0.11	94%	Not required to be disclosed
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.56	0.22	602%	Revenue growth along with higher efficiency on realisation resulted in an improvement in the ratio.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.25	0.18	39%	Increase is primarily on account of increase in purchases.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(3.58)	2.95	-221%	Negative working capital due to lower current investments impacted the ratio.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.73	(0.88)	-183%	Increase in revenue and Net profit during the year lead to an improvement in the ratio.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	26.37	(4.53)	-682%	Improvement is on account of profitability during the year.
Return on Investment	Interest (Finance Income)	Investment	0.29	0.02	1474%	Variance is due higher dividend income received during the year.

40. Additional Regulatory Information

(i) Borrowing secured against current assets

The Company did not have any loans or borrowings from any lender during the year

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) The Company do not have any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the

Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party

(b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

41. Impact of covid-19

The uncertainty on account of the Covid-19 outbreak continued to have an adverse effect across the world including India, in the first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. However, various State Governments only allowed Cinemas to re-open from July-November 2021 in a phased manner with restrictions and Standard Operating Procedures (SOPs) in place. The third wave, which was due to Omicron, a new variant of Covid, was much shorter compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 2022. A majority of the Cinemas were operational during early Q4 (with the exception of Delhi and Haryana, which were shut during January 2022) with various capacity restrictions but with limited or no content. Restrictions on cinema operations started easing from the 1st week of February 22. With the lifting of Covid related occupancy restrictions from mid-March 22 in the major States across India, filmgoers started revisiting cinemas in large numbers, thus giving a big boost to the sentiments of the exhibition industry. Consequently, the theatrical exhibition industry has witnessed recovery and an improved performance by the end of financial year. The Company continued with its strategy of keeping a check on controllable costs and having adequate liquidity.

The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects.

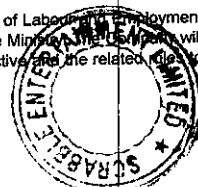
Based on the above, the management and the Board of Directors believe that the Company would be able to meet its financial obligations in the foreseeable future. Accordingly, management believes that the long-term drivers of business are intact and does not anticipate any material medium to long-term risks to the business.

42. Code on social security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related disclosures to determine the financial impact are published.



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Scrabble Entertainment Limited

Notes to standalone financial statements for the year ended March 31, 2022

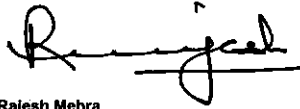
43. Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021:

- (a) Security deposits regrouped under 'Other financial assets' (Note 5) which were earlier part of 'Loans'.
(b) Unbilled receivables regrouped under 'Trade receivables' (Note 11)

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

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

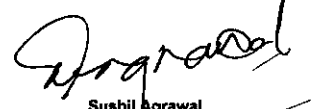


Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the board of directors of
Scrabble Entertainment Limited
CIN : U92190MH2008PLC178456



Rajesh Mishra
Director
DIN: 00103157



Sushil Agrawal
Director
DIN No. : 00003163



Urmi Shah
Company Secretary
Membership No.: A25458

Place : Mumbai
Date: May 26, 2022