



**Redg. Office:** Plot no. 53/1, Valuable Techno Park, MIDC,  
Road No. 7, Andheri East, Mumbai – 400 093.

# **AUDITED FINANCIAL STATEMENTS**

**For the year ended  
31<sup>st</sup> March, 2020**

## **FINANCIAL YEAR 2019-20**

**Scrabble Digital Limited**  
**Balance Sheet as at 31st March, 2020**

			(Amount in Lakhs)
Particulars	Note No.	As at 31st Mar, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Property, Plant and Equipment	2	455.93	453.26
Other Intangible Assets		3.47	0.80
<b><u>Financial Assets:</u></b>			
Other Financial Assets	3	31.27	19.03
Deferred Tax Assets (Net)	4	132.32	162.08
Other Non Current Assets	5	32.78	3.06
<b>Total Non-current Assets (i)</b>		<b>655.77</b>	<b>638.23</b>
<b><u>Current Assets</u></b>			
<b><u>Financial Assets:</u></b>			
Investments	6	-	463.99
Trade receivables	7	637.88	840.26
Cash and cash equivalents	8	168.10	292.79
Other Financial Assets	9	160.78	46.09
Other Current Assets	10	115.90	71.01
<b>Total Current Assets (ii)</b>		<b>1,082.66</b>	<b>1,714.14</b>
<b>Total Assets (i+ii)</b>		<b>1,738.43</b>	<b>2,352.37</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share Capital	11	59.31	59.31
Reserves and Surplus (Other Equity)	12	1,375.46	1,930.15
<b>Total Equity (i)</b>		<b>1,434.77</b>	<b>1,989.46</b>
<b><u>Liabilities</u></b>			
<b><u>Non Current Liabilities</u></b>			
Long Term Provisions	13	25.61	26.76
<b>Total Non-Current Liabilities (ii)</b>		<b>25.61</b>	<b>26.76</b>
<b><u>Current Liabilities</u></b>			
<b><u>Financial Liabilities:</u></b>			
Trade Payables	14	131.39	124.37
Other Financial Liabilities	15	11.18	26.34
Short-Term Provisions	16	2.74	31.70
Other Current Liabilities	17	132.74	153.74
<b>Total Current Liabilities (iii)</b>		<b>278.05</b>	<b>336.15</b>
<b>Total Equity and Liabilities(i+ii+iii)</b>		<b>1,738.43</b>	<b>2,352.37</b>

Significant accounting policies and Notes on Financial Statements 1  
Notes referred to above form an integral part of Financial Statements

For Mathais Wilson & Associates  
Chartered Accountants  
Firm Reg. No. 126725W

For Scrabble Digital Limited



CA Wilson Mathais  
Proprietor  
Membership No. 121040

Place: Mumbai  
Date: 18-06-2020




Director



Director



**Scrabble Digital Limited**  
**Statement of Profit & Loss for the Year Ended 31st March, 2020**

				(Amount in Lakhs)
Sr. No.	Particulars	Note No.	Audited	Audited
			Year ended 31st Mar, 2020	Year ended March 31, 2019
I	<b>Revenues:</b>			
	Revenue from operations	18	2,315.43	2,699.66
	Other Income	19	107.31	4.76
	<b>Total Revenue (I)</b>		<b>2,422.74</b>	<b>2,704.42</b>
II	<b>Expenses:</b>			
	Operating Direct Costs	20	640.08	571.49
	Employee Benefit Expense	21	297.76	407.70
	Other Expenses	22	330.16	436.45
	<b>Total Expenses (II)</b>		<b>1,268.00</b>	<b>1,415.64</b>
III	<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (I - II)</b>		<b>1,154.74</b>	<b>1,288.78</b>
IV	Depreciation and Amortization Expense	2	225.95	332.84
	Finance Cost	23	3.51	2.69
	Finance Income	24	(43.65)	(44.19)
V	<b>Profit Before Tax (III - IV)</b>		<b>968.93</b>	<b>997.44</b>
VI	<b>Tax expense:</b>			
	Current Tax - Pertaining to profit for C.Y.		250.48	363.65
	Tax Expenses relating to prior years		-	(14.59)
	Deferred tax		29.77	(73.93)
	<b>Total Tax Expense (VI)</b>		<b>280.25</b>	<b>275.13</b>
VII	<b>Profit/(Loss) for the year (V - VI)</b>		<b>688.68</b>	<b>722.31</b>
	<b>Other Comprehensive Income (OCI)</b>			
	OCI not to be reclassified to profit or loss in subsequent period			
	Re-measurement gains /(losses) on defined benefit plans (net of tax impact)		10.63	(0.11)
	<b>Other Comprehensive Income (OCI)</b>		<b>10.63</b>	<b>(0.11)</b>
	<b>Total Comprehensive Income for the year</b>		<b>699.31</b>	<b>722.20</b>
VIII	<b>Earnings per equity share of face value of Rs. 10 each</b>	25		
	Basic and Diluted from continuing operations		116	122

Significant accounting policies and Notes on financial statements  
Notes referred to above form an integral part of financial statements

For Mathais Wilson & Associates  
Chartered Accountants  
Firm Reg. No. 126725W



CA Wilson Mathais  
Proprietor  
Membership No. 121040

Place: Mumbai  
Date: 18-06-2020



For Scrabble Digital Limited



Director



Director





Particulars		For the year ended 31st March, 2020		For the year ended 31st March, 19	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit Before Tax		968.94		997.44
	<u>Adjustment to reconcile profit before tax to net cash flows</u>				
	Depreciation and amortization expense	225.96		332.84	
	Provision for gratuity	8.26		-	
	Provision for compensated absences	6.09		-	
	Bad Debts written-off	7.22		(0.02)	
	Provision for Doubtful Debts	36.98		83.12	
	Foreign exchange gain (net)	2.53		2.37	
	Gain on Sale of Fixed Assets	(3.69)		(2.39)	
	Loss on Sale of Fixed Assets & Assets written off	-		0.51	
	Sundry balance write back	(101.08)		12.95	
	Remeasurement of defined benefit plan	10.63		(0.11)	
	Fair valuation of Mutual funds	9.59		(9.59)	
	Unwinding of financial instruments				
	(Notional Income on Security Deposits)	(0.10)		(0.60)	
	Profit on sale of current investments (net) - MF	(33.01)		(0.11)	
	Interest income	(15.26)		(15.30)	
	Dividend Income from Mutual Fund	-	154.12	(14.81)	388.86
	<b>Operating Profit before Working Capital Changes</b>		<b>1,123.06</b>		<b>1,386.30</b>
	<b>Movements in working capital :</b>				
	Increase / (decrease) in trade payables	7.01		58.90	
	Increase / (decrease) in other financial current liabilities	(15.16)		17.05	
	Increase / (decrease) in other current liabilities	(21.00)		43.35	
	Increase / (decrease) in short-term provisions	(36.35)		(13.11)	
	Increase in long-term provisions	(1.15)		(0.60)	
	Decrease / (increase) in trade receivables	259.25		(377.32)	
	Decrease / (increase) in other current assets	(44.79)		(26.79)	
	Decrease / (increase) in other non current assets	(29.72)		0.70	
	Decrease / (increase) in other non current financial asset	(126.92)	(8.82)	2.37	(295.45)
	<b>Cash generated from operations</b>		<b>1,114.23</b>		<b>1,090.85</b>
	Direct taxes paid (net of refunds)		(257.46)		(404.27)
	<b>Net Cash Flow from Operating Activities</b>		<b>856.78</b>		<b>686.58</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of fixed assets, including capital work in progress and capital advances & right to use	(232.20)		(145.72)	
	Proceeds from sale of fixed assets / capital work in progress	4.59		2.60	
	Purchase of current investments (including dividend reinvestment)	(440.00)		(1,069.10)	
	Sale / redemption of current investments - MF	927.41		929.29	
	Interest received	15.26		15.30	
	Dividends received	-		14.81	
	<b>Net Cash used in Investing activities</b>		<b>275.06</b>		<b>(252.82)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Payment of interim dividend	(1,038.00)		(332.16)	
	Tax on dividend paid on equity shares	(213.36)		(68.29)	
	Adjustment of IndAS 116 - Lease	(2.64)			
	<b>Net Cash used in Financing activities</b>		<b>(1,254.00)</b>		<b>(400.45)</b>
	Net increase in cash & Cash Equivalents		(122.16)		33.31
	Exchange difference on translation of foreign currency Cash & Cash equivalents		(2.53)		(2.37)
	<b>Cash and Cash equivalents at the beginning of the year</b>		<b>292.79</b>		<b>261.85</b>
	<b>Cash and Cash equivalents at the end of the year</b>		<b>168.10</b>		<b>292.79</b>
	<b>Components of cash and cash equivalents</b>				
	Cash on hand		0.16		0.24
	<b>Balance with banks:</b>				
	- on Current accounts		12.25		76.63
	- on EEFC accounts		-		-
	- on Fixed deposits		155.69		215.92
	<b>Total Cash and Cash Equivalents (Note 8)</b>		<b>168.10</b>		<b>292.79</b>

**Notes to Cash Flow Statement**

- Components of Cash and Cash Equivalents include cash and bank balances in current account
- The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard "Ind AS-7 Cash Flow Statement."

For Mathais Wilson & Associates  
Chartered Accountants  
Firm Reg. No. 126725W

CA Wilson Mathais  
Proprietor  
Membership No. 121040

Place: Mumbai  
Date: 18-06-2020

For Scrabble Digital Limited

Director

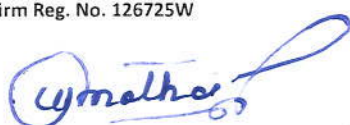
Director

**Scrabble Digital Limited**  
Statement of Changes in Equity for the Year ended 31st March, 2020

(Amount in Lakhs)

Particulars	Equity Share Capital		Other Equity				Total Equity
	No. of Shares	Share Capital	Securities Premium	General Reserve	Profit and Loss Account	Other Comprehensive Income	
Balance as on 1st April 2017	5,93,142	59.31	1,137.68	22.47	455.70	(7.45)	1,667.71
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-
Dividends paid (including taxes)	-	-	-	-	-	-	-
Balance as on 31st March 2018	5,93,142	59.31	1,137.68	22.47	455.70	(7.45)	1,667.71
Profit for the year	-	-	-	-	722.31	-	722.31
Other comprehensive income for the year	-	-	-	-	-	(0.11)	(0.11)
Dividends paid (including taxes)	-	-	-	-	(400.45)	-	(400.45)
Balance as on 31st March 2019	5,93,142	59.31	1,137.68	22.47	777.56	(7.56)	1,989.46
Profit for the year	-	-	-	-	688.68	-	688.68
Other comprehensive income for the year	-	-	-	-	-	10.63	10.63
Dividends paid (including taxes)	-	-	-	-	(1,251.36)	-	(1,251.36)
Adjustment of IndAS 116 Lease	-	-	-	-	(2.64)	-	(2.64)
Balance as on 31st March 2020	5,93,142	59.31	1,137.68	22.47	212.24	3.07	1,434.77

For Mathais Wilson & Associates  
Chartered Accountants  
Firm Reg. No. 126725W

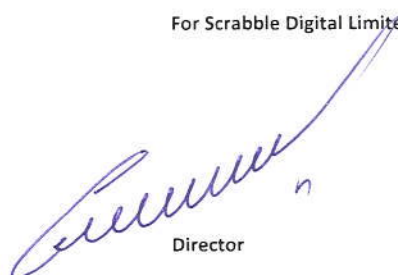


CA Wilson Mathais  
Proprietor  
Membership No. 121040

Place: Mumbai  
Date: 18-06-2020



For Scrabble Digital Limited



Director



Director

## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### 1. Corporate Information

Scrabble Digital Limited ("the Company") is a public company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 08<sup>th</sup> February 2011. The Company is into the business of providing Digital Cinema Services. The Company is a subsidiary of Scrabble Entertainment Limited ("the Parent Company"). The registered office and principal place of business of Company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai Mumbai – 400093.

The Company is primarily engaged in the business of providing Digital Cinema Services (Information on other related party relationships of the Company is provided in Note No. 35).

#### 2. Significant Accounting Policies

##### 2.1 Basis of Preparation

These financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods up to and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 18<sup>th</sup> June 2020.

Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments covered under para note no 2.3(i))





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### 2.2 Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve month after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or
- There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of crore, unless otherwise stated.

#### 2.3 Summary of significant accounting policies

##### a) Use of Estimates



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### **b) Property, Plant and Equipment (PPE):**

##### **i. Recognition and measurement**

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

##### **ii. Subsequent expenditure**

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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capital improvement or other factors are accounted for as separate components 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 are charged to profit or loss during the reporting period in which they are incurred.

#### c) Depreciation on PPE

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

Up till 30<sup>th</sup> September 2018, Depreciation was provided under the written down method, based on useful lives of assets as prescribed in Schedule II to the Act. Depreciation is charged on a monthly pro-rata basis for assets purchased or sold during the year. Leasehold land is amortized over the lease period. Leasehold improvements are depreciated over the lease period on straight line basis. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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

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

	Useful lives as per management's estimate (in years)
Plant & Machinery comprising of Projector & related Equipments	6 – 7
Computer	3
Furniture and Fixtures	6
Office Equipments	5

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



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **d) Intangible assets**

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

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

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

	Useful lives as per management's estimate (years)
Computer Software	6

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

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

#### **e) Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

#### f) Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Prior to the current financial year, the company has been recording lease rentals and the corresponding security deposits as per AS 19 – Accounting for leases.

The company has recognised a right-of-use asset and a lease liability at the lease commencement date and in case of lease term commencing before the date of initial application, from the date of initial application accordingly. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments or amount of prepaid rent made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Accordingly, the company has included the amount of prepaid rent reflecting in the statement of financial position as on 31<sup>st</sup> March, 2019 amounting to Rs. 3,44,975/- to the Right of use asset and the same shall be amortised over the remaining lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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borrowing rate. The company has used the interest rate implicit in the lease, i.e., the risk free rate of interest as per the prevailing market rates.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

In case of lease agreements having commencement date prior to the date of initial application, the Right of Use asset has been calculated as if the said standard has always been applied and the balance as on 01st April, 2019 has been recorded. As the company has adopted modified retrospective application approach, the restatement for prior years is not required for comparatives. Therefore, the cumulative impact of adoption being recorded as an adjustment to equity at the beginning of the accounting period in which the standard is first applied. The cumulative impact of adoption of Ind AS 116 has been adjusted from the reserves amounting to Rs. 2,63,831/-

#### Classification of Short Term leases

The company has entered into lease transactions with companies covered under the same group. In this regard, the company has no enforceable obligation with respect to the lease term and the said lease can be terminated by giving a one month notice as per the decision of the company. Therefore, by applying para B34 of Ind AS 116, the company is not bound by any non-cancellable and lock in period and thereby there are no enforceable rights and obligations existing between the lessee and lessor beyond that term. Accordingly, such lease agreements qualify as a short term lease within the meaning of the standard and thereby the company chooses to avail the exemption available for short term leases.

#### Presentation

The company has presented the right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the financial statements.



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed in Note No. 34.

#### **g) Revenue recognition**

- i. In accordance with Ind AS 18, when the outcome of a transaction involving rendering of Services can be estimated reliably, revenue associated with the transaction shall be recognised.
- ii. Dividend income is recognised when the right to receive payment is established.
- iii. Interest income is recognized in accordance with the Effective Interest Method (EIM) as specified in Ind AS 39

The Company recognises revenues on sale, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the services are rendered to the customer.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The company has accordingly recorded the security deposits with the landlord in respect of leases by discounting the estimated future cash flow at an appropriate discounting rate through the expected lease term.

#### **h) Foreign currency translation**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.



## **Scrabble Digital Limited**

### **Notes to Financial Statements as at and for the year ended 31st March 2020**

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Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

#### **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.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **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 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 Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### i) Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Associates and Joint Ventures) 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:

- i. In the principal market for the asset or liability, or
- ii. 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, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements are 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.



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### j) Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### i. Initial Recognition and Measurement:

Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

##### ii. Classification and Subsequent Measurement:

###### • Financial Assets:

The Group classifies financial assets as subsequently measured at amortised cost, or fair value through profit or loss (FVTPL) on the basis of both:

- (i) Business model for managing the financial assets, and
- (ii) The contractual cash flow characteristics of the financial asset.

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) 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.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Other financial assets are classified and measured at fair value through profit or loss (FVTPL)

#### k) Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### ii. Post-Employment Employee Benefits

##### Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

##### Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company's, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### iii. Other Long-Term Benefits:

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. 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.





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### 1) Current income taxes and deferred tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

##### Current Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

##### Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 utilized, 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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

#### Minimum alternate tax (MAT):

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **m) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

#### **n) Provisions, 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities and Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **o) Cash and cash equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

#### **p) Segment reporting:**

##### Identification of Segments:

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

#### **q) 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.

#### **r) Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### s) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of FS, 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 FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. 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 FS.

##### (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 FS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### • Useful Lives of Property, Plant and Equipment:

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

#### • Defined Benefit Obligation:



## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. Also, the cost of leave encashment payable to the employees in respect of un-availed balance leaves have also been recorded as per actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of Deferred Tax Assets:**

Availability of future taxable future profit against which the tax losses carried forward can be used as disclosed in note (j) above

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

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

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

When the fair value of financial assets and financial liabilities recorded in the Standalone financials 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.

- **Impairment of non-financial assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.





## Scrabble Digital Limited

### Notes to Financial Statements as at and for the year ended 31st March 2020

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#### 3. Note on Covid 19 Impact Assessment:

The World Health Organisation (WHO) declared the COVID-19 outbreak a global pandemic on March 11, 2020. Economic activity in India started getting impacted from March 11, 2020, when COVID-19 started to spread. Cinemas were the first to be impacted by COVID-19 and they started shutting down in accordance with the orders passed by various regulatory authorities and in a few days, all Cinemas across India were temporary shutdown. Consequent to this, as social distancing was the only way to stop the spread of COVID-19, the Government of India declared a nationwide lockdown that came into effect from March 25, 2020, impacting all non-essential activity.

The management of the Company has implemented a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Company is in the business of providing digital cinema services, the operations of the Company have remained shut since the mid of March 2020, severely impacting its revenues and profitability. The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Based on the management's assessment, as on the date of approval of these financial statements, there is no significant impact of recoverability of carrying amount of assets appearing in the Balance Sheet as on March 31, 2020. However, the Company will continue to monitor the impact on account of changes in future economic conditions on these assets. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial statements.

"On account of COVID-19, the management has taken the following measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads for the period of the lockdown"

Re-opening of the Company's operations fully depends on the reopening of cinemas. The Government vide its Order [Guidelines for Phased Re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated 30th May 2020] has stated that Cinemas will be allowed to open in the third phase of re-opening but the date of cinemas re-opening is uncertain at this point in time and will be decided based on the assessment of the situation. Given this uncertainty, these cost optimization measures will help the Company maintain adequate levels of cash reserves to sustain this phase until cinemas re-open.





**Scrabble Digital Limited**  
Notes on Financial Statements as at 31st March, 2020

Note : 2 Fixed Asset

(Amount in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01-04-2019	Addition during the year	Deduction during the year	As at 31-03-2020	As on 01-04-2019	Addition during the year	Deduction during the year	As at 31-03-2020	WDV as on 31-03-2020	WDV as at 01-04-2019
1	Computers & Printers	269.86	41.74	73.56	238.05	196.05	43.55	72.66	166.94	71.11	73.81
2	Office Equipment	58.32	6.79	-	65.10	54.73	1.83	-	56.56	8.54	3.59
3	Plant & Machinery	1,200.75	141.96	0.25	1,342.45	862.65	131.51	0.25	993.91	348.54	338.10
4	Furniture & Fixture	16.59	0.39	-	16.98	15.18	0.72	-	15.90	1.08	1.41
5	Motor Car	-	-	-	-	-	-	-	-	-	-
5	Right to Use Asset	-	15.73	-	15.73	-	15.73	-	15.73	-	-
6	Leasehold Improvement	289.15	22.19	-	311.34	252.81	31.88	-	284.69	26.65	36.34
	<b>Total Tangible Assets (A)</b>	<b>1,834.67</b>	<b>228.80</b>	<b>73.81</b>	<b>1,989.66</b>	<b>1,381.42</b>	<b>225.22</b>	<b>72.91</b>	<b>1,533.73</b>	<b>455.93</b>	<b>453.25</b>
		-	-	-	-	-	-	-	-	-	-
7	Intangible Assets-Software/License	28.88	3.40	-	32.28	28.07	0.73	-	28.81	3.47	0.81
	<b>Total Intangible Assets (B)</b>	<b>28.88</b>	<b>3.40</b>	<b>-</b>	<b>32.28</b>	<b>28.07</b>	<b>0.73</b>	<b>-</b>	<b>28.81</b>	<b>3.47</b>	<b>0.81</b>
	<b>Total Assets ( A + B )</b>	<b>1,863.55</b>	<b>232.20</b>	<b>73.81</b>	<b>2,021.94</b>	<b>1,409.49</b>	<b>225.95</b>	<b>72.91</b>	<b>1,562.54</b>	<b>459.40</b>	<b>454.06</b>
	<b>PREVIOUS YEAR</b>	<b>1,720.23</b>	<b>145.73</b>	<b>2.41</b>	<b>1,863.55</b>	<b>1,078.34</b>	<b>332.84</b>	<b>1.69</b>	<b>1,409.49</b>	<b>454.06</b>	<b>641.89</b>



**Scrabble Digital Limited**  
**Notes on Financial Statements as at 31st March, 2020**

**Note: 3 Other Financial Assets - Non Current**

			(Amount in Lakhs)
Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	<b>Security Deposits</b>		
	Rental Deposits	26.67	56.91
	Less: Considered as Current Assets	-	(42.28)
	Security Deposits Others	4.60	4.40
	<b>Total</b>	<b>31.27</b>	<b>19.03</b>

**Note : 4 Deferred Tax Asset**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	<b>Deferred Tax Asset arising on account of timing difference:</b>		
	Opening Balance	162.08	88.16
	Add: Deferred Tax credit	(29.76)	73.92
	<b>Total</b>	<b>132.32</b>	<b>162.08</b>

**Note : 4.1 Break up of Deferred Tax Asset is given below :**

	Property, Plant and Equipment & Intangible Assets	113.69	120.93
	Provisions for Doubtful Debts	9.31	24.21
	Provisions for Employee Benefits (Gratuity & Leave Encashment)	7.05	14.21
	Arising on account of timing difference of disallowance u/s 40(a)(ia)	2.27	2.73
	<b>Net Deferred Tax Liability</b>	<b>132.32</b>	<b>162.08</b>

**Note : 5 Other Non Current Assets**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Prepaid Lease Rental	1.64	3.45
	Less: Prepaid Lease Rental Considered as Current Asset	-	(0.39)
2	Advance Income Tax (Net of Provision)	31.14	-
	<b>Total</b>	<b>32.78</b>	<b>3.06</b>

**Note : 6 Current Investments**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Axis Liquid Fund - Direct Growth	-	463.98
	<b>Total</b>	<b>-</b>	<b>463.98</b>

**Note : 7 Trade Receivables**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Unsecured, Considered Good (For Related Party Disclosure Refer Note 35)	637.89	840.26
2	Unsecured, Considered Doubtful	36.98	85.67
	Less: Provision for Doubtful Debts	(36.98)	(85.67)
	<b>Total</b>	<b>637.89</b>	<b>840.26</b>

**Trade Receivable Includes:**

Receivable from Related Parties amounting to Rs. 510.39 Lakhs (previous year Rs. 558.87 Lakhs) Refer Note No. 35 for the details.

**Note : 8 Cash & Cash Equivalent**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Cash-in-Hand	0.16	0.24
2	Balance with Banks	12.25	76.63
3	Fixed Deposits - Maturity Less than 12 Months	155.69	215.92
	<b>Total</b>	<b>168.10</b>	<b>292.79</b>



**Note : 9 Other Financial Assets - Current**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Interest Accrued but not Due	5.34	11.09
2	Unbilled Revenue	155.44	35.00
	<b>Total</b>	<b>160.78</b>	<b>46.09</b>

**Note : 10 Other Current Assets**

Sr. No	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Advances to Supplier	9.24	1.48
2	Prepaid Expenses	8.52	9.93
3	Other Advances / Staff	0.10	0.54
5	Rental Deposit	-	42.28
6	Prepaid Lease Rental	-	0.38
7	Receivable from Revenue Authorities (GST)	98.03	16.40
	<b>Total</b>	<b>115.89</b>	<b>71.01</b>





**Scrabble Digital Limited**

**Notes on Financial Statements as at 31st March, 2020**

**Note : 11 Share Capital**

Sr. No	Particulars	(Amount in Lakhs)	
		As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	<b>AUTHORIZED CAPITAL</b> 7,50,000 Equity Shares of Rs.10 each	75.00	75.00
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 5,93,142 equity shares of Rs 10/- each fully paid up	59.31	59.31
	<b>Total</b>	<b>59.31</b>	<b>59.31</b>

(11.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(11.2) The reconciliation of number of shares outstanding as on March 31, 2020 and March 31, 2019 is set below:-

Particulars	As at 31st Mar, 2020	As at 31st March, 2019
Number of shares at the beginning	5,93,142	5,93,142
Add/less: Shares issued/ buyback / redeemed during the year	-	-
Number of shares at the end	<b>5,93,142</b>	<b>5,93,142</b>

(11.3) Shares held by each shareholder holding more than 5% shares

Sr.No.	Name of Shareholders	As at 31st Mar, 2020		% of Total Shares	Number of Shares 31st March, 2019
		% of Total Shares	Number of Shares		
1	Scrabble Entertainment Ltd. (Inclg. Nominee Shareholders)	100%	5,93,142	100.00%	5,93,142
	<b>Total</b>	<b>100%</b>	<b>5,93,142</b>	<b>100.00%</b>	<b>5,93,142</b>

(11.4) As per the records of the company, including its register of shareholders\members and others declaration received from the shareholders regarding beneficial interests. The above shareholding represents both legal and beneficial ownership of shares.

(11.5) During the year ended 31st March 2020 company has declared Interim dividend @ Rs. 175 per share.

**Note : 12 Reserve & Surplus**

Sr. No	Particulars	(Amount in Lakhs)	
		As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	<b>Share Premium</b> Balance carried forward from Previous Year	1,137.68	1,137.68
	During the year	-	-
	<b>Closing Balance</b>	<b>1,137.68</b>	<b>1,137.68</b>
2	<b>General Reserve</b> Balance carried forward from Previous Year	22.47	22.47
	Transfer from Profit and Loss Account	-	-
	<b>Closing Balance</b>	<b>22.47</b>	<b>22.47</b>
3	<b>Other Comprehensive Income</b> Balance carried forward from Previous Year	(7.56)	(7.45)
	During the year	10.63	(0.11)
	<b>Closing Balance</b>	<b>3.07</b>	<b>(7.56)</b>
4	<b>Profit &amp; Loss Account</b> Balance carried forward from Previous Year	777.56	455.70
	<b>Add:</b> Profit for the year	688.68	722.31
	<b>Less:</b> Appropriations		
	Final Dividend Paid on Equity Shares [CY: Dividend per share Rs. 56]	-	(332.16)
	Tax on Dividend	-	(68.29)
	Interim Dividend Paid on Equity Shares [CY: Dividend per share Rs. 175]	(1,038.00)	-
	Tax on Dividend	(213.36)	-
	Adjustment of IndAS 116 - Lease	(2.64)	-
	<b>Sub Total</b>	<b>212.24</b>	<b>777.56</b>
	<b>Total</b>	<b>1,375.46</b>	<b>1,930.15</b>

**Note : 13 Long Term Provisions**

Sr No.	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Provision for Employee Benefits		
	Gratuity	20.05	26.76
	Leave Encashment	5.56	-
	<b>Total</b>	<b>25.61</b>	<b>26.76</b>

**Note : 14 Trade Payables**

Sr No.	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Trade Payable - Related Party (For Related Party Disclosure Refer Note 35)	-	4.12
2	Trade Payable - Others (For details of dues to micro and small enterprises Refer Note 37)	131.39	120.25
	<b>Total</b>	<b>131.39</b>	<b>124.37</b>

**Trade Payables Includes:**

Payable to related parties is NIL (previous year Rs. 4.17 Lakhs) Refer Note No. 35 for the details.

**Note : 15 Other Financial Liabilities**

Sr No.	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
1	Creditors for Capital Goods	4.92	18.47
2	Reimbursement & Other Payables to Staff	6.26	7.87
	<b>Total</b>	<b>11.18</b>	<b>26.34</b>

**Note : 16 Short Term Provisions**

Sr No.	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Provision for Ex- Gratia (F.Y. 18-19)	-	8.49
2	Provision for Leave Encashment (F.Y. 18-19)	-	11.79
3	Provision for Leave Encashment (F.Y. 19-20)	0.49	-
4	Provision for Tax	-	6.96
5	Provision for Gratuity	1.91	1.77
6	Salary Payable	0.34	2.69
	<b>Total</b>	<b>2.74</b>	<b>31.70</b>

**Note : 17 Other Current Liabilities**

Sr No.	Particulars	As at 31st Mar, 2020	As at 31st March, 2019
		Total	Total
1	Advances from customer	124.81	147.82
2	Statutory Liability		
	- TDS Payable	5.45	3.79
	- Professional Tax Payable	0.06	0.07
	- Provident Fund Payable	2.38	1.98
	- ESIC Deduction Employee Share	0.04	0.08
	<b>Total</b>	<b>132.74</b>	<b>153.74</b>



# Scrabble Digital Limited

## Notes on Financial Statements for the Year Ended 31st March, 2020

(Amount in Lakhs)

### Note : 18 Revenue from Operations

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	DCP Duplication Fees	1,851.12	2,091.87
2	Mastering Fees	387.55	449.34
3	Other Income	75.83	155.22
4	Sale of HDD / Pen Drive (Inclg. Export)	0.93	3.22
	<b>Total</b>	<b>2,315.43</b>	<b>2,699.66</b>

### Note : 19 Other Income

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Exchange Fluctuation Gain (Net)	2.53	2.37
2	Sundry balances Written Back	101.09	-
3	Profit on sale of Fixed Assets	3.69	2.39
	<b>Total</b>	<b>107.31</b>	<b>4.76</b>

### Note : 20 Direct Expenses

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Content Distribution Expenses	638.04	567.37
2	Other Direct Expenses	2.04	4.11
	<b>Total</b>	<b>640.08</b>	<b>571.49</b>

### Note : 21 Employee Benefit Expenses

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Salaries, Wages and Bonus	250.32	344.71
3	Contribution to Provident & Other Funds	14.59	14.27
2	Compensated Absences	6.09	18.64
4	Gratuity	8.26	8.58
5	Staff Welfare	18.50	21.51
	<b>Total</b>	<b>297.76</b>	<b>407.70</b>

### Note : 22 Administrative Expenses

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Communication Expenses	22.25	25.95
2	Travelling & Conveyance Expenses	10.86	16.29
3	Electricity Expenses	29.88	37.35
4	Legal Professional Expenses	31.85	59.19
5	Rate & Taxes	0.37	0.19
6	Rent	94.17	127.00
7	Repair & Maintenance	34.27	23.10
8	Security Charges	14.55	18.67
9	Printing & Stationery Expenses	2.11	3.28
10	Freight & Forwarding Charges	0.22	0.34
11	Insurance Expenses	0.23	1.11
12	Provision for Doubtful Debts	36.98	83.12
13	Notional Rent Charges	2.10	3.76
14	Bad Debts	7.22	(0.02)
	Bad Debts Written off during the year	92.88	
	Less : - Provisions Utilised during the year	(85.67)	
15	CSR Expenditure	22.47	-
16	Audit Fees ( Auditors' Remuneration Refer Note No. 26 )	3.60	3.60
17	Miscellaneous Expenses	17.03	20.03
18	Assets Written Off	-	0.51
19	Balance Written Off	-	12.95
	<b>Total</b>	<b>330.16</b>	<b>436.45</b>



**Note : 23 Finance Cost**

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Bank Charges	0.23	0.24
2	Interest & Penalty Charges	2.57	2.45
3	Interest on Lease Rental Liability	0.71	-
	<b>Total</b>	<b>3.51</b>	<b>2.69</b>

**Note : 24 Finance Income**

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Interest on Fixed Deposits [Inclusive of TDS]	15.26	15.30
2	Dividend Income (Axis Liquid Fund)	-	14.81
3	Notional Interest on Lease Rentals	2.20	4.38
4	Notional Interest on Security Deposit	2.77	-
5	Revaluation of Mutual Fund	(9.59)	9.59
6	Profit on Redemption of MF	33.01	0.11
	<b>Total</b>	<b>43.65</b>	<b>44.19</b>

**Note : 25 Earnings Per Share**

Sr. No	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Profit-Loss attributable to Equity Shareholders (Rs.)	688.68	722.31
2	Weighted average number of equity shares outstanding (in lakhs)	5,93,142	5,93,142
3	Earnings per Share (basic and diluted) (Rs.)	116	122
4	Nominal Value per share (Rs.)	10	10

**Note 26: Auditors Remuneration**

Sr no	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
		Total	Total
1	Audit Fees (Statutory Audit)	3.10	3.15
2	Tax Audit	0.50	0.45
	<b>Total</b>	<b>3.60</b>	<b>3.60</b>



**Note 27:****(i) As per IND AS 19 "Employee Benefit", the disclosures as defined in the Indian Accounting Standard are given below:****Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employer's Contribution to Provident Fund	13.57	16.63

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan in India (unfunded). 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 company's defined benefit gratuity plan is a final salary plan for employees, which require contributions to be made to a separate administered fund. Gratuity is paid from the company as and when it becomes due and is paid as per company scheme of Gratuity.

**(ii) Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Defined Benefit obligation at beginning of year	28.53	28.13
Interest Cost	2.14	2.20
Current Service Cost	6.13	6.38
Past Service Cost	-	-
Benefits paid	(4.20)	(8.29)
Actuarial (gain) / loss	(10.63)	0.11
Defined Benefit obligation at year end	21.96	28.53

**(iii) Amount recognized in Balance Sheet**

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Present value of obligation	21.96	28.53
Fair value of Plan assets	-	-
Amount recognised in Balance Sheet	21.96	28.53

**(iv) Expenses recognised in statement of Profit and Loss during the year**

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Current Service Cost	6.13	6.38
Interest Cost	2.14	2.20
Past Service Cost	-	-
Expenses recognised in P & L	8.26	8.58

**(iv) Expenses recognised in Other Comprehensive income (OCI) during the year**

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Actuarial (gain) / loss	(10.63)	0.11
Benefits paid	-	-
Expenses recognised in P & L	(10.63)	0.11

**(vi) Actuarial assumptions**

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Mortality Table (LIC)	100% of IALM 2012-14	2006-08 (Ultimate)
Discount rate (p.a.)	6.65%	7.47%
Rate of Employee Turnover	7.00%	7.00%
Retirement age (years)	58 Years	58 Years
Expected rate of return on plan assets (p.a.)	0	0
Rate of escalation in salary (p.a.)	Nil for 1st Year & 6% thereafter	0.1



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.

#### Maturity of Defined Benefit Obligation

(Weighted average duration (based on Discounted cashflows - 9 Years)

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
1 Year	1,90,971	1,76,789
2 to 5 Years	7,14,437	7,00,784
6 to 10 Years	8,16,990	9,52,146
More than 10 Years	29,33,382	56,57,323

#### Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	21.96	28.53
Delta Effect of +1% change in Rate of Discounting	(1.90)	(2.72)
Delta Effect of -1% change in Rate of Discounting	2.20	3.20
Delta Effect of +1% change in Rate of Salary Increase	2.21	2.94
Delta Effect of -1% change in Rate of Salary Increase	(1.94)	(2.66)
Delta Effect of +1% change in Rate of Employee Turnover	-	(0.64)
Delta Effect of -1% change in Rate of Employee Turnover	-	0.72
Delta Effect of +50% change in Attrition Rate	0.14	-
Delta Effect of -50% change in Attrition Rate	(0.28)	-
Delta Effect of +10% change in Mortality Rate	0.00	-
Delta Effect of -10% change in Mortality Rate	(0.00)	-

Gratuity is defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, as increase in the salary of the members more than assumed level will increase the plans liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on as you go basis from own funds.

Mortality risk: Since the benefit under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

During the year there was no plan amendments, curtailments. Gratuity plan is unfunded. Since the scheme is managed on unfunded basis, the next year contribution is taken as Nil.

#### Note 28: Remittance in Foreign Currency on account of Dividend (Paid in NRE Account)

Sr no	Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
	Number of Non-Resident Shareholders	-	6
	Number of Equity Shares held by them (in Lakhs)	-	3.95
	<b>Amount of Dividend Paid (Gross)</b>		
	- Final Dividend (FY 2017-18)	-	221.44
	Year of which Dividend relates	-	2017-18





# Scrabble Digital Limited

Notes on financial statements for the Year ended 31st March 2020

## Note 29: Tax Expense

(Amount in Lakhs)

a. The major components of income tax expense are as follows:

Particulars	For the Year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Current Income Tax:</b>		
Current Income Tax charge	(250.48)	(363.65)
Tax Expense relating to Prior Years	-	14.59
<b>Total</b>	<b>(250.48)</b>	<b>(349.06)</b>
<b>Deferred Tax:</b>		
Origination and reversal of temporary differences	(29.77)	73.93
<b>Total</b>	<b>(29.77)</b>	<b>73.93</b>
<b>Tax expense for the year</b>	<b>(280.26)</b>	<b>(275.13)</b>

b. Reconciliation of Tax Expense and the accounting profit for the year is as under:

Particulars	For the Year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Accounting Profit Before Tax</b>	<b>968.94</b>	<b>997.44</b>
<b>Income tax expense calculated at corporate tax rate</b>		
Tax effect of adjustment to reconcile expected income tax expense to reported (Current year 25.17% and Previous Year 29.12%)	243.88	290.45
<b>Less: Deductible expenses for tax purposes:</b>		
Income which is exempt	-	(4.31)
Deduction under the Tax Laws	(5.24)	(2.41)
Other deductible expenses	(43.81)	(49.71)
<b>Non-deductible expenses for tax purposes:</b>		
Permanent disallowance of Expenses	6.53	(1.42)
Other non-deductible expenses	49.12	131.06
<b>Add / (Less) : Deferred Tax Liability / (Deferred Tax Asset)</b>	<b>29.77</b>	<b>(73.93)</b>
<b>Add / (Less) : Tax Expenses relating to prior years</b>	<b>-</b>	<b>(14.59)</b>
<b>Total</b>	<b>280.26</b>	<b>275.13</b>



# Scrabble Digital Limited

Notes on financial statements for the Year ended 31st March, 2020

## Note 30

### Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value

(Amount in Lakhs)

31 March 2020	Carrying amount				Fair value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial Assets</b>							
<b>Non-current</b>							
Other Financial Assets	-	-	31.27	31.27	-	-	-
<b>Current</b>							
Investments	-	-	-	-	-	-	-
Trade and other receivables			637.89	637.89	-	-	-
Cash and cash equivalents			168.10	168.10	-	-	-
Other Financial Assets			160.78	160.78	-	-	-
	-	-	998.03	998.03	-	-	-
<b>Financial Liabilities</b>							
<b>Current</b>							
Trade and other payables	131.38	-	-	131.38	-	-	-
Other financial liability	11.18	-	-	11.18	-	-	-
	142.57	-	-	142.57	-	-	-

31 March 2019	Carrying amount				Fair value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial Assets</b>							
<b>Non-current</b>							
Other Financial Assets		-	19.03	19.03	-	-	-
<b>Current</b>							
Investments	463.98	-	-	463.98	463.98	-	-
Trade and other receivables	-	-	840.26	840.26	-	-	-
Cash and cash equivalents	-	-	292.79	292.79	-	-	-
Other Financial Assets	-	-	46.09	46.09	-	-	-
	463.98	-	1,198.17	1,662.16	463.98	-	-
<b>Financial Liabilities</b>							
<b>Current</b>							
Trade and other payables	124.37	-	-	124.37	-	-	-
Other financial liability	26.34	-	-	26.34	-	-	-
	150.71	-	-	150.71	-	-	-

#### B. Measurement of fair values

##### i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.



## Scrabble Digital Limited

Notes on financial statements for the year ended 31st March 2020

### Note 31

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

#### **a. Trade and other receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of routine customers to which the Company grants credit terms in the normal course of business. For the new customers the company prefers taking advance payments before provisioning the services to the customers. Group Companies concentrate 76% of total receivable.

The Company uses the expected credit loss model as per Ind AS 109 - Financial Instruments to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers

#### **b. Cash and cash equivalents**

Credit Risk on Cash and Cash Equivalents is limited as the Company invests with credit worthy banks. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### **c. Security deposits given to lessors**

The Company has different types of lease agreements for its various branches and offices. The security deposit majorly pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by counter-parties.

d. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### Note 32

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/low mark to market risks.

### Note 33

#### Market Risk

#### **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 market risk for changes in interest rates relates to fixed deposits and is limited as these deposits are held with credit worthy banks.

#### **b. Foreign Currency Risk**

The Company imports the capital goods and also provide services internationally. The export of services forms a negligible part of the revenue and therefore the currency risk on the same is limited. The Company imports capital goods for which the Company monitors its exchange rate risks closely considering that such payables are not on long term basis and paid off within short period of time.





**Scrabble Digital Limited**  
**Notes on Financial Statements for the Year Ended 31st March, 2020**

**Note 34 : - Disclosure related to Lease rentals as per Ind AS 116**

**A) Summary of Property, Plant & Equipment**

(Amount in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Property, Plant & Equipment	459.40	454.06
Right – of –use assets, except for investment property	-	-

**B) Carrying value of Right of use asset as at the end of Reporting period**

Particulars	Amount
Addition as at 01 <sup>st</sup> April, 2019 (Chennai)	15.73
Less: Depreciation charge for the year	(15.73)
Balance as on 31 <sup>st</sup> March, 2020	-

**C) Maturity Analysis of Lease Liabilities**

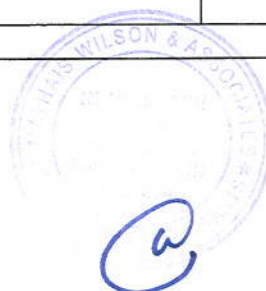
Maturity Analysis – Contractual undiscounted cash flows	As on 31 <sup>st</sup> March, 2020
Less than One year	-
One to Five years	-
More than five Years	-
<b>Total Undiscounted lease liabilities at 31<sup>st</sup> March, 2020 (Excluding Short term leases)</b>	-
<b>Lease liabilities included in the statement of financial position at 31 March 2020</b>	-
<b>Current</b>	-
<b>Non-current</b>	-

**D) Amounts recognised in Profit & loss Account**

Particulars	Amount (Rs.)
Interest on Lease Liabilities	0.71
Variable lease payments not included in the measurement of lease liabilities	-
Income from sub-leasing right-of-use assets	-
Expenses relating to short-term leases (Undiscounted Rent Expense)	94.17
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-

**E) Adjustment in equity as on the date of Transition**

Particulars	2019-20
Right of use asset as on 01 <sup>st</sup> April, 2019	15.73
Less: Prepaid Rent added to ROU	(2.46)
Right of use created as on 01 <sup>st</sup> April, 2019	13.27
Lease liability as on 01 <sup>st</sup> April, 2019	16.02
	2.75
Adjustment in Equity due to Discounting Rate (Excess Principle booked)	(0.11)
Adjustment to Equity	2.64



# Scrabble Digital Limited

## Notes on Financial Statements for the Year Ended 31st March, 2020

Note 35 : - Related Party Disclosure (In accordance with Ind AS 24)

### (I) Related Parties

Name	Relationship
Scrabble Entertainment Limited	: Holding Company from 15/12/2018 Associate Company till 14/12/2018
Mr.Khushi Chandanmal Khatwani	: Director till 25/10/2018 and Shareholder till 14/12/2018
Mr.Nirmal Anand	: Director till 25/10/2018 and Shareholder till 14/12/2018
Mr.Rajiv Khushi Khatwani	: Relative of Director
Mr. Mohit Khatwani	: Relative of Director
Mr.Karan Anand	: Relative of Director
Mrs. Joti Anand	: Relative of Director
Mrs. Jayshree Neelam Makhija	: Relative of Director
UFO Moviez India Limited	: Holding Company of Scrabble Entertainment Ltd
Valuable Digital Screens Pvt Ltd	: Enterprises owned or significantly influenced by key management personnel or their relatives
Valuable Media Limited	: Enterprises owned or significantly influenced by key management personnel or their relatives
Scrabble Entertainment DMCC Dubai	: An Associate of Scrabble Entertainment Limited
Scrabble Digital DMCC Dubai	: An Associate of Scrabble Entertainment Limited

(Amount in Lakhs)

Particulars	Year Ended Mar 31, 2020	Year Ended March 31, 2019
<b>Scrabble Entertainment Limited</b>		
- *Purchase of Capital Goods	-	4.14
<b>* Service Income</b>		
- DCP Duplication Charges - 2000	0.20	0.36
- DCP Duplication Charges (Others)	3.85	3.37
- DCP Duplication Charges - SEL	298.21	276.18
- DCP Duplication Charges - SEL & UFO (1718)	-	4.84
- DCP Duplication Charges (Net of DCP Mastering Refund & Rate Diff. CN) - Provision / UnBilled	1.89	
- <b>DCP Duplication Income</b>	<b>304.15</b>	<b>284.75</b>
<b>* Expenses</b>		
- Balance Written Off	-	12.82
- Repairs and Maintenance	3.04	4.00
- Rent	7.61	2.57
- Freight, Octroi & Custom Duty	0.01	-
<b>* Dividend (including interim dividend)</b>	<b>1,038.00</b>	<b>110.72</b>
<b>* Security Deposit Paid</b>	<b>4.72</b>	<b>0.55</b>
<b>UFO Moviez India Limited</b>		
<b>* Service Income</b>		
- DCP Duplication Charges - UFO	261.46	289.71
- DCP Duplication Charges - 2500	1.10	
- DCP Duplication Charges - SEL & UFO (1718)	-	0.66
- DCP Duplication Charges (Net of DCP Mastering Refund & Rate Diff. CN) - Provision / UnBilled	20.77	
- <b>DCP Duplication Income</b>	<b>283.33</b>	<b>290.37</b>
- UFO Mastering Charges	53.53	50.34
- DCP Mastering Charges	-	0.30
- UFO Mastering Charges - Provision	-	
- <b>DCP Mastering Income</b>	<b>53.53</b>	<b>50.64</b>
<b>* Expenses</b>		
- Balance Written Off	-	0.14
- Repairs & Maintenance Charges - P & M	-	0.49
- Rent	2.33	
- Reimbursement of Expenses (Parental Insurance)	0.79	-
- Consultation Charges	-	2.81
<b>* Security Deposit Paid</b>	<b>1.33</b>	<b>0.28</b>



<b>Valuable Digital Screens Pvt Ltd</b>		
<b>* Service Income</b>		
- DCP Duplication Charges - 2000	0.20	0.16
- DCP Duplication Charges (Others)	0.02	0.04
- DCP Duplication Income	0.22	0.20
<b>Expenses</b>		
- Balance Written Off	0.07	-
<b>Valuable Media Limited</b>		
<b>* Service Income</b>		
- DCP Duplication Charges - 2000	-	0.02
- DCP Duplication Charges (Others)	-	0.05
- DCP Duplication Income	-	0.07
<b>* Excluding GST</b>		
<b>Mr.Khushi Chandanmal Khatwani</b>		
Dividend	-	55.30
<b>Mr.Nirmal Anand</b>		
Dividend	-	55.30
<b>Mr.Rajiv Khushi Khatwani</b>		
Dividend	-	55.36
<b>Mr. Mohit Khatwani</b>		
Dividend	-	0.06
<b>Mr.Karan Anand</b>		
Dividend	-	55.36
<b>Mrs. Joti Anand</b>		
Dividend	-	0.06
<b>(Amount in Lakhs)</b>		
<b>(III) Balance Outstanding</b>	<b>Year Ended Mar 31, 2020</b>	<b>Year Ended March 31, 2019</b>
<b>(A) Trade Payable</b>		
Scrabble Entertainment Limited - Cr	-	0.81
Scrabble Entertainment Limited - Pur	-	0.04
Scrabble Entertainment Limited	-	0.85
UFO Moviez India Limited	-	3.32
<b>(B) Trade Receivable</b>		
Scrabble Entertainment Limited - Dr	246.03	272.76
UFO Moviez India Limited	257.25	285.21
Valuable Digital Screens Pvt Ltd	0.24	0.07
SEL (Unbilled Revenue Net of DCP Mastering Refund & Rate Diff. CN Payable) - Basic Amount Only	1.89	
UFO (Unbilled Revenue Net of DCP Mastering Refund & Rate Diff. CN Payable) - Basic Amount Only	20.77	
<b>(C) Security Deposit Receivable</b>		
Scrabble Entertainment Limited	5.27	0.55
UFO Moviez India Limited	1.61	0.28





**Note 36: Segment Reporting**

The company is primarily engaged in only one business segment i.e. digital conversion fees and only one geographical segment i.e. INDIA. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment" (Segment Reporting).

**Note 37:**

Based on information available with the management, there is no amount due to micro, small scale and medium enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 38: Leases**

(Amount in Lakhs)

Expenses	Year Ended Mar 31, 2020	Year Ended March 31, 2019
Rent	94.17	127.00

**Note 39: Corporate Social Responsibility**

Expenses	Year Ended Mar 31, 2020	Year Ended March 31, 2019
Gross amount required to be spent	22.47	21.12
Spent during the year	22.47	-
Balance unspent during the year	-	21.12

**Note 40:**

In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advance in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

For Mathais Wilson & Associates  
Chartered Accountants  
Firm Reg. No. 126725W

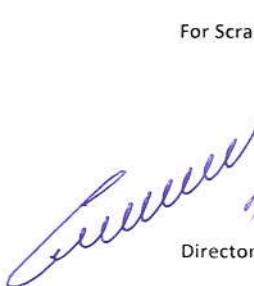


CA Wilson Mathais  
Proprietor  
Membership No. 121040

Place: Mumbai  
Date: 18-06-2020



For Scrabble Digital Limited



Director



Director