

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's 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 2023, 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 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 2023, and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 directors' report, but does not include the financial statements and auditor's 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.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (Continued)

### Scrabble Entertainment Limited

#### Management's and Board of Directors' Responsibilities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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



## Independent Auditor's Report (Continued)

### Scrabble Entertainment Limited

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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - 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, as disclosed in the Note 40 (ix) to the financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**Independent Auditor's Report (Continued)**

**Scrabble Entertainment Limited**

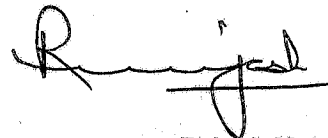
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

Place: Mumbai

Date: 24 May 2023

Membership No.: 103145

ICAI UDIN:23103145BGXWWM2350

**Annexure A to the Independent Auditor's Report on the Financial Statements of Scrabble Entertainment Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (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.
- (i) (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 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 accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases 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 the 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 and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks 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.
- (iii) 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 investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the any of the services provided / products traded. Accordingly, clause 3(vi) of the Order is not applicable.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Scrabble Entertainment Limited for the year ended 31 March 2023 (Continued)**

- (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 has 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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

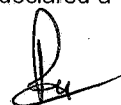
Amount in lakhs

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Odisha CST Act 1956	Sales Tax	3.20	2016-17	Deputy Commissioner of Sales Tax	Rs. 0.27 lakhs paid under protest
Odisha CST Act 1956	Sales Tax	1.25	2017-18	Deputy Commissioner of Sales Tax	Rs. 0.11 lakhs paid under protest
Andhra Pradesh CST Act 1956	Sales Tax	8.46	2016-17	Appellate Joint Commissioner (ST)	Rs. 1.06 lakhs paid under protest
Gujarat CST Act 1956	Sales Tax	1.14	2015-16	Appellate Jr. / Deputy Commissioner Sales Tax (CT)	Rs. 0.13 lakhs paid under protest
Gujarat CST Act 1956	Sales Tax	1.87	2017-18	Appellate Jr. / Deputy Commissioner Sales Tax (CT)	Rs. 0.17 lakhs paid under protest

**Annexure A to the Independent Auditor's Report on the Financial Statements of Scrabble Entertainment Limited for the year ended 31 March 2023  
(Continued)**

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Maharashtra VAT Act, 2002	Sales Tax	4.06	2017-18	Joint Commissioner of State Tax (Appeal)	Rs. 0.18 lakhs paid under protest
Maharashtra CST Act 1956	Sales Tax	6.03	2017-18	Joint Commissioner of State Tax (Appeal)	Rs. 2.07 lakhs paid under protest
Maharashtra VAT Act, 2002	Sales Tax	260.51	2016-17	Joint Commissioner of State Tax (Appeal)	Rs. 7.96 lakhs paid under protest
Maharashtra CST Act 1956	Sales Tax	49.47	2016-17	Joint Commissioner of State Tax (Appeal)	Rs. 2.24 lakhs paid under protest
Maharashtra CST Act 1956	Sales Tax	5.25	2014-15	Joint Commissioner of State Tax (Appeal)	
Centralized registration	Service Tax	385.16	2013-14	Custom, Excise and service tax Appellate Tribunal	Rs. 14.44 lakhs paid under protest


- (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (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 declared a wilful defaulter by any



**Annexure A to the Independent Auditor's Report on the Financial Statements of Scrabble Entertainment Limited for the year ended 31 March 2023 (Continued)**

bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us by the management, the Company has not obtained any loans or borrowings during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). 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) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (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) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are 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, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India





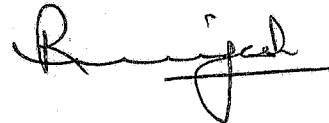
**Annexure A to the Independent Auditor's Report on the Financial Statements of Scrabble Entertainment Limited for the year ended 31 March 2023 (Continued)**

- Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is 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.

For B S R & Co. LLP

Chartered Accountants

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



**Rajesh Mehra**

Partner

Place: Mumbai

Date: 24 May 2023

Membership No.: 103145

ICAI UDIN: 23103145BGXWWM2350

**Annexure B to the Independent Auditor's Report on the financial statements of Scrabble Entertainment Limited for the year ended 31 March 2023**

**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 Act**

**(Referred to in paragraph 2(A)(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 2023 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 2023, 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 and Board of Directors' Responsibilities 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 Act.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

**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



**Annexure B to the Independent Auditor's Report on the financial statements of Scrabble Entertainment Limited for the year ended 31 March 2023  
(Continued)**

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.

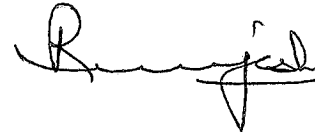
**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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*

Place: Mumbai /

Date: 24 May 2023

Membership No.: 103145

ICAI UDIN:23103145BGXWWM2350

**Scrabble Entertainment Limited**

Balance sheet as at March 31, 2023

Particulars	Notes	Rs. in lacs	
		March 31, 2023	March 31, 2022
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3.1	46.70	62.37
Right of use assets	3.2	23.04	114.74
<b>Financial Assets</b>			
(i) Investment in subsidiaries and associates	4	4,227.71	4,227.71
(ii) Other financial assets	5	317.05	367.34
Deferred tax assets (net)	6	470.84	673.96
Income tax assets (net)	7	297.83	267.67
Other non-current assets	8	-	0.40
<b>Total Non-Current Assets (A)</b>		<b>5,383.17</b>	<b>5,714.19</b>
<b>Current Assets</b>			
Inventories	9	51.05	59.53
<b>Financial Assets</b>			
(i) Investments	10	-	503.89
(ii) Trade receivables	11	444.80	261.08
(iii) Cash and cash equivalents	12	91.73	126.91
(iv) Bank balances other than cash and cash equivalents	12	15.78	8.09
(v) Other financial assets	5	125.92	79.88
Other current assets	8	381.87	408.39
<b>Total Current Assets (B)</b>		<b>1,111.15</b>	<b>1,447.77</b>
<b>Total Assets (A+B)</b>		<b>6,494.32</b>	<b>7,161.96</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
i) Share capital	13	76.84	76.84
ii) Other equity	14	4,955.53	4,666.06
<b>Total Equity (C)</b>		<b>5,032.37</b>	<b>4,742.90</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial liabilities			
i) Lease liabilities	28	-	32.64
ii) Other financial liabilities	15	344.48	314.88
Other non-current liabilities	17	0.78	54.22
Provisions	18	16.79	29.95
<b>Total Non-current Liabilities (D)</b>		<b>362.05</b>	<b>431.69</b>
<b>Current Liabilities</b>			
Financial liabilities			
i) Lease liabilities	28	32.64	119.36
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	746.91	1,282.42
iii) Other financial liabilities	15	87.76	393.09
Other current liabilities	17	208.71	158.09
Provisions	18	23.88	34.41
<b>Total Current Liabilities (E)</b>		<b>1,099.90</b>	<b>1,987.37</b>
<b>Total Liabilities (D+E)</b>		<b>1,461.95</b>	<b>2,419.06</b>
<b>Total Equity And Liabilities (C+D+E)</b>		<b>6,494.32</b>	<b>7,161.96</b>
<b>Significant accounting policies</b>	2		

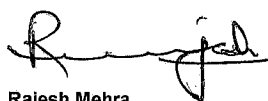
The accompanying notes 1 to 42 are an integral part of the Financial Statements.

As per our report of even date attached.

For B S R &amp; Co. LLP

Chartered Accountants

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



Rajesh Mehra

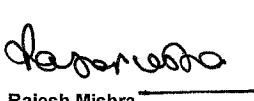
Partner

Membership No: 103145

For and on behalf of the board of directors of

Scrabble Entertainment Limited

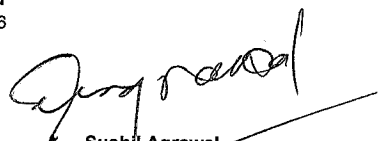
CIN : U92190MH2008PLC178456



Rajesh Mishra

Director

DIN: 00103157



Sushil Agrawal

Director

DIN No.: 00003163



Urmi Shah

Company Secretary

Membership No.: A25458

Place : Mumbai

Date: May 24, 2023

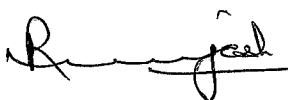
**Scrabble Entertainment Limited**
**Statement of profit and loss for the year ended March 31, 2023**

Particulars	Notes	Rs. in lacs	
		March 31, 2023	March 31, 2022
<b>Income</b>			
Revenue from operations	19	2,738.59	1,930.58
Other income	20	54.19	32.53
<b>Total Income (I)</b>		<b>2,792.78</b>	<b>1,963.11</b>
<b>Expenses</b>			
<b>Operating direct costs</b>	21	<b>1,239.47</b>	<b>1,016.36</b>
Cost of consumables and spares consumed		193.74	69.90
Purchases of digital cinema equipment		-	-
Purchases of lamp and spares		16.78	18.87
Changes in inventories of digital cinema equipments		-	0.03
Changes in inventories of lamp and spares		5.57	55.79
Virtual print fees sharing		625.32	663.47
Other operating direct cost		398.06	208.30
Employee benefits expense	22	467.78	356.22
Other expenses	23	468.00	300.75
<b>Total Expenses (II)</b>		<b>2,175.25</b>	<b>1,673.33</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>617.53</b>	<b>289.78</b>
Depreciation and amortisation expense	3.1 & 3.2	115.22	148.70
Finance cost	24	15.65	26.00
Finance income	25	(1,489.67)	(1,380.96)
<b>Profit / (Loss) before tax</b>		<b>1,976.33</b>	<b>1,496.04</b>
<b>Tax Expense</b>			
Current tax		-	-
Deferred tax charge / (credit)		199.44	91.39
<b>Total Tax Expense</b>		<b>199.44</b>	<b>91.39</b>
<b>Profit / (Loss) for the year</b>		<b>1,776.89</b>	<b>1,404.65</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefits plans		14.61	(20.67)
(ii) Income tax related to items that will not be reclassified to profit or loss		(3.68)	5.20
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>1,787.82</b>	<b>1,389.18</b>
<b>Earnings per equity share (Face value of share of Rs. 10 each)</b>			
(i) Basic		231.25	182.81
(ii) Diluted		231.25	182.81
<b>Significant accounting policies</b>	2		

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

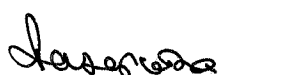
As per our report of even date attached.

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

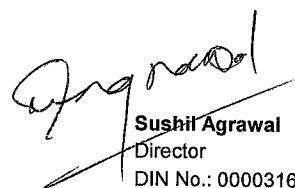


**Rajesh Mehra**  
Partner  
Membership No: 103145

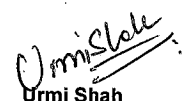
**For and on behalf of the board of directors of**  
**Scrabble Entertainment Limited**  
CIN : U92190MH2008PLC178456



**Rajesh Mishra**  
Director  
DIN: 00103157



**Sushil Agrawal**  
Director  
DIN No.: 00003163



**Urmi Shah**  
Company Secretary  
Membership No.: A25458

Place : Mumbai  
Date: May 24, 2023

**Scrabble Entertainment Limited**
**Statement of changes in equity for the year ended March 31, 2023**
**A. Share capital (refer note 13)**
**As at March 31, 2023**
**Rs. in lacs**

Balance as at April 1, 2022	Changes in equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2023
76.84	-	-	76.84

**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

**B. Other equity (refer note 14)**
**Rs. in lacs**

Particular	Reserves and Surplus			Total
	Securities premium reserve	Capital redemption reserve	Retained earnings	
<b>As at April 1, 2021</b>	<b>3,370.56</b>	<b>399.99</b>	<b>1,504.14</b>	<b>5,274.69</b>
Profit for the year	-	-	1,404.65	1,404.65
Dividend on equity shares	-	-	(1,997.81)	(1,997.81)
Other comprehensive income for the year	-	-	(15.47)	(15.47)
<b>As at March 31, 2022</b>	<b>3,370.56</b>	<b>399.99</b>	<b>895.51</b>	<b>4,666.06</b>
Profit for the year	-	-	1,776.89	1,776.89
Dividend on equity shares	-	-	(1,483.37)	(1,483.37)
Tax on dividend	-	-	(14.98)	(14.98)
Other comprehensive income for the year	-	-	10.93	10.93
<b>As at March 31, 2023</b>	<b>3,370.56</b>	<b>399.99</b>	<b>1,184.98</b>	<b>4,955.53</b>

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

As per our report of even date attached

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

Chartered Accountants

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

**For and on behalf of the board of directors of**
**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 24, 2023

**Scrabble Entertainment Limited**
**Statement of Cash Flows for the year ended March 31, 2023**

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	1,976.33	1,496.04
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	115.22	148.70
Provision for doubtful debts and advances	5.41	(59.34)
Sundry balances written back	(72.47)	(294.88)
Unrealised foreign exchange loss (net)	0.28	(1.13)
Profit on sale and write off of fixed assets	(8.18)	0.22
Net gain on current investments	(17.84)	(31.62)
Interest expense on lease liabilities	15.20	25.47
Interest income	(6.04)	(3.04)
Dividend income	(1,465.80)	(1,346.30)
<b>Operating loss before working capital changes</b>	<b>542.11</b>	<b>(65.88)</b>
<b>Movements in working capital :</b>		
(Decrease) in trade payables	(535.51)	(42.01)
(Decrease) in other financial current liabilities	(305.33)	(14.68)
Increase in other current liabilities	123.09	97.19
(Decrease) / Increase in non current provisions	(13.16)	22.43
Increase / (Decrease) in provisions	4.09	(10.58)
Increase / (Decrease) in other non current financial liabilities	29.60	(62.90)
(Decrease) in other non current liabilities	(53.35)	(12.79)
(Increase) / Decrease in trade receivables	(189.45)	158.66
(Increase) in current other financial assets	(45.99)	(3.26)
Decrease / (Increase) in other current assets	26.46	(57.16)
Decrease in inventories	8.49	51.17
Decrease in non current financial assets loan	45.54	5.26
Decrease in other non current assets	0.40	5.58
<b>Cash generated from / (used in) operations</b>	<b>(363.01)</b>	<b>71.03</b>
Net direct taxes paid (net of refunds)	(30.16)	1.48
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(393.17)</b>	<b>72.51</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including intangible and capital advances	(7.86)	(4.84)
Proceeds from sale of property, plant and equipment	8.18	0.09
Payment of purchase consideration for purchase of associates shares	-	(262.50)
Purchase of current investments	(2,139.00)	(2,136.50)
Proceeds from sale / redemption of current investments	2,660.72	3,185.84
Maturity of bank deposits (with original maturity more than 3 months) (net)	(2.94)	(2.77)
Interest received	6.00	3.04
Dividends received	1,465.80	1,346.30
<b>Net cash flow from investing activities (B)</b>	<b>1,990.90</b>	<b>2,128.66</b>
<b>Cash flows from / (used in) financing activities</b>		
Dividend on equity shares	(1,483.37)	(1,997.81)
Tax on interim dividend paid on equity shares	(14.98)	-
Repayment of lease liabilities	(134.56)	(128.15)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,632.91)</b>	<b>(2,125.96)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(35.18)</b>	<b>75.21</b>
Cash and cash equivalents at the beginning of the year	126.91	51.70
<b>Cash and cash equivalents at the end of the year</b>	<b>91.73</b>	<b>126.91</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.05	0.87
<b>Balance with banks:</b>		
- in current accounts	90.68	126.04
<b>Total cash and cash equivalents (refer note 12)</b>	<b>91.73</b>	<b>126.91</b>

**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

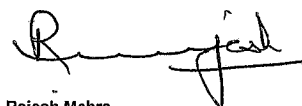
The accompanying notes 1 to 42 are an integral part of the Financial Statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248WV-100022



Rajesh Mehra

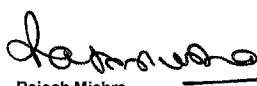
Partner

Membership No: 103145

For and on behalf of the board of directors of

Scrabble Entertainment Limited

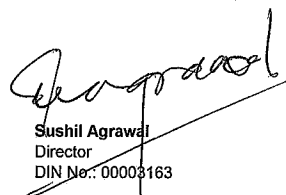
CIN : U92190MH2008PLC178456



Rajesh Mishra

Director

DIN : 00103157



Sushil Agrawal

Director

DIN No.: 00003163



Urmi Shah

Company Secretary

Membership No.: A25458

Place : Mumbai

Date: May 24, 2023

# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

### 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.

### 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 24, 2023.

#### 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.

##### Current and non-current

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is 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 classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

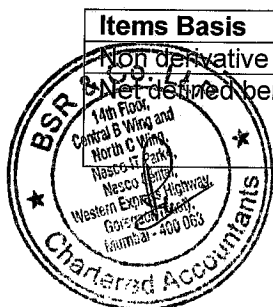
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months

#### Basis of measurement

These standalone financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Non derivative financial instruments at FVTPL	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less the present value of the defined benefit obligation, limited as explained in Note no 27





# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

### 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.

- **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:**

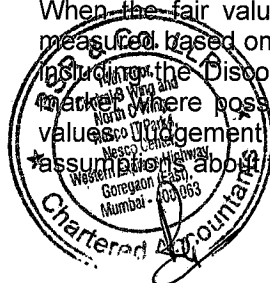
Availability of future taxable profit against which the tax losses carried forward can be used as disclosed in note 2.4(l) below.

- **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 data where possible, but where this is not feasible, a degree of judgment is required in establishing fair value. 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.



# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

### • 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.

### 2.4 Summary of significant accounting policies:

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

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property shall be recognised as an asset if, and only if 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. 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.

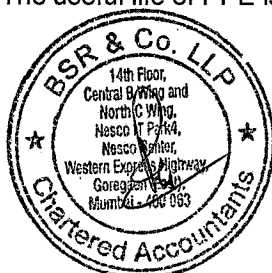
Gains or losses arising from derecognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

#### (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 depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which assets is ready for use / (disposal off).

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



**Notes to financial statements as at and for the year ended March 31, 2023**

Type of Assets	Useful lives (years)	Useful lives (years) as per the schedule ii of the Companies Act, 2013
Plant and Equipment comprising of Exhibition Equipment and Other Equipments	6 – 7	13
Computer and Printers	3	3
Furniture and Fixtures	3	10
Office Equipment	5	5
Vehicles	5	8

- (i) the Contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease
- (iii) 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, 2023

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.

### (f) 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.

### (g) 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

- Virtual print fees (VPF) received from distributors of the films from D-Cinema and E-Cinema is recognized 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 aggregates 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, 2023

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.

### (h) 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

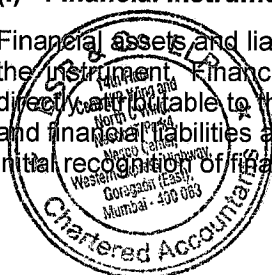
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured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

### (i) 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.



*[Signature]*

# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

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### 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.

### 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.



# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

### 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 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.

### (j) 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.

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



# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

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.

### (k) 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

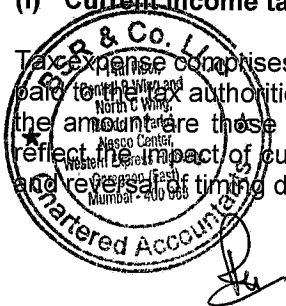
Long term compensated absences are provided for based on actuarial valuation at year end. The actuarial valuation is done as per projected unit credit method. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right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

### (l) 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.





# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

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.

### (m) 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.

### (n) 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.

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

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

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, 2023

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### (o) 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.

### (p) 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.

### (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.



**Scrabble Entertainment Limited**
**Notes to financial statements as at and for the year ended March 31, 2023**
**3.1 Property, Plant and Equipment (refer note no. 2.6 (a) and (b))**

	Rs. in lacs					
	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer and Printers	Vehicle
<b>Cost</b>						
At April 1, 2021	188.28	1,233.45	13.24	23.82	36.54	49.46
Additions	-	-	-	0.78	3.26	0.80
Disposals	-	(66.67)	-	(0.15)	-	-
<b>At March 31, 2022</b>	<b>188.28</b>	<b>1,166.78</b>	<b>13.24</b>	<b>24.45</b>	<b>39.80</b>	<b>50.26</b>
Additions	-	-	0.40	1.22	6.24	-
Disposals	-	(32.23)	-	-	-	(18.18)
<b>At March 31, 2023</b>	<b>188.28</b>	<b>1,134.55</b>	<b>13.64</b>	<b>25.67</b>	<b>46.04</b>	<b>32.08</b>
<b>Accumulated depreciation / amortisation</b>						
At April 1, 2021	188.28	1,173.99	6.59	19.91	32.97	8.22
Charge for the year	-	42.24	1.82	2.09	2.60	8.24
On disposals	-	(66.46)	-	(0.05)	-	-
<b>At March 31, 2022</b>	<b>188.28</b>	<b>1,149.77</b>	<b>8.41</b>	<b>21.95</b>	<b>35.57</b>	<b>16.46</b>
Charge for the year	-	8.52	1.72	1.44	3.45	8.40
On disposals	-	(32.23)	-	-	-	(18.18)
<b>At March 31, 2023</b>	<b>188.28</b>	<b>1,126.06</b>	<b>10.13</b>	<b>23.39</b>	<b>39.02</b>	<b>6.68</b>
<b>Net Block</b>						
At March 31, 2022	-	17.01	4.83	2.50	4.23	33.80
At March 31, 2023	-	8.49	3.51	2.28	7.02	25.40

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

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).

**3.2 Right to Use Assets ( refer note 28)**
**Rs. in lacs**
**Building Under Lease**

<b>Cost</b>	
At April 1, 2021	390.09
Additions	-
Disposals	-
<b>At March 31, 2022</b>	<b>390.09</b>
Additions	-
Disposals	-
<b>At March 31, 2023</b>	<b>390.09</b>
<b>Accumulated depreciation / amortisation</b>	
At April 1, 2021	183.65
Charge for the year	91.70
On disposals	-
<b>At March 31, 2022</b>	<b>275.35</b>
Charge for the year	91.70
On disposals	-
<b>At March 31, 2023</b>	<b>367.05</b>
<b>Net Block</b>	
At March 31, 2022	114.74
At March 31, 2023	23.04

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



## Notes to financial statements as at and for the year ended March 31, 2023

4. Investment in subsidiaries and associates	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Unquoted equity instruments (at cost)</b>		
<b>Investment in subsidiaries</b>		
750,000 (March 31, 2022: 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, 2022: 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, 2022: 5,000) Equity Shares in Scrabble Digital Inc.	337.59	337.59
<b>Investment in step down subsidiary</b>		
300 (March 31, 2022: 300) Equity Shares of AED 1,000 each at par fully paid up in Scrabble Entertainment DMCC	40.83	40.83
<b>Investment in associates</b>		
375,000 (March 31, 2022: 375,000) Equity Shares of Rs. 10 each fully paid up in Mumbai Movie Studios Private Limited	37.50	37.50
100 (March 31, 2022: 100) Ordinary Shares of AED 1000 each at par fully paid up in Scrabble Digital DMCC	12.73	12.73
<b>Unquoted preference shares (at cost)</b>		
<b>Investment in associates</b>		
7,500,000 (March 31, 2022 : 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	600.00
	<b>4,227.71</b>	<b>4,227.71</b>

5. Other financial assets	Rs. In lacs			
	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security deposit to related parties (refer note 29)	275.87	276.13	73.51	73.25
Security deposit to others	6.11	51.39	52.15	6.41
Interest accrued on fixed deposits	-	-	0.26	0.22
Fixed deposit with remaining maturity more than 12 month (refer note 12)	35.07	39.82	-	-
	<b>317.05</b>	<b>367.34</b>	<b>125.92</b>	<b>79.88</b>

6. Deferred tax assets (net)	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Deferred tax assets</b>		
Property, Plant and Equipment and Intangible Assets	299.81	354.65
Provision for doubtful debts and advances	144.85	153.05
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	26.18	167.58
<b>Net deferred tax assets</b>	<b>470.84</b>	<b>675.28</b>
<b>B) Deferred tax liability</b>		
Fair value of investment	-	(1.32)
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>(1.32)</b>
<b>Deferred taxes (net)</b>	<b>470.84</b>	<b>673.96</b>

				Rs. in lacs
Movement during the year ended March 31, 2022	As at March 31, 2021	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2022
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	402.61	(47.96)	-	354.65
Provision for doubtful debt and advances	182.43	(29.38)	-	153.05
Others	175.11	(14.05)	5.20	166.26
<b>Total</b>	<b>760.15</b>	<b>(91.39)</b>	<b>5.20</b>	<b>673.96</b>

				Rs. in lacs
Movement during the year ended March 31, 2023	As at March 31, 2022	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets /(liabilities)				
Property, Plant and Equipment and Intangible Assets	354.65	(54.84)	-	299.81
Provision for doubtful debt and advances	153.05	(8.20)	-	144.85
Others	166.26	(136.40)	(3.68)	26.18
<b>Total</b>	<b>673.96</b>	<b>(199.44)</b>	<b>(3.68)</b>	<b>470.84</b>

The major components of income tax expense for the year are as under:	Rs. in lacs	Rs. in lacs
	March 31, 2023	March 31, 2022
<b>i) Income tax recognised in the Standalone Statement of Profit and Loss</b>		
<b>Current tax</b>		
In respect of current year	-	-
<b>Deferred tax:</b>		
In respect of current year - (Credit) / Charge	199.44	91.39
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>199.44</b>	<b>91.39</b>
<b>ii) Income tax expense recognised in OCI</b>		
<b>Deferred tax :</b>		
Deferred tax expense on remeasurements of defined benefit plans	(3.68)	5.20
<b>Income tax expense recognised in OCI</b>	<b>(3.68)</b>	<b>5.20</b>

		Rs. in lacs	
		March 31, 2023	March 31, 2022
Profit / (Loss) before tax		1,976.33	1,496.04
Income tax expense calculated at corporate tax rate at		25.17%	25.17%
Computed tax expenses		497.40	376.52
<b>Impact on account of:</b>			
Income exempt from tax		-	(33.21)
Effect of expenses not allowed for tax purpose		10.25	(353.76)
Tax impact on account of carry forward losses adjusted with taxable profit		60.70	
Effect of income that is exempt from tax		(368.91)	10.45
<b>Tax expense as per Statement of Profit and loss</b>		<b>199.44</b>	<b>0.00</b>

	Rs. in lacs	
	March 31, 2023	March 31, 2022
Income tax assets (net of income tax provision for tax on Rs. 6,631.20 lacs (March 31, 2022 : Rs. 6,631.20 lacs)	297.83	267.67
	<b>297.83</b>	<b>267.67</b>



**Scrabble Entertainment Limited**
**Notes to financial statements as at and for the year ended March 31, 2023**
**8. Other assets (Unsecured, considered good unless otherwise stated)**

	Non-current		Current		Rs. in lacs
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Prepaid expenses	-	0.40	21.64	15.10	
Others	-	-	-	2.06	
	-	0.40	21.64	17.16	
<b>Advances to vendors</b>					
Considered good	-	-	23.34	47.90	
Credit impaired	-	-	-	-	
	-	-	23.34	47.90	
Less : Allowance for doubtful advances	-	-	-	-	
	-	-	23.34	47.90	
Loans and advances to employees	-	-	1.30	2.37	
Balances with statutory / government authorities	-	-	65.17	40.98	
Goods and Service Tax (GST) credit receivable	-	-	270.42	299.98	
	-	-	360.23	391.23	
	-	0.40	381.87	408.39	

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

	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Traded Goods</b>		
Digital cinema equipments	1.72	1.72
Lamps	3.11	8.68
Consumables and spares	46.22	49.13
	51.05	59.53

**10. Current investments**

	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Carried at FVTPL</b>		
<b>Unquoted mutual funds</b>		
Investment in mutual funds	-	503.89
	-	503.89
<b>Aggregate amount of quoted investments and market value thereof</b>	-	-
<b>Aggregate amount of unquoted investments</b>	-	503.89
<b>Aggregate amount of impairment in value of investments</b>	-	-

**11. Trade receivables**

	Rs. in lacs	
	March 31, 2023	March 31, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -unsecured	444.80	261.08
Less: loss allowance	-	-
Trade receivables with have significant increase in credit risk	-	-
Trade receivables -Credit impaired	575.54	608.12
Less: loss allowance	(575.54)	(608.12)
<b>Total</b>	<b>444.80</b>	<b>261.08</b>

For details pertaining to related party receivable refer note 29

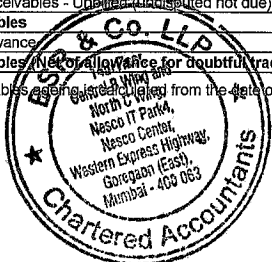
**Trade Receivables ageing schedule \***
**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total	Rs. in lacs
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	380.58	54.32	8.37	0.28	-	443.55	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	11.49	15.07	1.70	68.54	96.80	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	26.84	8.26	1.81	441.83	478.74	
<b>Total</b>	<b>380.58</b>	<b>92.65</b>	<b>31.70</b>	<b>3.79</b>	<b>510.37</b>	<b>1,019.09</b>	
Add : Trade receivables - Unbilled (undisputed not due)							1.25
<b>Trade receivables</b>							<b>1,020.34</b>
Less: loss allowance							(575.54)
<b>Trade receivables (Net of allowance for doubtful trade receivable)</b>							<b>444.80</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total	Rs. in lacs
	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	
<b>Total</b>	<b>75.93</b>	<b>7.05</b>	<b>10.42</b>	<b>325.50</b>	<b>401.05</b>	<b>819.95</b>	
Add : Trade receivables - Unbilled (undisputed not due)							49.25
<b>Trade receivables</b>							<b>869.20</b>
Less: loss allowance							(608.12)
<b>Trade receivables (Net of allowance for doubtful trade receivable)</b>							<b>261.08</b>

\* Trade receivables ageing is done on basis from the date of invoice



**Scrabble Entertainment Limited**
**Notes to financial statements as at and for the year ended March 31, 2023**
**12. Cash and bank balances**

	Non-current		Current		Rs. in lacs
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
<b>Cash and cash equivalents</b>					
Balances with banks:					
– In current accounts	-	-	90.68	-	126.04
Cash on hand	-	-	1.05	-	0.87
	-	-	91.73	-	126.91
<b>Other bank balances</b>					
– Deposits with original maturity more than 3 month and less than 12 months	-	-	-	-	6.09
– Deposits with remaining maturity for more than 12 months	35.07	35.85	-	-	-
– Margin money deposit with remaining maturity for less than 12 months	-	-	10.24	-	2.00
– Margin money deposit with remaining maturity for more than 12 months	-	3.97	5.54	-	-
	<b>35.07</b>	<b>39.82</b>	<b>15.78</b>	-	<b>8.09</b>
Amount disclosed under non-current financial assets (refer note 5)	(35.07)	(39.82)	-	-	-
	-	-	<b>107.51</b>	-	<b>135.00</b>

**Margin money deposits:**

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

**13. Share capital**

	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Authorized share capital</b>		
1,000,000 (March 31, 2022: 1,000,000) equity shares of Rs.10 each	100.00	100.00
104,300 (March 31, 2022: 104,300) 6% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.1,150 each	1,199.45	1,199.45
<b>Issued, subscribed and fully paid-up shares</b>		
768,387 (March 31, 2022: 768,387) equity shares of Rs. 10 each fully paid up	76.84	76.84
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>76.84</b>	<b>76.84</b>

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

Equity shares	March 31, 2023		March 31, 2022		Rs. in lacs
	No. of Shares	Amount	No. of Shares	Amount	
At the beginning of the year	768,387	76.84	768,387	76.84	
Issued during the year	-	-	-	-	
Outstanding at the end of the year	<b>768,387</b>	<b>76.84</b>	<b>768,387</b>	<b>76.84</b>	

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

Name of the shareholder	March 31, 2023		March 31, 2022	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs.10 each fully paid				
UFO Moviez India Limited	768,387	100%	768,387	100%

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
<b>Total</b>	<b>70</b>

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, 2023	March 31, 2022
UFO Moviez India Limited, the holding company		
768,387 (March 31, 2022 : 768,387) equity shares of Rs. 10 each fully paid	768,387	768,387

**(d) Details of shares held by promoters**
**As at 31 March 2023**

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 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%



# Scrabble Entertainment Limited

## Notes to financial statements as at and for the year ended March 31, 2023

### (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.

### 14. Other equity

	Rs. in lacs	
	March 31, 2023	March 31, 2022
<b>Securities premium</b>		
Balance as per the last financial statements	3,370.56	3,370.56
Add: premium on issue of equity shares	-	-
<b>Closing balance</b>	<b>3,370.56</b>	<b>3,370.56</b>
<b>Capital redemption reserve</b>		
Balance as per the last financial statements	399.99	399.99
<b>Closing balance</b>	<b>399.99</b>	<b>399.99</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	895.51	1,504.14
Add: Employee stock options expired transferred	-	-
	<b>895.51</b>	<b>1,504.14</b>
Profit for the year	1,787.82	1,389.18
Profit available for appropriation	<b>2,683.33</b>	<b>2,893.32</b>
<b>Less: Appropriation</b>		
Dividend on equity shares	(1,483.37)	(1,997.81)
Tax on interim dividend paid on equity shares	(14.98)	-
<b>Closing balance</b>	<b>1,184.98</b>	<b>895.51</b>
<b>Total other equity</b>	<b>4,955.53</b>	<b>4,666.06</b>

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

	Rs. in lacs			
	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial liabilities at amortised cost</b>				
Deposits from customers	335.74	306.14	83.93	389.88
Deposit from related parties (refer note 29)	7.04	7.04	-	-
Other security deposit	1.70	1.70	-	-
Salary and reimbursement payable	-	-	3.83	3.21
	<b>344.48</b>	<b>314.88</b>	<b>87.76</b>	<b>393.09</b>

### 16. Trade Payable

	Rs. in lacs	
	March 31, 2023	March 31, 2022
a) Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises *	746.91	1,282.42
	<b>746.91</b>	<b>1,282.42</b>

\* For details pertaining to related party payable refer note 29

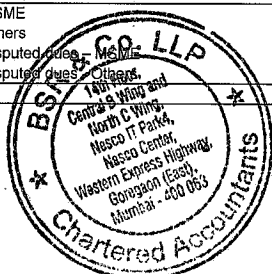
### Trade Payables ageing schedule (Outstanding from invoice date)

#### As at March 31, 2023

Particulars	Rs. in lacs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	402.76	183.44	110.75	49.96	746.91
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>402.76</b>	<b>183.44</b>	<b>110.75</b>	<b>49.96</b>	<b>746.91</b>

#### As at March 31, 2022

Particulars	Rs. in lacs				
	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	-	-	-	-	-
<b>Total</b>	<b>655.50</b>	<b>203.51</b>	<b>59.55</b>	<b>363.86</b>	<b>1,282.42</b>



# Scrabble Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2023

## 17. Other liabilities

	Non-current		Current		Rs. in lacs
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Advance from customers	-	-	115.76	95.87	
Deferred revenue on AMC services (refer note no. 34)	0.78	54.22	53.33	18.11	
Deferred lease rental revenue (refer note no. 34)	-	-	-	-	
Deferred Content Delivery Charge (CDC/VPF) revenue	-	-	21.08	7.22	
Statutory dues *	-	-	18.54	36.89	
	<b>0.78</b>	<b>54.22</b>	<b>208.71</b>	<b>158.09</b>	
* Statutory dues payable includes					
Tax deducted at source			14.20	32.17	
Provident fund			4.27	4.58	
ESIC			-	0.07	
Professional tax			0.07	0.07	
			<b>18.54</b>	<b>36.89</b>	

## 18. Provisions

	Long-term		Short-term		Rs. in lacs
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
<b>Provision for employee benefits</b>					
Provision for gratuity (refer note 27)	16.79	29.95	-	-	
Provision for compensated absences	-	-	23.10	33.14	
<b>Provision - Others:</b>					
Provision for Warranties	-	-	0.78	1.27	
	<b>16.79</b>	<b>29.95</b>	<b>23.88</b>	<b>34.41</b>	

### 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, 2023	March 31, 2022
At the beginning of the year	1.27	1.92
Arising during the year	-	-
Utilised during the year	(0.49)	(0.65)
<b>At the end of the year</b>	<b>0.78</b>	<b>1.27</b>
Current portion	0.51	0.49
Non-current portion	0.27	0.78





**Scrabble Entertainment Limited**
**Notes to financial statements as at and for the year ended March 31, 2023**

<b>19. Revenue from operations</b>		<b>Rs. in lacs</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
<b>Sale of services</b>			
Content delivery charges	1,193.04	464.93	
VPF service revenue	775.14	720.41	
Lease rental income	320.65	121.43	
Maintenance service fee	168.89	159.49	
	<b>2,457.72</b>	<b>1,466.26</b>	
<b>Sale of products</b>			
Lamp sale	19.94	89.12	
Sale of digital cinema equipment	1.65	6.43	
Sale of spares	186.81	73.89	
	<b>208.40</b>	<b>169.44</b>	
<b>Other operating income</b>			
Sundry balances written back	72.47	294.88	
	<b>72.47</b>	<b>294.88</b>	
	<b>2,738.59</b>	<b>1,930.58</b>	
<b>20. Other income</b>		<b>Rs. in lacs</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
Profit on sale of fixed assets	8.18	-	
Miscellaneous income	40.98	30.75	
Foreign exchange gain (net)	5.03	1.78	
	<b>54.19</b>	<b>32.53</b>	
<b>21. Operating direct costs</b>		<b>Rs. in lacs</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
Repairs and maintenance exhibition equipments	273.96	150.43	
Content processing charges	36.61	24.82	
Virtual print fee sharing	625.32	663.47	
Rent on equipments	87.49	33.05	
	<b>1,023.38</b>	<b>871.77</b>	
<b>Consumables and spares</b>			
Inventories at the beginning of the year	49.13	44.48	
Add : Purchases	190.83	74.55	
Less : Inventories at the end of the year	(46.22)	(49.13)	
	<b>193.74</b>	<b>69.90</b>	
<b>Purchase of digital cinema equipment</b>			
<b>Purchase of lamps</b>	16.78	18.87	
<b>(Increase)/decrease in inventories of digital cinema equipments</b>			
Inventories at the beginning of the year	1.72	1.75	
Inventories at the end of the year	(1.72)	(1.72)	
	-	0.03	
<b>(Increase)/decrease in inventories of lamps and spares</b>			
Inventories at the beginning of the year	8.68	64.47	
Inventories at the end of the year	(3.11)	(8.68)	
	<b>5.57</b>	<b>55.79</b>	
	<b>1,239.47</b>	<b>1,016.36</b>	
<b>22. Employee benefits expense</b>		<b>Rs. in lacs</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
Salaries, wages and bonus	416.82	321.83	
Contribution to provident and other funds (refer note 27)	27.90	18.97	
Gratuity expense (refer note 27)	8.26	7.51	
Staff welfare expenses	14.80	7.91	
	<b>467.78</b>	<b>356.22</b>	



**Scrabble Entertainment Limited**
**Notes to financial statements as at and for the year ended March 31, 2023**

<b>23. Other expenses</b>		<b>Rs. in lacs</b>	
		<b>March 31, 2023</b>	<b>March 31, 2022</b>
Electricity charges		18.15	13.30
Freight and forwarding charges		15.43	8.79
Rent		35.83	34.36
Rates and taxes		2.39	11.09
Insurance		10.49	12.59
Repairs and maintenance		62.92	19.36
Corporate social responsibility expenses (refer note 37)		40.71	50.23
Advertising and sales promotion		0.12	0.10
Travelling and conveyance		41.43	10.35
Communication costs		4.62	4.43
Printing and stationery		3.27	1.71
Legal, professional and consultancy charges		206.86	116.48
Directors sitting fees		2.25	4.38
Payment to auditor (refer details below)		8.76	8.50
Bad debts / advances written off	38.00		57.37
Less: Provision utilised	(38.00)	-	(57.37)
Loss on sale and write off of fixed assets (net)		-	0.22
Provision for doubtful debts and advances		5.41	-
Miscellaneous expenses		9.36	4.86
		<b>468.00</b>	<b>300.75</b>
<b>Payment to auditor</b>		<b>Rs. in lacs</b>	
		<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>As auditor:</b>			
Audit fee		5.00	5.00
Tax audit fee		1.00	1.00
<b>In other capacity:</b>			
Other services (certification fees)		2.00	2.00
Out of pocket expenses		0.76	0.50
		<b>8.76</b>	<b>8.50</b>
<b>24. Finance cost</b>		<b>Rs. in lacs</b>	
		<b>March 31, 2023</b>	<b>March 31, 2022</b>
Interest on cash credit		-	-
Interest expenses on right to use		15.20	25.47
Interest expenses on financial liabilities carried at amortised cost		-	-
Bank charges		0.45	0.53
		<b>15.65</b>	<b>26.00</b>
<b>25. Finance income</b>		<b>Rs. in lacs</b>	
		<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Interest income on</b>			
Bank deposits		3.15	3.04
Others		2.89	-
<b>Dividend income (refer note 29)</b>			
from associate		1,242.51	1,346.30
from subsidiary/step down subsidiary		223.28	-
Net gain on current investments *		17.84	31.62
		<b>1,489.67</b>	<b>1,380.96</b>

\* Includes fair value (loss) / gain of Rs.Nil (March 31, 2022 : Rs. (62.95) lacs)



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**26. Earnings per share (EPS)**

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

Particular	March 31, 2023	March 31, 2022
<b>Basic</b>		
Net profit after tax as per statement of profit and loss (Rs. In lacs)	1,776.89	1,404.65
Weighted average number of equity shares in calculating basic EPS	768,387	768,387
<b>Earnings per share (Rs) (Face value of Rs. 10 each)</b>	<b>231.25</b>	<b>182.81</b>
<b>Diluted</b>		
Net profit for calculation of diluted EPS (Rs. In lacs)	1,776.89	1,404.65
Weighted average number of equity shares in calculating basic EPS	768,387	768,387
<b>Earnings per share (Rs) (Face value of Rs. 10 each)</b>	<b>231.25</b>	<b>182.81</b>

**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, 2023	March 31, 2022
Contribution to provident fund (Government)	26.79	18.25
Administration charge - Provident Fund	1.11	0.71
	<b>27.90</b>	<b>18.96</b>

**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, 2023**

Particulars	Defined benefit obligation	Fair value of plan assets	Rs. in lacs Benefit liability
<b>As at April 1, 2022</b>	<b>77.09</b>	<b>47.14</b>	<b>29.95</b>
Service cost	6.25	-	6.25
Net interest expense	4.74	-	4.74
Interest income	-	2.73	(2.73)
<b>Recognised in statement of profit or loss</b>	<b>10.99</b>	<b>2.73</b>	<b>8.26</b>
<b>Benefit paid</b>	<b>(7.23)</b>	<b>(7.23)</b>	<b>-</b>
<b>Remeasurement gains/losses in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Return on plan assets (excluding amounts included in net interest expense)	-	-	-
Actuarial changes arising from changes in financial assumptions	(5.04)	-	(5.04)
Experience adjustments	(9.57)	-	(9.57)
<b>Recognised in other comprehensive income</b>	<b>(14.61)</b>	<b>-</b>	<b>(14.61)</b>
Contribution by employer	-	6.81	(6.81)
<b>As at March 31, 2023</b>	<b>66.24</b>	<b>49.45</b>	<b>16.79</b>

**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 lacs Benefit liability
<b>As at April 1, 2021</b>	<b>53.78</b>	<b>46.26</b>	<b>7.52</b>
Service cost	7.03	-	7.03
Net interest expense	2.99	-	2.99
Interest income	-	2.51	(2.51)
<b>Recognised in statement of profit or loss</b>	<b>10.02</b>	<b>2.51</b>	<b>7.51</b>
<b>Benefit paid</b>	<b>(7.28)</b>	<b>(7.28)</b>	<b>-</b>
<b>Remeasurement gains/losses in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
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
<b>Recognised in other comprehensive income</b>	<b>20.57</b>	<b>(0.10)</b>	<b>20.67</b>
Contribution by employer	-	5.75	(5.75)
<b>As at March 31, 2022</b>	<b>77.09</b>	<b>47.14</b>	<b>29.95</b>

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.70%
Future salary increase	0% for the first year, and 6.00% thereafter	6.00%
Employee turnover	13.10%	13.10%
Retirement age (years)	58.00	58.00
Expected returns on assets	8.00%	8.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

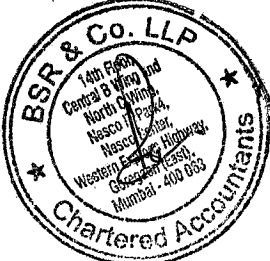
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

**A quantitative sensitivity analysis for significant assumption is shown below**

Particulars	DBO March 31, 2023	DBO March 31, 2022
Discount rate (-1%)	63.30	75.08
Discount rate (+1%)	(56.82)	(66.85)
Salary growth rate (-1%)	(57.28)	(67.43)
Salary growth rate (+1%)	62.71	74.38
Attrition rate (-0.5%)	56.75	67.98
Attrition rate (+0.5%)	(61.75)	(72.41)

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



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**Expected contributions to the defined benefit plan in future years**

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
within the next 12 months (next annual reporting period)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2022: 6 years)

Expected cash flows over the next (valued on undiscounted basis):	March 31, 2023	Rs. in lacs March 31, 2022
1 year	11.46	12.23
2 to 5 years	31.33	36.05
6 to 10 years	27.46	26.85
More to 10 years	26.42	37.33

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

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
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 (5.26) lacs (March 31, 2022: Rs 15.97 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	March 31, 2023	Rs. in lacs March 31, 2022
Lease payment recognised in Statement of profit and loss (Short term & low value leases)	123.31	67.41
	<b>123.31</b>	<b>67.41</b>

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

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
Due not later than one year	20.78	141.67
Due later than one year but not later than five years	31.23	38.56
Later than five years	-	-
	<b>52.01</b>	<b>180.23</b>

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

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
Opening at the beginning	152.00	254.68
Finance cost accrued during the period	15.20	25.47
Rent concessions recognised in the statement of profit and loss	-	-
Payment of lease liabilities	(134.56)	(128.15)
<b>Balance at the end</b>	<b>32.64</b>	<b>152.00</b>

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

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
Current lease liabilities	32.64	119.36
Non-current lease liabilities	-	32.64
	<b>32.64</b>	<b>152.00</b>

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

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
Due not later than one year	34.04	134.56
Due later than one year but not later than five years	-	34.04
Later than five years	-	-
	<b>34.04</b>	<b>168.60</b>

**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	March 31, 2023	Rs. in lacs March 31, 2022
Lease income recognised in Statement of profit and loss	320.65	121.43

Particulars	March 31, 2023	Rs. in lacs March 31, 2022
Gross carrying amount	3,300.52	1,997.02
Accumulated depreciation	3,285.87	1,982.36
Depreciation recognized in the statement of profit and loss	7.24	14.65



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**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 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 Scrabble Digital Services DMCC, Dubai
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 (upto November 19, 2022) Ms. Lynn D'Souza - Independent and Non executive director (upto November 19, 2022) 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, 2023	March 31, 2022
1	<b>Name of the parties / Nature of expenses and income</b>		
A	<b>Holding company</b>		
	<b>UFO Moviez India Limited</b>		
	<b>Income</b>		
	i) Content Delivery Charge (CDC/VPF)	555.65	193.89
	ii) Rental income	76.68	19.94
	iii) Miscellaneous income - Rent (Warehouse)	9.27	9.27
B	<b>Expenses</b>		
	i) Rent on equipments	87.49	33.05
	ii) Virtual print fee sharing	303.87	110.42
	iii) Rent	11.75	12.76
	iv) Reimbursement of expense	-	0.53
C	<b>Others</b>		
	i) Dividend paid	0.01	1,997.81
2	<b>Subsidiary of the company (including step down subsidiaries)</b>		
A	<b>Scrabble Digital Limited</b>		
	i) Miscellaneous income - Rent (Warehouse)	15.58	14.98
	ii) Content processing charges	36.61	24.82
	iii) Sale of products	-	0.62
B	<b>Scrabble Entertainment DMCC</b>		
	i) Dividend income	127.05	100.88
C	<b>Scrabble Entertainment (Mauritius) Limited</b>		
	i) Dividend income	1,115.47	1,113.45
D	<b>Scrabble Digital INC</b>		
	i) Dividend income	-	94.53
3	<b>Associate of the company</b>		
A	<b>Scrabble Digital DMCC</b>		
	i) Dividend income	223.28	37.45
B	<b>Mumbai Movie Studios Private Limited</b>		
	i) Purchase / call amount paid for preference share (NCOCRPS)	-	262.50
4	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>		
A	<b>Valuable Media Private Limited</b>		
	i) Miscellaneous income - Rent	0.66	0.66
5	<b>Independent and non executive director</b>		
A	<b>Director sitting fees</b>		
	i) Ms. Lynn De Souza	1.00	1.88
	ii) Mr. S. Madhavan	1.25	2.50
6	<b>Salary of company secretary</b>		
A	i) Ms. Urmi Shah	17.50	11.69



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**3. Balance outstanding at the year end**

Sr.No	Particulars	Rs. in lacs	
		March 31, 2023	March 31, 2022
<b>1</b>	<b>Holding company</b>		
<b>A</b>	<b>UFO Moviez India Limited</b>		
	i) Amount payable	-	50.91
	ii) Security deposit given	349.38	349.38
	iii) Security deposit received	1.65	1.65
	iv) Amount receivable	146.45	-
	v) Unbilled revenue	-	49.26
	vi) Unbilled expenses	2.07	1.75
<b>2</b>	<b>Subsidiaries companies</b>		
<b>A</b>	<b>Scrabble Digital Limited</b>		
	i) Amount payable	161.16	202.77
	ii) Security deposit received	5.27	5.27
	iii) Unbilled expenses	6.06	(7.30)
<b>3</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>		
<b>A</b>	<b>Valuable Media Private Limited</b>		
	i) Security deposit payable	0.12	0.12
	ii) Unbilled Revenue	0.61	-

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 end are unsecured.

**Compensation of key management personnel of the Company:**

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
Short Term employee benefits	17.50	11.69

**30. Capital and other commitments**

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
Capital commitments	-	-
(estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))	-	-
Other commitments	3.83	90.30
	<b>3.83</b>	<b>90.30</b>

**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	Rs. in lacs	
	March 31, 2023	March 31, 2022
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, 2023 were as follows:

Particulars	Amortised cost*	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Rs. in lacs	
						Hierarchy
<b>Financial Assets</b>						
Investments in subsidiaries	4,227.71	-	-	4,227.71		Level 2
Loans receivables	-	-	-	-		
Investments	-	-	-	-		
Trade receivables	444.80	-	-	444.80		
Cash and cash equivalents	91.73	-	-	91.73		
Bank balances other than cash and cash equivalents	15.78	-	-	15.78		
Other financial assets	442.97	-	-	442.97		
<b>Total</b>	<b>5,222.99</b>	<b>-</b>	<b>-</b>	<b>5,222.99</b>		
<b>Financial Liabilities</b>						
Lease liabilities	32.64	-	-	32.64		
Trade payables	746.91	-	-	746.91		
Other financial liabilities	432.24	-	-	432.24		
<b>Total</b>	<b>1,211.79</b>	<b>-</b>	<b>-</b>	<b>1,211.79</b>		



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**

Details for the year ended March 31, 2022 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
<b>Financial Assets</b>					
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	447.22	-	-	447.22	
<b>Total</b>	<b>5,071.01</b>	<b>-</b>	<b>503.89</b>	<b>5,574.90</b>	
<b>Financial Liabilities</b>					
Lease liabilities	152.00	-	-	152.00	
Trade payables	1,282.42	-	-	1,282.42	
Other financial liabilities	707.97	-	-	707.97	
<b>Total</b>	<b>2,142.39</b>	<b>-</b>	<b>-</b>	<b>2,142.39</b>	

\* 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, 2023 and March 31, 2022.

**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.

Outstanding foreign currency exposure as at	Rs. in lacs	
	March 31, 2023	March 31, 2022
Export debtors	44.33	69.42
USD	0.54	0.92
Advances to Supplier	9.11	38.14
USD	0.11	0.51
Advance from customers	13.80	12.69
USD	0.17	0.17
Cash balances	0.76	0.71
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:

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
1% increase in foreign exchange rate :	0.40	0.96
1% (decrease )in foreign exchange rate:	(0.40)	(0.96)



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**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 570.81 lacs and Rs.427.15 lacs as at March 31, 2023 and March 31, 2022 respectively as per the table below.

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
Balance with banks including bank deposits	125.75	165.86
Trade receivables	444.80	261.08
Other financial assets	0.26	0.22
<b>Total</b>	<b>570.81</b>	<b>427.16</b>

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 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.

Particulars	Rs. in lacs			
	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
<b>At March 31, 2023</b>				
Lease liabilities	32.64	-	-	32.64
Trade payables	746.91	-	-	746.91
Other financial liabilities	87.76	344.48	-	432.24
<b>At March 31, 2022</b>				
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

**34. Unbilled receivables and Contract liabilities**

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

Unbilled receivables	Rs. in lacs	
	March 31, 2023	March 31, 2022
Opening balance	49.25	17.90
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(49.25)	(17.90)
Add: Invoices raised for which no revenue is recognised during the year	1.25	49.25
<b>Closing balance</b>	<b>1.25</b>	<b>49.25</b>

Contract liabilities (Advance or deferred income)	Rs. in lacs	
	March 31, 2023	March 31, 2022
Opening balance	79.55	146.39
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(61.44)	(84.93)
Add: Invoices raised for which no revenue is recognised during the year	36.00	18.09
<b>Closing balance</b>	<b>54.11</b>	<b>79.55</b>

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**

Particulars	Rs. in lacs	
	March 31, 2023	March 31, 2022
Revenue from contracts with customers (as per Statement of profit and loss)	2,738.59	1,930.58
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Add / (Less): Unbilled revenue adjustments	(73.43)	(35.50)
<b>Contracted price with the customers</b>	<b>2,665.16</b>	<b>1,895.08</b>

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





**Scrabble Entertainment Limited****Notes to standalone financial statements for the year ended March 31, 2023****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, 2023 and March 31, 2022.

**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, 2023	Rs. in lacs March 31, 2022
a) Gross amount required to be spent by the Company during the year	40.71	50.23
b) Amount approved by the Board to be spent during the year	40.71	50.23
c) Amount spent during the year ended on March 31, 2023:		
i) Construction/acquisition of any asset	In cash 55.58	Yet to be paid in cash 90.47
ii) On purposes other than (i) above	12.73	-
		Total 146.05
		12.73
d) Amount spent during the year ended on March 31, 2022:		
i) Construction/acquisition of any asset	In cash 3.51	Yet to be paid in cash 113.71
ii) On purposes other than (i) above	6.99	4.35
		Total 117.22
		11.34
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	68.31	10.50
Other than ongoing project	90.47	118.06

**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 *	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c		
47.60	70.46	40.71	17.19	51.12	23.52	66.94

**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. 23.52 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 10, 2023

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

During the year ended 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 7,500,000 Non-Cumulative Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of Rs. 10 each, the paid up value of Rs. 4.5 per share.

During the year ended March 31, 2022, the Company made additional investment of Rs. 262.50 lacs towards the second call of Rs. 3.5 per share for each of 7,500,000 NCOCRPS. Post this investment, the Company holds 30.74% stake in MMSPL, which has been treated as an associate for the purpose of accounting



**Scrabble Entertainment Limited**
**Notes to standalone financial statements for the year ended March 31, 2023**
**39. Ratio Analysis and its elements**

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.01	0.73	39%	Variance is due to lower current investments during the year
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.09	0.07	39%	Net profit during the year led to an improvement in the ratio.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.10	0.22	-54%	Increase due to increase in sales as compared to previous year
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.94	1.56	25%	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	0.42	0.25	67%	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	243.43	(3.58)	-6904%	Increase in ratio is on account of increase in sales in the current year as compared to previous year
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.65	0.73	-11%	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	44.79	26.37	70%	Improvement is on account of profitability during the year.
Return on Investment	Interest (Finance Income)	Investment	0.35	0.29	21%	Not required to be disclosed.

**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 willful 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. Business Outlook Post Covid-19**

Post lifting of Covid related occupancy restrictions late last year and the reopening of cinemas, filmgoers have started revisiting Cinemas, thus giving boost to the sentiments of the exhibition industry. The theatrical exhibition industry has witnessed recovery and an improved performance during the year. The Company has continued with its strategy of keeping a check on controllable costs and having adequate liquidity. As per the management, the Company is expected to generate sufficient funds from its operating activities and will have sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure. Management believes that the long-term drivers of the business are intact and does not anticipate any risks to the business or its ability to meet its financial obligations in the foreseeable future

**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 rules to determine the financial impact are published.

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

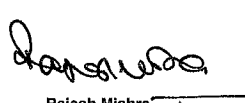
As per our report of even date attached

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




Rajesh Mehra  
Partner  
Membership No: 103145

For and on behalf of the board of directors of  
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 24, 2023