

VALUABLE DIGITAL SCREENS PRIVATE LTD.

53/1, Media Info Tech Park,
Road No. 7, Nr. Akruti Trade Centre,
Andheri (East),
Mumbai 400093.

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR - 2018-19

M/s. Shetty Naik & Associates Chartered Accountants

31, Madhuban Industrial Estate, Plot No. 30,
Off Mahakali Caves Road, Near Paper Box Industry,
Andheri East, Mumbai -400093.

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INDEPENDENT AUDITORS' REPORT

To the Members of M/s Valuable Digital Screens Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **M/s Valuable Digital Screens Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss, including the statement of Other Comprehensive Income, the cash flow statement and the Statement of Changes in Equity for the year then ended and 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 Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2019;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company including other comprehensive income for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Companies Act, 2013 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.



Key Audit Matters

We draw attention to Note I of the financial statements, which describes that in spite of erosion of net worth, the accounts of the company have been prepared on a going concern basis primarily due to commitment of financial support of the holding Company.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 implementation and maintenance of 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 Ind As financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind As financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Ind As financial statement

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of Section 164(2) of the Act
 - f. On the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of Section 164(2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h. 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:





SHETTY NAIK & ASSOCIATES
Chartered Accountants

- i. The Company does not have any pending litigations which would impact its financial position
- j. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- k. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No.:124851W

CA. JAGDISH SHETTY



Partner

Membership No: 111936

Place: Mumbai

Dated: 14-05-2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) According to information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details.
(b) The fixed assets were physically verified during the year by the management at reasonable intervals, which in our opinion are reasonable. According to information and explanations given to us, no material discrepancies were noticed on such verification by the management.
(c) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the company does not own any immovable property and hence the said sub-clause is not applicable in its case.
2. The company is primarily involved in the movie screening and providing advertisement services. Accordingly, the company does not hold any physical inventories. Thus, the paragraph 3(ii) of the order is not applicable.
3. According to information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company during the year.
4. According to information and explanations given to us, the Company has granted unsecured loans covered under the provisions of 186 of the Act exceeding the limits prescribed under Sec. 186(2). The company has passed the special resolution as per the provisions of the Sec. 186(2) & has made requisite disclosure in Note No. 30 to the financial statements.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year.
6. According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company during the year.
7. (a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including income tax, sales



tax, service tax, value added tax, cess and other material statutory dues as applicable to the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax and value added tax which have not been deposited on account of any dispute.
8. Based on the audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans to banks. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company during the year.
9. According to the information and explanations given to us, the Company has not raised moneys by way of public offer (including debt instruments) during the year. From the examination of books and related records, we are of the opinion that the term loans have been applied for the purpose for which the term loan has been obtained by the company.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us, the Company has not paid any managerial remuneration to its directors, including managing director and whole-time director and its manager. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The provisions of Section 177 of the Act relating to Audit Committee are not applicable to the Company during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





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Chartered Accountants

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No.:124851W

CA. JAGDISH SHETTY



Partner

Membership No: 111936

Place: Mumbai

Dated:14-05-2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of M/s Valuable Digital Screens Private Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



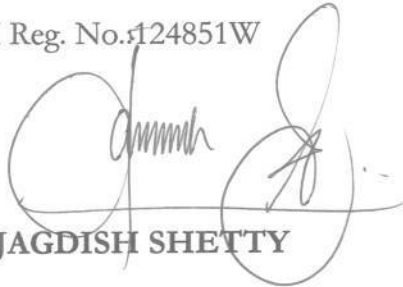
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No. 124851W

**CA. JAGDISH SHETTY**

Partner

Membership No: 111936



Place: Mumbai

Dated: 14-05-2019

Valuable Digital Screens Private Limited

Balance Sheet as at 31 March 2019

Particulars	Notes	31 March 2019	31 March 2018
I. ASSETS			
Non-current Assets			
Property, Plant and Equipment	2.1	142,804,583	118,615,886
Capital work-in-progress	2.2	3,253,649	8,618,424
Other Intangible assets	2.1	792,393	1,809,903
Others financial assets	3	834,372	222,980
Other non-current assets	4	10,949,681	10,436,596
Total Non-Current Assets (A)		158,634,678	139,703,789
Current Assets			
Financial assets			
(i) Trade receivables	5	140,857,849	33,101,648
(ii) Cash and cash equivalents	6	3,260,715	2,696,266
(iii) Bank balances other than (ii) above	7	519,825	556,894
(iv) Loans	8	4,826,222	8,732,542
(v) Others financial assets	9	5,732,140	838,264
Other current assets	10	27,132,665	31,654,420
Total Current Assets (B)		182,329,416	77,580,034
Total Assets (A+B)		340,964,094	217,283,823
I. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	144,750	144,750
b) Other equity	12	(528,094,935)	(409,043,397)
Total Equity (C)		(527,950,185)	(408,898,647)
Liabilities			
Non-current Liabilities			
Financial liabilities			
Borrowings	13	9,472,081	46,734,634
Provisions	14	1,735,027	1,290,420
Total Non-current Liabilities		11,207,108	48,025,054
Current Liabilities			
Financial liabilities			
(i) Borrowings	15	643,751,375	446,523,559
(ii) Trade payables	16		
a) Total outstanding due of micro enterprises and small enterprises and			
b) Total outstanding due of creditors other than micro enterprises and small enterprises		88,138,159	34,723,806
(iii) Other financial liabilities	17	121,143,056	86,820,997
Provisions	18	170,642	180,867
Other current liabilities	19	4,503,939	9,908,187
Total Current Liabilities		857,707,171	578,157,416
Total Liabilities (D)		868,914,279	626,182,470
Total Equity And Liabilities (C+D)		340,964,094	217,283,823

Summary of significant accounting policies

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our report of even date attached

Shetty Naik & Associates
Firm Registration No. 124851W
Chartered Accountants

Jagdish Shetty
Partner
Membership No. 111936
Place of Signature: Mumbai
Date: May 14, 2019



For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited

Deepak Ranjan
Director
DIN No. 02852565

Pankaj Jaysinh Madhani
Director
DIN No. 01564221

Valuable Digital Screens Private Limited

Statement of Profit and Loss for the Period 31 March 2019

Particulars	Notes	31 March 2019	31 March 2018
Revenue from operations	20	256,643,217	107,709,276
Other income	21	77,013	11,182
Total Income - (I)		256,720,230	107,720,458
Expenses			
Operating direct cost	22	202,686,098	100,961,992
Employee benefits expenses	23	16,389,939	23,826,721
Other expenses	24	46,787,652	29,599,321
Total expenses - (II)		265,863,689	154,388,034
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(9,143,459)	(46,667,576)
Depreciation and amortisation expense	2	47,346,474	40,041,744
Finance cost	25	64,833,399	52,913,621
Finance income	26	(1,996,172)	(1,300,722)
Profit/(Loss) before tax		(119,327,160)	(138,322,219)
Tax expense:			
- Current tax		-	-
- Deferred tax	26A	-	(236,752)
Profit (Loss) for the period		(119,327,160)	(138,085,467)
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of Net Defined Benefit Liability		(66,945)	(37,396)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		(119,394,105)	(138,122,863)
Earnings per equity share (Face value of shares of Rs 10 each)			
(1) Basic		(8,244)	(9,540)
(2) Diluted		(8,244)	(9,540)

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Summary of significant accounting policies

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of
Shetty Naik & Associates
Firm Registration No. 124851W
Chartered Accountants

Jagdish Shetty
Partner
Membership No. 111936
Place of Signature: Mumbai
Date: May 14, 2019



For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited

Deepak Ranjan
Director
DIN No. 02852565

Pankaj Jaysinh Madhani
Director
DIN No. 01564221



Valuable Digital Screens Private Limited
Statement of Cash Flows for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before Tax	(119,327,160)	(138,322,219)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	47,346,474	40,041,744
Adjustment on account of depreciation pertaining to previous year	342,564	-
Remeasurements of the defined benefit plans	(66,945)	(37,396)
Loss/(profit) on sale and write off of fixed assets	243,714	624,951
Bad debts written-off	10,168	1,854,821
Provision for doubtful debts	1,000,000	3,370,518
Provision for loan and advance	5,802,127	1,200,000
Provision for compensated absences	280,521	361,574
Provision for gratuity	370,448	311,183
Sundry credit balances written back	(554,874)	(20,479)
Interest Income	(1,996,172)	(1,300,722)
Interest expense	64,818,590	52,903,037
Operating profit before working capital changes	(1,730,545)	(39,012,988)
Movements in working capital :		
Increase / (decrease) in trade payables	53,969,227	21,209,669
Increase / (decrease) in other financial liabilities	462,727	(1,398,722)
Increase in long-term provisions	444,607	569,957
Increase / (decrease) in short-term provisions	(661,194)	(570,896)
Increase / (decrease) in other current liability	(5,404,248)	2,545,817
Decrease / (increase) in trade receivables	(107,766,369)	(19,336,995)
Decrease / (increase) in financial assets loans	(93,680)	(880,844)
Decrease / (increase) in other current assets	4,521,755	2,474,482
Decrease / (increase) in others non current financial assets	(611,392)	504,016
Decrease / (Increase) in other financial assets	(4,893,876)	(838,264)
Decrease / (increase) in other non current assets	2,622,164	(3,682,449)
Cash generated from operations	(59,140,824)	(38,417,217)
Direct tax paid (net of refunds)	(5,391,849)	(1,871,516)
Net cash flow from operating activities (A)	(64,532,673)	(40,288,733)
Cash flow from investing activities		
Purchase of fixed assets including intangible, capital work in progress & capital advances	(70,229,342)	(17,347,059)
Maturity of bank deposits having original maturity more than 3 months (net)	37,069	(556,894)
Proceeds from sale of fixed assets	682,209	2,600,690
Interest received	194,045	125,286
Net cash flow used in investing activities (B)	(69,316,019)	(15,177,977)
Cash flow from financing activities		
Proceeds from long term borrowings from subsidiaries	260,700,000	111,500,000
Repayment from long term borrowings from subsidiaries	(84,503,034)	-
Proceeds/(repayment) from short term borrowing from bank (net)	21,030,850	(272,841)
Repayment of long term borrowings (net)	(25,762,553)	(37,244,276)
Interest paid	(37,052,122)	(21,000,064)
Net cash flow from financing activities (C)	134,413,141	52,982,819
Net increase/(decrease) in cash and cash equivalent (A + B + C)	564,449	(2,483,891)
Cash and cash equivalents at the beginning of the year	2,696,266	5,180,157
Cash and cash equivalents at the end of the period	3,260,715	2,696,266
Components of cash and cash equivalents		
Cash on hand	3,228,211	1,572,536
Balance with banks:		
- on current accounts	-	441
- on cash credit account	32,504	66,951
- on Term deposits	-	1,056,338
Cash and cash equivalents (refer note 6)	3,260,715	2,696,266

Notes:

- Figures in bracket denote outflow
- The above Cash flow statement has been prepared under the "Indirect Method" set out in Indian Accounting Standards (Ind AS-7) "Cash Flow Statements"

Summary of significant accounting policies
1

The accompanying notes 1 to 35 are an integral part of the financial statements.

As per our report of even date attached

Shetty Naik & Associates
Firm Registration No. 124851W
Chartered Accountants

Jagdish Shetty
Partner
Membership No. 111936
Place of Signature: Mumbai
Date: May 14, 2019



**For and on behalf of Board of Directors
of Valuable Digital Screens Private Limited**

Deepak Ranjan
Director
DIN No.: 02852565

Pankaj Jaysinh Madhani
Director
DIN No.: 01564221

Valuable Digital Screens Private Limited

Notes to Financial Statements for the year ended 31 March 2019

1 Significant Accounting Policies

1.1 Nature of Operations :

Valuable Digital Screens Private Limited (the Company) is a private company domiciled in India and incorporated on July 14, 2006 under the provisions of the Companies Act, 1956. The registered office of the company is located at 53/1, Media Infotech Park, Near Akruti Trade Centre, Andheri (East), Mumbai. The Company is into the business of providing digital cinema services. The Company's principal revenue stream is advertising. The Company is subsidiary of UFO Moviez India Limited.

1.2 Going Concern :

For the year ended March 31, 2019, the Company has incurred a loss of Rs.11,93,94,105/- (March 31, 2018 – loss of 13,81,22,863/-) and has accumulated losses of Rs. 54,50,56,080/- (March 31, 2018 – accumulated loss of Rs 42,60,04,542/-). The net worth of the Company is fully eroded. The Holding Company has committed to provide continued financial and operating support to the Company, to enable it to operate as a going concern and accordingly, these financial statements are prepared on going concern basis.

1.3 Basis of preparation

The 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 (as amended from time to time).

For all periods up to and including the year ended 31st March 2019, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on an accrual basis and under the historical cost convention except where it is specifically required to be measured at fair value or revalued amount.

1.4 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.5 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The specific recognition criteria described below must also be met before revenue is recognized:

a) Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

b) Rendering of Services:

Revenues from membership fees of Club are recognized pro-rata over the period of the membership. Advertisement and Van branding income is recognized in the period during which advertisement is displayed. Lease rental income is recognized in the period in which equipment are leased. Technical Support Services and Server Maintenance & Content Licensing Fees is revenue recognized in the period

c) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included in finance income under the head "other income" in the Statement of Profit and Loss.

1.6 Property, plant and equipment

The Company has elected to regard those values of property as deemed cost at the date of the revaluations since they were broadly comparable to fair value.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

1.7 Inventory

Inventories are valued at lower of cost or net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies and is determined on a weighted average basis. There are no inventories as on date of financial statements.



Valuable Digital Screens Private Limited

Notes to Financial Statements for the year ended 31 March 2019

1.8 Depreciation on Tangible Fixed Assets and amortization of intangible assets

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

The Company has used the following useful lives to provide depreciation on its tangible fixed assets

Particulars	Useful lives as per management's estimate
Plant & Machinery	6-10 Years
Computer	3 Years
Furniture & Fixtures	5 Years
Office Equipment's	5 Years
Vehicles	5 Years

Except computer, office equipment's and Motor Vehicles, useful lives of above fixed assets are different from those prescribed under schedule II. These rates are based on evaluation of useful life by internal technical expert. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Particulars	Useful lives as per management's estimate
Patent & Trademarks	5 Years

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

1.9 Borrowing Costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of

1.10 Employee Benefit

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 company has not invested in any plan scheme till date.

Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in "Other Comprehensive Income" in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Compensated Leaves Absences & Leave Encashment :-

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the 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.

Retirement Benefits:-

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employee render related services. There are no other obligations other than the contribution payable to the respective funds. 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.

Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the 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.



Valuable Digital Screens Private Limited

Notes to Financial Statements for the year ended 31 March 2019

1.11 Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Schedule III to the Companies Act, 2013, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

1.12 Earnings Per Share

Basic earnings per share are 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. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, 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.

1.13 Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred Tax for timing difference between profits and book profits is accounted for, using tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet Date. The company has brought forward losses and unabsorbed depreciation and hence Deferred Tax Assets/Liabilities are not recognized as there is no virtual certainty that these assets/liabilities can be realised/accrued in future.

1.14 Provisions

A provision is recognized when the company has a present obligation (legal or constructive) as a result of 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

1.15 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.16 Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at banks and on hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.17 Measurement of EBITDA

As permitted by the Guidance note on Schedule III to the Companies Act 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance cost, finance income and tax expense.



Valuable Digital Screens Private Limited

Note 2.1 : Property, Plant and Equipment and Other Intangible assets

	Plant & Machinery	Computer Systems	Office Equipments	Vehicles	Total	Patent & Trademark	Grand Total
Cost							
At 1 April 2017	75,083,359	909,981	2,178,128	116,727,792	194,899,260	3,840,750	198,740,010
Additions	7,195,404	165,366	2,501,284	325,000	10,187,054	5,000	10,192,054
Disposals	4,346,245	-	76,230	-	4,422,475	-	4,422,475
At 31 March 2018	77,932,518	1,075,347	4,603,182	117,052,792	209,508,789	3,845,750	204,509,589
Additions	64,093,663	1,672,860	2,355,561	3,321,500	71,443,584		71,443,584
Disposals	1,317,069		5,000		1,322,069		1,322,069
At 31 March 2019	140,709,112	2,748,207	6,953,743	120,374,292	72,765,653	3,845,750	274,631,104
Depreciation							
At 1 April 2017	14,656,513	304,882	371,979	28,889,589	44,222,963	1,015,925	45,238,888
Charge for the year	12,536,551	308,528	583,115	25,593,628	39,021,822	1,019,922	40,041,744
Disposals	1,170,353	-	26,481	-	1,196,834	-	1,196,834
At 31 March 2018	26,022,711	613,410	928,613	54,483,217	82,047,951	2,035,847	84,083,798
Charge for the year	18,549,503	609,402	1,161,066	26,008,993	46,328,964	1,017,510	47,346,474
Disposals	394,532		1,614		396,146		396,146
At 31 March 2019	44,177,682	1,222,812	2,088,065	80,492,210	127,980,769	3,053,357	131,034,126
Net Block							
At 31 March 2018	51,909,807	461,937	3,674,569	62,569,575	118,615,888	1,809,903	120,425,791
At 31 March 2019	96,531,430	1,525,395	4,865,678	39,882,082	142,804,584	792,393	143,596,977

Note 2.2 : Capital work in progress as at 31 March 2019 : Rs 3,253,649/- (31 March 2018 : Rs 8,618,424/-)



Valuable Digital Screens Private Limited
Notes to financial statements as at and for the period ended 31 March 2019

3. Others non current financial assets

	31 March, 2019	31 March, 2018
Non-current bank balances	834,372	222,980
	834,372	222,980

4. Other non current assets

	31 March, 2019	31 March, 2018
Capital Advances	882,602	2,139,202
Deposit with Government bodies and others		
Considered good	-	1,000,000
Credit impaired	1,000,000	-
	1,000,000	1,000,000
Less : Allowance for doubtful balances	(1,000,000)	-
	-	1,000,000
Prepaid Expenses	2,354,566	4,976,730
Repairs & Maint Charges (Insurance)	7,712,513	2,320,664
Advance income tax (net of provision)	10,949,681	10,436,596

5. Trade receivables (Unsecured)

	31 March, 2019	31 March, 2018
Considered good	140,857,849	33,101,648
Credit impaired	3,370,518	3,370,518
	144,228,367	36,472,166
Less : Allowance for doubtful trade receivable	(3,370,518)	(3,370,518)
	140,857,849	33,101,648

6. Financial Assets - Cash & Cash Equivalents

	31 March, 2019	31 March, 2018
Cash and cash equivalents		
Balances with banks :		
- On current accounts	3,228,211	1,572,536
- Cash credit accounts	-	441
Cash on hand	32,504	66,951
Fixed Deposits (maturity less than 3 months)	-	1,056,338
	3,260,715	2,696,266

7. Financial Assets - Bank Balance other than Cash & Cash Equivalents

	31 March, 2019	31 March, 2018
Other Bank Balances :		
Fixed Deposits (maturity more than 3 months, but less than 12 months)	519,825	556,894
Margin Money Pledged with Banks	-	-
	519,825	556,894

8. Financial Assets - Loan

	31 March, 2019	31 March, 2018
Security Deposit	410,446	294,281
Loans and Advances to Employees	73,464	95,000
Loan to Theatre		
Considered good	4,342,312	8,343,261
Credit Risk	4,000,000	-
	8,342,312	8,343,261
Less : Allowance for doubtful balances	(4,000,000)	-
	4,342,312	8,343,261
	4,826,222	8,732,542

9. Financial Assets - Other

	31 March, 2019	31 March, 2018
Unbilled revenue	5,732,140	838,264
Other receivables		
Considered good	-	-
Credit impaired	3,001,178	1,175,863
	3,001,178	1,175,863
Less : Allowance for doubtful balances	(3,001,178)	(1,175,863)
	-	-
	5,732,140	838,264



Valuable Digital Screens Private Limited
Notes to financial statements as at and for the period ended 31 March 2019

10. Other Current Assets (Unsecured, Considered good unless otherwise stated)

	31 March, 2019	31 March, 2018
Advance to vendor	4,162,280	6,493,860
Prepaid Expenses	11,673,862	8,145,691
Balance with Govt. Authorities	411,980	411,920
GST credit receivable	10,884,543	16,602,949
	27,132,665	31,654,420

11. Equity Share Capital

	31 March, 2019	31 March, 2018
Authorised share capital		
10,00,000 (31 March 2018 : 10,00,000) Equity Shares of Rs. 10/- each fully Paid up	10,000,000	10,000,000
	10,000,000	10,000,000
Share capital		
Issued, subscribed and fully paid up shares	144,750	144,750
14,475 (31 March 2018 : 14,475) Equity Shares of Rs. 10/- each fully Paid up		
Total issued, subscribed and fully paid up share capital	144,750	144,750

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

Equity shares	31 March 2019		31 March 2018	
	No.	Rupees	No.	Rupees
At the beginning of the year	14,475	144,750	14,475	144,750
Addition	-	-	-	-
Outstanding at the end of the year	14,475	144,750	14,475	144,750

(b) Terms/rights attached to equity shares

Voting rights

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

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

Name of the shareholder	31 March, 2019		31 March, 2018	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs 10 each fully paid				
Valuable Technologies Limited	-	-	2,895	20
UFO Moviez India Limited	14,475	100	11,580	80

12. Other Equity

	31 March, 2019	31 March, 2018
Securities premium account		
Balance as per last financial statements	16,961,145	16,961,145
Add: Additions on ESOPs exercised	-	-
Closing balance	16,961,145	16,961,145
Surplus in the statement of profit and loss		
Balance as per last financial statements	(426,004,542)	(287,881,679)
Profit for the year	(119,327,160)	(138,085,467)
Adjustment on account of depreciation pertaining to previous year	342,567	-
Items of Other Comprehensive Income recognised directly in Retained Earnings:-		
- Re-measurement gains (losses) on defined benefit plans	(66,945)	(37,396)
Net surplus in the statement of profit and loss	(545,056,080)	(426,004,542)
Total reserves and surplus	(528,094,935)	(409,043,397)

13. Financial Liabilities - Long-term borrowings (Secured)

	Non-Current portion		Current maturities	
	31 March, 2019	31 March 2018	31 March, 2019	31 March, 2018
Term loans				
Rupee loan from banks (secured by first charge on all fixed assets and all current assets of the Company)				
Term loan from AXIS BANK LTD	9,472,081	46,734,634	37,200,000	25,700,000
(Bank interest rate of base rate +0.45% i.e 9.50% and maturity is till 30 June 2020)				
Sub Total	9,472,081	46,734,634	37,200,000	25,700,000
Amount disclosed under the head "other current liabilities" (refer note	-	-	(37,200,000)	(25,700,000)
Net amount	9,472,081	46,734,634	-	-



Valuable Digital Screens Private Limited
Notes to financial statements as at and for the period ended 31 March 2019

14. Long Term Provision

	31 March, 2019	31 March, 2018
Provision for gratuity	963,559	650,130
Provision for Leave Encashment	771,468	640,290
	1,735,027	1,290,420

15. Financial Liabilities - Short Term Borrowing

	31 March, 2019	31 March, 2018
Financial Liabilities at amortised cost		
Secured (A)		
Cash Credit from ICICI Bank Limited (Interest Rate @ 9.10% p.a.)	128,054,409	107,023,559
Unsecured (B)		
I) Loan from Group Companies		
Scrabble Entertainment Limited	387,000,000	200,500,000
(Repayable on Demand, Average Interest Rate - 11.33% p.a.) (refer note 29)		
UFO Moviez India Limited	128,696,966	139,000,000
(Repayable on Demand, Average Interest Rate - 10.75% p.a.) (refer note 29)		
Sub Total (I)	515,696,966	339,500,000
Total (A+B)	643,751,375	446,523,559

16. Financial Liabilities - Trade and other payable

	31 March, 2019	31 March, 2018
Financial Liabilities at amortised cost		
Trade Payables		
a) Total Outstanding dues of micro enterprises and small enterprises (refer note 34)	-	-
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	88,138,159	34,723,806
	88,138,159	34,723,806

17. Financial Liabilities - Other Current Financial Liabilities

	31 March, 2019	31 March, 2018
Financial Liabilities at amortised cost		
Current maturities of Long Term Debts (refer Note 13)	37,200,000	25,700,000
Deposit from Theatres	1,285,000	885,000
Other deposit	99,819	99,819
Sub Total (A)	38,584,819	26,684,819
Other Payables		
Payables for purchase of fixed assets	-	5,407,136
Salary and reimbursement payable	70,000	7,273
Sub Total (B)	70,000	5,414,409
Interest accrued on borrowings		
Scrabble Entertainment Limited (refer Note 29)	74,814,400	41,227,865
UFO Moviez India Limited (refer Note 29)	7,205,657	12,915,618
Axis Bank Limited	468,180	578,286
Sub Total (C)	82,488,237	54,721,769
Sub Total (A+B+C)	121,143,056	86,820,997

18. Short Term Provision

	31 March, 2019	31 March, 2018
Provision for Gratuity	46,875	59,353
Provision for Leave Encashment	123,767	121,514
Provision for Expenses	-	-
	170,642	180,867

19. Other Current Liabilities

	31 March, 2019	31 March, 2018
Deferred Income	1,007,813	4,169,428
Advance from Customer	2,078,818	4,665,274
Statutory dues *	1,417,308	1,073,485
	4,503,939	9,908,187

* Statutory dues payable includes

Emplyee Provident Fund - Payable	220,198	169,976
MLWF - Payable	-	360
Profession Tax - Employee Payable	6,400	5,000
TDS Payable	1,190,710	898,149
	1,417,308	1,073,485



Valuable Digital Screens Private Limited

Notes to financial statements for the Period Ended 31 March 2019

20. Revenue from operations

	31 March, 2019	31 March, 2018
Revenue from operations		
Sale of Services		
Advertisement revenue	235,186,195	89,888,928
Content Income	4,569,159	3,502,874
Lease rental income	11,983,745	3,158,293
Service Income	2,861,736	984,255
Registration fees income	416,593	309,046
	255,017,428	97,843,396
Sales of products		
Sale of digital cinema equipment's	1,070,915	9,845,401
	1,070,915	9,845,401
Other Non operating income		
Sundry balance written back	554,874	20,479
	554,874	20,479
	256,643,217	107,709,276

21. Other income

	31 March, 2019	31 March, 2018
Miscellaneous income	77,013	11,182
	77,013	11,182

22. Operating direct cost

	31 March, 2019	31 March, 2018
Van Operating Cost	70,154,005	32,795,271
Interactive Setup Cost	36,120,000	2,500,000
Vehicle Hibernation Cost	6,828,620	11,511,447
Content Fee	12,300,775	10,768,293
Survey Expenses	27,524,253	9,298,080
Field Maintenance	19,991,403	12,145,472
Vehicle Transit Charges	11,290,954	2,547,841
Vehicle Insurance	1,792,615	1,929,334
Van Branding Charges	5,166,098	4,673,566
Rental Charges	168,282	560,000
Manpower Training Expenses	6,051,728	2,028,551
Road Tax-Vehicle	1,608,844	1,070,488
Technical service fees	2,089,156	1,901,735
Purchases of Traded Goods	1,599,365	7,231,914
	202,686,098	100,961,992

23. Employee benefit expense

	31 March, 2019	31 March, 2018
Salaries and wages	13,979,470	21,692,074
Contribution to provident and other funds	1,131,298	1,016,288
Gratuity expenses	370,448	311,183
Compensated absences	280,521	361,574
Staff welfare expenses	628,202	445,602
	16,389,939	23,826,721



Valuable Digital Screens Private Limited

Notes to financial statements for the Period Ended 31 March 2019

24. Other expenses

	31 March, 2019	31 March, 2018
Rent	1,001,167	748,672
Freight and forwarding charges	1,744,098	1,477,031
Legal, professional and consultancy charges	1,547,750	1,348,899
Sales promotion expenses	1,765,174	1,109,953
Electricity charges	7,570	5,663
Commission on advertisement revenue	16,144,364	8,846,313
Rates and taxes	41,737	1,470,843
Payment to auditor (please refer (i) below)	200,000	200,000
Repairs and maintenance		
-Plant and machinery	4,855,074	2,154,317
-Others	434,775	-
-Vehicals	3,142,929	284,066
Travelling and conveyance expenses	4,085,869	2,533,242
Communication and courier expenses	1,679,519	920,673
Printing and stationery	52,790	65,976
Bad debts written-off	10,168	1,854,821
Provision for Bad & Doubtful Debts	1,000,000	3,370,518
Provision for Loan and advance	5,802,127	1,200,000
Office Expenses	532,144	439,718
Miscellaneous expenses	2,483,282	938,953
Exchange Rate (Gain/loss)	13,401	4,712
Write Off of Fixed Assets	243,714	612,015
Loss on Sale of Fixed Assets	-	12,936
	46,787,652	29,599,321

(i) Payment to auditor

	31 March, 2019	31 March, 2018
As Auditor: -		
Audit Fees (Including Limited Review)	150,000	150,000
Tax Audit Fees	50,000	50,000
	200,000	200,000

25. Finance costs

	31 March, 2019	31 March, 2018
Interest on		
- Term loan	6,441,268	9,400,605
- Cash Credit	10,184,501	8,616,261
- Unsecured Loans	48,192,821	34,886,171
Bank charges	14,809	10,584
	64,833,399	52,913,621

26. Finance income

	31 March, 2019	31 March, 2018
Interest on		
- Fixed deposits	170,857	124,859
- Others	1,825,315	1,175,863
	1,996,172	1,300,722



VALUABLE DIGITAL SCREENS PRIVATE LIMITED
26A. Notes to Financial Statements for the year ended 31 March 2019

Income Tax

The major components of Income tax expense for the years ended 31st March 2019 and 31st March 2018 are as follows:-

	31 March 2019 Rupees	31 March 2018 Rupees
Current Income Tax	-	-
Adjustment relating to current Income tax of previous year	-	-
Deferred Tax:		
Related to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of Profit and Loss Account	-	-

Reconciliation of tax expense and the accounting profit multiplied by Indian domestic rate for 31st March 2018 & 31st March 2019 :-

	31 March 2019 Rupees	31 March 2018 Rupees
Accounting Profit before Income Tax	(11,93,27,160)	(13,83,22,219)
At India's statutory income tax rate 25.75% (LY 30.90%)	(3,07,26,744)	(3,56,17,971)
Tax effect on difference in depreciation	44,86,528	38,49,115
Tax effect on permanent disallowance	-	-
Tax effect on temporary disallowance	40,11,097	26,55,882
Deferred Tax Not Recognised due to uncertainty of profit in future years	2,22,29,119	2,88,76,222
Net Tax Expenses	-	(2,36,752)
Tax Expenses as per Statement of Profit and Loss Account	-	(2,36,752)

Temporary Difference & Unused Tax Losses on which Deferred Tax Asset is not Recognised in Balance Sheet

Particulars	Amount	Expiry Date
Temporary Difference:-		
Gratuity	3,00,951	Not Applicable
MLWF	-	Not Applicable
Leave Encashment	1,33,431	Not Applicable
TDS Disallowances	2,17,79,285	Not Applicable
Provision for Bad Debts	10,00,000	Not Applicable
Loss / (Gain) on Sale of Fixed Asset	-	Not Applicable
Unabsorbed Depreciation	10,98,50,076	Not Applicable
Unused Tax Losses:-		
Unabsorbed Business Losses - AY 2015-16	52,53,974	31-Mar-22
Unabsorbed Business Losses - AY 2016-17	8,16,20,732	31-Mar-23
Unabsorbed Business Losses - AY 2017-18	13,19,80,344	31-Mar-24
Unabsorbed Business Losses - AY 2018-19	8,41,83,863	31-Mar-25
Unabsorbed Business Losses - AY 2019-20	8,63,26,677	31-Mar-26

- Deferred Tax for timing difference between profits and book profits is accounted for, using Tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet Date. the company has brought forward losses and unabsorbed depreciation from past few years, however Deferred Tax Assets/Liabilities are not recognized as there is no reasonable certainty that these Assets/Liabilities can be realised/accrued in future.

- For FY 2016-17 income tax bracket of company was 30.90% (including cess). However as per Finance Act 2017, the same has been brought down to 25.75%

- Income Tax figures are subject to Tax Audit & Assessments



VALUABLE DIGITAL SCREENS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2019

27. Earning Per Share (IND AS-33):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particular	31 March 2019 Rupees	31 March 2018 Rupees
a). Profit/ (Loss) after tax as reported (Rs.)	(119,327,160)	(138,085,467)
b). Weighted Average Number of equity shares considered for calculating Earnings Per Share	14,475	14,475
c). Earnings Per Share (Rs.)		
Basic	(8,244)	(9,540)
Diluted	(8,244)	(9,540)
d). Nominal Value Per Share (Rs.)	10	10

28. Gratuity and other post-employment benefit plans -

a) Defined Contribution plan

The Company has recognised and included in Note 23 "contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

Particulars	31 March 2019	31 March 2018
Contribution to Provident fund	1,085,281	964,806
Administration Charges - Provident Fund	46,017	51,482
	<u>1,131,298</u>	<u>1,016,288</u>

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 company has made provision for gratuity and leave encashment / compensated leave absences as per the actuarial reports based on projected unit credit method. The company has not invested in any scheme for the employment benefits. The payment of gratuity is required by the Payment of Gratuity Act, 1972.

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

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2019

Particulars	Defined benefit obligation	Fair value of Plan assets	Benefit Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2018	709,483	-	709,483
Service Cost	314,723		314,723
Net Interest Expense	53,173		53,173
Past Service Cost	-		-
Investment Income	-		-
Reconginsed in the statement of profit and loss	367,896	-	367,896
Benefit paid			
Remeasurement gains/losses in other Comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)			-
Actuarial changes arising from changes in demographic assumptions	34,840		34,840
Actuarial changes arising from Changes in financial assumptions	12,658		12,658
Experience Adjustments	(114,443)		(114,443)
Net actuarial (gain) / loss recognized in the year	-		-
Recognised in Other Comprehensive Income	(66,945)	-	(66,945)
Contribution by employer	-		-
As at 31 March 2019	1,010,434	-	1,010,434



VALUABLE DIGITAL SCREENS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2019

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2018

Particulars	Defined benefit obligation	Fair value of Plan assets	Benefit Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2017	360,904	-	360,904
Service Cost	287,020	-	287,020
Net Interest Expense	24,163	-	24,163
Past Service Cost	-	-	-
Investment Income	-	-	-
Recongised in the statement of profit and loss	311,183	-	311,183
Benefit paid	-	-	-
Remeasurement gains/losses in other Comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from Changes in financial assumptions	(39,987)	-	(39,987)
Experience Adjustments	77,383	-	77,383
Net actuarial (gain) / loss recognized in the year	-	-	-
Recognised in Other Comprehensive Income	37,396	-	37,396
Contribution by employer	-	-	-
As at 31 March 2018	709,483	-	709,483

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2019	31 March 2018
Discount rate	7.30%	7.50%
Future Salary increase	8.00%	8.00%
Employee turnover	13.10%	15.00%
Retirement age (years)	58	58

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 31 March 2019	DBO 31 March 2018
Discount rate (-1%)	1,087,534	760,179
Discount rate (+1%)	941,891	664,130
Salary Growth rate (-1%)	941,710	663,759
Salary Growth rate (+1%)	1,086,259	759,441

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. In practice, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

The following payments are expected contributions to the defined benefit plan in future years

Particulars	31 March 2019	31 March 2018
Within the next 12 months(next annual reporting period)	1,010,434	709,483
Total expected payments	1,010,434	709,483

The weighted-average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2018: 7 years)

Details of the benefit plan for the current year and previous three years:

Gratuity	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Present value of the defined benefit obligation	1,010,434	709,483	360,904	478,213
Fair value of the plan assets	-	-	-	-
Surplus / (deficit) in the plan	(1,010,434)	(709,483)	(360,904)	(478,213)
Experience adjustments arising on				



VALUABLE DIGITAL SCREENS PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2019

29. Related Party Disclosures (IND AS-24)

A. Name of related parties where control exists irrespective of whether transactions have occurred or not

Holding Company	UFO Moviez India Limited
Subsidiary of Holding Company	Scrabble Entertainment Limited Scrabble Digital Limited

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Valuable Technologies Limited
Jaysinh Pictures Pvt. Ltd

B. Information about Related Parties Transactions:

Particulars	31 March 2019	31 March 2018
Name of the Parties and Nature of Expenses and Income		
1. Holding Company UFO Moviez India Limited		
A. Income		
i) Advertisement income	93,803,729	1,364,850
ii) Content provisional (distributors)	953,586	78,261
iii) Franchise income	82,947	-
B. Expenses		
i) Purchase of equipments	428,254	-
ii) Unsecured loan received	74,200,000	71,000,000
iii) Interest expenses on loan	10,874,451	13,152,330
iv) Rent	265,802	-
v) Reimbursement of expenses	122,396	-
C. Security deposits given	116,165	-
D. Unsecured loan repaid back	84,503,034	-
E. Interest paid on loan	15,496,966	-
2. Fellow Subsidiary		
A. Scrabble Entertainment Limited		
i) Unsecured loan received	186,500,000	40,500,000
ii) Interest expenses on loan	37,318,370	21,652,878
B. Scrabble Digital Limited		
Content processing cloning expenses	8,500	-
3. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A. Jaysinh Pictures Pvt. Ltd		
Content fees	5,000	70,000
B. Media Infotek Park		
Rent	252,181	240,182
C. Valuable Technologies Limited		
Technical services fee	1,057,681	1,681,735
C. Balance outstanding at the end of year ending 31st March, 2019		
1. Holding Company UFO Moviez India Limited		
i) Trade payables	-	4,438,816
ii) Loan payable	128,696,966	139,000,000
iii) Interest payable	7,205,657	12,915,618
iv) Trade receivable	60,018,429	-
v) Security deposits receivable	116,165	-
2. Fellow Subsidiary Scrabble Entertainment Limited		
i) Loan payable	387,000,000	200,500,000
ii) Interest payable	74,814,400	41,227,865
3. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A) Media Infotek Park		
Security deposits receivable	194,481	194,481
B) Valuable Technologies Limited		
Trade payables	-	2,759,606



VALUABLE DIGITAL SCREENS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2019

30. Segmental Reporting (Ind AS - 108)

The Company is engaged primarily in the business of advertisement. The Company's performance for operations as defined in IND AS 108 are evaluated as a whole by chief operating decision maker of the Company based on which these are considered as single operating segment. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment. The Company's operations are based in same geographical segment, India.

31. Disclosure under Section 186 in respect of Loans & Advances given by the Company

Name of Party	Loan Given (Rs.)	Purpose
Thattipali Mohan Raj (Raj Cinema)	8,343,261	To set up and develop the franchised Theatre at the said property.

32. Impairment of Assets (Ind AS 36)

Based on exercise of impairment of assets undertaken by the management, in due cognizance of Paragraph 7 to 17 of Indian Accounting Standard-36, the Company has concluded that there exists no indication of impairment & accordingly, no Impairment Loss is required to be booked.

33. Contingent Liabilities (Ind AS 37)

There is no contingent liability as on the Balance Sheet date for which the Company required to make provision in the books of accounts.

34. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

- | | |
|---|-----|
| a). Trade payable due to Micro and Small Enterprises. | Nil |
| b). The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil |
| c). The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | Nil |

35. Other Notes

- Balances in Sundry Creditors, Debtors and Loans & Advances are subject to confirmations and reconciliations.
- In the opinion of the Board of Directors, the Current Assets and Non-Current Assets have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and adequate provision for all known liabilities of the Company have been made.
- Previous year figures
 - Figures have been rounded off to the nearest rupee.
 - Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.

As per our report of even date attached

For Shetty Naik & Associates
Firm Registration No. 124851W
Chartered Accountants

Jagdish Shetty
Partner
Membership No: 111936
Place of Signature: Mumbai
Date: May 14, 2019



For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited

Deepak Ranjan
Director
DIN No.: 02852565

Pankaj Jaysinh Madhani
Director
DIN No.: 01564221

Valuable Digital Screens Private Limited
Statement of Change in Equity as at 31 March 2019

Particulars	EQUITY SHARE CAPITAL	OTHER EQUITY		Total equity attributable to equity holders of the Company	
		Reserves & Surplus		Other Comprehensive Income	
		Retained Earnings	Securities Premium		
Balance as on April 1, 2018	144,750	(425,967,145)	16,961,145	(37,396)	(408,898,646)
Profit for the period		(119,327,160)			(119,327,160)
Other Comprehensive Income					-
Balance as on March 31, 2019	144,750	(545,294,305)	16,961,145	(37,396)	(528,225,806)

Particulars	EQUITY SHARE CAPITAL	OTHER EQUITY		Total equity attributable to equity holders of the Company	
		Reserves & Surplus		Other Comprehensive Income	
		Retained Earnings	Securities Premium		
Balance as on April 1, 2017	144,750	(287,881,679)	16,961,145	-	(270,775,784)
Profit for the period		(138,085,466)			(138,085,466)
Other Comprehensive Income				(37,396)	(37,396)
Balance as on March 31, 2018	144,750	(425,967,145)	16,961,145	(37,396)	(408,898,646)

