VALUABLE DIGITAL SCREENS PRIVATE LTD.

53/1, Valuable Techno Park,
Road No. 7, Nr. Akruti Trade Centre,
MIDC, Andheri (East),
Mumbai 400093.

AUDITED FINANCIAL STATEMENTS
FOR
FINANCIAL YEAR - 2019-20

M/s. Shetty Naik & Associates
Chartered Accountants
31, Madhuban Industrial Estate, Plot No. 30,
Off Mahakali Caves Road, Near Paper Box Industry,
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INDEPENDENT AUDITOR'S REPORT

To the Members of **Valuable Digital Screens Private Limited.**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Valuable Digital Screens Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other Comprehensive Income), the statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules ,2015, as amended ,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained

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is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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, 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and access the risks of material misstatement of the standalone 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 financial controls 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 control systems 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

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to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

Other Matters

1. We draw attention to the Note no 37 of the financial statement for the year ended on March 31, 2020, in respect of the Schemes of Arrangement (Demerger) between Valuable Digital Screens Private Limited and UFO Moviez India Limited as approved by The National Company Law Tribunal (NCLT) , the assets and liabilities and Profit and Loss of Caravan Division of Valuable Digital Screens Private Limited have been taken over by UFO Moviez India Limited at their book values.

   Our opinion is not modified in respect of this matter.

2. We draw attention to Note 1.2 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 from the holding Company. Also, the

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company has demerged its Caravan division and has ventured into the new business of exhibiting movies under NOVA brand for which management is of the opinion that the high initial cost incurred shall be leveraged with the complete implementation of the project.

Our opinion is not modified in respect of this matter.

3. Effects of COVID 19 -

We draw attention to Note No 40 in the financial statements, which describe the operational disruptions the entity is facing as a result of COVID -19, which is impacting the consumer demand, prices for services rendered, personnel available for work and or being able to access offices.

The management does not foresee the need for any adjustment on account of COVID 19 in the financial statements as on March 31st 2020, as it does not significantly impact the current financial year.

Since the situation is constantly evolving, as informed, the management is closely monitoring the situation and the overall effect of these events on the company and its operations is too premature to be estimated at this time. The impacts will be accounted for when they are known and may be assessed accordingly.

Our opinion is not modified in respect of this matter.

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.

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2. As required by Section 143(3) of the Act, based on our audit 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its Ind AS financial statements. – Refer Note No. 36 to the Financials.

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ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred in Investor Education and Protection Fund by the Company.

For **Shetty Naik and Associates**
Chartered Accountants
Firm Registration No: 124851W

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

CA. JAGDISH SHETTY
Partner
Membership No: 111936
UDIN:20111936AAAACX6959
Date: 18th June, 2020
Place: Mumbai

Annexure referred to the Auditors' Report

"Appendix A" to Independent Auditors 'Report referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

(i) (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, having regards to the size of the company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification by the management.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, does not own any immovable property hence the said sub-clause is not applicable.

(ii) As per Management, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) According to the 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.

(iv) 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

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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. 34** to the financial statements.

(v) 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.

(vi) 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.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs ,duty of excise , service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund , employees' state insurance , income –tax, sales tax ,value added tax , duty of customs , duty of excise ,service tax ,cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and the information and explanations given to us, there are no disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, Cess, except for the following –

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Nature of the Statue	Nature of Dues	Forum where the Dispute is Pending	Period to which the amount related	Amount (₹)
The Maharashtra Sales Tax Act	VAT & CST	Deputy Commissioner of Sales Tax (Appeals)	2014-15	6,26,795/-

(viii) 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.

(ix) 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.

(x) According to the information and explanations 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.

(xi) 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.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

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(xiii) 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.

(xiv) 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.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Shetty Naik and Associates**
Chartered Accountants
Firm Registration No: 124851W

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

CA. JAGDISH SHETTY
Partner
Membership No: 111936
UDIN:20111936AAAACX6959
Date: 18th June, 2020
Place: Mumbai

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Valuable Digital Screens Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **VALUABLE DIGITAL SCREENS PRIVATE LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

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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 internal financial controls system over financial reporting of the Company.

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 authorizations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition ,use , or disposition of the company's assets that could have a material effect on the financial statements.

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

SNA **SHETTY NAIK & ASSOCIATES**
Chartered Accountants

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 controls 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 , to the best of our information and according to the explanations given to us ,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,2020, 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 Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **Shetty Naik and Associates**
Chartered Accountants
Firm Registration No: 124851W

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

CA. JAGDISH SHETTY
Partner
Membership No: 111936
UDIN:20111936AAAACX6959
Date: 18th June, 2020
Place: Mumbai

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 14 July, 2006 under the provisions of the Companies Act, 1956. The registered office of the company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai. The Company is into the business of providing digital cinema services. The Company's principal revenue stream is Content Service Charges to Cinema Theatres and from operation of Box Office. The Company is subsidiary of UFO Moviez India Limited.

1.2 Going Concern :

For the year ended March 31, 2020, the Company has incurred a loss of Rs. 1,77,29,155/- (31 March, 2019 - Loss Rs.72,37,694/-) and has accumulated losses of Rs. 1,20,73,168/- . 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 31 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

1.4 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

1.5 Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
•Expected to be realized in normal operating cycle or within twelve month after the reporting period or
•Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or
• There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company

1.6 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) Revenue from Services:
Revenue from services is recognized, at a point in time or over time, on satisfaction of performance obligation for the services renderted as under:
(i) Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time.
(ii) Revenue from other Services is recognised over the period of contract or at a point in time, as per contractual terms.
(iii) 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 in which services are rendered.

b) Sale of Food and Beverages:
Food and beverages revenue is recognized when the control of goods have been transferred to the customers. The performance obligation in case of products is satisfied at a point in time i.e. at the point of sale.

c) Other 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.

d) Service Fee charged to theatre exhibitors for content provisioning under franchised "Nova Theatre" and "Club Cinema" is shown net of cost-to-cost reimbursement of Content Screening Cost / Distributor's Share of Income from screening of movies payable to the Distributor.

1.7 **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.

1.8 **Inventory**

Food & beverages - 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 taxes and other levies and is determined on a weighted average basis.

1.9 **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, Furniture and Fixtures, Office Equipment's , 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.

1.10 **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 funds.

1.11 **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.

1.12 **Investment**

Investments, which are readily realizable and intended to the 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.

1.13 **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 spilt, 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.

1.14 **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.

1.15 **Provisions**

A provisions 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 certainty. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

1.16 **Contingent Liabilities**

A contingent liabilities is a possible obligation that arise 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.

1.17 **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.

1.18 **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.

1.19 **Leases**

The company has recognised a right-of-use asset and a lease liability at the lease commencement date and in case of lease term commencing before the date of initial application, from the date of initial application accordingly. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments or amount of prepaid rent made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The company has used the nominal rate implicit in the lease as @10% for discounting.

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

Valuable Digital Screens Private Limited

Balance Sheet as at 31 March 2020

Particulars	Notes	31 March 2020	31 March 2019
Assets			
Non-current Assets			
Property, plant and equipment	2.1	3,06,42,594	2,19,24,353
Right to use	2.1	3,13,82,396	-
Capital work-in-progress	2.2	34,93,767	32,53,649
Other Intangible assets	2.1	1,29,710	7,89,105
Others financial assets	3	-	8,34,372
Income tax assets (net)		8,37,701	5,02,261
Other non-current assets	4	1,10,28,703	9,50,709
Total Non-current Assets (A)		**7,75,14,871**	**2,82,54,449**
Current Assets			
Inventories	5	63,259	-
Financial assets			
(i) Trade receivables	6	65,74,770	69,67,007
(ii) Cash and cash equivalents	7	46,22,289	32,60,715
(iii) Bank balances other than (ii) above	8	8,88,859	5,19,825
(iv) Loans	9	47,06,431	46,57,758
(v) Others financial assets	10	-	-
Other current assets	11	1,59,34,842	68,28,511
Total Current Assets (B)		**3,27,90,450**	**2,22,33,816**
Total Assets (A+B)		**11,03,05,321**	**5,04,88,265**
Equity And Liabilities			
Equity			
a) Equity share capital	12	1,44,750	1,44,750
b) Other equity	13	(1,39,39,137)	37,90,019
Total Equity (C)		**(1,37,94,387)**	**39,34,769**
Liabilities			
Non-current Liabilities			
Financial liabilities			
Lease liabilities		2,40,33,026	-
Provisions	14	4,43,563	2,17,680
Total Non-current Liabilities		**2,44,76,589**	**2,17,680**
Current Liabilities			
Financial liabilities			
(i) Borrowings	15	6,84,43,416	3,35,53,239
(ii) Lease liabilities		78,00,000	-
(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		55,55,963	17,92,100
(iii) Other financial liabilities	17	1,22,87,662	67,79,429
Provisions	18	62,819	60,373
Other current liabilities	19	54,73,259	41,50,675
Total Current Liabilities		**9,96,23,119**	**4,63,35,816**
Total Liabilities (D)		**12,40,99,708**	**4,65,53,496**
Total Equity And Liabilities (C+D)		**11,03,05,321**	**5,04,88,265**
Summary of significant accounting policies	1		

The accompanying notes 1 to 40 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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Jagdish Shetty
Partner
Membership No: 111936
Place of Signature: Mumbai
Date: 18.06.2020

For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited
CIN : U72900MH2006PTC163092

Deepak Ranjan
Director
DIN No. 02852565

Pankaj Jaysinh Madhani
Director
DIN No. 01564221

Valuable Digital Screens Private Limited

Statement of Profit and Loss Account for the year ended 31 March 2020

Particulars	Notes	For the year 31 March 2020	For the year 31 March 2019
Revenue from operations	20	1,81,10,513	1,52,10,161
Other income	21	1,95,340	41,290
Total Income - (I)		**1,83,05,853**	**1,52,51,451**
Expenses			
Operating direct cost	22	7,50,204	13,32,090
Employee benefits expenses	23	74,85,717	30,55,257
Other expenses	24	1,58,16,641	1,10,34,488
Total expenses - (II)		**2,40,52,562**	**1,54,21,835**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(57,46,709)**	**(1,70,384)**
Depreciation and amortisation expense	2	83,78,081	49,04,912
Finance cost	25	66,28,765	40,91,626
Finance income	26	(29,36,939)	(19,96,172)
Profit/(Loss) before tax		**(1,78,16,616)**	**(71,70,750)**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit (Loss) for the period		**(1,78,16,616)**	**(71,70,750)**
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of Net Defined Benefit Liability		87,460	(66,945)
(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		**(1,77,29,156)**	**(72,37,695)**
Earnings per equity share (Face value of shares of Rs 10 each)			
(1) Basic		(1,225)	(500)
(2) Diluted		(1,225)	(500)

Summary of significant accounting policies 1

The accompanying notes 1 to 40 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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Jagdish Shetty
Partner
Membership No: 111936
Place of Signature: Mumbai
Date: 18.06.2020

For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited
CIN : U72900MH2006PTC163092

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 2020

Particulars		31 March 2020	31 March 2019
Cash flow from operating activities			
Profit before Tax		**(1,78,16,616)**	**(71,70,750)**
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment		83,78,081	49,04,912
Remeasurements of the defined benefit plans		87,460	(66,945)
Provision for doubtful debts		-	10,00,000
Provision for loan and advance		72,03,875	58,02,127
Provision for compensated absences		1,86,736	22,841
Provision for gratuity		1,30,428	(31,741)
Prepaid lease rental amortised (Ind AS109)		37,554	-
Sundry credit balances written back		46,990	(4,70,153)
Interest Income		(29,36,939)	(19,96,172)
Interest expense		56,17,502	40,76,817
Operating profit before working capital changes		**9,35,071**	**60,70,936**
Movements in working capital :			
Increase / (decrease) in trade payables		37,16,873	(9,66,843)
Increase / (decrease) in other financial liabilities		(72,512)	4,00,000
Increase / (decrease) in long-term provisions		2,25,883	(30,554)
Increase / (decrease) in short -term provisions		(3,14,718)	69,273
Increase / (decrease) in other current liability		13,22,584	(11,07,196)
Decrease / (increase) in trade receivables		3,92,237	2,23,341
Decrease / (Increase) in inventories		(63,259)	-
Decrease / (increase) in financial assets loans		7,17,635	40,44,784
Decrease / (increase) in other current assets		(91,06,331)	11,82,292
Decrease / (increase) in others non current financial assets		8,34,372	(6,11,392)
Decrease / (Increase) in other financial assets		(72,03,875)	(51,67,089)
Decrease / (increase) in other non current assets		(63,880)	(95,000)
Cash generated from operations		**(86,79,920)**	**40,12,552**
Direct tax paid (net of refunds)		(3,35,440)	(2,36,110)
Net cash flow from operating activities	**(A)**	**(90,15,360)**	**37,76,442**
Cash flow from investing activities			
Purchase of fixed assets including intangible, capital work in progress & capital advances		(2,42,42,806)	(1,58,94,580)
Maturity of bank deposits having original maturity more than 3 months (net)		(3,69,034)	37,069
Proceeds from sale of fixed assets		-	33,026
Interest received		29,36,939	19,96,172
Net cash flow used in investing activities	**(B)**	**(2,16,74,901)**	**(1,38,28,313)**
Cash flow from financing activities			
Proceeds from long term borrowings from subsidiaries		3,48,90,177	1,10,23,996
Finance lease obligation Ind AS 116		(14,72,724)	-
Interest Fee Security Deposit impact under Ind AS 109		(8,03,861)	-
Interest paid		(5,61,757)	(4,07,676)
Net cash flow from financing activities	**(C)**	**3,20,51,835**	**1,06,16,320**
Net increase/(decrease) in cash and cash equivalent (A + B + C)		**13,61,574**	**5,64,449**
Cash and cash equivalents at the beginning of the year		32,60,715	26,96,266
Cash and cash equivalents at the end of the period		**46,22,289**	**32,60,715**
Components of cash and cash equivalents			
Cash on hand		11,025	32,504
Balance with banks:			
- on current accounts		46,11,264	32,28,211
Cash and cash equivalents (refer note 7)		**46,22,289**	**32,60,715**

Notes:

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

Summary of significant accounting policies 1

The accompanying notes 1 to 40 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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Jagdish Shetty
Partner
Membership No. 111936
Place of Signature: Mumbai
Date: 18.06.2020

For and on behalf of Board of Directors
of Valuable Digital Screens Private Limited
CIN : U72900MH2006PTC163092

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 31st March 2020

A. Share Capital

Particulars	31 March 2020	31 March 2019
Balance at the beginning of year	1,44,750	1,44,750
Changes in equity share capital during the reporting year	-	-
Balance at the end of reporting year	**1,44,750**	**1,44,750**

B. Other equity

PARTICULARS	RESERVES & SURPLUS			TOTAL EQUITY
	Securities Premium	Retained Earnings	Capital Reserve	
Balance as on 1 April 2018	1,69,61,145	(42,60,04,541)	-	(40,90,43,396)
Profit for the period	-	(11,89,84,593)	-	(11,89,84,593)
Transfer on Account of Demerger	-	55,07,12,067	(1,88,27,114)	53,18,84,953
Other Comprehensive Income	-	(66,945)		(66,945)
Balance as on 31 March 2019	**1,69,61,145**	**56,55,988**	**(1,88,27,114)**	**37,90,019**
Profit for the period		(1,78,16,616)		(1,78,16,616)
Other Comprehensive Income		87,460		87,460
Balance as on 31 March 2020	**1,69,61,145**	**(1,20,73,168)**	**(1,88,27,114)**	**(1,39,39,137)**

Valuable Digital Screens Private Limited

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

	Plant & Machinery	Right To Use	Computer Systems	Motor Car	Office Equipment's	Total	Patent & Trademark	Grand Total
Cost								
At 1 April 2018	97,11,758		1,11,241	-	48,931	98,71,930	28,22,125	1,26,94,055
Additions	1,77,16,350		43,700		-	1,77,60,050	-	1,77,60,050
Disposals	33,110		-		5,000	38,110	-	38,110
At 31 March 2019	**2,73,94,998**	**-**	**1,54,941**	**-**	**43,931**	**2,75,93,870**	**28,22,125**	**3,04,15,995**
Additions	97,29,280	3,33,05,750	4,04,800	41,52,956	1,16,539	4,77,09,324	1,10,000	4,78,19,324
Disposals	-		-		-	-		-
At 31 March 2020	**3,71,24,277**	**3,33,05,750**	**5,59,741**	**41,52,956**	**1,60,470**	**7,53,03,194**	**29,32,125**	**7,82,35,319**
Depreciation								
At 1 April 2018	17,51,549		22,537	-	12,113	17,86,199	10,16,510	28,02,709
Charge for the year	38,29,199		49,897		9,306	38,88,402	10,16,510	49,04,912
Disposals	3,470		-		1,614	5,084	-	5,084
At 31 March 2019	**55,77,278**	**-**	**72,434**	**-**	**19,805**	**56,69,517**	**20,33,020**	**77,02,537**
Charge for the year	55,42,866	19,23,353	82,660	45,387	14,420	76,08,686	7,69,395	83,78,081
Disposals	-		-		-	-	-	-
At 31 March 2020	**1,11,20,144**	**19,23,353**	**1,55,094**	**45,387**	**34,225**	**1,32,78,203**	**28,02,415**	**1,60,80,618**
Net Block								
At 31 March 2019	**2,18,17,720**	**-**	**82,507**	**-**	**24,126**	**2,19,24,353**	**7,89,105**	**2,27,13,458**
At 31 March 2020	**2,60,04,133**	**3,13,82,396**	**4,04,647**	**41,07,569**	**1,26,245**	**6,20,24,991**	**1,29,710**	**6,21,54,701**

* The above figures represent the Property, Plant & Other Intangible Assets pertaining to the company other than the demerged caravan business. The assets transferred on account of Demerger have been separately shown in Note No. 2.3

Note 2.2 : Capital work in progress as at 31 March 2020 : Rs. 34,93,767/- (31 March 2019 : Rs 32,53,649/-)

Note 2.3 : Transfer of Asset on Account of Demerger of Caravan Business as on 01.04.2019

Cost	11,77,38,556	-	28,39,585	12,67,98,396	69,70,588	25,43,47,124	18,500	25,43,65,624
Depreciation	4,30,24,846	-	13,96,699	8,69,16,314	21,29,036	13,34,66,895	15,212	13,34,82,107
Net Block	**7,47,13,710**	**-**	**14,42,886**	**3,98,82,082**	**48,41,552**	**12,08,80,230**	**3,288**	**12,08,83,518**

Valuable Digital Screens Private Limited
Notes to financial statements for the period ended 31 March 2020

3. Others non current financial assets

	31 March 2020	31 March 2019
Non-current bank balances	-	8,34,372
	-	**8,34,372**

4. Other non current assets

	31 March 2020	31 March 2019
Capital Advances	1,08,69,823	8,55,709
Deposit with Government bodies and others		
Considered good	1,58,880	95,000
Credit impaired	10,00,000	10,00,000
	11,58,880	10,95,000
Less : Allowance for doubtful balances	(10,00,000)	(10,00,000)
	1,58,880	95,000
Advance income tax (net of provision)		
	1,10,28,703	**9,50,709**

5. Inventories

	31 March 2020	31 March 2019
Canteen Inventory	63,259	-
	63,259	**-**

6. Trade receivables (Unsecured)

	31 March 2020	31 March 2019
Considered good	65,74,770	69,67,007
Credit impaired	-	-
	65,74,770	69,67,007
Less : Allowance for doubtful trade receivable	-	-
	65,74,770	**69,67,007**

7. Financial assets - Cash & cash equivalents

	31 March 2020	31 March 2019
Cash and cash equivalents		
Balances with banks :		
On current accounts	46,11,264	32,28,211
Cash on hand	11,025	32,504
	46,22,289	**32,60,715**

8. Financial assets - Bank balance other than cash & cash equivalents

	31 March 2020	31 March 2019
Other bank balances :		
Fixed Deposits (maturity more than 3 months, but less than 12 months)	8,88,859	5,19,825
	8,88,859	**5,19,825**

9. Financial assets - Loan

	31 March 2020	31 March 2019
	43,920	
Security Deposit	37,64,569	3,15,446
Prepaid Lease rental	7,66,308	-
Loans and Advances to Employees	1,75,554	-
Loan to Theatre		
Considered good	-	43,42,312
Credit Risk	83,43,261	40,00,000
	83,43,261	83,42,312
Less : Allowance for doubtful balances	(83,43,261)	(40,00,000)
	-	43,42,312
	47,06,431	**46,57,758**

10. Financial assets - Other

	31 March 2020	31 March 2019
Other receivables		
Considered good	-	-
Credit impaired	58,62,741	30,02,127
	58,62,741	30,02,127
Less : Allowance for doubtful balances	(58,62,741)	(30,02,127)
	-	-
	-	-

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

	31 March 2020	31 March 2019
Advance to vendor	1,13,55,691	39,21,973
Prepaid expenses	46,874	87,271
Balance with Government authorities	4,11,920	4,11,920
GST Credit receivable	41,20,357	24,07,347
	1,59,34,842	**68,28,511**

12. Equity share capital

	31 March 2020	31 March 2019
Authorised share capital		
10,00,000 (31 March 2019 : 10,00,000) Equity Shares of Rs. 10/- each fully Paid up	1,00,00,000	1,00,00,000
	1,00,00,000	**1,00,00,000**
Share capital		
Issued, subscribed and fully paid up shares	1,44,750	1,44,750
14,475 (31 March 2019 : 14,475) Equity Shares of Rs. 10/- each fully Paid up		
Total issued, subscribed and fully paid up share capital	**1,44,750**	**1,44,750**

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

Equity shares	31 March 2020		31 March 2019	
	No.	Rupees	No.	Rupees
At the beginning of the year	14,475	1,44,750	14,475	1,44,750
Addition	-	-	-	-
Outstanding at the end of the year	**14,475**	**1,44,750**	**14,475**	**1,44,750**

(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. No dividend has been declared during this quarter.

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 2020		31 March, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs 10 each fully paid				
UFO Moviez India Limited	**14,475**	**100**	**14,475**	**100**

13. Other equity

	31 March 2020	31 March 2019
Securities premium account		
Balance as per last financial statements	1,69,61,145	1,69,61,145
Add: Additions on ESOPs exercised	-	-
Closing balance	**1,69,61,145**	**1,69,61,145**
Capital reserve		
Balance as per the last financial statements	(1,88,27,114)	(1,88,27,114)
Add : Capital reserve on demerger	-	-
Closing Balance	**(1,88,27,114)**	**(1,88,27,114)**
Surplus in the statement of profit and loss		
Balance as per last financial statements	56,55,988	1,28,93,682
Profit for the year	(1,77,29,156)	(72,37,694)
Net surplus in the statement of profit and loss	**(1,20,73,168)**	**56,55,988**
Total reserves and surplus	**(1,39,39,137)**	**37,90,019**

14. Long term provision

	31 March 2020	31 March 2019
Provision for gratuity	2,02,263	1,33,543
Provision for Leave Encashment	2,41,300	84,137
	4,43,563	**2,17,680**

15. Financial liabilities - Short term borrowing

	31 March 2020	31 March 2019
Financial Liabilities at amortised cost		
Unsecured		
UFO Moviez India Limited	6,84,43,416	3,35,53,239
(Repayable on Demand, Average Interest Rate - 10.93% p.a.) (refer note 29)		
	6,84,43,416	**3,35,53,239**

16. Financial liabilities - Trade and other payable

	31 March 2020	31 March 2019
Financial liabilities at amortised cost		
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	55,55,963	17,92,100
	55,55,963	**17,92,100**

17. Financial liabilities - Other current financial liabilities

	31 March 2020	31 March 2019
Financial liabilities at amortised cost		
Deposit from Theatres	10,35,000	12,85,000
Other deposit	1,69,750	-
Sub Total (A)	**12,04,750**	**12,85,000**
Other payables		
Payables for purchase of fixed assets	5,25,000	-
Salary and reimbursement payable	7,738	-
Sub Total (B)	**5,32,738**	-
Interest accrued on borrowings		
UFO Moviez India Limited (refer Note 29)	1,05,50,174	54,94,429
Sub Total (C)	**1,05,50,174**	**54,94,429**
Sub Total (A+B+C)	**1,22,87,662**	**67,79,429**

18. Short term provision

	31 March 2020	31 March 2019
Provision for Gratuity	21,123	46,875
Provision for Leave Encashment	41,696	13,498
	62,819	**60,373**

19. Other current liabilities

	31 March 2020	31 March 2019
Deferred Income	4,70,792	5,57,797
Advance from Customer	46,11,956	21,75,630
Statutory dues *	3,90,511	14,17,248
	54,73,259	**41,50,675**

*** Statutory dues payable includes**		
Employer Provident Fund - Payable	1,60,099	2,26,538
Profession Tax - Employee Payable	8,500	-
TDS Payable	2,21,912	11,90,710
	3,90,511	**14,17,248**

20. Revenue from operations

	For the year	
	31 March 2020	**31 March 2019**
Revenue from operations		
Sale of services		
Content income	50,40,614	45,69,159
Lease rental income	65,85,723	58,21,605
Service Income	45,93,561	28,61,736
Income Related Box Office - Theatre	19,37,605	-
Registration fees income	-	4,16,593
	1,81,57,503	**1,36,69,093**
Sales of products		
Sale of digital cinema equipment's	-	10,70,915
	-	**10,70,915**
Other Non operating income		
Sundry balance written back	(46,990)	4,70,153
	(46,990)	**4,70,153**
	1,81,10,513	**1,52,10,161**

21. Other income

	31 March 2020	31 March 2019
Miscellaneous income	1,95,340	41,290
	1,95,340	**41,290**

22. Operating direct cost

	31 March 2020	31 March 2019
Purchases of traded goods	-	13,32,090
Distributors Share	6,62,670	-
Canteen expenses	87,534	-
	7,50,204	**13,32,090**

23. Employee benefit expense

	31 March 2020	31 March 2019
Salaries and wages	62,78,963	26,46,236
Contribution to provident and other funds	4,63,406	1,67,724
Gratuity expenses	1,30,428	(31,741)
Compensated absences	1,86,736	22,841
Staff welfare expenses	4,26,184	2,50,197
	74,85,717	**30,55,257**

24. Other expenses

	31 March 2020	31 March 2019
Rent	7,51,164	6,16,167
Freight and forwarding charges	1,11,155	1,28,000
Legal, professional and consultancy charges	19,99,467	8,50,140
Sales promotion expenses	12,60,177	-
Electricity charges	4,59,046	7,570
Commission on Franchise fees revenue	11,12,551	6,63,665
Rates and taxes	39,355	37,437
Payment to auditor (please refer (i) below)	2,00,000	2,00,000
Repairs and maintenance		
-Plant and machinery	60,000	3,01,630
-Others	4,55,243	22,500
Insurance	72,543	-
Travelling and conveyance expenses	10,97,341	3,79,787
Communication and courier expenses	40,887	1,03,253
Printing and stationery	60,090	34,269
Provision for bad & doubtful debts	-	10,00,000
Provision for loan and advance	72,03,875	58,02,127
Miscellaneous expenses	8,49,776	8,74,542
Prepaid Lease rentals amortised (IND AS 109)	37,554	-
Exchange Rate (Gain/loss)	6,417	13,401
	1,58,16,641	**1,10,34,488**

Valuable Digital Screens Private Limited
Notes to financial statements for the period ended 31 March 2020

(i) Payment to auditor

	For the year	
	31 March 2020	31 March 2019
As Auditor: -		
Audit fees (including limited review)	1,50,000	1,50,000
Tax audit fees	50,000	50,000
	2,00,000	**2,00,000**

25. Finance costs

	31 March 2020	31 March 2019
Interest on		
Unsecured loans	56,17,502	40,76,817
Interest Expenses on Right to use	9,77,276	-
Bank charges	33,987	14,809
	66,28,765	**40,91,626**

26. Finance income

	31 March 2020	31 March 2019
Interest on		
- Fixed deposits	75,376	1,16,416
- Others	28,61,563	18,79,756
	29,36,939	**19,96,172**

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 2020 Rupees	31 March 2019 Rupees
a). Profit/ (Loss) after tax as reported (Rs.)	(1,77,29,156)	(72,37,695)
b). Weighted Average Number of equity shares considered for calculating Earnings Per Share	14,475	14,475
c). Earnings Per Share (Rs.)		
Basic	(1,225)	(500)
Diluted	(1,225)	(500)
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 24 "Contribution to provident fund and other funds" expenses towards the defined contribution plan as under:

Particulars	31 March 2020	31 March 2019
Contribution to Provident fund	4,63,406	1,67,724
	4,63,406	1,67,724

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.

Particulars	Defined benefit	Fair value of Plan assets	Benefit Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2019	10,10,434	-	10,10,434
Service Cost	56,510		56,510
Net Interest Expense	73,918		73,918
Past Service Cost	-		-
Investment Income	-		-
Reconginsed in the statement of profit and loss	**1,30,428**	-	**1,30,428**
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	(9)		(9)
Actuarial changes arising from Changes in financial assumptions	(32,859)		(32,859)
Experience Adjustments	(54,592)		(54,592)
Net actuarial (gain) / loss recognized in the year	-		-
Recognised in Other Comprehensive Income	(87,460)	-	(87,460)
Contribution by employer	-	-	-
Transfer on Account of Demerger	(8,30,016)		(8,30,016)
As at 31 March 2020	**2,23,386**	-	**2,23,386**

Valuable Digital Screens Private Limited

Notes to Financial Statements for the year ended 31 March 2020

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

Particulars	Defined benefit	Fair value of Plan assets	Benefit Liability
Gratuity cost Charged to Profit and Loss			
As at 1 April 2018	7,09,483	-	7,09,483
Service Cost	3,14,723		3,14,723
Net Interest Expense	53,173		53,173
Past Service Cost	-		-
Investment Income	-		-
Reconginsed in the statement of profit and loss	**3,67,896**	-	**3,67,896**
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	(1,14,443)		(1,14,443)
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	**10,10,434**	-	**10,10,434**

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2020	31 March 2019
Discount rate	6%	7%
Future Salary increase	Nil for the first year and 6% thereafter	8%
Employee turnover	13%	13%
Retirement age (years)	58	5800%

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 2020	DBO 31 March 2019
Discount rate (-1%)	2,40,152	10,87,534
Discount rate (+1%)	2,08,502	9,41,891
Salary Growth rate (-1%)	2,08,196	9,41,710
Salary Growth rate (+1%)	2,40,187	10,86,259

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 sensivities 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 2020	31 March 2019
Within the next 12 months(next annual reporting period)	2,23,386	10,10,434
Total expected payments	**2,23,386**	**10,10,434**

The weighted-average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2019: 7

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

Gratuity	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Present value of the defined benefit obligation	2,23,386	10,10,434	7,09,483	3,60,904
Fair value of the plan assets	-	-	-	-
Surplus / (deficit) in the plan	(2,23,386)	(10,10,434)	(7,09,483)	(3,60,904)
Experience adjustments arising on				

29. Related Party Disclosures (IND AS-24)

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

Holding	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 **Name of the Parties and Nature of Expenses and Income**	**31 March 2020**	**31 March 2019**
1. Holding Company		
UFO Moviez India Limited		
A. Income		
i) Content Provisional (distributors)	24,62,524	9,53,586
iii) Franchise income	2,04,129	82,947
B. Expenses		
i) Purchase of equipment's	-	4,28,254
ii) Interest expenses on loan	56,17,501	1,08,74,451
iii) Rent	4,43,250	2,65,802
iv) Reimbursement of expenses	51,919	1,22,396
v) Content expenses	62,764	-
C. Security deposits given	24,984	1,16,165
D. Unsecured Loan received	53,25,00,000	7,42,00,000
E. Loan transferred on account of Demerger	-	-
F. Interest transferred on account of Demerger	84,07,582	-
G. Unsecured loan repaid back	-	8,45,03,034
H. Interest paid on loan	-	1,54,96,966
2. Fellow Subsidiary		
A. Scrabble Entertainment Limited		
i) Unsecured loan repaid back	38,70,00,000	18,65,00,000
ii) Interest expenses on loan	61,83,688	3,73,18,370
iii) Interest paid on loan	8,03,79,719	-
B. Scrabble Digital Limited		
Content processing cloning expenses	21,500	8,500
3. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A. Jaysinh Pictures Pvt. Ltd		
Content fees	-	5,000
B. Media Infotek Park		
Rent	2,22,700	2,52,181
C. Balance outstanding at the end of year ending 31st March, 2020		
1. Holding Company		
UFO Moviez India Limited		
i) Trade payables	89,916	-
ii) Loan payable	6,84,43,416	12,86,96,966
iii) Interest payable	1,05,50,174	72,05,657
iv) Trade receivable	1,02,268	6,00,18,429
v) Security deposits receivable	1,41,149	1,16,165
2. Fellow Subsidiary		
Scrabble Entertainment Limited		
i) Loan payable	-	38,70,00,000
ii) Interest payable	-	7,48,14,400
Scrabble Digital Limited		
i) Trade payables	23,760	-
3. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A) Media Infotek Park		
Security deposits receivable	1,94,481	1,94,481

*** Previous year Balance amounts are inclusive of Caravan**

30. Security Deposit (Ind AS - 109)

The company has accordingly recorded the security deposits with the landlord in respect of leases by discounting the estimated future cash flow at an appropriate discounting rate through the expected lease term.

Particulars	31 March 2020 Amount	31 March 2019 Amount
Security Deposit Paid	19,50,000	-
Fair Value of Security deposit	11,46,139	-
Prepaid Lease rentals	8,03,861	-

Particulars	31 March 2020 Amount	31 March 2019 Amount
Prepaid Lease Rentals charged to Profit & Loss	37,554	-

31. Lease (Ind AS - 116)

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

The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below:

A) Addition of Right of Use Assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

Particulars	31 March 2020 Amount	31 March 2019 Amount
Property, Plant & Equipment (Right – of –use assets, except for investment property)	3,33,05,750	-

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

Particulars	31 March 2020 Amount	31 March 2019 Amount
Balance as at 01st April, 2019		
Add: Property, Plant & Equipment during the year	3,33,05,750	-
Less: Depreciation charge for the year	(19,23,353)	-
Balance as on 31st March, 2020	3,13,82,396	-

C) Maturity Analysis of Lease Liabilities

Maturity Analysis – Contractual undiscounted cash flows	31 March 2020 Amount	31 March 2019 Amount
Less than One year	78,00,000	-
One to Five years	3,07,10,500	-
More than five Years	52,03,800	-
Total Undiscounted lease liabilities at 31st March, 2020 (Excluding Short term leases)	4,37,14,300	-

D) Amounts recognised in Profit & loss Account

Particulars	31 March 2020 Amount	31 March 2019 Amount
Interest on Lease Liabilities	9,77,276	-
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases (Undiscounted Rent Expense)	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

32. 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.

33. 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)	83,43,261	To set up and develop the franchised Theatre at the said property.

34. 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.

35. Contingent Liabilities (Ind AS 37)

Disputed liabilities in appeal	Financial Year	Amount (Rs.)
Maharashtra Sales Tax	2014-15	6,26,795

36. Demerger of Caravan Business

On 18 July, 2019 the Company and UFO Moviez India Ltd. (UFO), its wholly owned 100% holding company, had filed joint application in relation to the Scheme of Arrangement between UFO and the Company and their respective shareholders with the Hon'ble National Company Law Tribunal ("NCLT"). NCLT vide its Order dated 21 November, 2019 sanctioned the Scheme for demerger of Caravan division of the company into UFO with effect from April 1, 2019 (the Appointed date). The Scheme became effective from 4 December, 2019.

As a result of the demerger, the opening balance sheet as at 1 April 2019 and the financial statements of the Company as at and for the year ended 31 March 2020, do not include the operations of the demerged undertaking.

As per the Scheme, VDSPL shall reduce the book values of assets and liabilities , and Profit & Loss balance pertaining to the demerged undertaking (i.e. Caravan Business) as on the appointed date from its books of account. Accordingly, the following assets and liabilities pertaining to Caravan Business have been reduced from the books of account of VDSPL as on 1 April, 2019:

Particulars	01 April 2018 Amount
Assets	
Non-current Assets	
Property, plant and equipment	11,05,34,444
Other Intangible assets	-
Other non-current assets	89,88,283
Total Non-current Assets (A)	**11,95,22,727**
Current Assets	
Financial assets	
(i) Trade receivables	2,59,11,299
(ii) Loans	-
(iii) Others financial assets	2,03,226
Other current assets	2,36,73,618
Total Current Assets (B)	**4,97,88,143**
Total Assets (A+B)	**16,93,10,870**
Equity And Liabilities	
Equity	
Other equity	(43,83,19,705)
Total Equity (C)	**(43,83,19,705)**
Liabilities	
Non-current Liabilities	
Financial liabilities	
Borrowings	4,67,34,634
Provisions	12,23,053
Total Non-current Liabilities	**4,79,57,687**
Current Liabilities	
Financial liabilities	
(i) Borrowings	42,39,94,316
(ii) Trade payables	
a) Total outstanding due of micro enterprises and small enterprises and	-
b) Total outstanding due of creditors other than micro enterprises and small enterprises	3,14,94,710
(iii) Other financial liabilities	8,07,06,433
Other current liabilities	46,50,315
Total Current Liabilities	**54,08,45,774**
Total Liabilities (D)	**58,88,03,461**
Net assets / liability transferred pursuant to scheme	**1,88,27,114**

Further, as per the Scheme, the excess or shortfall of book value of assets over the book value of liabilities, and Profit & Loss balance pertaining to the demerged undertaking (i.e. Caravan Business) shall be transferred to Capital Reserve. Accordingly, the following adjustments/ transfer have been made in the opening reserves as at 1 April 2019:

Particulars	01 April 2019 Amount
Excess of Book Value of Assets over the liabilities and Balance in profit & Loss Account	**1,88,27,114**
Transferred to :	
Capital Reserve	**1,88,27,114**

37. Income Tax

The major components of Income tax expense for the years ended 31st March 2019 and 31st March 2020 are as follows:-

Particulars	31 March 2020 Rupees	31 March 2019 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 2019 and 31st March 2020 :-

Particulars	31 March 2020 Rupees	31 March 2019 Rupees
Accounting Profit before Income Tax	(1,78,16,616)	(71,70,750)
At India's statutory income tax rate 25.17% (LY 25.17%)	(44,84,442)	(18,46,468)
Tax effect on difference in depreciation	2,20,203	2,39,302
Tax effect on permanent disallowance	-	-
Tax effect on temporary disallowance	16,89,252	18,35,118
Deferred Tax Not Recognised due to uncertainty of profit in future years	25,74,987	(2,27,953)
Net Tax Expenses	**-**	**-**
Tax Expenses as per Statement of Profit and Loss Account	**-**	**-**

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

Particulars	Amount	Expiry Date
Temporary Difference: -		
Gratuity	2,23,386	Not Applicable
Leave Encashment	2,82,996	Not Applicable
TDS Disallowances	7,40,534	Not Applicable
Provision for Bad Debts	10,00,000	Not Applicable
Unabsorbed Depreciation	95,55,448	Not Applicable
Difference in WDV	44,57,005	Not Applicable
Interest on lease	9,77,276	Not Applicable
Provision for bad debts not written off	1,40,06,951	Not Applicable
Lease Rent	(24,50,000)	Not Applicable
Unused Tax Losses: -		
Loss for the AY 2020-21	92,86,245	31-03-2028

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.

'Income Tax figures are subject to Tax Audit & Assessments

38. 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

39. Impact of Covid-19

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

The management of the Company has carried out a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Company is in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Company have remained shut since the mid of March 2020, severely impacting its revenues and profitability. The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Management has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects, and as on the date of approval of these financial results, it believes that there is no significant impact. However, the Company will continue to monitor the impact on account of changes in future economic conditions. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial results.

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

• Reduction in fixed overheads for the period of the lockdown

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

40. Other Notes

a). Balances in Sundry Creditors, Debtors and Loans & Advances are subject to confirmations and reconciliations.

b). 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.

c). Previous year figures

i) Figures have been rounded off to the nearest rupee.

ii) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.

The accompanying notes 1 to 40 are an integral part of the financial statements.
As per our report of even date attached

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Jagdish Shetty
Partner
Membership No: 111936
Place of Signature: Mumbai
Date: 18.06.2020

For and on behalf of the Board of Directors
of Valuable Digital Screens Private Limited
CIN : U72900MH2006PTC163092

Deepak Ranjan
Director
DIN No.: 02852565

Pankaj Jaysinh Madhani
Director
DIN No.: 01564221