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 - 2020-21

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.

Branch / Associate Office:

- 221, Bake House, Maharashtra Chamber of Commerce Lane, Fort, Mumbai – 400023.
- F-15, K.D. Commercial Building, Nr. Station Road, Kutch, Bhuj, Gujarat – 370001

Contact us on :

- Tel.No. : 022 42148484 (15 lines)
  022 61498484 (16 lines)
- Fax No. : 022 42148485

web: www.snachartereds.com

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Jagdish B. Shetty
B. Com., F. C. A., D. I. S. A.(ICAI), L. L. B.(Gen.)

Santosh J. Naik
B. Com., L. L. B., F. C. A., D. I. S. A.(ICAI)

SNA

SHETTY NAIK & ASSOCIATES
Chartered Accountants

31, Madhuban Industrial Estate, Plot No. 30, Off Mahakali Caves Road, Andheri (E), Mumbai - 400 093.
Tel.: 022 4214 8484 / 6149 8484 (15 Lines) Fax : 022 4214 8485 Email : sna@snachartereds.com www.snachartereds.com

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 31 March 2021, 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 31 March 2021, 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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MUMBAI
CHARTERED ACCOUNTANTS

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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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 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.

SHETTY NAIK & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

- 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 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 of the holding Company. Also, company had demerged its Caravan division in the previous financial year 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 complete implementation of the project.

   Our opinion is not modified in respect of this matter.

2. Effects of COVID 19 -

   We draw attention to Note No 38 in the financial statements, which describe the operational disruptions the entity is facing as a result of COVID -19, on account of various restriction placed on re-opening and operations of cinema theatre which has severely impacted the revenue of the company.

SHETTY NAIK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

The management believes that COVID-19 will impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. The management of the Company 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.

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.

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.

SHETTY NAIK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

(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.

(f) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Ind AS financial statements. – Refer Note No. 34 to the Financials.

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 MUMBAI CHARTERED ACCOUNTANTS

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : 24 May 2021
Place : Mumbai
UDIN : 21111936AAAAHZ3566

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 prescribed under Sec. 186(2). The company has passed the special resolution as per the

SHETTY NAIK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

provisions of the Sec.186(2) & has made requisite disclosure in **Note No.** 32 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 31 March 2021 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 –

SHETTY NAIK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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 no term loans have been obtained by the company. Accordingly, reporting under the provisions of clause 3(ix) of the Order are not applicable.

(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.

SHETTY NAIK & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

(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 MUMBAI CHARTERED ACCOUNTANTS

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : 24 May 2021
Place : Mumbai
UDIN : 21111936AAAAHZ3566

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 31 March, 2021 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

SHETTY NAIK & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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 * MUMBAI * 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 31 March,2021, 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 MUMBAI CHARTERED ACCOUNTANTS

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : 24 May 2021
Place : Mumbai
UDIN : 21111936AAAAHZ3566

Valuable Digital Screens Private Limited

Balance sheet as at 31 March 2021

Particulars	Notes	31 March 2021	31 March 2020
Assets			
Non-current Assets			
Property, plant and equipment	2.1	3,09,04,840	3,06,42,594
Capital work-in-progress	2.2	48,13,267	34,93,767
Right of use assets	2.3	93,00,423	3,13,82,396
Other Intangible assets	2.4	7,31,967	1,29,710
Income tax assets (net)		37,78,918	8,37,701
Other non-current assets	3	44,59,641	1,10,28,703
Total Non-current Assets (A)		**5,39,89,056**	**7,75,14,871**
Current Assets			
Inventories	4	37,197	63,259
Financial assets			
(i) Trade receivables	5	73,81,153	65,74,770
(ii) Cash and cash equivalents	6	7,92,013	46,22,289
(iii) Bank balances other than cash and cash equivalents	7	9,48,556	8,88,859
(iv) Loans	8	21,92,071	47,06,431
(v) Others financial assets	9	10,048	-
Other current assets	10	1,01,34,782	1,59,34,842
Total Current Assets (B)		**2,14,95,820**	**3,27,90,450**
Total Assets (A+B)		**7,54,84,876**	**11,03,05,321**
Equity And Liabilities			
Equity			
i) Equity share capital	11	1,44,750	1,44,750
ii) Other equity	12	(4,65,44,802)	(1,39,39,137)
Total Equity (C)		**(4,64,00,052)**	**(1,37,94,387)**
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Lease liabilities	30	86,94,591	2,40,33,026
Provisions	13	11,63,637	4,43,563
Total Non-current Liabilities (D)		**98,58,228**	**2,44,76,589**
Current Liabilities			
Financial liabilities			
(i) Borrowings	14	7,44,03,155	6,84,43,416
(ii) Lease liabilities	30	15,00,000	78,00,000
(iii) Trade payables	15	47,82,415	55,55,963
(iv) Other financial liabilities	16	2,91,74,189	1,22,87,662
Provisions	17	1,56,425	62,819
Other current liabilities	18	20,10,516	54,73,259
Total Current Liabilities (E)		**11,20,26,700**	**9,96,23,119**
Total Liabilities (D+E)		**12,18,84,928**	**12,40,99,708**
Total Equity And Liabilities (C+D+E)		**7,54,84,876**	**11,03,05,321**
Summary of significant accounting policies	1		

The accompanying notes 1 to 39 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: 24 May 2021

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

Vishnu Patel
Director
DIN No. 01029694

Pankaj Jaysinh Madhani
Director
DIN No. 01564221

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Valuable Digital Screens Private Limited

Statement of profit and loss account for the year ended 31 March 2021

Particulars	Notes	31 March 2021	31 March 2020
Revenue from operations	19	2,91,394	1,81,10,513
Other income	20	51,04,919	1,95,340
Total Income - (I)		**53,96,313**	**1,83,05,853**
Expenses			
Operating direct cost	21	2,95,848	7,50,204
Employee benefits expenses	22	1,15,37,386	74,85,717
Other expenses	23	48,47,531	1,58,16,641
Total expenses - (II)		**1,66,80,764**	**2,40,52,562**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(1,12,84,451)**	**(57,46,709)**
Depreciation and amortisation expense	2.1, 2.3 & 2.4	1,11,73,638	83,78,081
Finance cost	24	1,02,42,093	66,28,765
Finance income	25	(78,605)	(29,36,939)
Profit / (Loss) before tax		**(3,26,21,576)**	**(1,78,16,616)**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) for the period		**(3,26,21,576)**	**(1,78,16,616)**
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		15,911	87,460
(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		**(3,26,05,665)**	**(1,77,29,156**
Earnings per equity share (Face value of shares of Rs 10 each)			
(1) Basic		(2254)	(1231
(2) Diluted		(2254)	(1231

Summary of significant accounting policies 1

The accompanying notes 1 to 39 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: 24 May 2021

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

Vishnu Patel
Director
DIN No. 01029694

Pankaj Jaysinh Madhani
Director
DIN No. 01564221

Valuable Digital Screens Private Limited

Statement of Cash flows for the year ended 31 March 2021

Particulars	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit / (Loss) before Tax	**(3,26,21,576)**	**(1,78,16,616)**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,11,73,638	83,78,081
Remeasurements of the defined benefit plans	15,911	87,460
Bad debts written-off	1,20,000	-
Provision for loan and advance	-	72,03,875
Provision for compensated absences	6,01,666	1,86,736
Provision for gratuity	2,74,466	1,30,428
Prepaid lease rental amortised (Ind AS109)	79,324	37,554
Sundry credit balances written back	-	46,990
Gain on termination of lease liabilities	(48,56,888)	-
Interest expense on lease liabilities	22,78,713	9,77,276
Interest on cash credit	2,63,079	-
Interest expense on unsecured loans	76,92,907	56,17,502
Interest income	(78,605)	(29,36,939)
Operating profit before working capital changes	**(1,50,57,366)**	**19,12,347**
Movements in working capital :		
(Decrease) / increase in trade payables	(7,73,548)	37,16,873
Increase / (decrease) in other financial liabilities	91,50,434	(72,512)
Increase in long-term provisions	7,20,074	2,25,883
(Decrease) in short -term provisions	(7,82,526)	(3,14,718)
(Decrease) / increase in other current liability	(34,62,743)	13,22,584
(Increase) / decrease in trade receivables	(9,26,383)	3,92,237
Decrease / (Increase) in inventories	26,062	(63,259)
Decrease in financial assets loans	24,35,036	7,17,635
Decrease / (increase) in other current assets	58,00,060	(91,06,331)
Decrease in others non current financial assets	-	8,34,372
(Increase) in other financial assets	(10,048)	(72,03,875)
(Increase) in other non current assets	-	(63,880)
Cash generated from operations	**(28,80,948)**	**(77,02,644)**
Direct tax paid (net of refunds)	(29,41,217)	(3,35,440)
Net cash flow from operating activities (A)	**(58,22,165)**	**(80,38,084)**
Cash flow from investing activities		
Purchase of fixed assets including intangible, capital work in progress and capital advances	(24,79,616)	(2,42,42,806)
Maturity of bank deposits having original maturity more than 3 months (net)	(59,697)	(3,69,034)
Interest received	78,605	29,36,939
Net cash flow used in investing activities (B)	**(24,60,708)**	**(2,16,74,901)**
Cash flow from financing activities		
Proceeds from long term borrowings from subsidiaries	-	3,48,90,177
Proceeds/(repayment) from short term borrowing from bank (net)	59,59,739	-
Finance lease obligation Ind AS 116	(7,58,250)	(24,50,000)
Interest on cash credit	(2,63,079)	-
Interest fee security deposit impact under Ind AS 109	-	(8,03,861)
Interest paid	(4,85,814)	(5,61,757)
Net cash flow from financing activities (C)	**44,52,596**	**3,10,74,559**
Net increase/(decrease) in cash and cash equivalent (A + B + C)	**(38,30,276)**	**13,61,574**
Cash and cash equivalents at the beginning of the year	46,22,289	32,60,715
Cash and cash equivalents at the end of the period	**7,92,013**	**46,22,289**
Components of cash and cash equivalents		
Cash on hand	11,545	11,025
Balance with banks:		
- in current accounts	7,80,468	46,11,264
Cash and cash equivalents (refer note 6)	**7,92,013**	**46,22,289**

Notes:

1. Figures in bracket denote outflow
2. The above Cash flows 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 39 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: 24 May 2021

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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

Vishnu Patel
Director
DIN No. 01029694

Pankaj Jaysinh Madhani
Director
DIN No.: 01564221

Valuable Digital Screens Private Limited

Statement of change in equity as at 31 March 2021

A. Share Capital

Particulars	31 March 2021	31 March 2020
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 2019	1,69,61,145	56,55,988	(1,88,27,114)	37,90,0
Profit for the period	-	(1,78,16,616)	-	(1,78,16,6
Other Comprehensive Income	-	87,460	-	87,46
Balance as on 31 March 2020	**1,69,61,145**	**(1,20,73,168)**	**(1,88,27,114)**	**(1,39,39,1**
Profit for the period	-	(3,26,21,576)	-	(3,26,21,5
Other Comprehensive Income	-	15,911	-	15,9
Balance as on 31 March 2021	**1,69,61,145**	**(4,46,78,833)**	**(1,88,27,114)**	**(4,65,44,8**

The accompanying notes 1 to 39 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: 24 May 2021

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

Vishnu Patel
Director
DIN No. 01029694

Pankaj Jaysinh Madhani
Director
DIN No. 01564221

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 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, 2021, the Company has incurred a loss of Rs.3,26,05,665/- (March 31, 2020 - Loss Rs.1,77,29,156/-) and has accumulated losses of Rs.4,46,78,833/-. 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).

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 has identified period of twelve months as its operating cycle.

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 rendered 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 and 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 tne 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.

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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 and 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 and machinery	6-10 Years
Computer	3 Years
Furniture and 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.

Leasehold improvements are amortised on a straight-line basis over the period of lease or over a period of 4 years, whichever is lower.

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

Particulars	Useful lives as per management's estimate
Design, patent and 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.

For the purpose of identification of assets that necessarily takes a substantial period of time to get ready for its intended use or sale, the period for which the construction or production of asset could not be done on account of lockdown and other covid restrictions imposed by the Govt. of India and various states have been excluded.

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 and 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.

SHETTY & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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.

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

SHETTY NAIR & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Valuable Digital Screens Private Limited

Notes to financial statements as at and for the year ended 31 March 2021

2.1 Property, Plant and Equipment

	Plant and Machinery	Computer Systems	Motor Car	Furniture and Fixtures	Office Equipment's	Leasehold Property Improvement	Total
Cost							
At 1 April 2019	2,73,94,997	1,54,941	-	-	43,931	-	2,75,93,869
Additions	97,29,280	4,04,800	41,52,956	-	1,16,539	-	1,44,03,575
Disposals	-	-		-	-	-	-
At 31 March 2020	**3,71,24,277**	**5,59,741**	**41,52,956**	**-**	**1,60,470**	**-**	**4,19,97,444**
Additions	17,92,404	11,029	-	2,28,560	10,95,750	43,80,435	75,08,178
Adjustment for remeasurement of liability (Note 2.3	-	-	-	-	-	-	-
Disposals	-	-	-	-	-		-
At 31 March 2021	**3,89,16,681**	**5,70,770**	**41,52,956**	**2,28,560**	**12,56,220**	**43,80,435**	**4,95,05,622**
Accumulated Depreciation/Amortisation							
At 1 April 2019	55,77,278	72,434	-	-	19,805	-	56,69,517
Charge for the year	55,42,866	82,660	45,387	-	14,420	-	56,85,333
On disposals	-	-		-	-	-	-
At 31 March 2020	**1,11,20,144**	**1,55,094**	**45,387**	**-**	**34,225**	**-**	**1,13,54,850**
Charge for the year	57,11,662	1,78,530	8,30,591	59,172	1,74,948	2,91,029	72,45,932
On disposals	-	-		-	-		-
At 31 March 2021	**1,68,31,806**	**3,33,624**	**8,75,978**	**59,172**	**2,09,173**	**2,91,029**	**1,86,00,782**
Net Block							
At 31 March 2020	**2,60,04,133**	**4,04,647**	**41,07,569**	**-**	**1,26,245**	**-**	**3,06,42,594**
At 31 March 2021	**2,20,84,875**	**2,37,146**	**32,76,978**	**1,69,388**	**10,47,047**	**40,89,406**	**3,09,04,840**

2.2 : Capital work in progress as at 31 March 2021 : Rs. 48,13,267/- (31 March 2020 : Rs. 34,93,767/-)

2.3 Right Of Use Assets

	Right Of Use Assets
Cost	
At 1 April 2019	-
Additions	3,33,05,750
Disposals	-
At 31 March 2020	**3,33,05,750**
Additions	
Adjustment for remeasurement of liability *	(8,25,881)
Disposals	2,13,99,341
At 31 March 2021	**1,10,80,528**
Accumulated Depreciation/Amortisation	
At 1 April 2019	-
Charge for the year	19,23,354
On disposals	
At 31 March 2020	**19,23,354**
Charge for the year	37,79,963
On disposals	39,23,212
At 31 March 2021	**17,80,105**
Net Block	
At 31 March 2020	**3,13,82,396**
At 31 March 2021	**93,00,423**

2.4 Other Intangible Assets

	Patent and trademark
Cost	
At 1 April 2019	28,22,125
Additions	1,10,000
Disposals	-
At 31 March 2020	**29,32,125**
Additions	7,50,000
Adjustment	-
Disposals	-
At 31 March 2021	**36,82,125**
Accumulated Depreciation/Amortisation	
At 1 April 2019	20,33,020
Charge for the year	7,69,395
On disposals	-
At 31 March 2020	**28,02,415**
Charge for the year	1,47,743
On disposals	-
At 31 March 2021	**29,50,158**
Net Block	
At 31 March 2020	**1,29,710**
At 31 March 2021	**7,31,967**

* Adjustment for remeasurement of liability is on account of to lease modification due to changes in lease rentals in accordance with Ind AS 116 - accounting

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Valuable Digital Screens Private Limited
Notes to financial statements as at and for the year ended 31 March 2021

3. Other non current assets

	31 March 2021	31 March 2020
Capital advances	43,00,761	1,08,69,823
Deposit with government bodies and others		
Considered good	1,58,880	1,58,880
Credit impaired	10,00,000	10,00,000
	11,58,880	11,58,880
Less : Allowance for doubtful balances	(10,00,000)	(10,00,000)
	1,58,880	1,58,880
	44,59,641	**1,10,28,703**

4. Inventories

	31 March 2021	31 March 2020
Canteen inventory	37,197	63,259
	37,197	**63,259**

5. Trade receivables (Unsecured)

	31 March 2021	31 March 2020
Considered good	73,81,153	65,74,770
	73,81,153	**65,74,770**

6. Financial assets - Cash and cash equivalents

	31 March 2021	31 March 2020
Cash and cash equivalents		
Balances with banks :		
- in current accounts	7,80,468	46,11,264
Cash on hand	11,545	11,025
	7,92,013	**46,22,289**

7. Financial assets - Bank balance other than cash and cash equivalents

	31 March 2021	31 March 2020
Other bank balances :		
Fixed deposits (maturity more than 3 months, but less than 12 months)	9,48,556	8,88,859
	9,48,556	**8,88,859**

8. Financial assets - Loan

	31 March 2021	31 March 2020
Security deposit	18,73,287	37,64,569
Prepaid lease rental	2,54,570	7,66,308
Loans and advances to employees	64,214	1,75,554
Loan to theatre		
Considered good	-	-
Credit risk	83,43,261	83,43,261
	83,43,261	83,43,261
Less : Allowance for doubtful balances	(83,43,261)	(83,43,261)
	-	-
	21,92,071	**47,06,431**

9. Financial assets - Other

	31 March 2021	31 March 2020
Unbilled revenue	10,048	-
Other receivables		
Considered good	-	-
Credit impaired	58,76,810	58,62,741
	58,76,810	58,62,741
Less : Allowance for doubtful balances	(58,76,810)	(58,62,741)
	-	-
	10,048	**-**

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Valuable Digital Screens Private Limited
Notes to financial statements as at and for the year ended 31 March 2021

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

	31 March 2021	31 March 2020
Advance to vendor	36,98,806	1,13,55,691
Prepaid expenses	71,645	46,874
Balance with government authorities	4,11,920	4,11,920
GST credit receivable	59,52,411	41,20,357
	1,01,34,782	**1,59,34,842**

11. Equity share capital

	31 March 2021	31 March 2020
Authorised share capital		
10,00,000 (31 March 2020 : 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 2020 : 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 2021		31 March 2020	
	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 financial year.

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 2021		31 March, 2020	
	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**

12. Other equity

	31 March 2021	31 March 2020
Securities premium account		
Balance as per last financial statements	1,69,61,145	1,69,61,145
Add: Premium of issue of shares	-	-
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	(1,20,73,168)	56,55,988
Profit / (Loss) for the year	(3,26,05,665)	(1,77,29,156)
Closing balance	**(4,46,78,833)**	**(1,20,73,168)**
Total other equity	**(4,65,44,802)**	**(1,39,39,137)**

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Valuable Digital Screens Private Limited
Notes to financial statements as at and for the year ended 31 March 2021

13. Long term provision

	31 March 2021	31 March 2020
Provision for gratuity	4,51,812	2,02,263
Provision for leave encashment	7,11,825	2,41,300
	11,63,637	**4,43,563**

14. Financial liabilities - Short term borrowing

	31 March 2021	31 March 2020
Financial liabilities at amortised cost		
Secured		
Cash credit from ICICI Bank Limited (Interest rate @ 8.00% p.a.)	59,59,739	-
Unsecured		
UFO Moviez India Limited (Repayable on demand, average interest rate - 10.93% p.a.) (refer note 28)	6,84,43,416	6,84,43,416
	7,44,03,155	**6,84,43,416**

15. Financial liabilities - Trade and other payable

	31 March 2021	31 March 2020
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	47,82,415	55,55,963
	47,82,415	**55,55,963**

For details pertaining to related party payable refer note 28

16. Financial liabilities - Other current financial liabilities

	31 March 2021	31 March 2020
Financial liabilities at amortised cost		
Deposit from theatres	10,35,000	10,35,000
Other deposit	3,49,750	1,69,750
Sub Total (A)	13,84,750	12,04,750
Other payables		
Payables for purchase of fixed assets	10,54,000	5,25,000
Salary and reimbursement payable	-	7,738
Payable to related party	89,78,172	-
Sub Total (B)	1,00,32,172	5,32,738
Interest accrued on borrowings		
UFO Moviez India Limited	1,77,57,267	1,05,50,174
Sub Total (C)	1,77,57,267	1,05,50,174
Total (A+B+C)	**2,91,74,189**	**1,22,87,662**

17. Short term provision

	31 March 2021	31 March 2020
Provision for gratuity	30,129	21,123
Provision for leave encashment	1,26,296	41,696
	1,56,425	**62,819**

18. Other current liabilities

	31 March 2021	31 March 2020
Deferred income	11,78,239	4,70,792
Advance from customer	5,35,695	46,11,956
Statutory dues *	2,96,582	3,90,511
	20,10,516	**54,73,259**
*** Statutory dues payable includes**		
Employer provident fund	1,26,871	1,60,099
Profession tax - employee	2,600	8,500
Tax deducted at source	1,67,111	2,21,912
	2,96,582	**3,90,511**

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Valuable Digital Screens Private Limited

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19. Revenue from operations

	31 March 2021	31 March 2020
Revenue from operations		
Sale of services		
Content income	-	50,40,614
Lease rental income	80,725	65,85,723
Service income	1,69,455	45,93,561
Income related to box office - Theatre	41,214	19,37,605
	2,91,394	**1,81,57,503**
Other non-operating income		
Sundry balance written back	-	(46,990
	-	**(46,990**
	2,91,394	**1,81,10,513**

20. Other income

	31 March 2021	31 March 2020
Gain on termination of lease liabilities	8,52,638	-
Variable - Lease rent concession	40,04,250	-
Miscellaneous income	2,48,031	1,95,340
	51,04,919	**1,95,340**

21. Operating direct cost

	31 March 2021	31 March 2020
Distributors Share	2,78,726	6,62,670
Canteen expenses	17,122	87,534
	2,95,848	**7,50,204**

22. Employee benefit expense

	31 March 2021	31 March 2020
Salaries and wages	96,91,709	62,78,963
Contribution to provident and other funds	6,66,112	4,63,406
Gratuity expenses (refer note 27)	2,74,466	1,30,428
Compensated absences (refer note 27)	6,01,666	1,86,736
Staff welfare expenses	3,03,433	4,26,184
	1,15,37,386	**74,85,717**

23. Other expenses

	31 March 2021	31 March 2020
Rent	4,35,702	7,51,164
Freight and forwarding charges	56,493	1,11,155
Legal, professional and consultancy charges	12,68,755	19,99,467
Sales promotion expenses	2,57,042	12,60,177
Electricity charges	6,02,566	4,59,040
Commission on Franchise fees revenue	-	11,12,551
Rates and taxes	28,969	39,355
Payment to auditor (please refer (i) below)	1,50,000	2,00,000
Repairs and maintenance		
-Plant and machinery	96,443	60,000
-Others	1,57,366	4,55,243
Insurance	1,15,994	72,543
Travelling and conveyance expenses	1,43,972	10,97,34
Communication and courier expenses	48,625	40,887
Printing and stationery	71,903	60,09
Bad debts written-off	1,20,000	-
Provision for loan and advance	-	72,03,87
Miscellaneous expenses	12,14,376	8,49,77
Prepaid Lease rentals amortised (IND AS 109)	79,324	37,55
Exchange Rate (Gain/loss)	-	6,41
	48,47,531	**1,58,16,64**

(i) Payment to auditor

	31 March 2021	31 March 2020
As Auditor: -		
Audit fees (including limited review)	1,50,000	1,50,00
Tax audit fees	-	50,00
	1,50,000	**2,00,00**

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24. Finance costs

	31 March 2021	31 March 2020
Interest on		
Unsecured loans	76,92,907	56,17,502
Cash credit	2,63,079	-
Interest expenses on right to use	22,78,713	9,77,276
Bank charges	7,394	33,987
	1,02,42,093	**66,28,765**

25. Finance income

	31 March 2021	31 March 2020
Interest on		
- Fixed deposits	64,536	75,376
- Others	14,069	28,61,563
	78,605	**29,36,939**

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26. 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 2021	31 March 2020
a). Profit / (Loss) after tax as reported (Rs.)	(3,26,21,576)	(1,78,16,616)
b). Weighted Average Number of equity shares considered for calculating Earnings Per Share	14,475	14,475
c). Earnings Per Share (Rs.)		
Basic	(2,254)	(1,231)
Diluted	(2,254)	(1,231)
d). Nominal Value Per Share (Rs.)	10	10

a) Defined contribution plan

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

Particulars	31 March 2021	31 March 2020
Contribution to provident fund	6,66,112	4,63,406
	6,66,112	4,63,406

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 2021

Particulars	Defined benefit	Fair value of Plan assets	Benefit Liability
As at 1 April 2020	2,23,386	-	2,23,386
Service cost	2,60,180		2,60,180
Net interest expense	14,286		14,286
Reconginsed in the statement of profit and loss	**2,74,466**	-	**2,74,466**
Benefit paid			-
Remeasurement gains/losses in other comprehensive income			
Actuarial changes arising from Changes in financial assumptions	(22,882)		(22,882)
Experience Adjustments	6,971		6,971
Recognised in Other Comprehensive Income	(15,911)	-	(15,911)
Contribution by employer	-	-	-
As at 31 March 2021	**4,81,941**	-	**4,81,941**

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2020

Particulars	Defined benefit	Fair value of Plan assets	Benefit Liability
As at 1 April 2019	10,10,434	-	10,10,434
Service cost	56,510		56,510
Net interest expense	73,918		73,918
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**

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The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2021	31 March 2020
Discount rate	6.25%	6.40%
Future salary increase	Nil for the first year and 6% thereafter	Nil for the first year and 6% thereafter
Employee turnover	13%	13%
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 2021	DBO 31 March 2020
Discount rate (-1%)	(5,22,981)	(2,40,152)
Discount rate (+1%)	4,45,906	2,08,502
Salary Growth rate (-1%)	(4,45,249)	(2,08,196)
Salary Growth rate (+1%)	5,22,966	2,40,187

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 2021	31 March 2020
Within the next 12 months(next annual reporting period)	-	-
Total expected payments	-	-

Note : Since the scheme is managed on unfunded basis, the next year contribution is taken as nil.

The weighted-average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2020 : 7 years)

Expected cash flows over the next (valued on undiscounted basis):	31 March 2021	31 March 2020
1 Year	30,129	21,123
2 to 5 years	2,02,453	1,04,985
6 to 10	2,40,669	99,858
More to 10 years	3,97,777	1,54,938

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

Gratuity	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Present value of the defined benefit obligation	4,81,941	2,23,386	10,10,434	7,09,483
Fair value of the plan assets	-	-	-	-
Surplus / (deficit) in the plan	(4,81,941)	(2,23,386)	(10,10,434)	(7,09,483)

28. 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
Fellow Subsidiary	Scrabble Digital Limited
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Valuable Technologies Limited Jaysinh Pictures Pvt. Ltd

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Notes to financial statements for the year ended 31 March 2021

B. Information about Related Parties Transactions:

Particulars Name of the Parties and Nature of Expenses and Income	31 March 2021	31 March 2020
1. Holding Company		
UFO Moviez India Limited		
A. Income		
i) Content provisional (Distributors)	1,10,310	24,62,524
ii) Franchise income	1,965	2,04,129
B. Expenses		
i) Interest expenses on loan	76,92,907	56,17,501
ii) Rent	2,42,594	4,43,250
iii) Reimbursement of expenses	-	51,919
iv) Content expenses	1,46,903	62,764
v) Inventory purchased	21,500	-
C. Security deposits given	-	24,984
D. Unsecured Loan received	-	53,25,00,000
E. Interest transferred on account of Demerger	-	84,07,582
2. Subsidiary of Holding Company		
A. Scrabble Entertainment Limited		
i) Unsecured loan repaid back	-	38,70,00,000
ii) Interest expenses on loan	-	61,83,688
iii) Interest paid on loan	-	8,03,79,719
3. Fellow Subsidiary		
A. Scrabble Digital Limited		
i) Content processing cloning expenses	-	21,500
4. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A. Media Infotek Park		
i) Rent	1,39,053	2,22,700
C. Balance outstanding at the end of year ending 31st March, 2020		
1. Holding Company		
UFO Moviez India Limited		
i) Trade payables	1,63,673	89,916
ii) Other payables	89,78,172	-
iii) Loan payable	6,84,43,416	6,84,43,416
iv) Interest payable	1,77,57,267	1,05,50,174
v) Trade receivable	-	1,02,268
vi) Security deposits receivable	1,41,149	1,41,149
2. Fellow Subsidiary		
Scrabble Digital Limited		
i) Trade payables	-	23,760
3. Enterprises owned or significantly influenced by key management personnel or their relatives		
Media Infotek Park		
i) Trade payables	26,576	-
ii) Security deposits receivable	1,94,481	1,94,481

29. 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 2021	31 March 2020
Security deposit paid	6,00,000	19,50,000
Fair value of security deposit	3,32,857	11,46,139
Prepaid lease rentals	2,54,570	8,03,861

Particulars	31 March 2021	31 March 2020
Prepaid lease rentals charged to profit and loss	79,324	37,554

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

Particulars	31 March 2021	31 March 2020
Property, plant and equipment (Right to use assets, except for investment property)	1,10,80,528	3,33,05,750

B) Carrying value of right to use asset as at the end of reporting period

Particulars	31 March 2021	31 March 2020
Opening balance	3,13,82,396	-
Add: Property, plant and equipment during the year		3,33,05,750
Less: Adjustment for remeasurement of liability (Lease modification)	(8,25,881)	-
Less: Depreciation charge for the year	(37,79,963)	(19,23,354)
Less : Deletion during the year	(1,74,76,129)	-
Balance as on 31 March, 2021	**93,00,423**	**3,13,82,396**

C) Maturity analysis of lease liabilities

Maturity analysis – Contractual undiscounted cash flows	31 March 2021	31 March 2020
Less than one year	15,00,000	78,00,000
One to five years	98,85,025	3,07,10,500
More than five years	25,46,775	52,03,800
Total undiscounted lease liabilities at the end of the year (Excluding short term leases)	1,39,31,800	4,37,14,300

D) Amounts recognised in profit and loss account

Particulars	31 March 2021	31 March 2020
Interest on lease liabilities	22,78,713	9,77,276
Variable lease payments not included in the measurement of lease liabilities	-	-
Rent concessions (Refer Note E below)	40,04,250	-
Gain on extinguishment of lease liability (Termination of lease)	8,52,638	-
Income from sub-leasing right to 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	-	-

E) Application of practical expediency (Para 46A of Ind AS 116)

a. The Company has applied practical expediency in case of rent concession occurring as a direct consequence of the covid-19 pandemic and accordingly, the same has been accounted as Negative variable lease payments (Other income).

b. For cases, other than covered by Para 46A of 116AS, on account of changes in lease rentals beyond June 30, 2021, the company has considered the same as lease modification, and accordingly, the lease liability has remeasured and adjusted to the value of right to use (Refer Note. 2.3)

31. 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.

32. Disclosure under Section 186 in respect of loans and 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.

* As decided by the management, interest chargeable on the loan outstanding has not been recognised in the books as the loan is already credit impaired due to default in repayment terms and recovery proceeding has been initiated against the party.

33. 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 and accordingly, no Impairment Loss is required to be booked.

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34. Contingent liabilities (Ind AS 37)

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

35. Demerger of caravan business

On July 18, 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 1 April 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
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
a) 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 and 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	1 April 2019
Excess of book value of assets over the liabilities and balance in profit and loss account	**1,88,27,114**
Transferred to :	
Capital Reserve	**1,88,27,114**

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36. Income Tax

The major components of Income tax expense for the years ended 31 March 2020 and 31 March 2021 are as follows:-

Particulars	31 March 2021	31 March 2020
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 31 March 2020 and 31 March 2021 :-

Particulars	31 March 2021	31 March 2020
Accounting profit / (Loss) before income tax	(3,26,21,576)	(1,78,16,616)
At India's statutory income tax rate 25.17% (LY 25.17%)	(82,10,851)	(44,84,442)
Tax effect on difference in depreciation	(6,09,114)	2,20,203
Tax effect on permanent disallowance	3,427	-
Tax effect on temporary disallowance	2,95,134	16,89,252
Deferred Tax Not Recognised due to uncertainty of profit in future years	75,32,800	25,74,987
Net tax expenses	-	-
Tax expenses as per Statement of profit and loss account	-	-

Temporary difference and unused tax losses on which deferred tax asset is not recognised in Balance Sheet

Particulars	Amount	Expiry Date
Temporary difference: -		
Gratuity	4,81,941	Not Applicable
Leave Encashment	8,38,121	Not Applicable
Tax deducted at source disallowances	13,99,511	Not Applicable
Provision for bad debts	10,00,000	Not Applicable
Unabsorbed depreciation	2,30,04,507	Not Applicable
Difference in WDV	1,38,32,229	Not Applicable
Provision for bad debts not written off	1,42,20,071	Not Applicable
Lease expenses	10,95,845	Not Applicable
Unused Tax Losses: -		
Loss for the AY 2020-21	23,29,151	31-03-2028
Loss for the AY 2021-22	2,79,53,517	31-03-2029

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.

37. 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

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38. Impact of covid-19

After COVID-19 was declared as a pandemic in March 2020, and a nationwide lockdown was announced, the film exhibition industry was the first to be impacted as all cinemas across India were temporarily shut down. Cinemas were allowed to re-open only post 15th October 2020 to operate with up to 50% of their seating capacity, in areas outside the containment zones. Further, despite the restrictions being eased, many cinemas opted to remain shut for lack of new content.

The southern market witnessed good traction during January to March 2021 with multiple new releases. The non-southern markets were also hoping for an uptick. However, the second wave of COVID-19 towards the end of FY21, and the reimposition of lockdown restrictions, has once again led to widespread cinema closures.

Since the Company is engaged in operating and managing cinema theatres in India, the operations of the Company continue to remain impacted severely resulting in lower revenues and losses. The Company has conserved its cash reserves by implementing cost optimization measures, which, inter alia, have included reduction in fixed overheads and salary cuts across the organization. The Company is watching events closely. 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. The management believes that COVID-19 will impact the Company's business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term. The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of these financial statements, it believes that there is no significant impact.

Further, despite various uncertainties, the management and the Board of Directors believe that the Company would be able to meet its financial obligations in the foreseeable future based on the above actions and continued support from various stakeholders. Accordingly, the management and the Board of Directors believe that the operations of the Company can be sustained on a going concern basis.

39. Other notes

a). Balances in sundry creditors, debtors and loans and 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 39 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: 24 May 2021

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

Vishnu Patel
Director
DIN No. 01029694

Pankaj Jaysinh Madhani
Director
DIN No.: 01564221