

## **SCRABBLE DIGITAL LIMITED**

Valuable Techno Park, Plot No. 53/1,  
Road No. 7, MIDC, Andheri (East)  
Mumbai - 400093

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### **AUDITED STANDALONE FINANCIAL STATEMENTS FINANCIAL YEAR 2021-22**

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#### **M/s. Shetty Naik & Associates Chartered Accountants**

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

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*Jagdish B. Shetty*

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



**SHETTY NAIK & ASSOCIATES**  
**Chartered Accountants**

*Santosh J. Naik*

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

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SCRABBLE DIGITAL LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **SCRABBLE DIGITAL LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, 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 ended on that date and a summary of 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, 2022 and its profit, 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 ("SA"s) specified under section 143(10) of the Act. 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.





**Other Matters**

**Effects of COVID 19**

We draw attention to note no 40 in the financial statements, which describes the partial disruption in operations that the entity has faced during the Financial Year as a result of COVID -19, which has impacted the consumer demand, prices for services rendered, personnel available for work and or being able to access offices majorly for the part of the Financial Year.

Since the situation has constantly evolved, as informed, the management is closely monitoring the situation and the overall effect of these events on the company and its operations. 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 and that the long term drivers of business are intact.

Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





### **Management's Responsibilities 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, including other 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Standalone 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 judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 A". 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 the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us, the company has paid no remuneration to its directors during the current Financial year.

- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has no material impact of pending litigations on its financial position in its Ind AS financial statements.
- 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.
- iv. As per Rule 11(e), we report as under:
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that





- the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 2.12.3 to the standalone financial statements
- (a) No final dividend was proposed by the company during the previous year;
- (b) No interim dividend was declared and paid by the Company during the year;
- (c) No final dividend has been proposed by the Board of Directors of the Company during the year.

**For Shetty Naik & Associates**  
**Chartered Accountants**

Firm Registration No. 124851W



**CA. Jagdish Shetty**

**Partner**

**Membership No.: 111936**

Place: Mumbai

Date: 23<sup>rd</sup> May, 2022

UDIN: 22111936AJTJGD2752



**Annexure referred to the Auditors' Report**

**"Annexure 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.**

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular program of physical verification of Property, Plant and Equipment and right-of-use, the periodicity of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Fixed Assets are verified in a phased manner and accordingly, certain Property, Plant and Equipment were due for verification during the year and majority of the assets were physically verified by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company does not own any immovable property and therefore reporting under clause 3(i)(c) of the order is not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.





- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year and therefore Clause 3(iii) of the order is not applicable to the company.
- iv. In our Opinion and according to information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of section 73, 74, 75 and 76 or any other provisions of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Business Activities carried out by the Company. Hence Clause 3(vi) of the Order is not applicable to the Company.
- 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, 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 2022 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 which have not been deposited by the





Company on account of disputes, except for the following :

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs.)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2017-18	1,14,57,906

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.





- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints has been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.





- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred any cash losses during the current Financial Year covered by our audit. However, the company had incurred cash losses for the immediately preceding Financial Year ending on 31<sup>st</sup> March, 2021 to the tune of Rs. 99,92,827/-.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the





**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has duly transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year which is in compliance with the provision of section 135(6) of the Act.

**For Shetty Naik & Associates**

**Chartered Accountants**

Firm Registration No.: 124851W

**CA. Jagdish Shetty**

**Partner**

**Membership No.: 111936**



Place: Mumbai

Date: 23<sup>rd</sup> May, 2022

UDIN: 22111936AJTJGD2752

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Scrabble Digital 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 SCRABBLE DIGITAL LIMITED ("the Company") as of 31<sup>st</sup> March, 2022 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 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.

### **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







**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

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<sup>st</sup> March,2022, 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

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text 'SHETTY NAIK &amp; ASSOCIATES' around the perimeter and 'MUMBAI' in the center.

**CA. Jagdish Shetty**

**Partner**

**Membership No.: 111936**

Place: Mumbai

Date: 23<sup>rd</sup> May, 2022

UDIN: 22111936 AJTJGD2752

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	2	247.55	305.85
Intangible Assets		1.65	2.53
Right of use Assets	2.1	0.79	1.97
<b>Financial Assets:</b>			
Other Financial Assets	3	15.97	11.31
Deferred Tax Assets (Net)	4	182.54	179.77
Other Non Current Assets	5	151.52	89.82
<b>Total Non-Current Assets (A)</b>		<b>600.02</b>	<b>591.25</b>
<b>Current Assets</b>			
<b>Financial Assets:</b>			
Trade receivables	6	771.26	677.09
Cash and cash equivalents	7	71.85	135.60
Other Financial Assets	8	-	1.20
Other Current Assets	9	69.22	99.92
<b>Total Current Assets (B)</b>		<b>912.33</b>	<b>913.81</b>
<b>Total Assets (A+B)</b>		<b>1,512.35</b>	<b>1,505.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	10	59.31	59.31
Other Equity (Reserve & Surplus)	11	1,184.96	1,202.74
<b>Total Equity (C)</b>		<b>1,244.27</b>	<b>1,262.05</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Long Term Provisions	12	56.19	37.24
<b>Financial Liabilities:</b>			
Lease Liabilities	13	-	0.83
<b>Total Non-Current Liabilities (D)</b>		<b>56.19</b>	<b>38.07</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables	14	136.32	126.37
Other Financial Liabilities	15	4.24	2.80
Lease Liabilities	16	0.83	-
Short-Term Provisions	17	6.97	3.47
Other Current Liabilities	18	63.53	72.30
<b>Total Current Liabilities (E)</b>		<b>211.89</b>	<b>204.94</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>1,512.35</b>	<b>1,505.06</b>

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

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



CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 23rd May, 2022

For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PL0213170



Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 23rd May, 2022

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 23rd May, 2022

Particulars	Notes	Audited	
		Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Income</b>			
Income from Operations	19	827.62	437.23
Other Income	20	42.04	53.40
<b>Total Income (I)</b>		<b>869.66</b>	<b>490.63</b>
<b>Expenses</b>			
Operating Direct Cost	21	402.39	226.32
Employee Benefit Expenses	22	238.61	218.04
Other Expenses	23	115.37	125.16
<b>Total Expenses (II)</b>		<b>756.37</b>	<b>569.52</b>
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (I - II)</b>		<b>113.29</b>	<b>(78.89)</b>
Depreciation and Amortization Expense	2 & 2.1	124.42	151.76
Finance Cost	24	1.72	0.52
Finance Income	25	(1.03)	(9.81)
<b>Profit / (Loss) Before Tax</b>		<b>(11.82)</b>	<b>(221.36)</b>
<b>Tax Expense</b>			
Deferred tax		(0.57)	(47.45)
<b>Total Tax Expense</b>		<b>(0.57)</b>	<b>(47.45)</b>
<b>Profit / (Loss) for the year</b>		<b>(11.25)</b>	<b>(173.91)</b>
<b>Other Comprehensive Income (OCI)</b>			
OCI not to be reclassified to profit or loss in subsequent period			
(a) Re-measurement gains /(losses) on defined benefit plans (net of tax impact)		(8.73)	1.20
(b) Income Tax related to items that will not be reclassified to Profit or loss		2.20	-
<b>Other Comprehensive Income (OCI)</b>		<b>(6.53)</b>	<b>1.20</b>
<b>Total Comprehensive Income for the year</b>		<b>(17.78)</b>	<b>(172.71)</b>
<b>Earnings per equity share (Face value of Rs. 10 each)</b>			
Basic	26	(1.90)	(29.32)
Diluted		(1.90)	(29.32)

**Significant accounting policies and Notes on financial statements**

Notes referred to above form an integral part of financial statements

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



CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 23rd May, 2022

For and on behalf of Board of Directors of  
Scrabble Digital Limited  
CIN : U74999MH2011PLC213170



Ashish Sadanand Malushte  
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Director  
DIN No: 01564221  
Place: Mumbai  
Date: 23rd May, 2022

Particulars	31st March, 2022	31st March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	(11.82)	(221.36)
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortization expense	124.42	151.75
Provision for gratuity	8.33	5.91
Provision for compensated absences	6.68	8.00
Bad Debts written-off	(0.78)	-
Provision for Doubtful Debts	(16.70)	10.44
(Profit) / Loss on Sale of Fixed Assets	(3.17)	1.64
Sundry balance write back	(21.39)	(48.93)
Remeasurement of defined benefit plan	-	1.20
Unwinding of financials instruments	(0.01)	0.04
(Notional Income on Security Deposits)		
Interest on Lease Liability	0.12	0.06
Interest expense	1.02	
Interest income	(1.02)	(9.47)
Exchange Rate Fluctuation	0.10	-
<b>Operating Profit before Working Capital Changes</b>	<b>85.78</b>	<b>(100.72)</b>
<b>Movements in working capital:</b>		
Increase / (decrease) in trade payables	9.95	(5.60)
Increase / (decrease) in other financial current liabilities	1.44	(7.82)
(Decrease) in other current liabilities	(7.64)	(61.59)
Increase / (decrease) in short-term provisions	3.50	(13.18)
Increase in long-term provisions	18.95	11.63
(Increase) / Decrease in trade receivables	(78.25)	431.97
Decrease in other current assets	30.70	15.93
(Increase) in other non current assets	-	(65.99)
(Increase) in other non current financial asset	(3.46)	(253.17)
<b>Cash generated from operations</b>	<b>60.97</b>	<b>(48.54)</b>
Direct taxes paid (net of refunds)	(61.70)	8.96
<b>Net Cash Flow used in Operating Activities</b>	<b>(0.73)</b>	<b>(39.58)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of fixed assets / capital work in progress	(64.06)	(3.92)
Interest received	2.30	1.95
Exchange rate Fluctuation	1.02	9.47
	-	-
<b>Net Cash used in Investing activities</b>	<b>(60.74)</b>	<b>7.50</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(1.02)	-
Lease Liability Payment	(1.26)	(0.42)
<b>Net Cash used in Financing activities</b>	<b>(2.28)</b>	<b>(0.42)</b>
Net increase in cash & Cash Equivalents	(63.75)	(32.50)
Cash and Cash equivalents at the beginning of the year	135.60	168.10
<b>Cash and Cash equivalents at the end of the year</b>	<b>71.85</b>	<b>135.60</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.16	0.16
<b>Balance with banks:</b>		
on Current accounts	71.69	51.29
on Fixed deposits	-	84.15
<b>Total Cash and Cash Equivalents (refer Note 7)</b>	<b>71.85</b>	<b>135.60</b>

**Notes to Cash Flow Statement**

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

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

CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 23rd May, 2022



For and on behalf of Board of Directors of  
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Ashish Sadanand Malushte  
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Director  
DIN No: 01564221  
Place: Mumbai  
Date: 23rd May, 2022

**A. Equity Share Capital**

**(1) Current reporting period**

(Amount in Lacs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
59.31	-	59.31	-	59.31

**(2) Previous reporting period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
59.31	-	59.31	-	59.31

**B. Other Equity**

**(1) Current reporting period**

(Amount in Lacs)

Particulars	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance at the beginning of the current reporting period		1,137.68	22.47	38.33	-	4.26	1,202.74
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	-	<b>1,137.68</b>	<b>22.47</b>	<b>38.33</b>	-	<b>4.26</b>	<b>1,202.74</b>
Total Comprehensive Income for the current year	-	-	-	-	-	(6.53)	(6.53)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(11.26)	-	-	(11.26)
<b>Balance at the end of the current reporting period</b>	-	<b>1,137.68</b>	<b>22.47</b>	<b>27.08</b>	-	<b>(2.27)</b>	<b>1,184.96</b>



(2) Previous reporting period							(Amount in Lacs)
Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	
Balance at the beginning of the current reporting period	-	1,137.68	22.47	212.24	-	3.06	1,375.45
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	-	<b>1,137.68</b>	<b>22.47</b>	<b>212.24</b>	-	<b>3.06</b>	<b>1,375.45</b>
Total Comprehensive Income for the current year	-	-	-	-	-	1.20	1.20
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(173.91)	-	-	(173.91)
<b>Balance at the end of the current reporting period</b>	-	<b>1,137.68</b>	<b>22.47</b>	<b>38.33</b>	-	<b>4.26</b>	<b>1,202.74</b>

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

CA Jagdish Shetty  
Partner  
Membership No. 111936  
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For and on behalf of Board of Directors of  
Scrabble Digital Limited  
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# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## 1. Corporate Information

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

## 2. Significant Accounting Policies

### 2.1 Basis of Preparation

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

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements (FS) were authorized for issue in accordance with a resolution of the Directors on 23<sup>rd</sup> May, 2022.

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

### 2.2 Current versus Non-Current classification

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

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

All other assets are classified as non-current.

A liability is current when:



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period or
- There is no unconditional right 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 a period of twelve months as its operating cycle.

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

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

## 2.3 Summary of significant accounting policies

### a) Use of Estimates

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

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

#### i. Recognition and measurement

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

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





# Scrabble Digital Limited

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CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired

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

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

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

ii. Subsequent expenditure

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

c) **Depreciation on PPE**

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

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

The useful life of PPE is the period over which PPE is expected to be available for use by the Group. The Company has used the following useful lives to provide depreciation on its property, plant and equipments:

Particulars	Useful lives as per management's estimate (in years)
Plant & Machinery comprising of Projector &	6 - 7



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

related Equipments	
Computer	3
Furniture and Fixtures	6
Office Equipments	5

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

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

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

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

### d) Intangible assets

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

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

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

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

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

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



# Scrabble Digital Limited

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CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## e) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

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

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

## f) Leases

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

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

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 interest rate implicit in the lease, i.e., the risk free rate of interest as per the prevailing market rates.

# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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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.

### Classification of Short Term leases

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

### Presentation

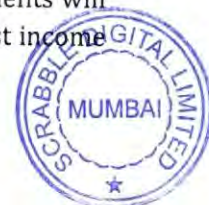
The company has presented the right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Long Term Provisions' & 'Other Current Liabilities' which are subject to current maturities in the financial statements.

### **g) Revenue recognition**

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

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

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



# Scrabble Digital Limited

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CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

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

## h) Foreign currency translation

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

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

### i. Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

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

### ii. Conversion

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

### iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on translation of such monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## i) Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Associates and Joint Ventures) at fair value at each balance sheet date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities, that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

## j) Financial Instruments:

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



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## i. Initial Recognition and Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

## ii. Classification and Subsequent Measurement:

### • Financial Assets:

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

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

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

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest on the principal amount outstanding.

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

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

## k) Employee benefits

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

### i. Short term employee benefits

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



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## ii. Post-Employment Employee Benefits

### Defined contribution plans

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

### Defined benefit plans

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

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

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

## iii. Other Long-Term Benefits:

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. The Company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

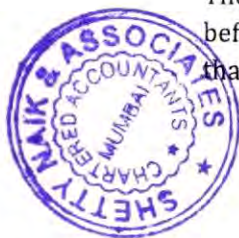
## 1) Current income taxes and deferred tax:

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

### Current Tax:

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

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





# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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## Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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

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

## Minimum alternate tax (MAT):

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

## **m) Earnings per share**

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

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



## Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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### n) Provisions, Contingent Liabilities and Contingent Assets : -

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

### o) Cash and cash equivalents:

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

### p) Segment reporting:

#### Identification of Segments:

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

### q) Measurement of EBITDA:

As per Guidance Note on Division II- Ind As Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

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

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



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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

The preparation of FS, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### (i) Judgements:

In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the FS.

### (ii) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the FS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

#### • Defined Benefit Obligation:

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



# Scrabble Digital Limited

(Erstwhile known as Scrabble Digital Pvt. Ltd)

CIN: U74999MH2011PLC213170

Notes to Financial Statements as at and for the year ended 31st March 2022

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- **Recognition of Deferred Tax Assets:**

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

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

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

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

When the fair value of financial assets and financial liabilities recorded in the Standalone financials cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgement includes consideration of input, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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



Scrabble Digital Limited

Notes to Financial Statements for the year ended 31st March, 2022

Note : 2 Property, Plant and Equipments & Intangible Assets

(Amount in Lacs)

Sr. No.	Particulars	Gross Block / Cost			Accumulated Depreciaton / Amortisation				Net Block		
		As on 01st April, 2021	Additions	Disposals	As at 31st March, 2022	As on 01st April, 2021	Additions	Disposals	As at 31st March, 2022	WDV as at 31st March, 2022	WDV as at 31st March, 2021
1	Computers & Printers	239.48	32.14	45.09	226.53	205.87	30.07	45.09	190.85	35.68	33.61
2	Office Equipment	65.81	0.06	5.93	59.94	59.13	2.30	5.93	55.50	4.44	6.68
3	Plant & Machinery	1,333.10	31.86	-	1,364.96	1,082.54	84.07	-	1,166.61	198.35	250.55
4	Furniture & Fixture	14.53	-	-	14.53	13.75	0.30	-	14.05	0.48	0.78
5	Leasehold Improvement	311.34	-	-	311.34	297.12	5.62	-	302.74	8.60	14.23
	<b>Total Tangible Assets (A)</b>	<b>1,964.26</b>	<b>64.06</b>	<b>51.02</b>	<b>1,977.30</b>	<b>1,658.41</b>	<b>122.36</b>	<b>51.02</b>	<b>1,729.75</b>	<b>247.55</b>	<b>305.85</b>
		-	-	-	-	-	-	-	-	-	-
6	Intangible Assets	32.35	-	-	32.35	29.82	0.88	-	30.70	1.65	2.53
	<b>Total Intangible Assets (B)</b>	<b>32.35</b>	<b>-</b>	<b>-</b>	<b>32.35</b>	<b>29.82</b>	<b>0.88</b>	<b>-</b>	<b>30.70</b>	<b>1.65</b>	<b>2.53</b>
		-	-	-	-	-	-	-	-	-	-
	<b>Total Assets (A+B)</b>	<b>1,996.61</b>	<b>64.06</b>	<b>51.02</b>	<b>2,009.65</b>	<b>1,688.23</b>	<b>123.24</b>	<b>51.02</b>	<b>1,760.45</b>	<b>249.20</b>	<b>308.38</b>
	<b>PREVIOUS YEAR</b>	<b>2,006.21</b>	<b>3.92</b>	<b>13.51</b>	<b>1,996.62</b>	<b>1,546.81</b>	<b>151.36</b>	<b>9.93</b>	<b>1,688.24</b>	<b>308.38</b>	<b>459.40</b>

Note : 2.1 Right to use Assets

(Amount in Lacs)

Sr. No.	Particulars	Gross Block / Cost			Accumulated Depreciaton / Amortisation				Net Block		
		As on 01st April, 2021	Additions	Disposals	As at 31st March, 2022	As on 01st April, 2021	Additions	Disposals	As at 31st March, 2022	WDV as at 31st March, 2022	WDV as at 31st March, 2021
1	Right to use Assets	2.37	-	-	2.37	0.40	1.18	-	1.58	0.79	1.97
	<b>Total Right to use Assets</b>	<b>2.37</b>	<b>-</b>	<b>-</b>	<b>2.37</b>	<b>0.40</b>	<b>1.18</b>	<b>-</b>	<b>1.58</b>	<b>0.79</b>	<b>1.97</b>
	<b>PREVIOUS YEAR</b>	<b>-</b>	<b>2.37</b>	<b>-</b>	<b>2.37</b>	<b>-</b>	<b>0.40</b>	<b>-</b>	<b>0.40</b>	<b>1.97</b>	<b>-</b>



**Scrabble Digital Limited**  
**Notes to Financial Statements as at 31st March, 2022**

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

(Amount in Lacs)

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	<b>Security Deposits</b>		
	Rental Deposits	13.92	13.46
	Less: Considered as Current Assets	-	(4.50)
	Other Security Deposits	2.05	2.35
	<b>Total</b>	<b>15.97</b>	<b>11.31</b>

**Note : 4 Deferred Tax Asset**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	<b>Deferred Tax Asset arising on account of timing difference:</b>		
	Opening Balance	179.77	132.32
	Add: Deferred Tax credit	2.77	47.45
	<b>Total</b>	<b>182.54</b>	<b>179.77</b>

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

	Property, Plant and Equipment & Intangible Assets	112.90	115.01
	Provisions for Doubtful Debts	7.73	11.94
	Provisions for Employee Benefits (Gratuity & Leave Encashment)	15.88	10.25
	Arising on account of timing difference of disallowance u/s 40(a)(ia)	(0.54)	2.27
	DTA on loss as per IT Computation	44.37	40.30
	Income Tax related to items that will not be reclassified to Profit or loss	2.20	-
	<b>Net Deferred Tax Liability</b>	<b>182.54</b>	<b>179.77</b>

**Note : 5 Other Non Current Assets**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	Income Tax (Net of Provision)	151.52	89.82
	<b>Total</b>	<b>151.52</b>	<b>89.82</b>

**Note : 6 Trade Receivables**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	Trade Receivable		
	Considered good	771.26	677.09
	Credit impaired	30.72	47.42
	Less: Allowance for doubtful trade receivable	(30.72)	(47.42)
	<b>Total</b>	<b>771.26</b>	<b>677.09</b>

**Trade Receivable Includes:**

Receivable from Related Parties amounting to Rs. 543.91 lacs ( previous year Rs. 411.00 lacs ) Refer Note No. 35 for the details.

**Trade Receivable Ageing Schedule**

As at March 31, 2022

Sr. No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables –considered good	459.90	146.66	123.02	38.00	3.68	771.26
(ii)	Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables –credit impaired	-	4.26	8.83	7.64	9.99	30.72
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables	-	-	-	-	-	-



**Trade Receivable Ageing Schedule**

As at March 31, 2021

(Amount in Lacs)

Sr. No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables –considered good	322.33	164.52	180.93	9.31	-	677.09
(ii)	Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables –credit impaired	-	10.22	20.09	12.64	4.47	47.42
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables	-	-	-	-	-	-

**Note : 7 Cash & Cash Equivalents**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		<b>Total</b>	<b>Total</b>
1	Cash-in-Hand	0.16	0.16
2	Balance with Banks	71.69	51.29
3	Fixed Deposits - Maturity Less than 12 Months	-	84.15
	<b>Total</b>	<b>71.85</b>	<b>135.60</b>

**Note : 8 Other Financial Assets - Current**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		<b>Total</b>	<b>Total</b>
1	Interest accrued but not due	-	1.20
	<b>Total</b>	<b>-</b>	<b>1.20</b>

**Note : 9 Other Current Assets**

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		<b>Total</b>	<b>Total</b>
1	Advances to supplier	2.10	13.96
2	Prepaid expenses	6.62	2.25
3	Loan and advances to employees	0.22	1.77
5	Rental deposit	-	4.50
7	GST credit receivable	60.28	77.44
	<b>Total</b>	<b>69.22</b>	<b>99.92</b>



## Scrabble Digital Limited

## Notes to Financial Statements as at 31st March, 2022

## Note : 10 Share Capital

(Amount in Lacs)

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	<b>AUTHORIZED CAPITAL</b> 7,50,000 Equity Shares of Rs.10 each	75.00	75.00
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 5,93,142 equity shares of Rs 10/- each fully paid up	59.31	59.31
<b>Total</b>		<b>59.31</b>	<b>59.31</b>

(10.1) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(10.2) The reconciliation of number of shares outstanding as on March 31, 2022 is set below:-

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Number of shares at the beginning	5,93,142	5,93,142
Add/less: Shares issued/ buyback / redeemed during the year	-	-
Number of shares at the end	<b>5,93,142</b>	<b>5,93,142</b>

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

Sr.No.	Name of Shareholders	As at 31st March, 2022		As at 31st March, 2021	
		% of Total Shares	Number of Shares	% of Total Shares	Number of Shares March 31, 2021
1	Scrabble Entertainment Ltd.	100%	5,93,142	100%	5,93,142
<b>Total</b>		<b>100%</b>	<b>5,93,142</b>	<b>100%</b>	<b>5,93,142</b>

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

(10.5) During the year ended March 31, 2022 company has not declared Dividend.

(10.6) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year				As at
S.No.	Promoter Name	No. of shares	% of Total Shares	31st March, 2022
1	Scrabble Entertainment Limited	5,93,142	100%	% change during
<b>Total</b>		<b>5,93,142</b>	<b>100%</b>	-

(10.6a) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year				As at
S.No.	Promoter Name	No. of shares	% of Total Shares	31st March, 2021
1	Scrabble Entertainment Limited	5,93,142	100%	% change during
<b>Total</b>		<b>5,93,142</b>	<b>100%</b>	-

Note : 11 Other Equity (Reserve & Surplus)

Sr. No	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	<b>Share Premium</b> Balance carried forward from Previous Year During the year <b>Closing Balance</b>	1,137.68 - <b>1,137.68</b>	1,137.68 - <b>1,137.68</b>
2	<b>General Reserve</b> Balance carried forward from Previous Year <b>Closing Balance</b>	22.47 <b>22.47</b>	22.47 <b>22.47</b>
3	<b>Other Comprehensive Income</b> Balance carried forward from Previous Year During the year <b>Closing Balance</b>	4.26 (6.53) <b>(2.27)</b>	3.06 1.20 <b>4.26</b>
4	<b>Profit &amp; Loss Account</b> Balance carried forward from Previous Year <b>Add:</b> Profit for the year <b>Less:</b> Appropriations <b>Sub Total</b>	38.33 (11.25) - <b>27.08</b>	212.24 (173.91) - <b>38.33</b>
<b>Total</b>		<b>1,184.96</b>	<b>1,202.74</b>

Note : 12 Long Term Provisions

Sr No.	Particulars	As at	As at
		31st March, 2022	31st March, 2021
		Total	Total
1	<b>Provision for Employee Benefits</b> Gratuity Leave Encashment	37.83 18.36	24.40 12.84
<b>Total</b>		<b>56.19</b>	<b>37.24</b>





Note : 13 Lease Liabilities		(Amount in Lacs)				
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Lease Liability	-	0.83			
	<b>Total</b>	-	0.83			
<b>Note : 14 Trade Payables</b>						
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Trade Payables					
	Total Outstanding dues of Micro and small enterprises	-	-			
	Total Outstanding dues of creditors other than micro and small enterprises	136.32	126.37			
	<b>Total</b>	<b>136.32</b>	<b>126.37</b>			
<b>Trade Payables Includes:</b>						
Payable to related parties is NIL, Refer Note No. 35 for the details.						
<b>Trade Payable Ageing Schedule</b>						
As at March 31, 2022						
Sr No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	135.54	0.18	0.60	-	136.32
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
As at March 31, 2021						
Sr No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	123.55	2.78	0.03	-	126.37
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
<b>Note : 15 Other Financial Liabilities</b>						
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Reimbursement & Other Payables	4.24	2.80			
	<b>Total</b>	<b>4.24</b>	<b>2.80</b>			
<b>Note : 16 Lease Liabilities</b>						
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Lease Liability	0.83	-			
	<b>Total</b>	<b>0.83</b>	<b>-</b>			
<b>Note : 17 Short Term Provisions</b>						
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Provision for Leave Encashment	2.19	1.20			
2	Provision for Gratuity	4.78	2.27			
	<b>Total</b>	<b>6.97</b>	<b>3.47</b>			
<b>Note : 18 Other Current Liabilities</b>						
Sr No.	Particulars	As at	As at			
		31st March, 2022	31st March, 2021			
		Total	Total			
1	Advances from customer	57.65	65.19			
2	Lease Liability	-	1.14			
3	<b>Statutory Liability</b>					
	TDS Payable	2.34	3.55			
	Professional Tax Payable	-	0.13			
	Provident Fund Payable	3.30	2.10			
	ESIC Deduction Employee Share	0.24	0.19			
	<b>Total</b>	<b>63.53</b>	<b>72.30</b>			



**Scrabble Digital Limited**  
**Notes on Financial Statements for the year ended 31st March, 2022**

**Note : 19 Income from Operations**

(Amount in Lacs)

Sr. No	Particulars	Year Ended 31st March, 2022	Year Ended March 31, 2021
		Total	Total
1	DCP Duplication Fees	640.30	371.27
2	Mastering Fees	174.24	60.58
3	Other Income	13.08	5.36
4	Sale of Hard disk drive/ Casings/ Assets Item	-	0.02
	<b>Total</b>	<b>827.62</b>	<b>437.23</b>

**Note : 20 Other Income**

Sr. No	Particulars	Year Ended 31st March, 2022	Year Ended March 31, 2021
		Total	Total
1	Sundry Balances Written Back	21.39	48.93
2	Bad Debts	0.78	4.47
3	Provision for Doubtful Debts	16.70	-
4	Profit on Sale of Fixed Assets	3.17	-
	<b>Total</b>	<b>42.04</b>	<b>53.40</b>

**Note : 21 Operating Direct Cost**

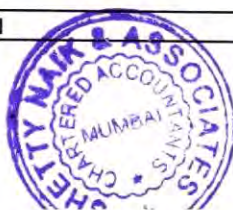
Sr. No	Particulars	Year Ended 31st March, 2022	Year Ended March 31, 2021
		Total	Total
1	Content Distribution Expenses	401.51	226.32
2	Other Expenses	0.88	-
	<b>Total</b>	<b>402.39</b>	<b>226.32</b>

**Note : 22 Employee Benefit Expenses**

Sr. No	Particulars	Year Ended 31st March, 2022	Year Ended March 31, 2021
		Total	Total
1	Salaries, Wages and Bonus	202.24	184.10
3	Contribution to Provident & Other Funds	15.69	13.30
2	Compensated Absences (refer note 28)	6.68	8.00
4	Gratuity	8.33	5.91
5	Staff Welfare Expenses	5.67	6.73
	<b>Total</b>	<b>238.61</b>	<b>218.04</b>

**Note : 23 Other Expenses**

Sr. No	Particulars	Year Ended 31st March, 2022	Year Ended March 31, 2021
		Total	Total
1	Communication Expenses	16.33	12.37
2	Travelling & Conveyance Expenses	2.99	1.31
3	Electricity Expenses	3.18	2.42
4	Legal Professional Expenses	1.52	21.62
5	Rate & Taxes	1.24	0.05
6	Rent	38.57	33.52
7	Repair & Maintenance	16.86	7.50
8	Security Charges	7.23	2.31
9	Printing & Stationery Expenses	1.95	0.90
10	Freight & Forwarding Charges	1.90	0.56
11	Insurance Expenses	0.18	0.17
12	Provision for Doubtful Debts	-	10.44
13	Notional Rent Charges	-	0.27
14	CSR Expenditure (refer note 39)	11.64	22.31
15	Audit Fees (Auditor's Remuneration refer note 27)	3.60	3.60
16	Miscellaneous Expenses	7.68	4.17
17	Exchange Fluctuation Loss (Net)	0.50	-
19	Loss on Sale of Fixed Assets	-	1.64
	<b>Total</b>	<b>115.37</b>	<b>125.16</b>



**Note : 24 Finance Cost**

(Amount in Lacs)

Sr. No	Particulars	Year Ended	Year Ended
		31st March, 2022	March 31, 2021
		Total	Total
1	Bank Charges	0.58	0.17
2	Interest & Penalty Charges	1.02	0.29
3	Interest on Notional Lease Rental Liability	0.12	0.06
<b>Total</b>		<b>1.72</b>	<b>0.52</b>

**Note : 25 Finance Income**

Sr. No	Particulars	Year Ended	Year Ended
		31st March, 2022	March 31, 2021
		Total	Total
1	Interest on Fixed Deposits	1.02	9.36
2	Notional Interest on Lease Rentals	-	0.23
3	Notional Interest on Security Deposit	0.01	-
4	Interest on Loan (Income)	-	0.12
5	Gain on termination of lease (IND AS 109)	-	0.10
<b>Total</b>		<b>1.03</b>	<b>9.81</b>

**Note : 26 Earnings Per Share**

Sr. No	Particulars	Year Ended	Year Ended
		31st March, 2022	March 31, 2021
		Total	Total
1	Profit-Loss attributable to Equity Shareholders	(11.25)	(173.91)
2	Weighted average number of equity shares outstanding (No. of Shares)	5,93,142	5,93,142
3	Earnings per Share (basic and diluted)	(1.90)	(29.32)
4	Nominal Value per share (Amount in Rs.)	10	10

**Note : 27 Auditors Remuneration**

Sr no	Particulars	Year Ended	Year Ended
		31st March, 2022	March 31, 2021
		Total	Total
1	Audit Fees (Statutory Audit)	3.10	3.10
2	Tax Audit	0.50	0.50
<b>Total</b>		<b>3.60</b>	<b>3.60</b>

**Note : 28**

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

**Defined Contribution Plans**

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

Particulars	Year Ended	Year Ended
	31st March, 2022	March 31, 2021
Employer's Contribution to Provident Fund	13.49	11.59

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan in India (unfunded). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company's defined benefit gratuity plan is a final salary plan for employees, which require contributions to be made to a separate administered fund. Gratuity is paid from the company as and when it becomes due and is paid as per company scheme of Gratuity.

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

Particulars	Gratuity	Gratuity
	(Unfunded)	(Unfunded)
	2021-22	2020-21
Defined Benefit obligation at beginning of year	26.67	21.96
Interest Cost	1.71	1.46
Current Service Cost	6.63	4.45
Benefits paid	(1.11)	-
Actuarial (gain) / loss	8.73	(1.20)
Defined Benefit obligation at year end	42.62	26.67

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

Particulars	Gratuity	Gratuity
	(Unfunded)	(Unfunded)
	2021-22	2020-21
Present value of obligation	42.62	26.67
Amount recognised in Balance Sheet	42.62	26.67



<b>(iv) Expenses recognised in statement of Profit and Loss during the year</b>			<b>(Amount in Lacs)</b>
Particulars	Gratuity (Unfunded) 2021-22	Gratuity (Unfunded) 2020-21	
Current Service Cost	6.63	4.45	
Interest Cost	1.71	1.46	
Past Service Cost	-	-	
Expenses recognised in P & L	8.33	5.91	

<b>(iv) Expenses recognised in Other Comprehensive income (OCI) during the year</b>			
Particulars	Gratuity (Unfunded) 2021-22	Gratuity (Unfunded) 2020-21	
Actuarial (gain) / loss	8.73	(1.20)	
Benefits paid	-	-	
Expenses recognised in P & L	8.73	(1.20)	

<b>(vi) Actuarial assumptions</b>			
Particulars	Gratuity (Unfunded) 2021-22	Gratuity (Unfunded) 2020-21	
Mortality Table (LIC)	100% of IALM 2012-14	100% of IALM 2012-14	
Discount rate (p.a.)	7.00%	6.40%	
Rate of Employee Turnover	7%	7%	
Retirement age (years)	58 Years	58 Years	
Expected rate of return on plan assets (p.a.)	0	0	
Rate of escalation in salary (p.a.)	Nil for First Year & 6% thereafter	Nil for FY 21-22 & 6% thereafter	

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.

<b>Maturity of Defined Benefit Obligation</b>			
<b>(Weighted average duration (based on Discounted cashflows - 9 Years)</b>			<b>(Amount in Lacs)</b>
Particulars	Gratuity (Unfunded) 2021-22	Gratuity (Unfunded) 2020-21	
1 Year	4.78	2.27	
2 to 5 Years	13.21	8.45	
6 to 10 Years	23.36	9.72	
More than 10 Years	47.96	33.61	

<b>Sensitivity Analysis</b>			
	<b>Decrease</b>	<b>Increase</b>	
Projected Benefit Obligation on Current Assumptions	42.62	26.67	

<b>As at 31st March, 2022</b>			
Delta Effect of Change in Rate of Discounting	46.58	39.16	
Delta Effect of Change in Rate of Salary Growth	39.08	46.61	
Delta Effect of Change in Attrition Rate	41.65	43.19	
Delta Effect of Change in Mortality Rate	42.60	42.62	

<b>As at 31st March, 2021</b>			
Delta Effect of Change in Rate of Discounting	29.31	24.39	
Delta Effect of Change in Rate of Salary Growth	24.35	29.31	
Delta Effect of Change in Attrition Rate	26.54	26.70	
Delta Effect of Change in Mortality Rate	26.67	26.67	

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

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

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

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

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

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



**Scrabble Digital Limited**  
Notes to Financial Statements for the year ended 31st March, 2022

Note : 29 Tax Expense

(Amount in Lacs)

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

Particulars	For the Year Ended 31st March, 2022	For the Year Ended March 31, 2021
<b>Current Income Tax:</b>		
Current Income Tax charge	-	-
Tax Expense relating to Prior Years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax:</b>		
Origination and reversal of temporary differences	0.57	47.45
<b>Total</b>	<b>0.57</b>	<b>47.45</b>
<b>Tax expense for the year</b>	<b>0.57</b>	<b>47.45</b>

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

Particulars	For the Year Ended 31st March, 2022	For the Year Ended March 31, 2021
<b>Accounting Profit Before Tax</b>	<b>(11.82)</b>	<b>(221.36)</b>
<b>Income tax expense calculated at corporate tax rate</b>		
Tax effect of adjustment to reconcile expected income tax expense to reported	(2.97)	(55.72)
<b>Less: Deductible expenses for tax purposes:</b>		
Income which is exempt	-	-
Deduction under the Tax Laws	(0.64)	(0.11)
Other deductible expenses	(32.55)	(37.20)
<b>Non-deductible expenses for tax purposes:</b>		
Permanent disallowance of Expenses	0.30	0.19
Other non-deductible expenses	32.19	52.52
<b>DTA on loss as per IT Computation</b>	<b>3.67</b>	<b>40.31</b>
<b>Add / (Less) : Deferred Tax Liability / (Deferred Tax Asset)</b>	<b>(0.57)</b>	<b>(47.45)</b>
<b>Add / (Less) : Tax Expenses relating to prior years</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(0.57)</b>	<b>(47.45)</b>



**Scrabble Digital Limited**

**Notes to Financial Statements for the year ended 31st March, 2022**

Note : 30

**Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

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

(Amount in Lacs)

As at 31st March, 2022	Carrying amount				Fair value		
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial Assets</b>							
<b>Non-current</b>							
Other Financial Assets	-	-	15.97	15.97	-	-	-
<b>Current</b>							
Investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	771.26	771.26	-	-	-
Cash and cash equivalents	-	-	71.85	71.85	-	-	-
Other Financial Assets	-	-	-	-	-	-	-
	-	-	859.08	859.08	-	-	-
<b>Financial Liabilities</b>							
<b>Current</b>							
Trade and other payables	-	-	136.32	136.32	-	-	-
Other financial liability	-	-	4.24	4.24	-	-	-
	-	-	140.56	140.56	-	-	-

As at 31st March, 2021	Carrying amount				Fair value		
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial Assets</b>							
<b>Non-current</b>							
Other Financial Assets	-	-	11.31	11.31	-	-	-
<b>Current</b>							
Investments	-	-	-	-	-	-	-
Trade and other receivables	-	-	677.09	677.09	-	-	-
Cash and cash equivalents	-	-	135.60	135.60	-	-	-
Other Financial Assets	-	-	1.20	1.20	-	-	-
	-	-	825.20	825.20	-	-	-
<b>Financial Liabilities</b>							
<b>Current</b>							
Trade and other payables	-	-	126.37	126.37	-	-	-
Other financial liability	-	-	2.80	2.80	-	-	-
	-	-	129.17	129.17	-	-	-

**B. Measurement of fair values**

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

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



**Scrabble Digital Limited**  
**Notes to Financial Statements for the year ended 31st March 2022**

**Note : 31**

**Credit Risk**

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

**a. Trade and other receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of routine customers to which the Company grants credit terms in the normal course of business. For the new customers the company prefers taking advance payments before provisioning the services to the customers. Group Companies concentrate 81% of total receivable.

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

**b. Cash and cash equivalents**

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

**c. Security deposits given to lessors**

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

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

**Note : 32**

**Liquidity risk**

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

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

**Note : 33**

**Market Risk**

**a. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and is limited as these deposits are held with credit worthy banks.

**b. Foreign Currency Risk**

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



**Scrabble Digital Limited**  
**Notes to Financial Statements for the Year Ended 31st March, 2022**

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

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

(Amount in Laacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right – of –use assets, except for investment property	0.79	1.97

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	1.97	-
Addition during the year	-	2.37
Less: Depreciation charge for the year	(1.18)	(0.40)
Closing Balance	0.79	1.97

**C) Maturity Analysis of Lease Liabilities**

Maturity Analysis – Contractual undiscounted cash flows	As at 31st March, 2022	As at 31st March, 2021
Less than One year	0.83	1.26
One to Five years	-	0.84
More than five Years	-	-
<b>Total Undiscounted lease liabilities (Excluding Short term leases)</b>	<b>0.83</b>	<b>2.10</b>
<b>Lease liabilities included in the statement of Financial position</b>	<b>0.83</b>	<b>1.98</b>
Current	0.83	1.14
Non-current	-	0.83

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

Particulars	For the year ended on 31st March, 2022 Amount (Rs.)	For the year ended on 31st March, 2021 Amount (Rs.)
Interest on Lease Liabilities	0.12	0.06
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)	38.57	33.52
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-





**Scrabble Digital Limited**  
**Notes to Financial Statements for the Year Ended March 31, 2022**

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

**Related Parties**

Name	Relationship
Scrabble Entertainment Limited	Holding Company
UFO Moviez India Limited	Holding Company of Scrabble Entertainment Ltd
Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)	Fellow Subsidiary
Zinglin Media Private Limited	Fellow Subsidiary
Mumbai Movie Studios Private Limited	Fellow Subsidiary

(Amount in Lacs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Scrabble Entertainment Limited</b>		
<b>* Service Income</b>		
- DCP Duplication Income	24.82	86.00
<b>* Expenses</b>		
- Repairs and Maintenance	0.62	-
- Rent	14.98	7.28
<b>UFO Moviez India Limited</b>		
<b>* Service Income</b>		
- DCP Duplication Income	124.34	81.61
- DCP Mastering Income	25.09	-
<b>* Expenses</b>		
- Rent	9.95	1.76
- Reimbursement of Expenses	0.44	-
<b>* Security Deposit Paid</b>	1.15	-
<b>Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)</b>		
<b>* Service Income</b>		
- DCP Duplication Income	-	0.03
<b>Zinglin Media Private Limited</b>		
<b>* Other Income</b>		
- Interest on Loan	-	0.05
<b>Mumbai Movie Studios Private Limited</b>		
<b>* Other Income</b>		
- Interest on Loan	-	0.06

Balance Outstanding	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>(A) Trade Receivable</b>		
Scrabble Entertainment Limited	199.72	266.84
UFO Moviez India Limited	344.16	144.13
Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)	0.04	0.04
SEL (Unbilled Revenue)	(7.46)	61.52
UFO (Unbilled Revenue)	10.59	54.83
<b>(B) Security Deposit Receivable</b>		
Scrabble Entertainment Limited	5.27	5.27
UFO Moviez India Limited	2.76	1.61

**Note 36: Segment Reporting**

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

**Note 37: Details of dues to micro and small enterprises as defined under the MSME Act, 2006**

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

**Note 38: Leases**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rent	38.57	33.52



<b>Note 39: Corporate Social Responsibility</b>		(Amount in Lacs)	
<b>Details of CSR expenditure</b>		<b>Year Ended 31st March, 2022</b>	<b>Year Ended 31st March, 2021</b>
a) Gross amount required to be spent during the year		11.64	22.31
b) Amount approved by the Board to be spent during the year		11.64	22.31
c) Amount spent during the year ending on 31st March 2022:		<b>In cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above		10.37	16.21
			26.58
d) Amount spent during the year ending on 31st March 2021:		<b>In cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above		7.37	14.94
			22.31
e) Details related to spent / unspent obligations		<b>Year Ended 31st March, 2022</b>	<b>Year Ended 31st March, 2021</b>
i) Contribution to Public Trust		-	-
ii) Contribution to Charitable Trust		-	-
iii) Unspent amount in relation to:			
Ongoing project - Spent		10.37	7.37
Ongoing project - Unspent		16.21	14.94
Other than ongoing project		-	-

**Details of ongoing project and other than ongoing project  
In case of S. 135(6) (Ongoing Project)**

<b>Opening Balance</b>		<b>Amount required to be spent during the year</b>	<b>Amount spent during the year</b>		<b>Closing Balance</b>	
<b>With Company</b>	<b>In Separate CSR Unspent A/c</b>		<b>From Company's bank A/c</b>	<b>From Separate CSR Unspent A/c</b>	<b>With Company</b>	<b>In Separate CSR Unspent A/c</b>
FY 2020-21	-	14.94	-	7.37	-	7.57
* FY 2021-22	-	11.64	3.00	-	8.64	-

\* The Company has post year-end transferred unspent amount of Rs. 8.64 lacs in a special bank a/c opened for the purpose of Corporate Social Responsibility and will be spending the said amount within three years from the date of transfer i.e. April 01, 2022.

**In case of S. 135(5) (Other than ongoing project)**

<b>Opening Balance</b>	<b>Amount deposited in Specified Fund of Sch. VII within 6 months</b>	<b>Amount required to be spent during the year</b>	<b>Amount spent during the year</b>	<b>Closing Balance</b>
-	-	-	-	-

**Note 40 : Covid Note**

The uncertainty on account of Covid- 19 outbreak continued to have adverse effect across the world economies including India in first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. However, various State Governments allowed Cinemas to re-open from July/August 2021 in a phased manner with restrictions and Standard Operating Procedures (SOPs). The key States of Maharashtra and Kerala allowed opening of cinemas only from end of October/beginning of November 2021 and various regional and Hindi movies also started releasing. The third wave which was due to Omicron, a new variant of Covid, was the shortest as compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 22. Majority of Cinemas were operational during early Q4 (with exception of Delhi and Haryana which were shut during January 2022) with various capacity restrictions but with limited or no content. Restrictions on cinema operations started easing from the 1st week of February'22. With the lifting of covid related occupancy restrictions fully in cinemas from mid-March 22 in the major states across India including union territories, filmgoers started revisiting cinemas in large numbers which gave a big boost to the sentiments of the cinema industry. Consequently, theatrical exhibition industry has witnessed significant recovery and an improved performance by the end of financial year. We continued with our strategy of keeping check on controllable costs and for having adequate liquidity.

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. Based on the above, the management and the Board of Directors believe that the Company would be able to meet its financial obligations in the foreseeable. Accordingly, management believes that long term drivers of business are intact and does not anticipate any material medium to long term risks to the business.



**Note 41 : Ratio Analysis and its elements**

Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	4.31	4.46	-3.43%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	There are no borrowings in the company
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	There are no borrowings in the company
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-0.90%	-12.90%	12.00%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	-	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.14	0.59	92.17%	Increase in trade receivable in current year due to increase in sales.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.85	0.63	515.50%	Increase in trade payable in current year due to increase in sales and proportionately the direct expense has increased
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1.18	0.62	91.56%	Increase in trade receivable in current year due to increase in sales.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-1.36%	-39.78%	38.42%	Decrease in net loss due increase in sales in current year and decrease in professional fees
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-1.05%	-21.36%	20.31%	-
Return on Investment	Interest (Finance Income)	Investment	3.33%	6.32%	-2.99%	-

**Note 42 : Additional Regulatory Information**

- a. Loans or Advances to related Parties – The Company has not granted any loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment,
- b. Details of Benami Property held – No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c. Wilful Defaulter – The company has not availed any loans or borrowings from banks or financial institutions and therefore has not been declared a wilful defaulter by any bank or financial Institution or other lender.
- d. Relationship with Struck off Companies – Details are shown in below table for transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Details of Struck off Companies**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
-	Investments in securities	-	-
Vigour Media Communication Pvt. Ltd.	Receivables	0.78	-
-	Payables	-	-
-	Shares held by struck off	-	-
-	Other outstanding balances	-	-



e. Registration of charges or satisfaction with Registrar of Companies (ROC) - The Company has not availed any secured loan. Therefore, registration or satisfaction of charges with the Registrar of Companies (ROC) is not applicable.

f. Utilisation of Borrowed funds and share premium:

i. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall –

1. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
2. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

ii. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall-

1. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 43:**

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

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



CA Jagdish Shetty  
Partner  
Membership No. 111936  
Place: Mumbai  
Date: 23rd May, 2022

**For and on behalf of Board of Directors of**  
**Scrabble Digital Limited**  
CIN : U74999MH2011PLC213170

Ashish Sadanand Malushte  
Director  
DIN No: 00024923  
Place: Mumbai  
Date: 23rd May, 2022

Pankaj Jaysinh Madhani  
Director  
DIN No: 01564221  
Place: Mumbai  
Date: 23rd May, 2022

