

NOVA CINEMAZ PRIVATE LTD.

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

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR - 2023-24

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.)

Santosh J. Naik

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



SHETTY NAIK & ASSOCIATES
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Nova Cinemaz Private Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Nova Cinemaz Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of 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 31st March 2024, the losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors of the Company.
- 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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.



(f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and operating effectiveness of such control, refer to our separate Report in “Annexure B”.

(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 it’s 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements in Note 35.1.

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 to the Investor Education and Protection Fund by the Company.

iv. (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.

(iv) No dividend has been declared or paid by the company during the financial year. Accordingly, compliance with Sec. 123 of the Companies is not applicable.

(v) has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

A handwritten signature in blue ink, appearing to be 'Jagdish Shetty', written over a circular stamp.



CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date: May 22, 2024

Place: Mumbai

UDIN – 24111936BKCJBL6536

Annexure referred to the Auditors' Report

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

To the best of our information and according to the explanations provided to us by the Company and the books of account 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 fixed assets were physically verified during the year by the management at reasonable intervals, which in our opinion are reasonable, having regards to the size of the company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification by the management.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, does not own any immovable property hence the said sub-clause is not applicable.
- (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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As per Management, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.





- (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. Accordingly, the reporting under clause 3(iii) of the Order is not applicable.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation, except in case of loan of Rs. 136.36 Lakhs (including the interest due of 52.94 Lakhs) to one party in earlier years against which impairment loss has been accounted in the financial statements.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date, except in respect to the loan as mentioned in sub-clause (c) above.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to information and explanations given to us, the Company has granted unsecured loans covered under the provisions of 186 of the Act exceeding the limits prescribed under Sec. 186(2). The company has passed the special resolution as per the provisions of the Sec.186(2) & has made requisite disclosure in Note No. 33 to the financial statements.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Hence, reporting under clause 3(v) of the Order is not applicable.





(vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income –tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March 2024 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. In Lakhs)
The Income Tax Act, 1961	Income Tax – TDS	Commissioner of Income Tax (Appeals)	AY 2019-20	61.54



- (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 defaulted in repayment of any loans or other borrowings or in the payment of interest thereon, to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared a willful 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) As the company has not taken loans other than unsecured loans from its holding company for general business purposes, accordingly, no funds raised on short term basis have been utilized for long term purposes.
- (e) 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 secured 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 other than the rights issue to its holding company 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), other than the right issue of equity shares of Rs. 75 Lakhs to its holding company and preference shares of Rs. 300 Lakhs issued to its holding company in the form of 4% Non-Cumulative Optionally



Convertible Preference Shares (NCORPS). The said shares are in the nature of compound financial instruments (refer to Note 13 of the Financials). The Company has complied with the requirements of Sec. 62 of The Companies Act, 2013 and the funds raised have been used for the purpose for which the funds were raised.

- (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) As represented by the management, no whistleblower complaints received by the Company during the year, hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The provisions of Section 177 of the Act relating to Audit Committee are not applicable to the Company during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) As per the representation from the management, since the company is not covered under the provisions of Sec. 138 of the Companies Act, 2013, no internal audit has been conducted by the Company.
- (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) 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), (c) and (d) of the Order is not applicable.
- (xvii) The company has incurred cash losses during the financial year of Rs. 66.99 Lakhs and Rs. 263.92 Lakhs immediately preceding financial year.
- (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 provided by the management 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 and audit evidence provided 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) As per the representation from the management, the provisions of Sec. 135 in respect to the "Corporate Social Responsibility" of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.





SHETTY NAIK & ASSOCIATES
Chartered Accountants

(xxi) Clause (xxi) of the Order is not applicable to the Standalone Financial Statements.

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

A blue ink handwritten signature, appearing to be 'Jagdish Shetty', written over a horizontal line.



CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date: May 22, 2024
Place: Mumbai
UDIN - 24111936BKCJBL6536

“Appendix B” to Independent Auditors Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of the Company of even date)

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Nova Cinemaz Private Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether





adequate internal financial controls with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

4. Meaning of Internal Financial Controls with reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are





being made only in accordance with authorisations of management and directors of the company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

5. Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statement

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

6. Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For Shetty Naik and Associates

Chartered Accountants

Firm Registration No: 124851W



CA. JAGDISH SHETTY

Partner

Membership No: 111936

Date: May 22, 2024

Place: Mumbai

UDIN – 24111936BKCJBL6536

Nova Cinemaz Private Limited

Balance sheet as at 31 March 2024

Particulars	Notes	Rs. in Lakhs	
		31 March 2024	31 March 2023
Assets			
Non-current Assets			
Property, plant and equipment	2.1	77.29	198.28
Capital work-in-progress	2.2	51.27	12.80
Right of use assets	2.4	-	-
Other Intangible assets	2.3	3.14	5.23
Income tax assets (net)		2.24	2.96
Other non-current assets	3	72.60	12.13
Total Non-current Assets (A)		206.54	231.40
Current Assets			
Inventories	4	0.99	0.11
Financial assets			
(i) Trade receivables	5	37.40	32.91
(ii) Cash and cash equivalents	6	195.71	10.78
(iii) Bank balances other than cash and cash equivalents	7	11.07	10.52
(iv) Loans	8	0.22	0.60
(v) Others financial assets	9	39.47	33.32
Other current assets	10	94.22	140.43
Total Current Assets (B)		379.08	228.67
Total Assets (A+B)		585.62	460.07
Equity And Liabilities			
Equity			
i) Equity Share capital	11	501.45	426.45
ii) Other equity	12	(1,624.89)	(1,489.33)
Total Equity (C)		(1,123.44)	(1,062.88)
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	13	155.60	-
(ii) Lease liabilities	31	-	-
Provisions	14	1.51	4.24
Total Non-current Liabilities (D)		157.11	4.24
Current Liabilities			
Financial liabilities			
(i) Borrowings	15	1,029.43	1,029.43
(ii) Lease liabilities	31	-	-
(iii) Trade payables	16	-	-
a) Total outstanding due of micro enterprises and small enterprises and		-	-
b) Total outstanding due of creditors other than micro enterprises and small enterprises		16.58	24.02
(iv) Other financial liabilities	17	498.73	424.14
Provisions	18	0.27	8.32
Other current liabilities	19	6.94	32.80
Total Current Liabilities (E)		1,551.95	1,518.71
Total Liabilities (D+E)		1,709.06	1,522.95
Total Equity And Liabilities (C+D+E)		585.62	460.07

Summary of significant accounting policies 1

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of

Shetty Naik & Associates

Firm Registration No. 124851W

Chartered Accountants

Jagdish Shetty

Partner

Membership No.: 111936

Place of Signature: Mumbai

Date: 22 May 2024



For and on behalf of the Board of Directors

of Nova Cinemaz Private Limited

CIN : U72900MH2006PTC163092

Vishnu Patel

Director

DIN No. 01029694

Pankaj Jaysinh Madhani

Director

DIN No. 01564221



Nova Cinemaz Private Limited

Statement of profit and loss account for the year ended 31 March 2024

Particulars	Notes	Rs. in Lakhs	
		31 March 2024	31 March 2023
Revenue from operations	20	110.05	164.83
Other income	21	0.22	31.92
Total Income - (I)		110.27	196.75
Expenses			
Operating direct cost	22	1.03	23.83
Employee benefits expenses	23	96.77	267.44
Other expenses	24	80.95	179.16
Total expenses - (II)		178.75	470.43
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(68.48)	(273.68)
Depreciation and amortisation expense	2.1, 2.2 & 2.3	97.69	119.03
Finance cost	25	114.56	118.89
Finance income	26	(0.76)	(0.67)
Loss before tax		(279.97)	(510.93)
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Loss for the period from Continuing Operations		(279.97)	(510.93)
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		1.83	5.41
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive loss for the period		(278.14)	(505.52)
Earnings per equity share from Continuing Operations (Face value of shares of Rs 10 each)			
(1) Basic		(5.63)	(19.42)
(2) Diluted		(5.63)	(19.42)

Summary of significant accounting policies

1

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of

Shetty Naik & Associates

Firm Registration No. 124851W

Chartered Accountants

Jagdish Shetty

Partner

Membership No: 111936

Place of Signature: Mumbai

Date: 22 May 2024



For and on behalf of the Board of Directors
of Nova Cinemaz Private Limited

CIN : U72900MH2006PTC163092

Vishnu Patel

Director

DIN No. 01029694

Pankaj Jaysinh Madhani

Director

DIN No. 01564221

Nova Cinemaz Private Limited

Statement of change in equity as at 31 March 2024

A. Equity Share Capital

For the year ended 31 March 2024

Rs. in Lakhs

Balance as at 1 April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
426.45	-	426.45	75.00	501.45

For the year ended 31 March 2023

Rs. in Lakhs

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
126.45	-	126.45	300.00	426.45

B. Other equity

Rs. in Lakhs

PARTICULARS	RESERVES & SURPLUS				TOTAL EQUITY
	Securities Premium	Retained Earnings	Capital Reserve	Compound Instrument - Preference Shares	
Balance as on 1 April 2022	164.60	(960.14)	(188.27)	-	(983.81)
Share issue expenses	-	-	-	-	-
Profit / (Loss) for the period	-	(510.93)	-	-	(510.93)
Other Comprehensive Income	-	5.41	-	-	5.41
Balance as on 31 March 2023	164.60	(1,465.66)	(188.27)	-	(1,489.33)
Unamortised Preference Share Issue Expenses (Compound Instruments)	(0.09)	-	-	(1.90)	(1.99)
Compound Instrument - Preference Shares (Equity Element)	-	-	-	144.57	144.57
Profit / (Loss) for the period	-	(279.97)	-	-	(279.97)
Other Comprehensive Income	-	1.83	-	-	1.83
Balance as on 31 March 2024	164.51	(1,743.80)	(188.27)	142.67	(1,624.89)

The accompanying notes 1 to 40 are an integral part of the financial statements.


As per our report of even date attached

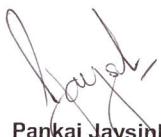
For and on behalf of
Shetty Naik & Associates
 Firm Registration No. 124851W
 Chartered Accountants


Jagdish Shetty
 Partner
 Membership No: 111936
 Place of Signature: Mumbai
 Date: 22 May 2024



For and on behalf of the Board of Directors
 of Nova Cinemaz Private Limited
 CIN : U72900MH2006PTC163092


Vishnu Patel
 Director
 DIN No. 01029694


Pankaj Jaysinh Madhani
 Director
 DIN No. 01564221

Nova Cinemaz Private Limited

Statement of Cash flows for the year ended 31 March 2024

Rs. in Lakhs

Particulars	31 March 2024	31 March 2023
Cash flow from operating activities		
Profit / (Loss) before Tax	(279.97)	(510.93)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	97.69	119.05
Loss on sale and write off of fixed assets	25.58	14.54
Provision for doubtful debts	-	20.00
Provision for compensated absences	(8.76)	-
Provision for gratuity	(0.26)	2.23
Prepaid lease rental amortised (Ind AS109)	-	2.25
Sundry credit balances written back	(9.59)	-
Gain on termination of lease liabilities	-	(25.45)
Interest expense on lease liabilities	-	7.92
Interest expense on unsecured loans	111.22	110.91
Notional Amortisation Expenses	3.21	-
Interest income	(0.76)	(0.67)
Operating profit before working capital changes	(61.64)	(260.15)
Movements in working capital :		
Increase / (decrease) in trade payables	2.16	(41.80)
(Decrease) / increase in other financial liabilities	(30.50)	34.20
(Decrease) in long-term provisions	(2.73)	(15.37)
Increase in short -term provisions	0.96	3.57
(Decrease) / increase in other current liability	(25.85)	3.69
Decrease in trade receivables	(4.48)	(1.57)
(Increase) / decrease in inventories	(0.88)	0.28
Decrease in financial assets loans	0.39	0.30
Decrease / (Increase) in other current assets	46.21	(17.41)
(Increase) / decrease in other financial assets	(6.16)	1.43
(Increase) in other non current assets	(2.90)	(5.15)
Cash used in operations	(85.42)	(297.98)
Direct tax paid (net of refunds)	0.72	(0.70)
Net cash used in operating activities (A)	(84.70)	(298.68)
Cash flow from investing activities		
Purchase of fixed assets including intangible, capital work in progress and capital advances	(94.40)	(23.40)
Maturity of bank deposits having original maturity more than 3 months (net)	(0.55)	(0.49)
Proceeds from sale of fixed assets	(0.02)	6.78
Interest received	0.76	0.67
Net cash flow used in investing activities (B)	(94.21)	(16.44)
Cash flow from financing activities		
Proceeds from issuance of Equity Share Capital (net of share issue expenses)	73.10	300.00
Equity Share Issue Expenses	(0.09)	-
Other Equity - Issue of Preference Shares	144.57	-
Financial liabilities - Issue of Preference Shares	152.39	-
Finance lease obligation Ind AS 116	-	(19.59)
Interest paid	(6.12)	(4.45)
Net cash flow from financing activities (C)	363.85	275.96
Net increase/(decrease) in cash and cash equivalent (A + B + C)	184.94	(39.16)
Cash and cash equivalents at the beginning of the year	10.78	49.94
Cash and cash equivalents at the end of the period	195.72	10.78
Components of cash and cash equivalents		
Cash on hand	-	0.72
Balance with banks: - in current accounts	195.71	10.06
Cash and cash equivalents (refer note 6)	195.71	10.78

Note 1: Figures in bracket denote outflow.

Note 2. The above Cash flows statement has been prepared under the "Indirect Method" set out in Indian Accounting Standards (Ind AS-7) "Cash Flow Statements"

Summary of significant accounting policies

1

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of

Shetty Naik & Associates

Firm Registration No. 124851W

Chartered Accountants

Jagdish Shetty

Partner

Membership No. 111936

Place of Signature: Mumbai

Date: 22 May 2024



For and on behalf of Board of Directors

of Nova Cinemaz Private Limited

CIN : U72900MH2006PTC163092

Vishnu Patel

Director

DIN No. 01029694

Pankaj Jaysinh Madhani

Director

DIN No.: 01564221

1 Significant Accounting Policies

1.1 Nature of operations

Nova Cinemaz Private Limited (the Company) is a private company domiciled in India and incorporated on 14 July 2006 under the provisions of the Companies Act, 1956. The registered office of the company is located at Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Andheri (East), Mumbai. The Company is into the business of providing digital cinema services including but not limited to Franchisee, Managing & Operating theatres, etc., set-up entertainment utility centres, food courts, . The Company's principal revenue stream is Franchisee Income, Content Service Charges, Lease Charges to Cinema Theatres and from operation of Box Office. The Company is subsidiary of UFO Moviez India Limited.

1.2 Going concern

For the year ended 31 March 2024, the Company has incurred a Comprehensive loss of Rs.278.14 Lakhs (31 March 2023 - Loss Rs. 505.52 Lakhs and has accumulated losses of Rs. 1743.80 Lakhs. The net worth of the Company is fully eroded. The Holding Company has committed to provide continued financial and operating support to the Company, to enable it to operate as a going concern and accordingly, these financial statements are prepared on going concern basis.

1.3 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

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

1.4 Use of estimates

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

1.5 Current versus Non-Current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or
- There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.



1.6 Revenue recognition

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

a) Revenue from services

Revenue from services is recognized, at a point in time or over time, on satisfaction of performance obligation for the services rendered as under:

- (i) Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time.
- (ii) Revenue from other Services is recognised over the period of contract or at a point in time, as per contractual terms.
- (iii) Lease rental income is recognized in the period in which equipment are leased. Technical Support Services and Server Maintenance and Content Licensing Fees is revenue recognized in the period in which services are rendered.

b) Sale of food and beverages

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

c) Other income

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

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

1.7 Property, plant and equipment (PPE)

PPE are shown at cost less accumulated depreciation. Cost comprises of purchase price and other attributed expenses.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

1.8 Inventory

Food and beverages - Inventories are valued at lower of cost or net realizable value. Cost includes all charges in bringing the goods to the point of sale, including taxes and other levies and is determined on a weighted average basis.



1.9 Depreciation on tangible fixed assets and amortization of intangible assets

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

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

Particulars	Useful lives as per management's estimate
Plant and machinery	6-10 Years
Computer	3 Years
Furniture and fixtures	5 Years
Office equipment's	5 Years
Vehicles	5 Years

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

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

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

Particulars	Useful lives as per management's estimate
Design, patent and trademarks	5 Years

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

1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

For the purpose of identification of assets that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.11 Employee benefit

Gratuity :-

The company has a defined benefit gratuity plan . Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company has not invested in any plan scheme till date.

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

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

Compensated leaves absences and leave encashment :-

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Retirement benefits:-

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employee render related services. There are no other obligations other than the contribution payable to the respective funds. The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.



1.12 Investment

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

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

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

1.13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Taxation

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

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

1.15 Provisions

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

1.16 Contingent liabilities

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

1.17 Cash and cash equivalents

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

1.18 Measurement of EBITDA

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



1.19 Leases

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

1.20 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. The company has filed legal cases where the advances are unrecoverable.

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, warehouses, ATM Machines 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, other than that mentioned in Financial Statements.



Nova Cinemaz Private Limited

Notes to Financial Statements for the year ended 31 March 2024

1.21 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. Further, the holding company has provided commitment / support as and when necessary.

1.22 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 does not have foreign currency transactions during the year.



Nova Cinemas Private Limited
Notes to financial statements as at and for the year ended 31 March 2024
2.1 Property, Plant and Equipment

	Rs. in Lakhs						
	Plant and Machinery	Computer Systems	Motor Car	Furniture and Fixtures	Office Equipment's	Leasehold Property Improvement	Total
Cost							
At 1 April 2022	404.73	6.36	41.53	2.29	12.91	95.72	563.54
Additions	5.53	2.86	-	-	2.22	-	10.61
Disposals	37.26	-	-	0.40	1.80	-	39.46
At 31 March 2023	373.00	9.22	41.53	1.89	13.33	95.72	534.69
Additions	0.07	0.05	-	-	0.06	-	0.18
Disposals	87.85	0.53	-	1.77	1.30	43.80	135.25
At 31 March 2024	285.22	8.74	41.53	0.12	12.09	51.92	399.62
Accumulated Depreciation/Amortisation							
At 1 April 2022	207.12	4.80	17.07	0.89	4.57	20.51	254.96
Charge for the year	58.34	1.84	8.31	0.30	2.72	28.08	99.59
On disposals	17.11	-	-	0.40	0.63	-	18.14
At 31 March 2023	248.35	6.64	25.38	0.79	6.66	48.59	336.41
Charge for the year	59.00	1.24	8.33	0.30	2.73	24.00	95.60
On disposals	71.72	0.53	-	0.97	0.67	35.79	109.68
At 31 March 2024	235.63	7.35	33.70	0.12	8.72	36.80	322.32
Net Block							
At 31 March 2023	124.65	2.58	16.15	1.10	6.67	47.13	198.28
At 31 March 2024	49.59	1.39	7.82	-	3.37	15.12	77.29

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

2.2 : Capital work in progress ('CWIP') as at 31 March 2024 : Rs. 51.27 Lakhs (31 March 2023 : Rs. 12.80 Lakhs)

Particular	Rs. in Lakhs	
	31 March 2024	31 March 2023
Opening	12.80	-
Add : Purchase	38.47	12.80
Less : Installed	-	-
Less : Sale / Write off	-	-
Closing	51.27	12.80

CWIP aging schedule

As at 31 March 2024

CWIP	Rs. in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	38.47	12.80	-	-	51.27
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023

CWIP	Rs. in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12.80	-	-	-	12.80
Projects temporarily suspended	-	-	-	-	-
Total	12.80	-	-	-	12.80

2.3 Other Intangible Assets

	Rs. in Lakhs
Patent and trademark	
Cost	
At 1 April 2022	38.65
Additions	-
Adjustment	-
Disposals	-
At 31 March 2023	38.65
Additions	-
Adjustment	-
Disposals	-
At 31 March 2024	38.65
Accumulated Depreciation/Amortisation	
At 1 April 2022	31.33
Charge for the year	2.09
On disposals	-
At 31 March 2023	33.42
Charge for the year	2.09
On disposals	-
At 31 March 2024	35.51
Net Block	
At 31 March 2023	5.23
At 31 March 2024	3.14

2.4 Right To Use Assets

	Rs. in Lakhs
Right To Use Assets	
Cost	
At 1 April 2022	119.70
Additions	-
Adjustment for remeasurement of liability *	-
Disposals	119.70
At 31 March 2023	-
Additions	-
Adjustment for remeasurement of liability *	-
Disposals	-
At 31 March 2024	-
Accumulated Depreciation/Amortisation	
At 1 April 2022	38.15
Charge for the year	17.36
On disposals	55.51
At 31 March 2023	-
Charge for the year	-
On disposals	-
At 31 March 2024	-
Net Block	
At 31 March 2023	-
At 31 March 2024	-

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



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

3. Other non current assets

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Capital advances (Refer Note 35.2)+B103	55.74	-
Net Defined Benefit Asset - Gratuity (Refer Note 28)	15.91	11.18
Deposit with government bodies and others		
Considered good	0.95	0.95
Credit impaired	10.00	10.00
	10.95	10.95
Less : Allowance for doubtful balances	(10.00)	(10.00)
	0.95	0.95
	72.60	12.13

4. Inventories

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Canteen inventory	0.99	0.11
	0.99	0.11

5. Trade receivables (Unsecured)

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Considered good (Other than Related Parties)	37.40	32.91
Credit impaired (Other than Related Parties)	30.00	30.00
	67.40	62.91
Less : Allowance for doubtful trade receivable	(30.00)	(30.00)
	37.40	32.91

Trade Receivables ageing schedule As at 31 March 2024

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	27.26	10.14	-	-	-	37.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	1.91	20.76	3.36	3.97	30.00
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	27.26	12.05	20.76	3.36	3.97	67.40
Less : Allowance for doubtful trade receivable						(30.00)
Total						37.40

As at 31 March 2023

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	27.70	2.14	2.93	0.14	-	32.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	23.56	0.92	5.52	-	30.00
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	27.70	25.70	3.85	5.66	-	62.91
Less : Allowance for doubtful trade receivable						(30.00)
Total						32.91



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

	Rs. in Lakhs	
	31 March 2024	31 March 2023
6. Financial assets - Cash and cash equivalents		
Cash and cash equivalents		
Balances with banks :		
- in current accounts	195.71	10.06
Cash on hand	-	0.72
	195.71	10.78
7. Financial assets - Bank balance other than cash and cash equivalents		
Other bank balances :		
Fixed deposits (maturity more than 3 months, but less than 12 months)	11.07	10.52
	11.07	10.52
8. Financial assets - Loan		
Loans and advances to employees		
Loan to theatre	0.22	0.60
Considered good	-	-
Credit risk	83.43	83.43
	83.43	83.43
Less : Allowance for doubtful balances	(83.43)	(83.43)
	-	-
	0.22	0.60
9. Financial assets - Other		
Security deposit - other than to related party		
Security deposit to related parties (refer note 29)	35.97	29.83
	3.50	3.49
Other receivables		
Considered good	-	-
Credit impaired	52.94	52.94
	52.94	52.94
Less : Allowance for doubtful balances	(52.94)	(52.94)
	-	-
	39.47	33.32
10. Other current assets (Unsecured, considered good unless otherwise stated)		
Advance to vendor		
Prepaid expenses	27.56	39.58
Balance with government authorities	0.56	1.31
GST credit receivable	16.43	4.12
	49.67	95.42
	94.22	140.43



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

11. Equity share capital

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Authorised share capital		
6,000,000 (31 March 2023 : 6,000,000) Equity Shares of Rs. 10/- each fully Paid up	600.00	600.00
	600.00	600.00
Share capital		
Issued, subscribed and fully paid up shares		
5,014,475 (31 March 2023 : 4,264,475) Equity Shares of Rs. 10/- each fully Paid up	501.45	426.45
Total issued, subscribed and fully paid up share capital	501.45	426.45

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

Equity shares	31 March 2024		31 March 2023	
	No.	Rupees	No.	Rupees
At the beginning of the year	4,264,475	426.45	1,264,475	126.45
Addition	750,000	75.00	3,000,000	300.00
Outstanding at the end of the year	5,014,475	501.45	4,264,475	426.45

(b) Terms / rights attached to equity shares

Voting rights

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. No dividend has been declared during this financial year.

Rights pertaining to repayment of capital

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	31 March 2024		31 March 2023	
	No.	% holding in the class	No.	% holding in the class
UFO Moviez India Limited Equity shares of Rs 10 each fully paid	5,014,475	100	4,264,475	100

Of the above, below shares are held by nominee

Name of the Shareholder	No of Shares
Sanjay Gaikwad (As Nominee Of UFO)	1
Pankaj Jaysinh Madhani (As Nominee Of UFO)	1
Vishnu Patel (As Nominee Of UFO)	1
Ashish Malushte (As Nominee Of UFO)	1
Kapil Agarwal (As Nominee Of UFO)	1
Sushil Agrawal (As Nominee Of UFO)	1
Total	6

(d) Details of shares held by promoters

As at 31 March 2024

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	UFO Moviez India Limited	4,264,475	750,000	5,014,475	100%	18%

As at 31 March 2023

Sr No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	UFO Moviez India Limited	1,264,475	3,000,000	4,264,475	100%	237%



Nova Cinemaz Private Limited
Notes to financial statements as at and for the year ended 31 March 2024

	Rs. in Lakhs	
	31 March 2024	31 March 2023
12. Other equity		
Securities premium account		
Balance as per last financial statements	164.60	164.60
Less : Equity Share issue expenses	(0.09)	-
Closing balance	164.51	164.60
Capital reserve		
Balance as per the last financial statements	(188.27)	(188.27)
Closing balance	(188.27)	(188.27)
Surplus in the statement of profit and loss		
Balance as per last financial statements	(1,465.66)	(960.14)
Loss for the year	(278.14)	(505.52)
Closing balance	(1,743.80)	(1,465.66)
Unamortised Preference Share Issue Expenses (Compound Instruments)		
Opening Balance	-	-
(+) Expenses incurred during the year	(4.94)	-
(-) Amortised against Financial Liability - Borrowings	1.56	-
(-) Amortised against Equity Element	1.48	-
Closing Balance	(1.90)	-
Compound Instrument - Preference Shares (Equity Element)		
30,000 (31 March 2023 : Nil) 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares ('NCOCRPS') of face value of Rs 1000/- each at par on right basis	146.05	-
(-) Proportionate Transaction Cost	(1.48)	-
	144.57	-
Total other equity	(1,624.89)	(1,489.33)
13. Financial liabilities - Long term borrowing		
		Rs. in Lakhs
13.1 Authorised share capital	31 March 2024	31 March 2023
50,000 (31 March 2023 : Nil) Preference Shares of Rs. 1000/- each	50.00	-
	50.00	-
13.2 Issued, subscribed and fully paid up shares		
30,000 (31 March 2023 : Nil) 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares ('NCOCRPS') of face value of Rs 1000/- each at par on right basis	153.95	-
Less : - Proportionate NCOCRPS Issue Expenditure	(1.56)	-
Add : - Notional Finance Cost Amortised during the year	3.21	-
	155.60	-
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
		Rs. in Lakhs
Preference shares	31 March 2024	31 March 2023
	No.	Rupees
At the beginning of the year	-	-
Addition	30,000	300
Outstanding at the end of the year (Bifurcated in financial liability & equity)	30,000	300
(b) Details of shareholders holding more than 5% shares in the Company		
	31 March 2024	31 March 2023
Name of the shareholder	No.	% holding in the class
	No.	% holding in the class
UFO Moviez India Limited	30,000	100
Preference shares of Rs 1000 each fully paid	-	100



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

13.3 Terms And Conditions Of 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares (NCOCRPS) (These conditions are an integral part of this Certificate)

Issue price : NCOCRPS of face value of Rs. 1,000/- each will be issued at a par.

Rate_of_Dividend : Dividend rate will be 4% p.a. (on the face value) which will remain fixed over the tenure of the NCOCRPS.

Non-cumulative : The NCOCRPS will carry non-cumulative dividend right.

Tenure & Conversion/ Redemption Terms : At the option of the Company, each NCOCRPS shall be either redeemed at any time but not later than 7 year from the date of allotment of NCORPS at the face value of Rs.1,000/- or converted into Equity Share of the Company. Such conversion will happen not later than 7 years from the date of allotment of the NCOCRPS at the fair market value, as determined by the Company, at the time of conversion.

Priority with respect to payment of dividend or repayment of capital: The NCOCRPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.

Participation in surplus funds / surplus assets and profits: The NCOCRPS shall be non-participating in the surplus funds / surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

Voting rights: The NCOCRPS shall carry voting rights as prescribed under the provisions of the Companies Act, 2013.

Recognition & Measurement Of Preference Shares As Per Ind AS 109 r.w Ind AS 32:

A financial liability is any liability that is:

(a) a contractual obligation :

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

However, as per Para B5.1.2 of IND AS 109, If an entity originates a loan that bears an off-market interest rate (4 % in present case) when the market rate for similar loans is higher (10 % as per Group Cost of Debt), and receives an upfront fee as compensation, the entity recognises the loan at its fair value, ie net of the fee.

"Thus based on the analysis of the Para B5.1.2 above, r.w the terms of issue of preference shares as mentioned above, it is pertinent to note that the Preference shares issued at 4% coupon rate as compared to 10% Cost of Debt of the holding Company, the preference shares is classified as Fair Value through P&L (although having the option to convert into equity shares, but the option shall be exercised by issue of a VARIABLE NUMBER OF EQUITY SHARES as per the FMV as on the date of conversion, which does not require for equity accounting).

Further, the preference shares are non-cumulative in nature, therefore the impact of coupon rate will be considered in the year of declaration and payment of dividend by the company. The effective interest rate shall be calculated based on the IRR on account of the market rate of 10% and the share issue expenses incurred by the company."

14. Long term provision

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Provision for gratuity (Refer Note 28)	-	-
Provision for leave encashment (Refer Note 28)	1.51	4.24
	1.51	4.24

15. Financial liabilities - Short term borrowing

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Financial liabilities at amortised cost		
Unsecured		
UFO Moviez India Limited	1,029.43	1,029.43
(Repayable on demand, average interest rate - 10.93% p.a.) (refer note 29)		
	1,029.43	1,029.43



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

16. Trade payables

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Financial liabilities at amortised cost		
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.58	24.02
	16.58	24.02

(For details pertaining to related party payable refer note 29)

Trade Payables aging schedule

As at 31 March 2024

Particulars	Rs. in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	15.29	1.19	-	-	16.48
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	0.11	-	-	0.11
Total	15.29	1.29	-	-	16.58

As at 31 March 2023

Particulars	Rs. in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	23.91	0.11	-	-	24.02
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	23.91	0.11	-	-	24.02

17. Financial liabilities - Other current financial liabilities

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Financial liabilities at amortised cost		
Deposit from theatres	16.15	12.35
Other deposit	2.60	4.60
Sub Total (A)	18.75	16.95
Other payables		
Salary and reimbursement payable	-	0.14
Payable to related party	-	32.16
Sub Total (B)	-	32.30
Interest accrued on borrowings		
UFO Moviez India Limited	479.98	374.89
Sub Total (C)	479.98	374.89
Total (A+B+C)	498.73	424.14

18. Short term provision

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Provision for gratuity (Refer Note 28)	-	-
Provision for leave encashment (Refer Note 28)	0.27	8.32
	0.27	8.32

19. Other current liabilities

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Deferred income	0.23	7.52
Advance from customer	5.16	16.73
Statutory dues *	1.55	8.55
	6.94	32.80

* Statutory dues payable includes

Employer provident fund	0.35	2.63
MLWF - Payable	-	-
ESIC - Payable	-	0.01
Profession tax - employee	0.01	0.01
Tax deducted at source	1.19	5.90
	1.55	8.55



Nova Cinemaz Private Limited

Notes to financial statements as at and for the year ended 31 March 2024

20. Revenue from operations

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Revenue from operations		
Sale of services		
Content income	29.18	29.69
Lease rental income	43.12	50.80
Service income	26.02	33.37
Income related to box office - Theatre	2.14	50.97
Registration fees income	-	-
	100.46	164.83
Other non-operating income		
Sundry balance written back	9.59	-
	9.59	-
	110.05	164.83

21. Other income

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Gain on termination of lease liabilities	-	25.45
Variable - Lease rent concession	-	-
Miscellaneous income	0.22	6.47
	0.22	31.92

22. Operating direct cost

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Distributors Share	0.69	19.90
Canteen expenses	0.34	3.93
	1.03	23.83

23. Employee benefit expense

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Salaries and wages	94.20	243.43
Contribution to provident and other funds	6.14	14.71
Gratuity expenses (refer note 28)	(0.26)	2.23
Compensated absences (refer note 28)	(8.76)	-
Staff welfare expenses	5.45	7.06
	96.77	267.44

24. Other expenses

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Rent	13.99	14.61
Legal, professional and consultancy charges	21.54	65.93
Sales promotion expenses	0.40	6.54
Electricity charges	0.27	6.71
Commission on Franchise fees revenue	1.19	2.30
Rates and taxes	3.94	5.94
Payment to auditor (please refer (i) below)	1.50	1.50
Repairs and maintenance		
-Plant and machinery	-	-
-Others	1.75	7.72
Insurance	0.62	0.88
Travelling and conveyance expenses	4.01	25.33
Communication and courier expenses	1.09	1.49
Printing and stationery	0.02	0.82
Office Expenses	0.04	0.38
Provision for bad & doubtful debts	-	20.00
Loss on sale and write off of fixed assets (net)	25.58	14.54
Miscellaneous expenses	3.00	2.22
Prepaid Lease rentals amortised (IND AS 109)	-	2.25
	80.95	179.16



Nova Cinemaz Private Limited**Notes to financial statements as at and for the year ended 31 March 2024****(i) Payment to auditor**

	Rs. in Lakhs	
	31 March 2024	31 March 2023
As Auditor: -		
Audit fees (including limited review)	1.50	1.50
Tax audit fees	-	-
	<u>1.50</u>	<u>1.50</u>

25. Finance costs

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Interest on		
Unsecured loans	111.22	110.91
Interest expenses on right to use	-	7.92
Notional Finance Cost on Preference Shares	3.21	-
Bank charges	0.13	0.06
	<u>114.56</u>	<u>118.89</u>

26. Finance income

	Rs. in Lakhs	
	31 March 2024	31 March 2023
Interest on		
- Fixed deposits	0.61	0.55
- Others	0.15	0.12
	<u>0.76</u>	<u>0.67</u>



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

27. Earning per share (IND AS-33):

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

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

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

Particular	Rs. in Lakhs	
	31 March 2024	31 March 2023
a) Loss after tax as reported (Rs.)	(280)	(511)
b) Weighted Average Number of equity shares considered for calculating Earnings Per Share	4,970,639	2,631,598
c) Earnings Per Share (Rs.)		
Basic	(5.63)	(19.42)
Diluted	(5.63)	(19.42)
d) Nominal Value Per Share (Rs.)	10.00	10.00

28. Gratuity and other post-employment benefit plans -

a) Defined contribution plan

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

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Contribution to provident fund	6.14	14.71
	6.14	14.71

b) Defined benefit plan-Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company has made provision for gratuity and leave encashment / compensated leave absences as per the actuarial reports based on projected unit credit method. The company has not invested in any scheme for the employment benefits. The payment of gratuity is required by the Payment of Gratuity Act, 1972.

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

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2024

Particulars	Rs. in Lakhs		
	Defined benefit obligation	Fair value of Plan assets	Benefit Liability
As at 1 April 2023	5.38	16.55	(11.17)
Service cost	0.57		0.57
Net interest expense	0.40		0.40
Investment Income	-	1.23	(1.23)
Recognised in the statement of profit and loss	0.97	1.23	(0.26)
Benefit paid	(2.64)		(2.64)
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)			-
Actuarial changes arising from changes in demographic assumptions	(0.04)		(0.04)
Actuarial changes arising from Changes in financial assumptions	0.07		0.07
Experience Adjustments	(1.86)		(1.86)
Recognised in Other Comprehensive Income	(1.83)	-	(1.83)
Contribution by employer	-	-	-
As at 31 March 2024	1.88	17.78	(15.90)



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2023				Rs. in Lakhs
Particulars	Defined benefit obligation	Fair value of Plan assets	Benefit Liability	
As at 1 April 2022	8.48			8.48
Service cost	1.66			1.66
Net interest expense	0.56			0.56
Recognised in the statement of profit and loss	2.23	-		2.23
Benefit paid	(0.72)			(0.72)
Remeasurement gains/losses in other comprehensive income				
Return on plan assets (excluding amounts included in net interest expense)	-	0.80		(0.80)
Actuarial changes arising from changes in demographic assumptions	0.07			0.07
Actuarial changes arising from changes in financial assumptions	(0.25)			(0.25)
Experience adjustments	(4.43)			(4.43)
Net actuarial (gain) / loss recognized in the year	-			-
Recognised in Other Comprehensive Income	(4.61)	0.80		(5.41)
Contribution by employer	-	15.75		(15.75)
As at 31 March 2023	5.38	16.55		(11.17)

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2024	31 March 2023
Discount rate	7.15%	6.65%
Future salary increase	8.00% for the first year, and 6.00% thereafter	Nil for the first year, and 6.00%
Employee turnover	13%	10%
Retirement age (years)	58	58

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

A quantitative sensitivity analysis for significant assumption is shown below

Particulars	Rs. in Lakhs	
	DBO 31 March 2024	DBO 31 March 2023
Discount rate (-1%)	2.01	5.82
Discount rate (+1%)	1.74	4.99
Salary Growth rate (-1%)	1.74	4.98
Salary Growth rate (+1%)	2.01	5.82

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions, being constant. In practice, scenarios may involve change in several assumptions where the stressed defined obligation may be significantly impacted.

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

Particulars	31 March 2024	31 March 2023
Within the next 12 months (next annual reporting period)	-	-
Total expected payments	-	-

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

The weighted-average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2023 : 8 years)

Expected cash flows over the next (valued on undiscounted basis):	Rs. in Lakhs	
	31 March 2024	31 March 2023
1 Year	0.18	0.43
2 to 5 years	0.86	2.44
6 to 10 years	0.93	2.39
More to 10 years	1.40	5.24

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

Gratuity	Rs. in Lakhs			
	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Present value of the defined benefit obligation	1.88	5.37	8.48	4.82
Fair value of the plan assets	17.78	16.55	-	-
Surplus / (deficit) in the plan	15.90	11.19	(8.48)	(4.82)

c) Compensated absences (Refer Note 23)

Provision in respect of Compensated absences has been made based on the actuarial valuation carried out by an independent actuary at the Balance sheet date using the Projected Unit Credit method. During the year Rs. (8.76) Lakhs (March 31, 2023: Rs. Nil) is recognised as an expense/(reversal of provision) in the Statement of profit and loss.



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

29. Related Party Disclosures (IND AS-24)

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

Holding Company	UFO Moviez India Limited ('UFO')
Subsidiary of Holding Company	Scrabble Entertainment Limited ('SEL') (Erstwhile Subsidiary merged with UFO having appointed date 1 April 2023 w.e.f. 21 February 2024)
Fellow Subsidiary	Scrabble Digital Limited (Erstwhile Fellow Subsidiary & now Subsidiary of Holding Company after merger of SEL with UFO w.e.f. 21 February 2024)

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

Media Infotek Park
Deco Works LLP

B. Information about Related Parties Transactions:

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Name of the Parties and Nature of Expenses and Income		
1. Holding Company		
UFO Moviez India Limited		
A. Income		
i) Content expenses (Distributors)	8.64	15.25
ii) Franchise income	0.80	1.05
iii) Advertisement Share - Chandrapur	-	1.67
B. Expenses		
i) Interest expenses on loan	111.22	110.91
ii) Rent	6.34	6.00
iii) Content expenses	7.37	19.22
iv) Lease rental expenses	-	1.67
v) Rent for Impact System	-	0.66
C. Other		
i) Purchase of equipment	-	0.11
ii) Security Deposit paid for rent	0.02	-
D. Equity share issued	75.00	300.00
E. Preference share issued	300.00	-
2. Erstwhile Fellow Subsidiary (Now Subsidiary of Holding Company)		
Scrabble Digital Limited		
A. Expenses		
i) Content Processing Expenses	-	0.06
2. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A. Media Infotek Park		
i) Rent	1.81	1.97
B. Deco Works LLP		
i) Professional Fees	-	6.61

C. Balance outstanding at the end of year ending 31 March, 2024

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
1. Holding Company		
UFO Moviez India Limited		
i) Other payables	-	32.16
ii) Loan payable	1,029.43	1,029.43
iii) Interest payable	479.98	374.89
iv) Security deposits receivable	1.56	1.54
2. Enterprises owned or significantly influenced by key management personnel or their relatives		
Media Infotek Park		
i) Security deposits receivable	1.94	1.94



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

30. Security deposit (Ind AS - 109)

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

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Security deposit paid	1.68	1.68
Fair value of security deposit	-	1.68

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Prepaid lease rentals charged to profit and loss	-	2.25

31. Lease (Ind AS - 116)

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

A) Addition of right to use assets

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

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Property, plant and equipment (Right to use assets, except for investment property)	-	-

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

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Opening balance	-	81.54
Add: Property, plant and equipment during the year	-	-
Less: Adjustment for remeasurement of liability (Lease modification)	-	-
Less: Depreciation charge for the year	-	(17.36)
Less : Deletion during the year	-	(64.18)
Closing balances	-	-

C) Maturity analysis of lease liabilities

Maturity analysis – Contractual undiscounted cash flows	Rs. in Lakhs	
	31 March 2024	31 March 2023
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities at the end of the year (Excluding short term leases)	-	-

D) Amounts recognised in profit and loss account

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Interest on lease liabilities	-	7.92
Variable lease payments not included in the measurement of lease liabilities	-	-
Rent concessions (Refer Note E below)	-	-
Gain on extinguishment of lease liability (Termination of lease)	-	25.45
Income from sub-leasing right to use assets	-	-
Expenses relating to short-term leases (Undiscounted rent expense)	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	7.96

E) The movement in lease liabilities during the year is as follows

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Opening Balance	-	101.31
Addition to Lease Liabilities	-	-
Interest Accrued during the year	-	7.92
Reversal of Lease Liabilities	-	-
Deletions (Termination of Lease)	-	(87.73)
Lease Rent Payments	-	(21.50)
Rent Concession recognised in Profit & Loss	-	-
Closing Balance	-	-

F) The break-up of current and non-current lease liabilities is as follows

Particulars	Rs. in Lakhs	
	31 March 2024	31 March 2023
Current lease liabilities	-	-
Non-current lease liabilities	-	-
Total	-	-



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

32. Segmental reporting (Ind AS - 108)

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

33. Disclosure under Section 186 in respect of loans and advances given by the Company

Rs. in Lakhs

Name of party	Loan given	Purpose
Thattipali Mohan Raj (Raj Cinema)*	83.43	To set up and develop the franchised Theatre at the said property.

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

34. Impairment of assets (Ind AS 36)

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

35.1 Contingent liabilities (Ind AS 37)

Rs. in Lakhs

Particulars	Amount	Current Status
Income Tax - TDS - Assessment Order for AY 2019-20 under section 201 of Income Tax Act, 1961.	61.54	The Company has preferred appeal for the said order and paid Rs. 12.31 Lakhs, which has been classified under Note 10. Other current assets (Unsecured, considered good unless otherwise stated).

35.2 Capital Commitment (Ind AS 37)

The Company has Capital Commitments of Rs. 3.72 Lakhs as on 31 March 2024 as mentioned in Note 2 of PPE r.w Note 3 where the company has paid the advances of Rs. 55.74 Lakhs.

36. Income Tax

The major components of Income tax expense for the years ended 31 March 2024 and 31 March 2023 are as follows:-

Rs. in Lakhs

Particulars	31 March 2024	31 March 2023
Current income tax	-	-
Adjustment relating to current income tax of previous year	-	-
Deferred tax:		
Related to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit and loss account	-	-

Reconciliation of tax expense and the accounting profit for 31 March 2024 and 31 March 2023 :-

Rs. in Lakhs

Particulars	31 March 2024	31 March 2023
Accounting profit / (Loss) before income tax	(279.97)	(510.93)
At India's statutory income tax rate 25.17% (LY 25.17%)	(70.47)	(128.60)
Tax effect on difference in depreciation	12.21	16.50
Tax effect on permanent disallowance	7.25	5.06
Tax effect on temporary disallowance	(1.45)	3.50
Deferred Tax Not Recognised due to uncertainty of profit in future years	52.46	103.54
Net tax expenses	-	-
Tax expenses as per Statement of profit and loss account	-	-

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

Rs. in Lakhs

Particulars	Amount	Expiry Date
Temporary difference: -		
Gratuity	2.64	Not Applicable
Leave Encashment	2.02	Not Applicable
Provision for bad debts	-	Not Applicable
Unabsorbed depreciation	48.52	Not Applicable
Unused Tax Losses: -		
Loss for the AY 2020-21	23.29	31-03-2028
Loss for the AY 2021-22	203.60	31-03-2029
Loss for the AY 2022-23	310.59	31-03-2030
Loss for the AY 2023-24	395.34	31-03-2031

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



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Particulars

Rs. in Lakhs

31 March 2024 31 March 2023

a). Trade payable due to Micro and Small Enterprises.

b). The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payment made to the supplier beyond the appointed day during each accounting year.

c). The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

38. Ratio Analysis and its elements

Rs. in Lakhs

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.24	0.15	62%	The change is due to utilisation of GST Credit Receivable & increase in the interest payable to holding company during the year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.48)	(1.32)	12%	NA
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(0.75)	(2.11)	-64%	Increase in Cash Losses as compared to last year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.63	15.81	-96%	Cost of Goods sold in the year was very less due to low level of operations in Box Office.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	20.54	21.00	-2%	NA
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	33.66	19.88	69%	Due to slow realisation of Debtors which has led to proportionate increase in creditors.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(0.62)	(0.69)	-10%	NA
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-254.39%	-309.97%	55.58%	Sales in current as well as previous year was lower due to ongoing CWIP projects.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-30.72%	-116.60%	85.89%	Sales in current as well as previous year was lower due to ongoing CWIP projects.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	6.40%	13.30%	-6.90%	NA
Return on Investment	Interest (Finance Income)	Investment	5.49%	5.22%	0.27%	NA



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

39. Additional Regulatory Information

- a. Title deeds of Immovable Properties not held in name of the Company – The company do not have any other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.
- b. 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,
- c. 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.
- d. The company has been sanctioned Overdraft Facility of Rs. 2.5 Lakhs from bank. However, the same has not been utilised during the year. However, there are no loans / borrowings against security of current assets.
- e. Wilful Defaulter – The company has not been declared a wilful defaulter by any bank or financial Institution or other lender.
- f. Relationship with Struck off Companies – The company do not have any transactions or balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

g. Registration of charges or satisfaction with Registrar of Companies (ROC)-

There has been no delay in registration or satisfaction of charges with the Registrar of Companies (ROC).

h. 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.

i. Intangible assets under development

The Company does not have any intangible asset under development. Therefore, this disclosure is not applicable.

j. Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies

k. Compliance with approved Scheme(s) of Arrangements

The company is not under any scheme of Arrangements as prescribed under sections 230 to 237 of the Companies Act, 2013.

l. Undisclosed Income

The Company does not have any transaction in the books of accounts that has been surrendered or disclosed as income during the

m. **Corporate Social Responsibility** - The provisions of CSR is not applicable to the Company.

n. Details of Crypto Currency or Virtual Currency

The Company has not been traded or invested in Crypto currency or Virtual Currency during the financial year.

o. Details of Struck off Companies

					Rs. in Lakhs
Name of struck off Company	Nature of transactions with struck-off Company	Opening Balance	Transactions	Closing	Relationship with the Struck off company, if any, to be disclosed
Mudra Steel Corporations	Payables	0.48	-	0.48	N.A.
Image Engineering	Opening Payables (Written back during the year)	0.74	(0.74)	-	N.A.



Nova Cinemaz Private Limited

Notes to financial statements for the year ended 31 March 2024

40. Other notes

- a) Balances in sundry creditors, debtors and loans and advances are subject to confirmations and reconciliations.
- b) In the opinion of the Board of Directors, the Current Assets and Non-Current Assets have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and adequate provision for all known liabilities of the Company have been made.
- c) Previous year figures.
- i) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.

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

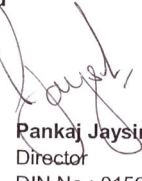
For Shetty Naik & Associates
Firm Registration No. 124851W
Chartered Accountants


Jagdish Shetty
Partner
Membership No: 111936
Place of Signature: Mumbai
Date: 22 May 2024



**For and on behalf of the Board of Directors
of Nova Cinemaz Private Limited**
CIN : U72900MH2006PTC163092


Vishnu Patel
Director
DIN No. 01029694


Pankaj Jaysinh Madhani
Director
DIN No.: 01564221