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 - 2021-22

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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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Nova Cinemaz Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including other Comprehensive Income), the statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements ").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules ,2015, as amended ,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and access the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management 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

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statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. We draw attention to Note 1.2 of the financial statements, which describes that in spite of erosion of net worth, the accounts of the company have been prepared on a going concern basis primarily due to commitment of financial support of the holding Company.

   Our opinion is not modified in respect of this matter.

2. Effects of COVID 19 -

   We draw attention to Note No 39 in the financial statements, which describe the operational disruptions the entity is facing as a result of COVID -19, on account of various restriction placed on re-opening and operations of cinema theatre which has severely impacted the revenue of the company.

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

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management of the Company has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects, and as on the date of approval of these financial results, it believes that there is no significant impact.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

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

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

(f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations / contingent liabilities as at 31 March 2022 on its financial position in its standalone financial statements. - Refer **Note No. 34** to the Financials.

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

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

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"),

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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.

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

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : May 25, 2022
Place : Mumbai

UDIN: 22111936AJSGBU3736

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 (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) 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.

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(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) 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. As represented by the management, the working capital facility of Rs. 13 crores obtained from bank as loan against securities has been closed during the year and all charges have been satisfied as per the records. 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, other than deposit of Rs. 25 lakhs given under contractual obligations, and hence reporting under clause 3(iii) 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) to one party in earlier years against which impairment loss has been accounted in the financial statements.

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(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. 32** to the financial statements.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. 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,

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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 2022 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and the information and explanations given to us, Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below: -

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

(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 wilful defaulter by any bank or financial institution or government or any government authority.

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(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 have 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 equity shares of Rs. 125 Lakhs issued to the its holding company in the form of rights issue. The Company has complied to 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.

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(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 whistle blower 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.

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(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) and (c) of the Order is not applicable.

(xvii) The company has incurred cash losses during the financial year and immediately preceding financial year, the details of which have mentioned as under-

FY	Amount (Rs.) in Lakhs
2021-22	385.59
2020-21	236.05

(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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, our opinion on Company capability 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, is as under –

(a) The Company's has accumulated losses of Rs. 960.14 lakhs as on the date of balance sheet and has incurred cash losses of Rs. 385.59 lakhs (PY Rs. 236.05 Lakhs) during the year. Further, the net worth of the company has completely eroded.

(b) As also mentioned in the "Other Matters" paragraph of this report in respect to the "Going Concern", the company's capability 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, is primarily based on the commitment of financial support of the holding Company.

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(c) Based on the above letter of commitment for continuous financial support by the holding company, we are of the opinion, that no material uncertainty as on the date of audit report that company is capable of meeting its liabilities existing as on the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) 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(xvi)(a), (b) and (c) of the Order is not applicable.

(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

SHETTY NAIK & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : May 25, 2022
Place : Mumbai
UDIN : 22111936AJSGBU3736

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of Sub – Section 3 of section 143 of the Companies Act ,2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NOVA DIGITAL CINEMAZ PRIVATE LIMITED** ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls.

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Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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,use , or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion , to the best of our information and according to the explanations given to us ,the Company has , in all material respects , an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March,2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

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

CA. JAGDISH SHETTY
Partner
Membership No: 111936

Date : May 25, 2022
Place : Mumbai

UDIN: 22111936AJSGBU3736

Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)

Balance sheet as at 31 March 2022

Rs. in lacs

Particulars	Notes	31 March 2022	31 March 2021
Assets			
Non-current Assets			
Property, plant and equipment	2.1	308.58	309.04
Capital work-in-progress	2.2	-	48.13
Right of use assets	2.3	81.55	93.01
Other Intangible assets	2.4	7.32	7.32
Income tax assets (net)		2.24	37.79
Other non-current assets	3	26.59	44.60
Total Non-current Assets (A)		**426.28**	**539.89**
Current Assets			
Inventories	4	0.39	0.37
Financial assets			
(i) Trade receivables	5	51.34	73.91
(ii) Cash and cash equivalents	6	49.94	7.92
(iii) Bank balances other than cash and cash equivalents	7	10.03	9.49
(iv) Loans	8	3.15	3.19
(v) Others financial assets	9	9.75	18.74
Other current assets	10	123.02	101.35
Total Current Assets (B)		**247.62**	**214.97**
Total Assets (A+B)		**673.90**	**754.86**
Equity And Liabilities			
Equity			
i) Equity share capital	11	126.45	1.45
ii) Other equity	12	(983.81)	(465.44)
Total Equity (C)		**(857.36)**	**(463.99)**
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Lease liabilities	30	78.57	86.95
Provisions	13	19.61	11.64
Total Non-current Liabilities (D)		**98.18**	**98.59**
Current Liabilities			
Financial liabilities			
(i) Borrowings	14	1,029.43	744.03
(ii) Lease liabilities	30	22.74	15.00
(iii) Trade payables	15		
a) Total outstanding due of micro enterprises and small enterprises and		-	-
b) Total outstanding due of creditors other than micro enterprises and small enterprises		65.81	47.82
(iv) Other financial liabilities	16	283.47	291.74
Provisions	17	2.52	1.56
Other current liabilities	18	29.11	20.11
Total Current Liabilities (E)		**1,433.08**	**1,120.26**
Total Liabilities (D+E)		**1,531.26**	**1,218.85**
Total Equity And Liabilities (C+D+E)		**673.90**	**754.86**
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: 25 May 2022

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

UDIN: 22111936AJSGBU3736

Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)

Statement of profit and loss account for the year ended 31 March 2022

Rs. in lacs

Particulars	Notes	31 March 2022	31 March 2021
Revenue from operations	19	83.06	2.91
Other income	20	7.76	51.05
Total Income - (I)		**90.82**	**53.96**
Expenses			
Operating direct cost	21	13.67	2.96
Employee benefits expenses	22	178.35	115.37
Other expenses	23	186.02	48.46
Total expenses - (II)		**378.04**	**166.79**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**(287.22)**	**(112.83)**
Depreciation and amortisation expense	2.1, 2.3 & 2.4	116.58	111.75
Finance cost	24	110.54	102.42
Finance income	25	(1.05)	(0.79)
Profit / (Loss) before tax		**(513.29)**	**(326.21)**
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) for the period		**(513.29)**	**(326.21)**
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		(0.07)	0.16
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive income for the period		**(513.36)**	**(326.05)**
Earnings per equity share (Face value of shares of Rs 10 each)			
(1) Basic		(1,335.05)	(2,253.58)
(2) Diluted		(1,335.05)	(2,253.58)
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
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SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

UDIN: 22111936AJSGBU3736

Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)

Statement of Cash flows for the year ended 31 March 2022

Rs. in lacs

Particulars	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit / (Loss) before Tax	(513.29)	(326.21)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	116.58	111.75
Remeasurements of the defined benefit plans	(0.07)	0.16
Loss/(profit) on sale and write off of fixed assets	7.59	-
Bad debts written-off	-	1.20
Provision for doubtful debts	10.00	-
Provision for compensated absences	6.49	6.02
Provision for gratuity	3.59	2.74
Prepaid lease rental amortised (Ind AS109)	0.59	0.79
Gain on termination of lease liabilities	(7.14)	(48.57)
Interest expense on lease liabilities	10.72	22.79
Interest on cash credit	0.84	2.63
Interest expense on unsecured loans	98.91	76.93
Interest income	(1.05)	(0.79)
Operating profit before working capital changes	(266.24)	(150.56)
Movements in working capital :		
Increase / (decrease) in trade payables	17.99	(7.74)
(Decrease) / increase in other financial liabilities	(88.58)	91.50
Increase in long-term provisions	7.97	7.20
(Decrease) in short -term provisions	(9.12)	(7.83)
Decrease / (increase) in other current liability	9.00	(34.63)
Increase/ (decrease) in trade receivables	12.57	(9.36)
(Increase) / decrease in inventories	(0.02)	0.26
(Increase) / decrease in financial assets loans	(0.56)	5.44
(Increase) / decrease in other current assets	(21.67)	58.00
Decrease in other financial assets	8.99	18.91
(Increase) in other non current assets	(25.00)	-
Cash used in operations	(354.67)	(28.81)
Direct tax paid (net of refunds)	35.55	(29.41)
Net cash used in operating activities (A)	(319.12)	(58.22)
Cash flow from investing activities		
Purchase of fixed assets including intangible, capital work in progress and capital advances	(22.75)	(24.80)
Maturity of bank deposits having original maturity more than 3 months (net)	(0.54)	(0.60)
Interest received	1.05	0.79
Net cash flow used in investing activities (B)	(22.24)	(24.61)
Cash flow from financing activities		
Proceeds from issuance of share capital (net of share issue expenses)	119.99	-
Proceeds from long term borrowings from holding company	420.00	-
Repayment of long term borrowings to holding company	(75.00)	-
Proceeds/(repayment) from short term borrowing from bank (net)	(59.60)	59.60
Finance lease obligation Ind AS 116	(13.11)	(7.58)
Interest on cash credit	(0.84)	(2.63)
Interest paid	(8.06)	(4.86)
Net cash flow from financing activities (C)	383.38	44.53
Net increase/(decrease) in cash and cash equivalent (A + B + C)	42.02	(38.30)
Cash and cash equivalents at the beginning of the year	7.92	46.22
Cash and cash equivalents at the end of the period	49.94	7.92
Components of cash and cash equivalents		
Cash on hand	0.39	0.12
Balance with banks:		
- in current accounts	49.55	7.80
Cash and cash equivalents (refer note 6)	49.94	7.92

Notes:

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

Summary of significant accounting policies 1

The accompanying notes 1 to 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: 25 May 2022

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

UDIN : 22111936AJSGBU3736

Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)

Statement of change in equity as at 31 March 2022

A. Share Capital

For the year ended 31 March 2022 — Rs. in lacs

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1.45	-	1.45	125.00	**126.45**

For the year ended 31 March 2021 — Rs. in lacs

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
1.45	-	1.45	-	**1.45**

B. Other equity

Rs. in lacs

PARTICULARS	RESERVES & SURPLUS			TOTAL EQUITY
	Securities Premium	Retained Earnings	Capital Reserve	
Balance as on 1 April 2020	169.61	(120.73)	(188.27)	(139.39)
Profit for the period	-	(326.21)	-	(326.21)
Other Comprehensive Income	-	0.16	-	0.16
Balance as on 31 March 2021	**169.61**	**(446.78)**	**(188.27)**	**(465.44)**
Share issue expenses	(5.01)	-	-	(5.01)
Profit for the period	-	(513.29)	-	(513.29)
Other Comprehensive Income	-	(0.07)	-	(0.07)
Balance as on 31 March 2022	**164.60**	**(960.14)**	**(188.27)**	**(983.81)**

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: 25 May 2022

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

UDIN: 22111936AJSGBU3736

1 Significant Accounting Policies

1.1 Nature of operations

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

1.2 Going concern

For the year ended 31 March 2022, the Company has incurred a loss of Rs.513.36 lacs (31 March 2021 - Loss Rs. 326.05 lacs and has accumulated losses of Rs. 960.14 lacs. The net worth of the Company is fully eroded. The Holding Company has committed to provide continued financial and operating support to the Company, to enable it to operate as a going concern and accordingly, these financial statements are prepared on going concern basis.

1.3 Basis of preparation

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

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

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

1.4 Use of estimates

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

1.5 Current versus Non-Current classification

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

• Expected to be realized in normal operating cycle or within twelve month after the reporting period or

• Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle or due to be settled with in twelve months after the reporting period or

• There is no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

1.6 Revenue recognition

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

a) Revenue from services

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

(i) Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time.

(ii) Revenue from other Services is recognised over the period of contract or at a point in time, as per contractual terms.

(iii) Lease rental income is recognized in the period in which equipment are leased. Technical Support Services and Server Maintenance and Content Licensing Fees is revenue recognized in the period in which services are rendered.

b) Sale of food and beverages

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

c) Other income

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

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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

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

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

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

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

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

1.11 **Employee benefit**

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

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

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

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

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

1.12 Investment

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

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

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

1.13 Earnings per share

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

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

1.14 Taxation

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

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

1.15 Provisions

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

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

1.16 Contingent liabilities

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

1.17 Cash and cash equivalents

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

1.18 Measurement of EBITDA

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

1.19 Leases

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

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

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

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

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

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

SHETTY NAIK & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

Nova Cinemaz Private Limited (erstwhile known as Valuable Digital Screens Private Limited)

Notes to financial statements as at and for the year ended 31 March 2022

2.1 Property, Plant and Equipment

Rs. in lacs

	Plant and Machinery	Computer Systems	Motor Car	Furniture and Fixtures	Office Equipment's	Leasehold Property Improvement	Total
Cost							
At 1 April 2020	371.24	5.60	41.53	-	1.60	-	419.97
Additions	17.92	0.11	-	2.29	10.96	43.80	75.08
Disposals	-	-	-	-	-		-
At 31 March 2021	389.16	5.71	41.53	2.29	12.56	43.80	495.05
Additions	48.60	0.65	-	-	0.35	51.92	101.52
Disposals	33.03	-	-	-	-		33.03
At 31 March 2022	404.73	6.36	41.53	2.29	12.91	95.72	563.54
Accumulated Depreciation/Amortisation							
At 1 April 2020	111.20	1.55	0.45	-	0.34	-	113.54
Charge for the year	57.12	1.79	8.31	0.59	1.75	2.91	72.47
On disposals	-	-	-	-	-	-	-
At 31 March 2021	168.32	3.34	8.76	0.59	2.09	2.91	186.01
Charge for the year	64.24	1.46	8.31	0.30	2.48	17.60	94.39
On disposals	25.44	-	-	-	-	-	25.44
At 31 March 2022	207.12	4.80	17.07	0.89	4.57	20.51	254.96
Net Block							
At 31 March 2021	220.84	2.37	32.77	1.70	10.47	40.89	309.04
At 31 March 2022	197.61	1.56	24.46	1.40	8.34	75.21	308.58

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

2.2 : Capital work in progress as at 31 March 2022 : Rs. Nil (31 March 2021 : Rs. 48.14 lacs)

Rs. in lacs

Particular	31 March 2022	31 March 2021
Opening	48.14	34.94
Add : Purchase	10.20	25.91
Less : Installed	34.94	12.71
Less : Sale / Write off	23.39	-
Closing	-	**48.14**

CWIP aging schedule

As at 31 March 2022

Rs. in lacs

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

As at 31 March 2021

Rs. in lacs

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	34.94	-	-	34.94
Projects temporarily suspended	8.32	4.88	-	-	13.20
Total	8.32	39.82	-	-	48.14

2.3 Right Of Use Assets

Rs. in lacs

	Right Of Use Assets
Cost	
At 1 April 2020	333.06
Additions	-
Adjustment for remeasurement of liability *	(8.26)
Disposals	213.99
At 31 March 2021	110.81
Additions	8.89
Adjustment for remeasurement of liability *	-
Disposals	-
At 31 March 2022	119.70
Accumulated Depreciation/Amortisation	
At 1 April 2020	19.23
Charge for the year	37.80
On disposals	39.23
At 31 March 2021	17.80
Charge for the year	20.35
On disposals	-
At 31 March 2022	38.15
Net Block	
At 31 March 2021	93.01
At 31 March 2022	81.55

2.4 Other Intangible Assets

Rs. in lacs

	Patent and trademark
Cost	
At 1 April 2020	29.32
Additions	7.50
Adjustment	-
Disposals	-
At 31 March 2021	36.82
Additions	1.83
Adjustment	-
Disposals	-
At 31 March 2022	38.65
Accumulated Depreciation/Amortisation	
At 1 April 2020	28.02
Charge for the year	1.48
On disposals	-
At 31 March 2021	29.50
Charge for the year	1.83
On disposals	-
At 31 March 2022	31.33
Net Block	
At 31 March 2021	7.32
At 31 March 2022	7.32

* 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.

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3. Other non current assets

Rs. in lacs

	31 March 2022	31 March 2021
Capital advances	-	43.01
Deposit with government bodies and others		
Considered good	26.59	1.59
Credit impaired	10.00	10.00
	36.59	11.59
Less : Allowance for doubtful balances	(10.00)	(10.00)
	26.59	1.59
	26.59	**44.60**

4. Inventories

Rs. in lacs

	31 March 2022	31 March 2021
Canteen inventory	0.39	0.37
	0.39	**0.37**

5. Trade receivables (Unsecured)

Rs. in lacs

	31 March 2022	31 March 2021
Considered good	51.34	73.91
Credit impaired	10.00	-
	61.34	73.91
Less : Allowance for doubtful trade receivable	(10.00)	-
	51.34	**73.91**

Trade Receivables ageing schedule

As at 31 March 2022

Rs. in lacs

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	50.62	0.72	-	-	-	**51.34**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	1.84	3.86	4.30	-	**10.00**
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
		50.62	**2.56**	**3.86**	**4.30**	**-**	**61.34**
Less : Allowance for doubtful trade receivable							**(10.00)**
Total							**51.34**

As at 31 March 2021

Rs. in lacs

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	10.29	42.79	20.83	-	-	**73.91**
(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	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
		10.29	**42.79**	**20.83**	**-**	**-**	**73.91**
Less : Allowance for doubtful trade receivable							-
Total							**73.91**

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6. Financial assets - Cash and cash equivalents

Rs. in lacs

	31 March 2022	31 March 2021
Cash and cash equivalents		
Balances with banks :		
- in current accounts	49.55	7.80
Cash on hand	0.39	0.12
	49.94	**7.92**

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

Rs. in lacs

	31 March 2022	31 March 2021
Other bank balances :		
Fixed deposits (maturity more than 3 months, but less than 12 months)	10.03	9.49
	10.03	**9.49**

8. Financial assets - Loan

Rs. in lacs

	31 March 2022	31 March 2021
Prepaid lease rental	2.25	2.55
Loans and advances to employees	0.90	0.64
Loan to theatre		
Considered good	-	-
Credit risk	83.43	83.43
	83.43	83.43
Less : Allowance for doubtful balances	(83.43)	(83.43)
	-	-
	3.15	**3.19**

9. Financial assets - Other

Rs. in lacs

	31 March 2022	31 March 2021
Security deposit - other than to related party	6.26	15.38
Security deposit to related parties (refer note 28)	3.49	3.36
Other receivables		
Considered good	-	-
Credit impaired	52.94	58.77
	52.94	58.77
Less : Allowance for doubtful balances	(52.94)	(58.77)
	-	-
	9.75	**18.74**

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

Rs. in lacs

	31 March 2022	31 March 2021
Advance to vendor	46.76	36.99
Prepaid expenses	0.55	0.72
Balance with government authorities	4.12	4.12
GST credit receivable	71.59	59.52
	123.02	**101.35**

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11. Equity share capital

Rs. in lacs

	31 March 2022	31 March 2021
Authorised share capital		
6,000,000 (31 March 2021 : 10,00,000) Equity Shares of Rs. 10/- each fully Paid up	6,000.00	100.00
	6,000.00	**100.00**
Share capital		
Issued, subscribed and fully paid up shares	126.45	1.45
1,264,475 (31 March 2021 : 14,475) Equity Shares of Rs. 10/- each fully Paid up		
Total issued, subscribed and fully paid up share capital	**126.45**	**1.45**

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

Rs. in lacs

Equity shares	31 March 2022		31 March 2021	
	No.	Rupees	No.	Rupees
At the beginning of the year	14,475	1.45	14,475	1.45
Addition	1,250,000	125.00	-	-
Outstanding at the end of the year	**1,264,475**	**126.45**	**14,475**	**1.45**

(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 2022		31 March, 2021	
	No.	% holding in the class	No.	% holding in the class
UFO Moviez India Limited (UFO) Equity shares of Rs 10 each fully paid	**1,264,475**	**100**	**14,475**	**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 2022

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	14,475	1,250,000	1,264,475	100%	8636%

As at 31 March 2021

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	14,475	-	14,475	100%	0%

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12. Other equity

Rs. in lacs

	31 March 2022	31 March 2021
Securities premium account		
Balance as per last financial statements	169.61	169.61
Less : Share issue expenses	(5.01)	-
Closing balance	**164.60**	**169.61**
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	(446.78)	(120.73)
Profit / (Loss) for the year	(513.36)	(326.05)
Closing balance	**(960.14)**	**(446.78)**
Total other equity	**(983.81)**	**(465.44)**

13. Long term provision

Rs. in lacs

	31 March 2022	31 March 2021
Provision for gratuity	7.96	4.52
Provision for leave encashment	11.65	7.12
	19.61	**11.64**

14. Financial liabilities - Short term borrowing

Rs. in lacs

	31 March 2022	31 March 2021
Financial liabilities at amortised cost		
Secured		
Cash credit from ICICI Bank Limited (Interest rate @ 8.00% p.a.)	-	59.60
Unsecured		
UFO Moviez India Limited (Repayable on demand, average interest rate - 10.93% p.a.) (refer note 28)	1,029.43	684.43
	1,029.43	**744.03**

15. Trade payables

Rs. in lacs

	31 March 2022	31 March 2021
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	65.81	47.82
	65.81	**47.82**

For details pertaining to related party payable refer note 28

Trade Payables aging schedule
As at 31 March 2022

Rs. in lacs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	63.80	2.00	-	0.01	65.81
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	63.80	2.00	-	0.01	65.81

As at 31 March 2021

Rs. in lacs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	43.53	2.29	2.00	-	47.82
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	43.53	2.29	2.00	-	47.82

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16. Financial liabilities - Other current financial liabilities

Rs. in lacs

	31 March 2022	31 March 2021
Financial liabilities at amortised cost		
Deposit from theatres	10.35	10.35
Other deposit	4.70	3.50
Sub Total (A)	15.05	13.85
Other payables		
Payables for purchase of fixed assets	-	10.54
Payable to related party	-	89.78
Sub Total (B)	-	100.32
Interest accrued on borrowings		
UFO Moviez India Limited	268.42	177.57
Sub Total (C)	268.42	177.57
Total (A+B+C)	**283.47**	**291.74**

17. Short term provision

Rs. in lacs

	31 March 2022	31 March 2021
Provision for gratuity	0.52	0.30
Provision for leave encashment	2.00	1.26
	2.52	**1.56**

18. Other current liabilities

Rs. in lacs

	31 March 2022	31 March 2021
Deferred income	8.41	11.78
Advance from customer	9.92	5.36
Statutory dues *	10.78	2.97
	29.11	**20.11**

*** Statutory dues payable includes**		
Employer provident fund	2.30	1.27
MLWF - Payable	0.00	-
ESIC - Payable	0.06	-
Profession tax - employee	0.22	0.03
Tax deducted at source	8.20	1.67
	10.78	**2.97**

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19. Revenue from operations

		Rs. in lacs
	31 March 2022	**31 March 2021**
Revenue from operations		
Sale of services		
Content income	9.91	-
Lease rental income	20.79	0.81
Service income	22.93	1.69
Income related to box office - Theatre	29.43	0.41
	83.06	**2.91**
Other non-operating income		
Sundry balance written back	-	-
	-	-
	83.06	**2.91**

20. Other income

		Rs. in lacs
	31 March 2022	**31 March 2021**
Gain on termination of lease liabilities	-	8.53
Variable - Lease rent concession	7.14	40.04
Miscellaneous income	0.62	2.48
	7.76	**51.05**

21. Operating direct cost

		Rs. in lacs
	31 March 2022	**31 March 2021**
Distributors Share	12.64	2.79
Canteen expenses	1.03	0.17
	13.67	**2.96**

22. Employee benefit expense

		Rs. in lacs
	31 March 2022	**31 March 2021**
Salaries and wages	156.73	96.92
Contribution to provident and other funds	8.19	6.66
Gratuity expenses (refer note 27)	3.59	2.74
Compensated absences (refer note 27)	6.49	6.02
Staff welfare expenses	3.35	3.03
	178.35	**115.37**

23. Other expenses

		Rs. in lacs
	31 March 2022	**31 March 2021**
Rent	7.83	4.36
Freight and forwarding charges	-	0.56
Legal, professional and consultancy charges	43.06	12.69
Sales promotion expenses	2.99	2.57
Electricity charges	3.38	6.03
Commission on Franchise fees revenue	2.77	-
Rates and taxes	0.45	0.29
Payment to auditor (please refer (i) below)	2.00	1.50
Repairs and maintenance		
-Plant and machinery	-	0.96
-Others	9.83	1.57
Insurance	0.96	1.16
Travelling and conveyance expenses	8.92	1.44
Communication and courier expenses	0.84	0.49
Printing and stationery	0.80	0.72
Office Expenses	14.59	10.26
Bad debts written-off	-	1.20
Provision for bad & doubtful debts	10.00	-
Loss on sale and write off of fixed assets (net)	7.59	-
CWIP & capital advances written off	68.08	-
Miscellaneous expenses	1.34	1.87
Prepaid Lease rentals amortised (IND AS 109)	0.59	0.79
	186.02	**48.46**

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(i) Payment to auditor

	31 March 2022	31 March 2021
As Auditor: -		
Audit fees (including limited review)	1.50	1.50
Tax audit fees	0.50	-
	2.00	**1.50**

Rs. in lacs

24. Finance costs

Rs. in lacs

	31 March 2022	31 March 2021
Interest on		
Unsecured loans	98.91	76.93
Cash credit	0.84	2.63
Interest expenses on right to use	10.72	22.79
Bank charges	0.07	0.07
	110.54	**102.42**

25. Finance income

Rs. in lacs

	31 March 2022	31 March 2021
Interest on		
- Fixed deposits	0.60	0.65
- Others	0.45	0.14
	1.05	**0.79**

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

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

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

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

Particular	31 March 2022	31 March 2021
a) Profit / (Loss) after tax as reported (Rs.)	(513.29)	(326.21)
b) Weighted Average Number of equity shares considered for calculating Earnings Per Share	38,448	14,475
c) Earnings Per Share (Rs.)		
Basic	(1,335.05)	(2,253.58)
Diluted	(1,335.05)	(2,253.58)
d) Nominal Value Per Share (Rs.)	10.00	10.00

27. Gratuity and other post-employment benefit plans -

a) Defined contribution plan

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

Rs. in lacs

Particulars	31 March 2022	31 March 2021
Contribution to provident fund	8.19	6.66
	8.19	**6.66**

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 2022 Rs. in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	Benefit Liability
As at 1 April 2021	4.82	-	4.82
Service cost	3.29		3.29
Net interest expense	0.30		0.30
Reconginsed in the statement of profit and loss	**3.59**	-	**3.59**
Benefit paid			-
Remeasurement gains/losses in other comprehensive income			
Actuarial changes arising from Changes in financial assumptions	(0.78)		(0.78)
Experience Adjustments	0.85		0.85
Recognised in Other Comprehensive Income	0.07	-	0.07
Contribution by employer	-	-	-
As at 31 March 2022	**8.48**	-	**8.48**

Change in the defined benefit obligation ("DBO") and fair value of plan assets as at 31 March 2021 Rs. in lacs

Particulars	Defined benefit obligation	Fair value of Plan assets	Benefit Liability
As at 1 April 2020	2.24		2.24
Service cost	2.60		2.60
Net interest expense	0.14		0.14
Reconginsed in the statement of profit and loss	**2.74**	-	**2.74**
Benefit paid			-
Remeasurement gains/losses in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-		-
Actuarial changes arising from changes in demographic assumptions	-		-
Actuarial changes arising from changes in financial assumptions	(0.23)		(0.23)
Experience adjustments	0.07		0.07
Net actuarial (gain) / loss recognized in the year	-		-
Recognised in Other Comprehensive Income	(0.16)	-	(0.16)
Contribution by employer	-	-	-
As at 31 March 2021	**4.82**	-	**4.82**

Shetty Naik & Associates Chartered Accountants Mumbai

The principal assumptions used in determining gratuity as shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	6.65%	6.25%
Future salary increase	Nil for the first year and 6% thereafter	Nil for the first year and 6% thereafter
Employee turnover	13%	13%
Retirement age (years)	58	58

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

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

A quantitative sensitivity analysis for significant assumption is shown below Rs. in lacs

Particulars	DBO 31 March 2022	DBO 31 March 2021
Discount rate (-1%)	(9.16)	(5.23)
Discount rate (+1%)	7.88	4.46
Salary Growth rate (-1%)	(7.89)	(4.45)
Salary Growth rate (+1%)	9.11	5.23

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

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

Particulars	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	-	-
Total expected payments	-	-

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

The weighted-average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2021 : 8 years)

Rs. in lacs

Expected cash flows over the next (valued on undiscounted basis):	31 March 2022	31 March 2021
1 Year	0.52	0.30
2 to 5 years	3.96	2.02
6 to 10 years	4.23	2.41
More to 10 years	6.76	3.98

Details of the benefit plan for the current year and previous three years: Rs. in lacs

Gratuity	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Present value of the defined benefit obligation	8.48	4.82	2.23	10.10
Fair value of the plan assets	-	-	-	-
Surplus / (deficit) in the plan	(8.48)	(4.82)	(2.23)	(10.10)

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28. Related Party Disclosures (IND AS-24)

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

Holding Company	UFO Moviez India Limited
Subsidiary of Holding Company	Scrabble Entertainment Limited
Fellow Subsidiary	Scrabble Digital Limited
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Media Infotek Park Deco Works LLP

B. Information about Related Parties Transactions:

Rs. in lacs

Particulars Name of the Parties and Nature of Expenses and Income	31 March 2022	31 March 202
1. Holding Company		
UFO Moviez India Limited		
A. Income		
i) Content provisional (Distributors)	10.63	1.10
ii) Franchise income	0.75	0.02
B. Expenses		
i) Interest expenses on loan	98.91	76.93
ii) Rent	6.29	2.43
iii) Content expenses	0.96	1.47
iv) Inventory purchased	-	0.22
v) Reimbursement of expenses	0.14	-
C. Security deposits given	0.13	-
D. Unsecured Loan received	420.00	-
E. Unsecured loan repaid back	75.00	-
F. Interest paid on unsecured loan	0.69	-
G. Equity share issued	125.00	-
2. Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
A. Media Infotek Park		
i) Rent	1.39	1.39
B. Deco Works LLP		
i) Professional Fees	4.86	-

C. Balance outstanding at the end of year ending 31 March, 2022

Rs. in lacs

Particulars	31 March 2022	31 March 202
1. Holding Company		
UFO Moviez India Limited		
i) Trade payables	0.31	1.64
ii) Other payables	-	89.78
iii) Loan payable	1,029.43	684.43
iv) Interest payable	268.42	177.57
v) Security deposits receivable	1.54	1.41
2. Enterprises owned or significantly influenced by key management personnel or their relatives		
Media Infotek Park		
i) Trade payables	-	0.27
ii) Security deposits receivable	1.94	1.94

29. Security deposit (Ind AS - 109)

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

Rs. in lacs

Particulars	31 March 2022	31 March 202
Security deposit paid	7.68	6.00
Fair value of security deposit	5.21	3.33
Prepaid lease rentals	2.25	2.55

Rs. in lacs

Particulars	31 March 2022	31 March 202
Prepaid lease rentals charged to profit and loss	0.59	0.79

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30. Lease (Ind AS - 116)

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

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. Rs. in lacs

Particulars	31 March 2022	31 March 2021
Property, plant and equipment (Right to use assets, except for investment property)	119.70	110.81

B) Carrying value of right to use asset as at the end of reporting period Rs. in lacs

Particulars	31 March 2022	31 March 2021
Opening balance	93.00	313.82
Add: Property, plant and equipment during the year	8.89	-
Less: Adjustment for remeasurement of liability (Lease modification)	-	(8.26)
Less: Depreciation charge for the year	(20.35)	(37.80)
Less : Deletion during the year	-	(174.76)
Closing balances	**81.54**	**93.00**

C) Maturity analysis of lease liabilities Rs. in lacs

Maturity analysis – Contractual undiscounted cash flows	31 March 2022	31 March 2021
Less than one year	27.50	15.00
One to five years	101.44	98.85
More than five years	-	25.47
Total undiscounted lease liabilities at the end of the year (Excluding short term leases)	**128.94**	**139.32**

D) Amounts recognised in profit and loss account Rs. in lacs

Particulars	31 March 2022	31 March 2021
Interest on lease liabilities	10.72	22.79
Variable lease payments not included in the measurement of lease liabilities	0.03	-
Rent concessions (Refer Note E below)	7.14	40.04
Gain on extinguishment of lease liability (Termination of lease)	-	8.53
Income from sub-leasing right to use assets	-	-
Expenses relating to short-term leases (Undiscounted rent expense)	0.13	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	7.68	-

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

Particulars	31 March 2022	31 March 2021
Opening Balance	101.95	318.33
Addition to Lease Liabilities	8.89	-
Interest Accrued during the year	10.72	22.79
Reversal of Lease Liabilities	-	(8.26)
Deletions (Termination of Lease)	-	(183.29)
Lease Rent Payments	(20.25)	(7.58)
Rent Concession recongnised in Profit & Loss	-	(40.04)
Closing Balance	**101.31**	**101.95**

F) The break-up of current and non-current lease liabilities is as follows Rs. in lacs

Particulars	31 March 2022	31 March 2021
Current lease liabilities	22.74	15.00
Non-current lease liabilities	78.57	86.95
Total	**101.31**	**101.95**

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

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

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

31. Segmental reporting (Ind AS - 108)

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

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32. Disclosure under Section 186 in respect of loans and advances given by the Company Rs. in lacs

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

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

33. Impairment of assets (Ind AS 36)

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

34. Contingent liabilities (Ind AS 37) Rs. in lacs

Disputed liabilities in appeal	Financial Year	Amount (Rs.
Maharashtra Sales Tax	2014-15	6.27

35. Income Tax

The major components of Income tax expense for the years ended 31 March 2022 and 31 March 2021 are as follows:- Rs. in lacs

Particulars	31 March 2022	31 March 2021
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 2022 and 31 March 2021 :- Rs. in lacs

Particulars	31 March 2022	31 March 2021
Accounting profit / (Loss) before income tax	(513.29)	(326.21
At India's statutory income tax rate 25.17% (LY 25.17%)	(129.20)	(82.11
Tax effect on difference in depreciation	8.28	(6.09
Tax effect on permanent disallowance	-	0.03
Tax effect on temporary disallowance	9.29	2.95
Deferred Tax Not Recognised due to uncertainty of profit in future years	111.63	75.33
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 lacs

Particulars	Amount	Expiry Date
Temporary difference: -		
Gratuity	8.48	Not Applicable
Leave Encashment	13.65	Not Applicable
Tax deducted at source disallowances	13.45	Not Applicable
Provision for bad debts	10.00	Not Applicable
Unabsorbed depreciation	228.02	Not Applicable
Difference in WDV	80.85	Not Applicable
Provision for bad debts not written off	136.37	Not Applicable
Lease expenses	20.99	Not Applicable
Unused Tax Losses: -		
Loss for the AY 2020-21	23.29	31-03-2028
Loss for the AY 2021-22	203.58	31-03-2029
Loss for the AY 2022-23	380.51	31-03-2030

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

Income Tax figures are subject to Tax Audit & Assessments.

36. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006 Rs. in lacs

Particulars	31 March 2022	31 March 202
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.	-	-

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37. Ratio Analysis and its elements Rs. in lacs

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.17	0.19	-10%	Not Applicable
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.51)	(1.99)	-24%	Due to increase in Share Capita during the year
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(2.42)	(1.75)	39%	Increase in Cash Losses a compared to last year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.72	0.34	698%	Cost of Goods sold in previous year was at very less due to low level of operations on account of Covid Restrictions
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.35	1.35	446%	Sales and Debtors recovery in previous year was at very less due to low level of operations on account of Covid Restrictions
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	8.58	2.70	218%	Purchases in previous year was very less due to low level of operations on account of Covid Restrictions.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(0.39)	(0.10)	274%	Sales in previous year was very less due to low level of operations on account of Covid Restrictions; Negative Working Capital.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(6.18)	(111.95)	-94%	Sales in previous year was very less due to low level of operations on account of Covid Restrictions.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(1.15)	(0.63)	83%	Increase in Losses (-ve EBIT) in curren year as compared to last year.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-	-	0%	Not Applicable
Return on Investment	Interest (Finance Income)	Investment	-	-	0%	Not Applicable

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38. 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 Compar 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 promoter 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 sanctioned Cash Credit limit of Rs. 13 Crore from bank, which have been closed and repaid in full, accordingly no quarterly returns or statements of currents assets were required to be filed with the bank.

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 an other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that th 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 (Ultimat 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 (whethe 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 (Ultimat Beneficiaries) or

39. Impact of covid-19

The uncertainty on account of Covid- 19 outbreak continued to have adverse effect across the world economies including India in first half of thi financial year. The second wave started tapering off towards the end of June/beginning of July 2021. However, various State Governments allowe Cinemas to re-open from July-November 2021 in a phased manner with restrictions and Standard Operating Procedures (SOPs). The third wav which was due to Omicron, a new variant of Covid, was the shortest as compared to the previous two waves. It started during the last week c December 2021 and lasted till the first week of February 22. Majority of Cinemas were operational during early Q4 (with exception of Delhi an Haryana which were shut during January 2022) with various capacity restrictions but with limited or no content. Restrictions on cinema operation started easing from the 1st week of February'22. With the lifting of covid related occupancy restrictions from mid-March 22 in the major states acros India, filmgoers started revisiting cinemas in large numbers which gave a big boost to the sentiments of the exhibition industry. Consequentl theatrical exhibition industry has witnessed recovery and an improved performance by the end of financial year.

We continued with our strategy of keeping check on controllable costs and for having adequate liquidity. The Company has raised Equity aggregatin to Rs. 125 lacs.

The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets an other related aspects.

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

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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 busines 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 be 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: 25 May 2022

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

SHETTY NAIK & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

UDIN : 22111936ASSGBV3736.