

Mega city Cinemall Private Limited

Annual Report

2023-24

-: Auditors :-

G M C A & Co.
(Chartered Accountant)

~: Board Of Directors :~

1. Imtiyaz Ibrahimhai Desai
2. Shobha Imtiyaz Desai

~: Registered Office :~

City Pulse Building, Near Samrat Hotel,
Vishala Sarkhej Road, Ahmedabad
Ahmedabad GJ 382210 IN



Report on the audit of the financial statements.

To
The Members of
MEGACITY CINEMALL PRIVATE LIMITED

Opinion

We have audited the accompanying financial statements of MEGACITY CINEMALL PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2024, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditor's report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.



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

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

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

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 statement 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 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 also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

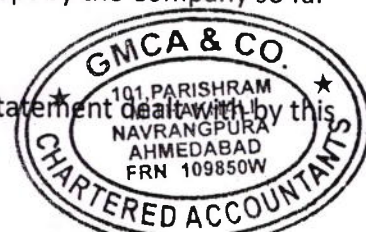
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- 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;
- 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;
- The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;
- e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. Since the Company's turnover as per last audited financial statements is less than Rs. 50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs. 25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For, G M C A & Co
Chartered Accountants
(FRN No.109085W)



CA Mitt S. Patel
Partner
Membership No.: 163940
UDIN: 24163940BKADXC8924

Date: 20-04-2024
Place: Ahmedabad

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

We have audited the internal financial controls over financial reporting of **M/S. Mega City Cinemall Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.



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

Inherent 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 control 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, 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 March 31, 2024.

Place: Ahmedabad

Date: 20-04-2024



For, G M C A & Co.
Chartered Accountants
FRN: 109850W


CA Mitt S. Patel
(Partner)
Membership No. 163940
UDIN: 24163940BKADXC8924

Annexure A to the Independent Auditors' Report on the financial statements of Mega City Cinemall Private Limited for the year ended 31 March 2024

To,

The Members of Mega City Cinemall Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them at reasonable intervals having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use asset) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Therefore, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) • If the company has provided advances or provided loans which are characterized as loans, or given guarantee, or given security to any other entity (other than a company carrying on a business of providing loans), the below information should be furnished:

The total amount given during the year, and the balances due as at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates.

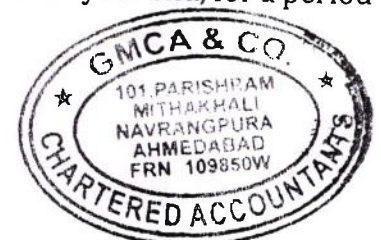
- Not Applicable.



The total amount during the year, and the balance due on the balance sheet date of such loans or advances and guarantees or security to persons other than associates, subsidiaries and joint ventures.

-Rs. 2,46,875/-

- (b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loan during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) The company has granted interest free loan which is violation of the Act.
 - (d) There are no amounts of loan granted to companies which are overdue for more than ninety days.
 - (e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The company is not required to maintain Cost records in pursuant to the rules made by the Central Government for the maintenance of cost records section 148(1) of the Companies Act, 2013, related to the manufacturing activities as it is not applicable to company
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) The Company is regularly depositing with appropriate authorities undisputed statutory dues. Therefore, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer /further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor and secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) Internal audit under section 138 of Companies Act, 2013 is not applicable. Therefore, the requirement to report on clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b), (c) & (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the ageing report, financial ratios and expected dates of realization of financial assets and payment of financial liabilities, any other information accompanying the financial statements, Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company.



(xx) Corporate social responsibility under section 135(5) of Companies Act, 2013 is not applicable to the Company. Therefore, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For, G M C A & Co.
Chartered Accountants
FRN: 109850W



M. S. Patel
CA. Mitt S. Patel
Partner
Membership No. 163940
UDIN: 24163940BKADXC8924

Place: Ahmedabad
Date: 20-04-2024

Mega City Cinemall Private Limited
Balance Sheet as at March 31, 2024

| Particulars | Notes | As at 31-Mar-24 | As at 31-Mar-23 |
|---|-------|--------------------|--------------------|
| Assets | | | |
| Non-current Assets | | | |
| (a) Property, Plant and Equipment | 1a | 2,31,72,652 | 2,35,77,967 |
| (b) Capital Work-In-Progress | 1b | 8,90,13,055 | 8,90,13,055 |
| (c) Other Intangible Assets | | - | - |
| (c) Financial Assets | | | |
| (i) Investments | 2 | 4,85,000 | 4,85,000 |
| (ii) Loans | | - | - |
| (ii) Other Non-current Financial Assets | | - | - |
| (d) Deferred Tax Assets (Net) | 3 | 2,25,000 | 2,25,000 |
| (d) Other Non-current Assets | | - | - |
| Total Non-current Assets | 4 | 2,46,875 | 2,46,875 |
| Current Assets | | | |
| (a) Inventories | | - | - |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 5 | - | - |
| (ii) Cash and Cash Equivalents | 6 | 8,51,113 | 8,39,603 |
| (iii) Loans | | - | - |
| (b) Other Current Assets | 7 | 42,635 | 43,979 |
| Total Current Assets | | 8,93,747 | 8,83,582 |
| Total Assets | | 11,40,36,328 | 11,44,31,478 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 8 | 55,00,000 | 55,00,000 |
| (b) Other Equity | 9 | (6,38,74,192) | (6,08,17,457) |
| Total Equity | | (5,83,74,192) | (5,53,17,457) |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ii) Other Financial Liabilities | | - | - |
| (b) Provisions non-current | | - | - |
| (a) Deferred Tax Liabilities (Net) | | - | - |
| (b) Other Non-current Liabilities | | - | - |
| Total Non-current Liabilities | | - | - |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 10 | 16,73,12,000 | 16,70,12,000 |
| (ii) Trade Payables | 11 | 38,71,759 | 17,93,253 |
| (iii) Other Financial Liabilities | 12 | 5,24,970 | 5,29,851 |
| (b) Provisions current | | - | - |
| (c) Current tax liabilities (net) | 13 | 7,05,736 | 4,13,830 |
| (d) Other Current Liabilities | | - | - |
| Total Current Liabilities | | 17,24,14,465 | 16,97,48,934 |
| Total Equity and Liabilities | | 11,40,40,274 | 11,44,31,478 |

See accompanying notes to the financial statements

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In terms of our report attached
For **G. M. C. A. & CO.**
Chartered Accountants
Firm's Registration Number: 109850W

CA Mitt S. Patel
Partner
Membership No. 163940
Place: Ahmedabad
Date: 20/04/2024
UDIN : 24163940BKADXC8924



For and on behalf of
Mega City Cinemall Pvt Ltd

Imtiyaz I. Desai
Director
DIN : 01650220

Shobha I. Desai
Director
DIN : 03552552

Mega City Cinemall Private Limited
Statement of Profit and Loss as at March 31, 2024

Amount in Rs.

| Particulars | Notes | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|-------|---------------------------------|---------------------------------|
| Revenue | | | |
| Other Income | 14 | - | - |
| Total Income | | - | - |
| Expenses | | | |
| Employee Benefit Expenses | 15 | - | - |
| Finance Costs | | | |
| Depreciation and Amortisation Expense | 1a | 405,315 | 405,315 |
| Other Expenses | 16 | 2,359,514 | 266,550 |
| Total Expenses | | 2,764,829 | 671,865 |
| Profit / (Loss) before exceptional items and tax | | (2,764,829) | (671,865) |
| Exceptional items | | - | - |
| Profit / (Loss) before tax | | (2,764,829) | (671,865) |
| Income Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | | 291,906 | 413,830 |
| Profit / (Loss) after tax | | 291,906 | 413,830 |
| Other Comprehensive Income | | (3,056,735) | (1,085,695) |
| Other Comprehensive Income | | - | - |
| Other Comprehensive Income (After Tax) | | - | - |
| Total Comprehensive Income / (Loss) for the Year | | (3,056,735) | (1,085,695) |
| Earnings Per Equity Share (EPS) | | | |
| Basic and Diluted EPS (₹) | | (5.56) | (1.97) |

See accompanying notes to the financial statements

In terms of our report attached

For G. M. C. A. & CO.

Chartered Accountants

Firm's Registration Number : 109850W

For and on behalf of

Mega City Cinemall Pvt Ltd

CA Mitt S. Patel

Partner

Membership No. 163940

Place: Ahmedabad

Date: 20/04/2024

UDIN : 24163940BKADXC8924



(Signature)

Imtiyaz I. Desai

Director

DIN : 01650220

(Signature)

Shobha I. Desai

Director

DIN : 03552552

Mega City Cinemall Private Limited
Cash Flow Statement as at March 31, 2024

| Particulars | Amount in Rs. | |
|---|--|--|
| | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| A. Cash flow from operating activities | | |
| Profit/ (Loss) before tax | (3,056,735) | (1,085,695) |
| Add | | |
| Depreciation and amortisation | | |
| Finance Costs | 405,315 | 405,315 |
| Loss on write off of assets | | |
| Property Tax | | |
| Liabilities no longer required to be paid is written back | - | - |
| Income Tax refund | | |
| Operating profit before working capital changes | (2,651,420) | (680,380) |
| (Increase) / Decrease in Operating Assets : | | |
| Inventories | | |
| Trade Receivables | | |
| Other Non Current Assets | - | - |
| Other Current Assets | - | - |
| Other Financial Assets | (1,345) | - |
| Increase / (Decrease) in Operating Liabilities : | | |
| Trade Payables | | |
| Other Current Liabilities | 2,078,506 | (11,024) |
| Other Long Term Liabilities | 290,650 | 413,831 |
| Other Financial Liabilities | | |
| Short-term Provisions | (4,881) | 9,840 |
| Long-term Provisions | | |
| Cash generated from operations | (288,490) | (267,733) |
| Less: Tax Refund received / (Tax Paid) (net) | - | - |
| Net cash flow from / (used in) Operating Activities (A) | (288,490) | (267,733) |
| Net cash flow from / (used in) investing activities (B) | | |
| Purchase of Fixed Assets | - | - |
| Increase in Security Deposit | - | - |
| Proceeds from Short-term borrowings | | |
| Repayment of Short-term borrowings | | |
| Decrease in Security Deposit | - | - |
| Finance Costs Paid | - | - |
| Loan Taken during the year | 300,000 | 300,000 |
| Loan Repaid during the year | | |
| Net cash flow from / (used in) financing activities (C) | 300,000 | 300,000 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 11,511 | 32,267 |
| Cash and cash equivalents at the beginning of the year | 839,603 | 807,336 |
| Cash and Cash equivalents at the end of the year | 851,113 | 839,603 |

In terms of our report attached

For G. M. C. A. & CO.
Chartered Accountants
Firm's Registration Number : 109850W

CA Mitt S. Patel
Partner
Membership No. 163940
Place: Ahmedabad
Date: 20/04/2024
UDIN : 24163940BKADXC8924



For and on behalf of
Mega City Cinemall Pvt Ltd

Imtiyaz I. Desai Shobha I. Desai
Director Director
DIN : 01650220 DIN : 03552552

Mega City Cinemall Private Limited

Notes to the Financial Statements

1a Property, Plant and Equipment

| Particulars | Gross Block | | | | Depreciation | | Net Block As At | | Amount in Rs. March 31, 2023 |
|--------------------------|---------------------|---------------------------|-----------|----------------------|--------------|--------------|----------------------|-------------------|---------------------------------|
| | As at April 1, 2023 | Additions during the year | Disposals | As at March 31, 2024 | For the year | On disposals | As at March 31, 2024 | March 31, 2024 | |
| Land | 4,840,932 | - | - | 4,840,932 | - | - | - | 4,840,932 | 4,840,932 |
| Buildings | 21,490,981 | - | - | 21,490,981 | - | - | 3,729,953 | 17,761,028 | 18,158,310 |
| Plant and Equipment | 4,998,455 | - | - | 4,998,455 | - | - | 4,748,532 | 249,923 | 249,923 |
| Furniture and Fixtures | 3,387,767 | - | - | 3,387,767 | - | - | 3,218,379 | 169,388 | 169,388 |
| Electrical Installations | 2,438,576 | - | - | 2,438,576 | - | - | 2,316,647 | 121,929 | 121,929 |
| Motor Vehicle | 63,000 | - | - | 63,000 | - | - | 8,033 | 29,452 | 37,485 |
| Total | 37,219,711 | - | - | 37,219,711 | - | - | 14,047,060 | 23,172,652 | 23,577,967 |

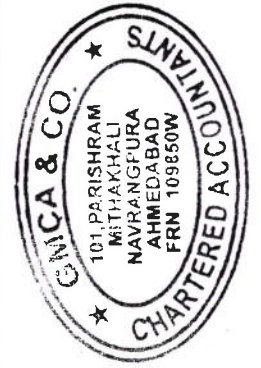
| Particulars | Gross Block | | | | Depreciation | | Net Block As At | | Amount in Rs. March 31, 2022 |
|--------------------------|---------------------|---------------------------|-----------|----------------------|--------------|--------------|----------------------|-------------------|---------------------------------|
| | As at April 1, 2022 | Additions during the year | Disposals | As at March 31, 2023 | For the year | On disposals | As at March 31, 2023 | March 31, 2023 | |
| Land | 4,840,932 | - | - | 4,840,932 | - | - | - | 4,840,932 | 4,840,932 |
| Buildings | 21,490,981 | - | - | 21,490,981 | - | - | 3,332,671 | 18,158,310 | 18,555,592 |
| Plant and Equipment | 4,998,455 | - | - | 4,998,455 | - | - | 4,748,532 | 249,923 | 249,923 |
| Furniture and Fixtures | 3,387,767 | - | - | 3,387,767 | - | - | 3,218,379 | 169,388 | 169,388 |
| Electrical Installations | 2,438,576 | - | - | 2,438,576 | - | - | 2,316,647 | 121,929 | 121,929 |
| Motor Vehicle | 63,000 | - | - | 63,000 | - | - | 8,033 | 37,485 | 45,518 |
| Total | 37,219,711 | - | - | 37,219,711 | - | - | 13,641,745 | 23,577,967 | 23,983,282 |



1b Capital Work-In-Progress

| Particulars | Gross Block | | | Depreciation | | | Net Block As At | |
|--------------------------|---------------------|---------------------------|----------------------|---------------------|--|--------------|----------------------|-------------------|
| | As at April 1, 2023 | Additions during the year | As at March 31, 2024 | As at April 1, 2023 | For the year Debit to Accumulated Loss (2) | On disposals | As at March 31, 2024 | March 31, 2023 |
| Land | 14,068,090 | - | 14,068,090 | - | - | - | 14,068,090 | 14,068,090 |
| Buildings | 68,605,542 | - | 68,605,542 | - | - | - | 68,605,542 | 68,605,542 |
| Plant and Equipment | 5,823,543 | - | 5,823,543 | - | - | - | 5,823,543 | 5,823,543 |
| Furniture and Fixtures | 310,070 | - | 310,070 | - | - | - | 310,070 | 310,070 |
| Electrical Installations | 205,810 | - | 205,810 | - | - | - | 205,810 | 205,810 |
| Total | 89,013,055 | - | 89,013,055 | - | - | - | 89,013,055 | 89,013,055 |

| Particulars | Gross Block | | | Depreciation | | | Net Block As At | |
|--------------------------|---------------------|---------------------------|----------------------|---------------------|--|--------------|----------------------|-------------------|
| | As at April 1, 2022 | Additions during the year | As at March 31, 2023 | As at April 1, 2022 | For the year Debit to Accumulated Loss (2) | On disposals | As at March 31, 2023 | March 31, 2022 |
| Land | 14,068,090 | - | 14,068,090 | - | - | - | 14,068,090 | 14,068,090 |
| Buildings | 68,605,542 | - | 68,605,542 | - | - | - | 68,605,542 | 68,605,542 |
| Plant and Equipment | 5,823,543 | - | 5,823,543 | - | - | - | 5,823,543 | 5,823,543 |
| Furniture and Fixtures | 310,070 | - | 310,070 | - | - | - | 310,070 | 310,070 |
| Electrical Installations | 205,810 | - | 205,810 | - | - | - | 205,810 | 205,810 |
| Total | 89,013,055 | - | 89,013,055 | - | - | - | 89,013,055 | 89,013,055 |



Mega City Cinemall Private Limited

Statement of changes in equity for the period ended March 31, 2024

| Particulars | Amount in Rs. | | Amount in Rs. | |
|---|---------------|-----------|---------------|-----------|
| | 2023-24 | 2022-23 | No. Shares | Amount |
| A. Equity Share Capital | | | | |
| i) Opening Balance at the beginning of Financial Year | 5,50,000 | 55,00,000 | 5,50,000 | 55,00,000 |
| Changes in equity share capital during the year | - | - | - | - |
| Closing Balance at the end of Financial Year | 5,50,000 | 55,00,000 | 5,50,000 | 55,00,000 |

| Particulars | Amount in Rs. | | |
|--|-------------------|----------------------|---------------|
| | Retained Earnings | Reserves and Surplus | Total |
| B. Other Equity | | | |
| Balance as at 1st April, 2023 | (8,92,31,762) | 2,95,00,000 | (5,97,31,762) |
| Profit / (Loss) for the year | (10,85,695) | - | (10,85,695) |
| Balance as at March 31, 2023 | (9,03,17,457) | 2,95,00,000 | (6,08,17,457) |
| Profit / (Loss) for the year | (30,56,735) | - | (30,56,735) |
| Other comprehensive income | - | - | - |
| Total Comprehensive Income / (loss) for the year | (30,56,735) | - | (30,56,735) |
| Balance as at March 31, 2024 | (9,33,74,192) | 2,95,00,000 | (6,38,74,192) |

See accompanying notes to the financial statements
In terms of our report attached

For G. M. C. A. & CO.
Chartered Accountants
Firm's Registration Number : 009850W

CA Mitt S. Patel
Partner
Membership No. 163940
Place: Ahmedabad
Date: 20/04/2024
UDIN : 24163940BKADXC8924



For and on behalf of
Mega City Cinemall Pvt Ltd

Imtiyaz I. Desai
Director
DIN : 01650220

Shobha I. Desai
Director
DIN : 03552552

Mega City Cinemall Private Limited
Notes to financial statements

| | | <i>Amount in Rs.</i> | |
|----------|--|----------------------------|----------------------------|
| 2 | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
| | Other Investments | | |
| | National Savings Certificate | 485,000 | 485,000 |
| | Total | 485,000 | 485,000 |
| | Particulars | Book value | |
| | | 31-Mar-24 | 31-Mar-23 |
| | Aggregate value of unquoted investment | 485,000 | 485,000 |
| | Aggregate value of quoted investment | - | - |
| | Total of Non-Current Investments | 485,000 | 485,000 |
| | Aggregate market value of quoted investment | | |
| | | | |
| 3 | Other Non-current Financial Assets | As at 31-Mar-24 | As at 31-Mar-23 |
| | Security and other deposits | 225,000 | 225,000 |
| | Total | 225,000 | 225,000 |
| 4 | Other Non-current Assets | As at 31-Mar-24 | As at 31-Mar-23 |
| | Advances to Suppliers | | |
| | To related parties | - | - |
| | To Others | - | - |
| | Total | 246,875 | 246,875 |
| 5 | Trade Receivables | As at 31-Mar-24 | As at 31-Mar-23 |
| | Receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured but considered good | | |
| | Cash on hand | | |
| | Receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good | - | - |
| | Total | - | - |
| 6 | Cash and Cash Equivalents | As at 31-Mar-24 | As at 31-Mar-23 |
| | Cash on hand | | |
| | Balances with banks | 769,583 | 769,583 |
| | -In current accounts | 81,530 | 70,020 |
| | Total | 851,113 | 839,603 |



| 7 Other Current Assets | As at 31-Mar-24 | As at 31-Mar-23 |
|--------------------------------|--------------------|--------------------|
| GST receivable | | |
| TDS Receivable | 5,235 | 6,579 |
| Interest Receivable in Torrent | - | - |
| Prepaid Expenses | 37,400 | 37,400 |
| Total | 42,635 | 43,979 |

| 9 Other Equity | As at 31-Mar-24 | As at 31-Mar-23 |
|--|----------------------|----------------------|
| Securities premium Account | | |
| Surplus / (Deficit) in the Statement of Profit and Loss | 2,95,00,000 | 2,95,00,000 |
| Opening Balance | (9,03,17,456.52) | (8,92,31,762) |
| Add : Profit / (Loss) for the period | (30,56,735) | (10,85,695) |
| Add : Previous Year Adjustments | | |
| Closing Balance | (9,33,74,192) | (9,03,17,457) |
| Total | (6,38,74,192) | (6,08,17,457) |

In absence of reasonable certainty, the company has recognised deferred tax assets only to the extent of the

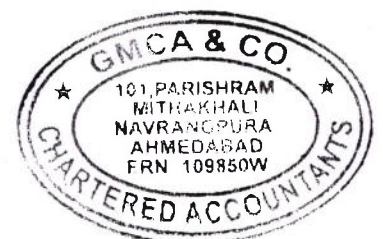
| 10 Borrowings | As at 31-Mar-24 | As at 31-Mar-23 |
|---------------------------------|---------------------|---------------------|
| Unsecured Borrowings | | |
| Current Borrowings: | | |
| Term Loans from related parties | 16,58,12,000 | 16,35,12,000 |
| Term loans from other parties | 15,00,000 | 35,00,000 |
| Total | 16,73,12,000 | 16,70,12,000 |

Note:

(A) Unsecured Loans are repayable on demand

(B) The company has not provided interest on unsecured loans from related parties and others as stated above.

| 11 Trade Payables | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Trade Payables | | |
| - Acceptances | | |
| - Micro and Small Enterprises | | |
| - Other than Micro and Small Enterprises | 38,71,759 | 17,93,253 |
| Total | 38,71,759 | 17,93,253 |



Amount in Rs.

| | Amount in Rs. | |
|--|------------------|------------------|
| | As at 31-Mar-24 | As at 31-Mar-23 |
| Share Capital | | |
| Authorised Share Capital | | |
| 10,00,000 Equity Shares of ` 10 each | 10,000,000 | 10,000,000 |
| Issued, Subscribed and Fully paid-up equity shares | 10,000,000 | 10,000,000 |
| 5,50,000 fully paid up Equity Shares of ` 10 each | 5,500,000 | 5,500,000 |
| Total | 5,500,000 | 5,500,000 |

8

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

| | As at 31/03/2024 | | As at 31/03/2023 | |
|------------------------------------|------------------|----------------|------------------|------------------|
| | No. Shares | (in INR) | No. Shares | (in INR) |
| Equity Shares | | | | |
| At the beginning of the year | 550,000 | 550,000 | 550,000 | 5,500,000 |
| Add : Additional during the year | - | - | - | - |
| Outstanding at the end of the year | 550,000 | 550,000 | 550,000 | 5,500,000 |

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the 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 share holders.

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

| Shareholders | As at 31/03/2024 | | As at 31/03/2023 | |
|---------------------------------------|------------------|--------------|------------------|--------------|
| | No. Shares | % holding in | No. Shares | % holding in |
| Equity shares of ` 10 each fully paid | | | | |
| Shobha Intiyaz Desai | 275,000 | 50% | 275,000 | 50% |
| Nila Spaces Limited | 233,750 | 42.5% | 233,750 | 42.5% |
| Intiyaz Ibrahim Desai | 41,250 | 7.5% | 41,250 | 7.5% |
| Total | 550,000 | 100% | 550,000 | 100% |



The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Financial Statements based on the information received and available with the company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts has been relied upon by the auditors.

| 12 Other Financial Liabilities | As at 31-Mar-24 | As at 31-Mar-23 |
|--------------------------------|--------------------|--------------------|
| Security Deposit | - | - |
| Audit Fees Payable | 23,600 | 23,600 |
| Employee related liabilities | - | - |
| Tds Payable | 8,365 | 8,345 |
| Others | 493,006 | 497,906 |
| Total | 524,971 | 529,851 |

| 13 Deferred Tax Liabilities (Net) | As at 31-Mar-24 | As at 31-Mar-23 |
|-----------------------------------|--------------------|--------------------|
| Opening Balance | 413,829.52 | - |
| Deferred tax assets: | | |
| Disallowed u/s 40(a) | - | - |
| Deferred tax liability: | | |
| Property, Plant and Equipments | 291,906.00 | 413,829.52 |
| Net Deferred Tax Liability | 705,735.52 | 413,829.52 |



Mega City Cinemall Private Limited

Notes to financial statements

| 14 Other Income | Amount in Rs. | |
|---|---------------|---------|
| | 2023-24 | 2022-23 |
| Liabilities no longer required to be paid is written back | | |
| Rent Income | - | - |
| Interest Income in Deposit | - | - |
| Interest Income on Refund | - | - |
| Total | - | - |

| 15 Employee Benefit Expenses | | |
|------------------------------|---------|---------|
| | 2023-24 | 2022-23 |
| Salary, Allowances and Bonus | - | - |
| Total | - | - |

| 16 Other Expenses | | |
|-----------------------------|------------------|-----------------|
| | 2023-24 | 2022-23 |
| Power and Fuel Expense | | |
| Payment to Auditor | 15,190 | 13,310 |
| Audit Fees | - | - |
| Legal & Professional fees | 23,600 | 23,600 |
| Security Charges | 45,500 | 10,000 |
| Office Expense | 2,16,000 | 2,04,000 |
| Intrest on TDS | - | 7,800 |
| Miscellaneous Expense | 500 | - |
| Property Tax (Cinema) | 1,549 | 7,840 |
| Property Tax (Shoping Mall) | 5,22,780 | - |
| Property Tax (Shoping Mall) | 15,34,395 | - |
| Total | 23,59,514 | 2,66,550 |



Mega City Cinemall Private Limited
Notes to financial statements for the period ended on 31st March, 2024

Corporate information

Mega City Cinemall Pvt Ltd is a Private Limited incorporated under companies Act 2013, having its registered office at City pluse Building near Samrat Hotel Vishala Sarkhej Road, Ahmedabad- 382210.

Note 16 Significant accounting policies

1 Basis of preparation

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial Statements up to year ended March 31, 2024 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Note 26 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to IND AS has affected the Company's financial position, financial performance and cash flows. The Financial Statements have been prepared on a historical cost basis, except financial assets.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2 Summary of significant accounting policies

a Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Depreciation is recognised based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2020-21. Following are the rates adopted for various assets.

| Asset | Depreciation Rates |
|--------------------------|--------------------|
| Buildings | 3.34% |
| Plant and machineries | 4.75% |
| Furnitures and Fixtures | 9.50% |
| Computer | 16.21% |
| Electronic Installations | 7.07% |

0

Depreciation is not provided on Assets which are classified as commercial complex as the same are under construction.



b Financial Instruments

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

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

c Financial assets

Initial recognition and measurement

All financial assets, are recognised initially at fair value.

Impairment of Financial assets

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at FVTPL e.g. loans, debt securities, deposits, trade receivables and bank balances

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

d Financial liabilities and equity instruments

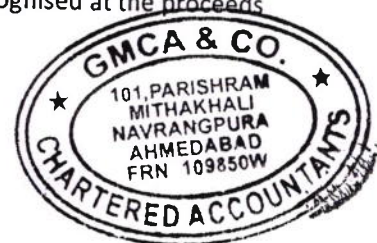
Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities



All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognised at the transaction cost, which is its fair value.

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

e 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent 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
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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



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

f Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

g Revenue recognition

Revenue is recognised 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 the 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.

Interest income is accounted for on an accrual basis.



h Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

i Taxation

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

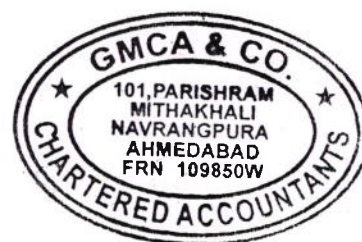
Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



k Impairment

i) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ii) Financial assets

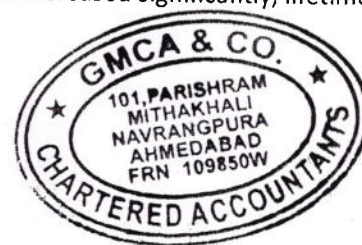
A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at fvtp1 e.g. loans, debt securities, deposits, trade receivables and bank balances

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.



ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

I Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no significant key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax assets recognised to the extent of the corresponding deferred tax liability.

iii) Going concern

The Company evaluates its working capital position for the ensuing financial year based on the projected cash flow statement. The Company plans to meet the financial obligations by further issuance of equity shares, rescheduling of dues from certain related parties, increased borrowing from financial institutions and continuing financial support from a related party. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.



Mega City Cinemall Private Limited
Notes to financial statements for the period ended on 31st March, 2024

17 Pursuant to the Indian Accounting Standard 33 – Earning per Share, the disclosure is as under:

| Particulars | For the period ended 31-Mar-24 | For the period ended 31-Mar-23 |
|--|-----------------------------------|--------------------------------------|
| Profit/ (Loss) attributable to equity shareholders | (3,056,735) | (1,085,695) |
| Weighted average number of equity shares outstanding during the year | 550,000 | 550,000 |
| Nominal Value of equity share | 10 | 10 |
| Basic and Diluted EPS | (5.56) | (1.97) |

18 Fair Value Measurement :

The carrying value of financial instruments by categories as follows :

| Particulars | 2023-24 | | | 2022-23 | | |
|------------------------------|-----------|---------------------|-------------------|-----------|---------------------|----------------|
| | FVOC I | FVTPL | Amortised Cost | FVOC I | FVTPL | Amortised Cost |
| Financial Assets | | | | | | |
| Investments | | 485,000.00 | | - | 485,000.00 | - |
| Security Deposit | | 225,000.00 | | - | 225,000.00 | - |
| Trade Receivable | | - | | - | - | - |
| Cash and Cash Equivalents | | 851,113 | | - | 839,603 | - |
| loans to Employees | | - | | - | - | - |
| Total | | 1,561,112.66 | | - | 1,549,602.66 | - |
| Financial Liabilities | | | | | | |
| Borrowings | | 167,312,000.00 | | - | 167,012,000.00 | - |
| Trade Payables | | 3,871,759.00 | | - | 1,793,253.00 | - |
| Other Financial Liabilities | | 524,970.00 | | - | 529,851.00 | - |
| Total | | 171,708,729 | | - | 169,335,104 | - |

19 Related party transactions

a) List of related parties and relationship

| Name of Related Parties | Description of relationship |
|-------------------------|---|
| Nila Spaces Limited | Joint Venturer |
| Imtiyaz Desai | Key Management Personnel |
| Shobha Desai | Key Management Personnel |
| La Scenic Planet | Enterprises over which the key management personnel and/or their relatives have significant influence |
| Traders Pvt Ltd | |
| Ruby Realtors | |



b) **Transaction with Related Parties :**

| Particulars | Amount in Rs. | |
|---|------------------------|------------------------|
| | For the year 31-Mar-24 | For the year 31-Mar-23 |
| Nature of Transaction with Joint venturer: | | |
| Nila Spaces Limited | | |
| Loan taken during the year | - | - |
| Loan Repaid during the year | - | - |
| Interest Expenses on Loan | - | - |
| | - | - |
| Nature of Transaction with Key Managerial Personnel: | | |
| Imtiyaz Desai | | |
| Loan taken during the year | 2,300,000 | 5,400,000 |
| Loan Repaid during the year | | |
| | | |
| Shobha Desai | | |
| Loan taken during the year | - | - |
| Loan Repaid during the year | - | - |
| | - | - |

c) **Balances With Related Parties :**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Balances With Related Parties : | | |
| | | |
| Borrowings (Loan) | | |
| Nila Spaces Limited | - | - |
| Imtiyaz Desai | 35,855,000 | 33,555,000 |
| Shobha Desai | 129,357,000 | 129,357,000 |
| La Scenic Planet | 600,000 | 600,000 |
| Traders Pvt Ltd | - | - |
| | | |
| Other Payable | | |
| Ruby Realtors | - | - |



20 Segment information

As the Company's business activity falls within a single primary segment viz. Real estate business, the disclosure requirement of IND AS - 108 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015, is not applicable. Further, since the revenue generated and assets within India are greater than 90% of the total revenue and total assets respectively of the Company, the disclosure requirement of geographical segments as per the aforesaid Standard is not applicable.

Significant clients

As there is no operation in current year, and revenue for current year and previous year, hence there are no significant clients during the year

21 Regrouped | Recast | Reclassified

Figures of the earlier year have been regrouped | recast | reclassified wherever necessary.

In terms of our report attached

For G. M. C. A. & CO.

Chartered Accountants

Firm's Registration Number - 109850W

CA Mitt S. Patel

Partner

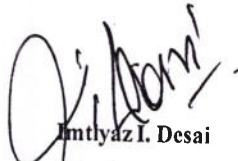
Membership No. 163940


Place: Ahmedabad

Date: 20/04/2024

UDIN : 24163940BKADXC8924

For and on behalf of the board of directors of
Mega City Cinemall Pvt Ltd


Jmtlyaz I. Desai
Director
DIN : 01650220


Shobha I. Desai
Director
DIN : 03552552

