



Independent Auditors' Report

**To the Members of
GVS Software Private Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **GVS Software Private Limited** ("the Company") which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 (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, 2021, the loss 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 financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditors' Responsibility

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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 Act, 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, 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



V. Shivkumar & Associates
Chartered Accountants

- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- I. Company does not have any pending litigations on its financial position in its Ind AS financial statements – therefore the same is not disclosed.
 - II. the Company has not made any provision, Since there is no material foreseeable losses, on any, long-term contracts including derivative contracts, as required under the applicable law or accounting standards
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Since the company is a private limited, therefore this point is not applicable.

For **V. Shivkumar & Associates**
Chartered Accountants
FRN No.: 112781W

Place: Mumbai
Date: 22nd June, 2021

V. Shivkumar
Proprietor
M. No.: 042673

UDIN: 21042673AAAAKZ1676



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1) The Company does not have any Fixed Assets. Therefore, this point is not applicable.
- 2) The Company does not have any Inventory. Therefore, the information relating to this is not disclosed.
- 3) The Company has not granted loans & Advances, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- 7)
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company does not have any loans towards Banks or financial institutions or government. The Company has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



V. Shivkumar & Associates
Chartered Accountants

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been not paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **V. Shivkumar & Associates**
Chartered Accountants
FRN No.: 112781W

Place: Mumbai
Date: 22nd June, 2021

V. Shivkumar
Proprietor
M. No.: 042673



“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of GVS Software Private Limited

Report On The Internal Financial Controls Under Clause (l) 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 GVS Software Private Limited (“the Company”) as of March 31, 2021 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 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 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. Shivkumar & Associates**
Chartered Accountants
FRN No.: 112781W

Place: Mumbai
Date: 22nd June, 2021

V. Shivkumar
Proprietor
M. No.: 042673

GVS Software Private Limited

Balance sheet as on March 31, 2021

in ₹

	Notes	As at March 31,	
		2021	2020
Assets			
Non-current assets			
Financial Assets			
Other non-current assets	3	265,000,000	265,000,000
		265,000,000	265,000,000
Current assets			
Financial Assets			
i) Cash ad cash equivalents	4	40,000	30,000
Other current assets		-	-
		40,000	30,000
TOTAL		265,040,000	265,030,000
Equity and Liabilities			
Equity			
Equity Share Capital	5	2,750,000	2,750,000
Other Equity	6	262,119,044	262,122,044
		264,869,044	264,872,044
Financial Liabilities			
i) Trade payables	7	170,956	157,956
		170,956	157,956
TOTAL		265,040,000	265,030,000

Notes forming part of the financial statements

1-12

As per our report of even date

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
June 22, 2021

Ramakrishnan
Sankaranarayanan
(Director)
Din 02696897

Rivkaran Chadha
(Director)
Din 00308288

GVS Software Private Limited**Statement of Profit and Loss for the year ended March 31, 2021**

in ₹

	Notes	For the year ended March 31,	
		2021	2020
Income			
Revenue from operations (net)		-	-
Other income		-	60,515
		<u>-</u>	<u>60,515</u>
Expenses			
Employee benefits expenses		-	-
Other expenses	8	3,000	5,000
Finance costs		-	-
Depreciation and amortization expenses		-	-
		<u>3,000</u>	<u>5,000</u>
Loss before exceptional items and tax		(3,000)	55,515
Exceptional Items		-	-
Loss before tax		(3,000)	55,515
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
Loss for the year		(3,000)	55,515
Earnings per equity share			
Basic	11	(0.30)	5.55
Diluted		(0.30)	5.55
Notes to accounts	1-12		

As per our report of even date

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
June 22, 2021

Ramakrishnan
Sankaranarayanan
(Director)
Din 02696897

Rivkaran Chadha
(Director)
Din 00308288

GVS Software Private Limited

Statement of Changes in Equity for the year ended March 31, 2021

Changes in Share capital

	Equity Shares		Redeemable Convertible Preference Shares	
	No of shares	Amount	No of shares	Amount
As at 1st April 2019	10,000	100,000	265,000	2,650,000
Changes during the year	-	-	-	-
As at 31st March 2020	10,000	100,000	265,000	2,650,000
Changes during the year	-	-	-	-
As at 31st March 2021	10,000	100,000	265,000	2,650,000

Changes in Other Equity

in ₹

	Securities		Total Other equity	Non-controlling interests	Total
	Premium Account	Retained Earnings			
As at 1st April 2019	262,350,000	(283,471)	262,066,529	-	262,066,529
Profit/ (loss) for the year	-	55,515	55,515	-	55,515
As at 31st March 2020	262,350,000	(227,956)	262,122,044	-	262,122,044
Profit/ (loss) for the year	-	(3,000)	(3,000)	-	(3,000)
As at 31st March 2021	262,350,000	(230,956)	262,119,044	-	262,119,044

As per our report of even date

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
June 22, 2021

Ramakrishnan
Sankaranarayanan
(Director)

Rivkaran Chadha
(Director)

GVS Software Private Limited**Cash Flow statement for the year ended March 31, 2021**

in ₹

	Notes	As at March 31,	
		2021	2020
A. Cash flow from Operating activities			
Net Profit before taxation		(3,000)	55,515
Adjustments for :			
Sundry credit balance written back		-	(60,515)
Operating profit before working capital changes		(3,000)	(5,000)
Movements in working capital :			
Increase/(Decrease) in current liabilities		13,000	32,700
Cash generated from operations		10,000	27,700
Direct Taxes paid (Net of Refunds)		-	-
Net Cash from operating activities		10,000	27,700
B. Cash flow from investing activities			
Net Cash from investing activities		-	-
C. Cash flow from Financing activities			
Net cash used in Financing activities		-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,000	27,700
Cash and cash equivalents at the beginning of the year	4	30,000	2,300
Cash and cash equivalents at the end of the year		40,000	30,000

Notes to accounts

1-12

As per our report of even date

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
June 22, 2021

Ramakrishnan
Sankaranarayanan
(Director)
Din 02696897

Rivkaran Chadha
(Director)
Din 00308288

1. Corporate information

GVS Software Private Limited (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in the business of post-production including digital intermediate, visual effects, 2D to 3D conversion and other technical and creative services to the Media and Entertainment industry.

2. Statement of significant accounting policies:

a. Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS'). The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between 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 or non-current classification of assets and liabilities.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Revenue recognition

Revenue comprises the fair value of the consideration for the sale of services and products in the ordinary course of the Company's activities. Revenue is shown net of applicable taxes.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and no significant uncertainty exists as to its determination or realisation. The Company bases its estimates on empirical evidence of the past taking into consideration the type of transaction, the type of customer and the specifics of each arrangement.

The Company provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimension to three dimension (2D to 3D) conversion and other technical services to clients in the film, broadcast and commercial sectors.

Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the percentage of completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of hours spent up to the balance sheet date, which bears to the total hours estimated for the contract. If losses are expected on contracts these are recognized when such losses become evident.

d. Dividend income and interest income

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

GVS Software Private Limited

e. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

f. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

g. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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 the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

h. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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.

i. Cash Flow statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

GVS Software Private Limited

3. Other non-current assets		in ₹	
		As at March 31,	
		2021	2020
Capital advances		265,000,000	265,000,000
		265,000,000	265,000,000
4. Cash and bank balances		in ₹	
		As at March 31,	
		2021	2020
Balances with banks:			
On Current Accounts		40,000	30,000
Cash on hand		-	-
		40,000	30,000
5. Share capital		in ₹	
		As at March 31,	
		2021	2020
Authorised shares:			
10,000 Equity Shares of Rs.10/- each (Previous year 10,000 Shares of Rs.10/- each)		100,000	100,000
265,000 Redeemable Convertible Preference Shares of Rs.10/- each (Previous year 265,000 of Rs. 10/- each)		2,650,000	2,650,000
Issued, subscribed and paid-Up:			
10,000 Equity Shares of Rs.10/- each (Previous year 10,000 Shares of Rs.10/- each)		100,000	100,000
265,000 Redeemable Convertible Preference Shares of Rs.10/- each (Previous year 265,000 of Rs. 10/- each)		2,650,000	2,650,000
		2,750,000	2,750,000
6. Other Equity		in ₹	
		As at March 31,	
		2021	2020
Securities Premium Account			
Premium on issuance of Redeemable Convertible Preference Shares		262,350,000	262,350,000
Retained Earnings			
Balance as per last financial statements		(227,956)	(283,471)
Loss for the year		(3,000)	55,515
Net Retained Earnings		(230,956)	(227,956)
Other Equity		262,119,044	262,122,044
7. Trade payables		in ₹	
		As at March 31,	
		2021	2020
Trade payables due to			
Micro and Small Enterprise		3,000	-
Other than Micro and Small Enterprise		-	-
Trade payables to related parties (note 9)		167,956	157,956
		170,956	157,956
There were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 for the above years.			
8. Other expenses		in ₹	
		For the year ended March 31,	
		2021	2020
Legal and Professional Fees		3,000	2,700
Conveyance		-	2,300
		3,000	5,000

GVS Software Private Limited

9. Related Party Disclosure

List of related Parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the related party	Relationship
Prime Focus Limited	Holding Company
N2M Reality Private Limited	Enterprises owned or significantly influenced by Key Management Personnel of Holding Company

Related Party Transaction During the Year

in ₹

	March 31,	
	2021	2020
Reimbursement of expense incurred by:		
Prime Focus Limited	-	2,700
Amount received from		
Prime Focus Limited	10,000	20,000
Balance outstanding		
	in ₹	
	As at March 31,	
	2021	2019
Redeemable Convertible Preference Shares		
Prime Focus Limited	265,000,000	265,000,000
Capital advance		
N2M Reality Private Limited	265,000,000	265,000,000
Trade Payables		
Prime Focus Limited	167,956	157,956

10. Fair Value Measurements

in ₹

	As at March 31		As at March 31	
	2021	2020	2021	2020
	Carrying Value		Fair Value	
A. Financial Assets:				
Amortised cost				
Cash ad cash equivalents	40,000	30,000	-	-
Total	40,000	30,000	-	-
B. Financial Liabilities:				
Amortised cost				
Trade payables	170,956	157,956	-	-
Total	170,956	157,956	-	-

Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company management sets the amounts of capital required in proportion to risk. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets.

The company is not subject to any externally imposed capital requirements.

a) Financial risk management

The company is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk

i) Credit Risk

Cash is held with banks having good credit ratings and Company does not anticipate any risk in value.

ii) Liquidity Risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Ultimate responsibility for liquidity risk management rests with the Management, which has developed a liquidity management forecasting process which aims to ensure that the company has sufficient cash at all times to meet liabilities as they fall due.

The following analysis sets out the maturities of financial assets and liabilities.

Liquidity Risk				in ₹
At 31 March 2021	Less than 12 months	More than 12 months	Total	
Current financial assets				
Cash and cash equivalents	40,000	-	40,000	
	40,000	-	40,000	
Current financial liabilities				
Trade Payables	170,956	-	170,956	
	170,956	-	170,956	
<hr/>				
At 31 March 2020	Less than 12 months	More than 12 months	Total	
Current financial assets				
Cash and cash equivalents	30,000	-	30,000	
	30,000	-	30,000	
Current financial liabilities				
Trade Payables	157,956	-	157,956	
	157,956	-	157,956	

GVS Software Private Limited

11. Earnings per share

in ₹

Particulars	Year ended	
	March 31, 2021	Year ended March 31, 2020
Net (loss) attributable to equity shareholders	(3,000)	55,515
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	(3,000)	55,515
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Earnings per share (before exceptional items)		
Basic EPS	(0.30)	5.55
Diluted EPS	(0.30)	5.55

12. There are no unhedged foreign currency exposure

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

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
June 22, 2021

Ramakrishnan
Sankaranarayanan
(Director)
Din 02696897

Rivkaran Chadha
(Director)
Din 00308288
