

GVS Software Private Limited**Balance sheet as on March 31, 2024**

in ₹

	Notes	As at March 31,	
		2024	2023
Assets			
Non-current assets			
Other non-current assets	3	26,50,00,000	26,50,00,000
		26,50,00,000	26,50,00,000
Current assets			
Financial Assets			
i) Cash and cash equivalents	4	50,000	50,000
Other current assets		-	-
		50,000	50,000
TOTAL		26,50,50,000	26,50,50,000
Equity and Liabilities			
Equity			
Equity Share Capital	5	27,50,000	27,50,000
Other Equity	6	26,20,05,137	26,21,08,277
		26,47,55,137	26,48,58,277
Financial Liabilities			
i) Trade payables	7	2,94,863	1,91,723
		2,94,863	1,91,723
TOTAL		26,50,50,000	26,50,50,000

Notes forming part of the financial statements

1-13

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
May 27, 2024

Ramakrishnan
Sankaranarayanan
(Director)
Din 02696897

Huzefa Mohsin
Lokhandwala
(Director)
Din 07762148

UDIN: 24042673BKASAV3040

GVS Software Private Limited**Statement of Profit and Loss for the year ended March 31, 2024**

in ₹

	Notes	For the year ended March 31,	
		2024	2023
Income			
Revenue from operations (net)		-	-
Other income		-	-
		<u>-</u>	<u>-</u>
Expenses			
Employee benefits expenses		-	-
Other expenses	8	1,03,140	10,767
Finance costs		-	-
Depreciation and amortization expenses		-	-
		<u>1,03,140</u>	<u>10,767</u>
Loss before exceptional items and tax		(1,03,140)	(10,767)
Exceptional Items		-	-
Loss before tax		(1,03,140)	(10,767)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(1,03,140)	(10,767)
Earnings per equity share			
Basic	11	(10.31)	(1.08)
Diluted		(10.31)	(1.08)
Notes to accounts	1-13		

As per our report of even date

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Statement of Changes in Equity for the year ended March 31, 2024

Changes in Share capital

	Equity Shares		Redeemable Convertible Preference Shares	
	No of shares	Amount	No of shares	Amount
As at 1st April 2022	10,000	1,00,000	2,65,000	26,50,000
Changes during the year	-	-	-	-
As at 31st March 2023	10,000	1,00,000	2,65,000	26,50,000
Changes during the year	-	-	-	-
As at 31st March 2024	10,000	1,00,000	2,65,000	26,50,000

Changes in Other Equity

in ₹

	Securities		
	Premium Account	Retained Earnings	Total
As at 1st April 2022	26,23,50,000	(2,30,956)	26,21,19,044
Profit/ (loss) for the year	-	(10,767)	(10,767)
As at 31st March 2023	26,23,50,000	(2,41,723)	26,21,08,277
Profit/ (loss) for the year	-	(1,03,140)	(1,03,140)
As at 31st March 2024	26,23,50,000	(3,44,863)	26,20,05,137

As per our report of even date

For V. Shivkumar & Associates
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GVS Software Private Limited**Cash Flow statement for the year ended March 31, 2024**

in ₹

	Notes	As at March 31,	
		2024	2023
A. Cash flow from Operating activities			
Net Profit before taxation		(1,03,140)	(10,767)
Adjustments for :			
Sundry credit balance written back		-	-
Operating profit before working capital changes		(1,03,140)	(10,767)
Movements in working capital :			
Increase/(Decrease) in current liabilities		1,03,140	20,767
Cash generated from operations		-	10,000
Direct Taxes paid (Net of Refunds)		-	-
Net Cash from operating activities		-	10,000
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
Cash and cash equivalents at the beginning of the year	4	50,000	40,000
Cash and cash equivalents at the end of the year		50,000	50,000

Notes to accounts

1-13

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
May 27, 2024

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(Director)
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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.

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,	
	2024	2023
Capital advances	26,50,00,000	26,50,00,000
	26,50,00,000	26,50,00,000

4. Cash and bank balances

in ₹

	As at March 31,	
	2024	2023
Balances with banks:		
On Current Accounts	50,000	50,000
Cash on hand	-	-
	50,000	50,000

5. Share capital

in ₹

	As at March 31,	
	2024	2023
Authorised shares:		
10,000 Equity Shares of Rs.10/- each	1,00,000	1,00,000
265,000 Redeemable Convertible Preference Shares of Rs.10/- each	26,50,000	26,50,000
Issued, subscribed and paid-Up:		
10,000 Equity Shares of Rs.10/- each	1,00,000	1,00,000
265,000 Redeemable Convertible Preference Shares of Rs.10/- each	26,50,000	26,50,000
	27,50,000	27,50,000

6. Other Equity

in ₹

	As at March 31,	
	2024	2023
Securities Premium Account		
Premium on issuance of Redeemable Convertible Preference Shares	26,23,50,000	26,23,50,000
Retained Earnings		
Balance as per last financial statements	(2,41,723)	(2,30,956)
Loss for the year	(1,03,140)	(10,767)
Net Retained Earnings	(3,44,863)	(2,41,723)
Other Equity	26,20,05,137	26,21,08,277

7. Trade payables

in ₹

	As at March 31,	
	2024	2023
Trade payables due to		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	15,000	7,867
Trade payables to related parties (note 9)	2,79,863	1,83,856
	2,94,863	1,91,723

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.

Trade Payables - ageing and other details

in ₹

As at March 31, 2024	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	15,000	-	-	15,000
Not due	-	-	-	-	-
less than 1 years	-	96,007	-	-	96,007
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
more than 3 years	-	1,83,856	-	-	1,83,856
Total	-	2,94,863	-	-	2,94,863

GVS Software Private Limited
Trade Payables - ageing and other details

in ₹

As at March 31, 2023	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	7,867	-	-	7,867
Not due	-	-	-	-	-
less than 1 years	-	-	-	-	-
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
more than 3 years	-	1,83,856	-	-	1,83,856
Total	-	1,91,723	-	-	1,91,723

8. Other expenses

in ₹

	For the year ended March 31,	
	2024	2023
Legal and Professional Fees	88,140	10,767
Audit Fees	15,000	-
	1,03,140	10,767

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,	
	2024	2023
Reimbursement of expense incurred by:		
Prime Focus Limited	96,007	5,900
Amount received from		
Prime Focus Limited	-	10,000
Balance outstanding		
	As at March 31,	
	2024	2023
Redeemable Convertible Preference Shares		
Prime Focus Limited	26,50,00,000	26,50,00,000
Capital advance		
N2M Reality Private Limited	26,50,00,000	26,50,00,000
Trade Payables		
Prime Focus Limited	2,79,863	1,83,856

10. Fair Value Measurements	in ₹			
	As at March 31		As at March 31	
	2024	2023	2024	2023
	Carrying Value		Fair Value	
A. Financial Assets:				
Amortised cost				
Cash ad cash equivalents	50,000	50,000	-	-
Total	50,000	50,000	-	-
B. Financial Liabilities:				
Amortised cost				
Trade payables	2,94,863	1,91,723	-	-
Total	2,94,863	1,91,723	-	-

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.

<u>Liquidity Risk</u>				in ₹
At 31 March 2024	Less than 12 months	More than 12 months	Total	
Current financial assets				
Cash and cash equivalents	50,000	-	50,000	
	50,000	-	50,000	
Current financial liabilities				
Trade Payables	2,94,863	-	2,94,863	
	2,94,863	-	2,94,863	
At 31 March 2023	Less than 12 months	More than 12 months	Total	
Current financial assets				
Cash and cash equivalents	50,000	-	50,000	
	50,000	-	50,000	
Current financial liabilities				
Trade Payables	1,91,723	-	1,91,723	
	1,91,723	-	1,91,723	

11. Additional regulatory informations:

i. Ratios

Ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023
Current ratio	Current assets	Current liabilities	0.17	0.26
Debt-Equity ratio	Total debt (Borrowings)	Total equity	-	-
Debt service coverage ratio	Earning before interest, depreciation and tax	Principal repayment of long term borrowings and leases	-	-
Return on equity ratio	Profits after tax	Average equity	(0.00)	(0.00)
Inventory turnover	Revenue from operations	Inventory	-	-
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	-	-
Trade payables turnover ratio	Total expenses excluding employee cost, interest and depreciation	Average trade payable	0.42	0.06
Net capital turnover ratio	Revenue from operations	Average working capital	-	-
Net profit ratio	Profits after tax	Revenue from operations	-	-
Return on capital employed	Net profit before interest and tax	Capital Employed (Shareholders Fund + long term borrowings)	(0.00)	(0.00)
Return on investment	Profit after tax	Total equity	(0.00)	(0.00)

ii. Other informations:-

- a. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- c. The Company have no transactions with other companies that are struck off under Section 248 of the Company's Act, 2013 or Section 560 of the Company's Act, 1956.
- d. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- e. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- f. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- g. The Company has not traded or invested in crypto currency or virtual currency during the year.

GVS Software Private Limited

h. Utilisation of borrowed funds and share premium :

(i). The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

-Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

i. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

12. Earnings per share

in ₹

Particulars	Year ended March 31	
	2024	2023
Net (loss) attributable to equity shareholders	(1,03,140)	(10,767)
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	(1,03,140)	(10,767)
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Earnings per share		
Basic EPS	(10.31)	(1.08)
Diluted EPS	(10.31)	(1.08)

13. 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
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