



Independent Auditors' Report

**To the Members of
Prime Focus Production Services Private Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Prime Focus Production Services Private Limited** ("the Company") which comprise the Balance sheet as at March 31, 2022, 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, 2022, the result 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, 2020 ("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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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: 26th May, 2022

V. Shivkumar
Proprietor
M. No.: 042673

UDIN: 22042673AJQYXT1259



Annexure A to the Independent Auditors' Report:

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

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars of plant and equipment, furniture and fixtures.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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 Company is a service company, primarily engaged in film production services. However, the Company has intangible inventory in form of films. Accordingly, it does not hold any physical inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) 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 made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships. Hence, this clause is not applicable.
- (iv) 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 neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided 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) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")



According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (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) 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 defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) 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 been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, no term loans were outstanding during the year.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).



- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (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 the 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) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in 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) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company has not incurred cash losses in the current year and incurred cash losses of Rs. 4,500 in the immediately preceding financial year.
- (xvii) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.



V. Shivkumar & Associates
Chartered Accountants

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.



“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Prime Focus Production Services Private Limited

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 Prime Focus Production Services Private Limited (“the Company”) as of March 31, 2022 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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: 26th May, 2022

V. Shivkumar
Proprietor
M. No.: 042673

UDIN: 22042673AJQYXT1259

Prime Focus Production Services Pvt Ltd
(Previously known as Prime Focus Visual Effects Pvt Ltd)

Balance sheet as on March 31, 2022

in ₹

	Notes	As at March 31,	
		2022	2021
Assets			
Current assets			
Financial Assets			
i) Cash and cash equivalents	3	30,000	30,000
TOTAL		30,000	30,000
Equity and Liabilities			
Equity			
Equity Share Capital	4	100,000	100,000
Other Equity	5	(137,138)	(137,138)
		(37,138)	(37,138)
Current liabilities			
Financial Liabilities			
i) Trade payables	6	67,138	67,138
		67,138	67,138
TOTAL		30,000	30,000

Notes forming part of the financial statements

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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 26, 2022

Naresh Malhotra
(Director)
Din 00004597

Rivkaran Chadha
(Director)
Din 00308288

Prime Focus Production Services Pvt Ltd
(Previously known as Prime Focus Visual Effects Pvt Ltd)

Statement of Profit and Loss for the year ended March 31, 2022

in ₹

	Notes	For the year ended March 31, 2022	2021
Income			
Revenue from operations (net)		-	-
Other income		-	-
		<u>-</u>	<u>-</u>
Expenses			
Employee benefits expenses		-	-
Other expenses	7	-	4,500
Finance costs		-	-
Depreciation and amortization expenses		-	-
		<u>-</u>	<u>4,500</u>
Profit before exceptional items and tax		<u>-</u>	<u>(4,500)</u>
Exceptional Items		-	-
Profit before tax		<u>-</u>	<u>(4,500)</u>
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
Profit for the year		<u><u>-</u></u>	<u><u>(4,500)</u></u>
Earnings per equity share			
Basic	10	-	(0.45)
Diluted		-	(0.45)
Notes to accounts	1-11		

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
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Prime Focus Production Services Pvt Ltd
(Previously known as Prime Focus Visual Effects Pvt Ltd)

Statement of Changes in Equity for the year ended March 31, 2022

Changes in Equity Share capital

	No of shares	Amount in ₹
As at 1st April 2020	10,000	100,000
Changes during the year	-	-
As at 31st March 2021	10,000	100,000
Changes during the year	-	-
As at 31st March 2022	10,000	100,000

Changes in Other Equity

in ₹

	Surplus in the statement of profit and loss	Total other equity
As at 1st April 2020	(132,638)	(132,638)
Profit/ (loss) for the year	(4,500)	(4,500)
As at 31st March 2021	(137,138)	(137,138)
Profit/ (loss) for the year	-	-
As at 31st March 2022	(137,138)	(137,138)

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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Naresh Malhotra
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Din 00308288

Prime Focus Production Services Pvt Ltd
(Previously known as Prime Focus Visual Effects Pvt Ltd)

Cash Flow statement for the year ended March 31, 2022

in ₹

	Notes	As at March 31,	
		2022	2021
A. Cash flow from Operating activities			
Net Profit before taxation		-	(4,500)
Adjustments for :			
Finance cost		-	-
Excess provision written back		-	-
Operating profit before working capital changes		-	(4,500)
Movements in working capital :			
Increase/(Decrease) in current liabilities		-	14,500
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			
Finance cost paid		-	-
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	3	30,000	20,000
Cash and cash equivalents at the end of the year		30,000	30,000

Notes to accounts

1-11

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 26, 2022

Naresh Malhotra
(Director)
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Rivkaran Chadha
(Director)
Din 00308288

Prime Focus Production Services Pvt Ltd
(Previously known as Prime Focus Visual Effects Pvt Ltd)

1. Corporate information

Prime Focus Production Services Pvt Ltd (previously known as Prime Focus Visual Effects Pvt Ltd.) (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 and 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.

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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.

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3. Cash and bank balances

in ₹

	As at March 31,	
	2022	2021
Cash and cash equivalents		
Balances with banks:		
On Current Accounts	30,000	30,000
Cash on hand	-	-
	30,000	30,000

4. Share capital

in ₹

	As at March 31,	
	2022	2021
Authorised shares:		
10,000 Shares of Re.10/- each		
(Previous year 10,000 Shares of Rs.10/- each)	100,000	100,000
Issued, subscribed and paid-Up:		
10,000 Shares of Re.10/- each	100,000	100,000
(Previous year 10,000 Shares of Rs.10/- each)	100,000	100,000

5. Other Equity

in ₹

	As at March 31,	
	2022	2021
Retained Earnings		
Balance as per last financial statements	(137,138)	(132,638)
Profit for the year	-	(4,500)
Net Retained Earnings	(137,138)	(137,138)
Total Other Equity	(137,138)	(137,138)

6. Trade payables

in ₹

	As at March 31,	
	2022	2021
Trade payables due to		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	4,500	4,500
Trade payables to related parties (note 8)	62,638	62,638
	67,138	67,138

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.

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Trade Payables - ageing and other details

in ₹

As at March 31, 2022	MSME	Others	Disputed dues-MSME	Disputed dues-others	Total
Provisions	-	4,500	-	-	4,500
Not due	-	-	-	-	-
less than 1 years	-	-	-	-	-
1 to 2 years	-	-	-	-	-
2 to 3 years	-	62,638	-	-	62,638
more than 3 years	-	-	-	-	-
Total	-	67,138	-	-	67,138

Trade Payables - ageing and other details

in ₹

As at March 31, 2021	MSME	Others	Disputed dues-MSME	Disputed dues-others	Total
Provisions	-	4,500	-	-	4,500
Not due	-	-	-	-	-
less than 1 years	-	-	-	-	-
1 to 2 years	-	62,638	-	-	62,638
2 to 3 years	-	-	-	-	-
more than 3 years	-	-	-	-	-
Total	-	67,138	-	-	67,138

7. Other expenses

in ₹

	For the year ended March 31,	
	2022	2021
Legal and professional fees	-	4,500
	-	<u>4,500</u>

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8. 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

Related Party Transaction During the Year

in ₹

	March 31,	
	2022	2021
Reimbursement of Expenses		
Prime Focus Limited	-	-
Advance received from		
Prime Focus Limited	-	10,000

Balance outstanding

in ₹

	As at March 31,	
	2022	2021
Closing Balance		
Prime Focus Limited	62,638	62,638

9. Fair Value Measurements

in ₹

	As at March 31		As at March 31	
	2022	2021	2022	2021
	Carrying Value		Fair Value	
A. Financial Assets:				
Cash and cash equivalents	30,000	30,000	-	-
Total	30,000	30,000	-	-
B. Financial Liabilities:				
Trade payables	67,138	67,138	-	-
Total	67,138	67,138	-	-

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.

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

Liquidity Risk

in ₹

At 31 March 2022	Less than 1 Year	More than 1 Year	Total
Current financial assets			
Cash and cash equivalents	30,000	-	30,000
	30,000	-	30,000
Current financial liabilities			
Trade Payables	67,138	-	67,138
	67,138	-	67,138

in ₹

At 31 March 2021	Less than 1 Year	More than 1 Year	Total
Current financial assets			
Cash and cash equivalents	30,000	-	30,000
	30,000	-	30,000
Current financial liabilities			
Trade Payables	67,138	-	67,138
	67,138	-	67,138

10. Additional regulatory informations:

i. Ratios

Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021
Current ratio	Current assets	Current liabilities	0.45	0.45
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	-	(0.13)
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	-	0.08
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)	-	(0.12)
Return on investment	Profit after tax	Total equity	-	(0.12)

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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.
- 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.

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11. Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net (loss) attributable to equity shareholders	-	(4,500)
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	-	(4,500)
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Earnings per share (before exceptional items)		
Basic EPS	-	(0.45)
Diluted EPS	-	(0.45)

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
May 26, 2022

Naresh Malhotra
(Director)
Din 00004597

Rivkaran
Chadha
(Director)
Din 00308288
