MOORE STEPHENS

P.O. Box 10519
16th Floor, Bahrain Tower
Manama, Kingdom of Bahrain

MUKTA A2 MULTIPLEX S.P.C.

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

MOORE STEPHENS

MUKTA A2 MULTIPLEX S.P.C.

REPORT AND FINANCIAL STATEMENTS

31 March 2018

CONTENTS

MUKTA A2 MULTIPLEX S.P.C.

CORPORATE PROFILE

Commercial Registration Number	:	99524 - 01 to 06
Shareholder	:	Mukta Arts Private Limited
Board of Directors	:	Akshay Vashdev Bajaj Parvez Akhtar Farooqui
Registered Office	:	Flat No. 423 - Building No. 1013 Road No. 2417 - Block No. 324 Manama Kingdom of Bahrain
Principal Bankers	:	State Bank of India Khaleeji Commercial Bank
Independent Auditors	:	Moore Stephens Public Accountants and Consultants P.O. Box 10519 16th Floor, Bahrain Tower Manama Kingdom of Bahrain

MUKTA A2 MULTIPLEX S.P.C.
CR NO. 99524

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its annual report and audited financial statements of the Company for the year ended 31 March 2018.

Incorporation

Mukta A2 Multiplex S.P.C., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

Review of current position , future developments and significant risks

The Company's development to date, financial performance and position are presented in the financial statements.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note no. 4 of the financial statements.

Financial performance

The Company's financial performance for the year is set out on page 7.

Share capital

The share capital of the Company consists of 500 shares of BHD. 100/- each.

Events after reporting period

As per the amendment to the memorandum of association dated 17 April 2018, the Company has appointed Mr. Rahul Puri as one of the directors of the Company. Apart from the aforementioned there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Board of Directors

The members of the Board of Directors as at 31 March 2018 and the Company profile are shown on page 1. All directors presently member of the Board continue in office. As per amendment to the memorandum of association dated 17 April 2018, the Company has appointed Mr. Rahul Puri as one of the directors of the Company. There were no other significant changes in the assignment of responsibilities of the Board of Directors.

Independent Auditors

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Akshay Vashdev Bajaj
(Director)

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Kingdom of Bahrain
MUKTA A2 MULTIPLEX S.P.C

Manama,
Kingdom of Bahrain, 03 May 2018

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Mukta A2 Multiplex S.P.C.

Opinion

We have audited the accompanying financial statements of **Mukta A2 Multiplex S.P.C.**, set out on pages 6 to 23, which comprise the statement of financial position as at 31 March 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018 and its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note no. 2 to the notes to the financial statements which indicates that during the year ended 31 March 2018, the Company has incurred a net loss of BHD. 196,492/- (31 March 2017: BHD. 451,343/-) and the accumulated losses as on 31 March 2018 was BHD. 647,835/- (31 March 2017: BHD. 451,343/-). Accordingly, there is a deficit of BHD. 597,835/- (31 March 2017: BHD. 401,343/-) in the shareholders' equity. Further, as on 31 March 2018 the Company's current liabilities exceeded its current assets by BHD. 621,912/- (31 March 2017: BHD. 625,642/-). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(continued to page 4)

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INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholder of Mukta A2 Multiplex S.P.C.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the requirements of Bahrain Commercial Company Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(continued to page 5)

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INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholder of Mukta A2 Multiplex S.P.C.

Auditor's Responsibilities for the Audit of the Financial Statements (continued...)

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal Requirements

In accordance with the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001) and also the circular number 173 of 2017 issued by the Ministry of Industry, Commerce and Tourism, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit, that proper books of account have been kept by the Company, the Company's financial statements are in agreement with the books of account, to the best of our information and according to the explanations given to us, that the financial statements give the information required by the Bahrain Commercial Companies Law, in the manner so required except that the equity of the Company shows a deficit of BHD. 597,835/- (31 March 2017: BHD. 401,343/-) on account of accumulated losses amounting to BHD. 647,835/- (31 March 2017: BHD. 451,343/-). In order to maintain the share capital the shareholder need to inject an amount of BHD. 647,835/- into the business. Further, the financial year end of the Company as per the memorandum of association is 31 December whereas the financial statements have been presented as at 31 March. However, as per the board resolution passed in the meeting of the board of directors held on 08 March 2017, it has been resolved to change the financial year from 31 December to 31 March.

Furthermore, the information given in the report of the Board of Directors on page 2 is consistent with the financial statements.

Moore Stephens

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Partner Registration No. 54
Manama, Kingdom of Bahrain,
03 May 2018

MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF FINANCIAL POSITION AS AT
31 March 2018

	Note	31/3/2018 BHD	31/3/2017 BHD
ASSETS			
Non - current assets			
Property, plant and equipment	5	**606,745**	698,658
		606,745	698,658
Current assets			
Inventories	6	**15,224**	18,510
Accounts and other receivable	7	**92,258**	55,672
Cash and bank balances	8	**28,023**	30,916
		135,505	105,098
Total assets		**742,250**	803,756
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	9	**50,000**	50,000
(Accumulated losses)		**(647,835)**	(451,343)
		(597,835)	(401,343)
Non - current liabilities			
Employees' leaving indemnity	11	**7,926**	3,432
Term loan - non current portion	12	**87,876**	131,319
Due to related party	13.2	**117,802**	103,023
Loan from related party	13.3	**369,064**	236,585
		582,668	474,359
Current liabilities			
Term loan - current portion	12	**43,200**	43,200
Accounts and other payable	14	**714,217**	687,540
		757,417	730,740
Total equity and liabilities		**742,250**	803,756

On 03 May 2018, the Board of Directors of **Mukta A2 Multiplex S.P.C.,** approved these financial statements.

Akshay Vashdev Bajaj
(Director)

The notes on pages 10 to 23 form an integral part of these financial statements.

MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2018

	Note	31/3/2018 (12 months) BHD	31/3/2017 (11 months) BHD
Income from operations	15	**889,191**	406,298
Cost of operations		**(691,476)**	(334,255)
Gross profit		**197,715**	72,043
Other income	16	**84,951**	36,561
Director's remuneration	13.1	**(19,200)**	(4,800)
General and administration expenses	17	**(248,234)**	(157,636)
Business promotion expenses		**(81,876)**	(73,289)
Finance cost		**(31,624)**	(19,531)
Preliminary expenses written off		**(5,321)**	(249,124)
Foreign exchange gain / (loss)		**10,461**	-
Depreciation	5	**(103,364)**	(55,567)
(Loss) for the year / period		**(196,492)**	(451,343)
Other comprehensive income		**-**	-
Total comprehensive (loss) for the year / period		**(196,492)**	(451,343)

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MUKTA A2 MULTIPLEX S.P.C

Akshay Vashdev Bajaj
(Director)

The notes

MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2018

	Share capital BHD	(Accumulated losses) BHD	Total BHD
Balance - At the beginning	-	-	-
Introduction of share capital	50,000	-	50,000
Total comprehensive (loss) for the period	-	(451,343)	(451,343)
At 31 March 2017 / 01 April 2017	**50,000**	**(451,343)**	**(401,343)**
Total comprehensive (loss) for the year	-	(196,492)	(196,492)
At 31 March 2018	**50,000**	**(647,835)**	**(597,835)**

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Akshay Vashdev Bajaj
(Director)

The notes on pages 10 to 23 form an integral part of these financial statements.

MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF CASH FLOWS

Year ended 31 March 2018

	31/3/2018 (12 months) BHD	31/3/2017 (11 months) BHD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year / period	**(196,492)**	(451,343)
Loss on sale of property, plant and equipment	**25**	-
Depreciation	**103,364**	55,567
Cash flows from operating activities before working capital changes	**(93,103)**	(395,776)
Changes in operating assets and liabilities:		
(Increase) / decrease in inventories	**3,286**	(18,510)
(Increase) / decrease in accounts and other receivable	**(36,586)**	(55,672)
Increase / (decrease) in due to related party	**14,779**	103,023
Increase / (decrease) in loan from related party	**132,479**	236,585
Increase / (decrease) in accounts and other payable	**26,677**	687,540
Increase / (decrease) in employees' leaving indemnity	**4,494**	3,432
Net cash flows from operating activities	**52,026**	560,622
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	**(11,476)**	(754,225)
Net cash flows from investing activities	**(11,476)**	(754,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital contribution	-	50,000
Net availment / (repayment) of term loans	**(43,443)**	174,519
Net cash flows from financing activities	**(43,443)**	224,519
Net (decrease) / increase in cash and cash equivalents	**(2,893)**	30,916
Cash and cash equivalents		
At the beginning of the year / period	**30,916**	-
At the end of the year / period (Refer note 8 to the financial statements)	**28,023**	30,916

Akshay Vashdev Bajaj
(Director)

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MUKTA A2 MULTIPLEX S.P.C.

1. Incorporation and principal activities

Mukta A2 Multiplex S.P.C., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern

During the year ended 31 March 2018, the Company has incurred a net loss of BHD. 196,492/- (31 March 2017: BHD. 451,343/-) and the accumulated losses as on 31 March 2018 was BHD. 647,835/- (31 March 2017: BHD. 451,343/-). Accordingly, there is a deficit of BHD. 597,835/- (31 March 2017: BHD. 401,343/-) in the shareholders' equity. Further, as on 31 March 2018 the Company's current liabilities exceeded its current assets by BHD. 621,912/- (31 March 2017: BHD. 625,642/-). These conditions raise a material uncertainty as to the Company's ability to continue as a going concern. The Company is dependent upon the continuing financial support of its shareholders' without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realize its assets and discharge its liabilities in the ordinary course of business.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001).

The financial statements have been drawn up from the accounting records of the Company under the historical cost convention. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The financial statements are presented in Bahraini Dinars.

New and amended IFRS adopted by the Company

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2017. The Company has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

- Amendments to IAS 7 'Statement of cash flows' issued in January 2016 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

2. Accounting policies (continued...)

New and amended IFRS adopted by the Company (continued...)

• Amendments to IAS 12 'Income Taxes' issued in January 2016 clarify that in order to compute a temporary difference, the carrying amount is compared to its tax base. In doing so, the entity should not consider how the related assets will be recovered (such as through sale), or the probability that any resulting deferred tax asset will be recoverable.

The amendments also clarify that the estimation of taxable profit, against which deferred tax assets can be utilised, is a separate step. If it is considered probable that an asset will be realised at more than its carrying amount, this is reflected in the entity's estimate of future taxable profit. The tax deduction arising from the reversal of deferred tax assets will not be included in the estimated future taxable profit which is used to evaluate whether those assets are recoverable.

• Annual amendments to IFRSs (2014-2016 cycle) issued in December 2016 included an amendment to IFRS 12 'Disclosure of Interests in Other Entities'. The amendment clarifies that, except for the requirements to disclose summarised financial information, the requirements of IFRS 12 apply to interests (or a portion thereof) in a subsidiary, joint venture or associate that is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5 'Non-current Assets held for Sale and Discontinued Operations'.

The Management believes the adoption of the above and other amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

• IFRS 15 'Revenue from Contracts with Customers' issued in May 2014 and related 'Clarifications to IFRS 15' issued in April 2016 establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related IFRICs 13, 15 and 18, and SIC-31. IFRS 15 is applicable for annual periods beginning on or after 1 January 2018. The standard is based on a 5 step approach to recognise revenue and also provides specific principles to apply, when there is a contract modification, when accounting for contract costs and when accounting for refunds and warranties. On application of the standard, the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

• IFRS 9, 'Financial Instruments' issued in July 2014 has an effective date of accounting periods beginning on or after 1 January 2018. IFRS 9 outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. Financial assets are to be measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. The impairment model in IFRS 9 moves to one that is based on expected credit losses rather than the IAS 39 incurred loss model. The derecognition principles of IAS 39, 'Financial Instruments: Recognition and Measurement' have been transferred to IFRS 9. The hedge accounting requirements have been liberalised from that allowed previously. The requirements are based on whether an economic hedge is in existence, with less restriction about proving whether a relationship will be effective than current requirements.

2. Accounting policies (continued...)

New and amended IFRS which are in issue but not yet effective (continued...)

• IFRS 16, 'Leases' issued in January 2016 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with lessor accounting substantially unchanged from IAS 17. IFRS 16 is effective from 1 January 2019.

• IFRS 17 'Insurance Contracts' issued in May 2017 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective from 1 January 2021.

• Amendments to IFRS 2 'Share based payment' issued in June 2016 introduced a number of changes and clarifications affecting IFRS 2 with effect for accounting periods beginning on or after 1 January 2018.

• Amendments to IFRS 4 'Insurance Contracts' issued in September 2016 address concerns over the impact of IFRS 9 'Financial Instruments', where this will be implemented before the replacement of IFRS 4, which is still under development. An entity shall apply those amendments, which include permitting insurers that meet specified criteria to apply a temporary exemption from IFRS 9, for annual periods beginning on or after 1 January 2018.

• Amendments to IAS 40 'Investment Property' issued in December 2016 clarify the requirement to transfer a property to or from investment property when (and only when) there is a change in use. The amendments state that the property should meet (or cease to meet) the definition of investment property, and there should be evidence of the change in use (which means more than management's intention alone). The amendments are effective for annual periods beginning on or after 1 January 2018.

• Annual amendments to IFRSs (2014-2016 cycle) issued in December 2016 included an amendment to IAS 28 'Investments in Associates and Joint Ventures'. The amendments clarify that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. The amendments are effective for annual periods beginning on or after 1 January 2018.

• IFRIC 22 'Foreign Currency Transactions and Advance Consideration' issued in December 2016 addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after 1 January 2018.

• IFRIC 23 'Uncertainty over Income Tax Treatment' issued in June 2017 clarifies how to apply the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after 1 January 2019.

• Amendments to IAS 28 'Investments in Associates and Joint Ventures' issued in October 2017 clarifies that entities account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective for annual periods commencing on or after 1 January 2019.

2. Accounting policies (continued...)

New and amended IFRS which are in issue but not yet effective (continued...)

- Amendments to IFRS 9 'Financial Instruments' issued in October 2017 allow entities to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss. The amendments are effective for annual periods commencing on or after 1 January 2019.

The Management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

Revenue recognition

Revenues are generated when admissions and concessions occur. Other operating revenues consist primarily of screen advertising (including vendor marketing programs) and other ancillary revenues which are recognised as income in the statement of profit or loss and other comprehensive income on accrual basis.

Film rental costs are recorded based on the applicable admission sales pursuant to the terms of the film licenses.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes all costs directly attributable to bringing the assets to working condition for its intended use.

Depreciation

Depreciation is calculated on the straight-line method so as to write-off the cost of each asset to its estimated residual value over its expected useful life. The major classes of depreciable assets and the depreciation rates are as follows:

Leasehold improvements	5%
Machinery and equipments	10% - 20%
Furniture and fixtures	10% - 20%
Computer and accessories	20%
Concession equipments	20%
Motor vehicles	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss of the year.

2. Accounting policies (continued...)

Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Cost is calculated using the first-in, first-out ('FIFO') method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

Provisions

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

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of lease.

Non-derivative Financial instruments

Financial assets and financial liabilities are recognised at the end of the reporting period when the Company becomes a party to the contractual provisions of the instrument.

Accounts receivable

Accounts and other receivables are measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and at bank.

Accounts payable and accruals

Accounts payables are recognised for the amounts to be paid in future for goods purchased or services availed whether billed by the supplier or not.

Share capital

The share capital of the Company consists of 500 shares of BHD. 100/- each.

2. Accounting policies (continued...)

Employees' benefits

Employee's terminal benefits and entitlement to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organization for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19-Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and represents a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

Foreign currency translation

a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Bahraini Dinars (BHD), which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the end of the reporting period.

Comparatives

Though the Company obtained its commercial registration on 17 May 2016, the operations started on 12 September 2016. Hence the compartives pertains to the aforementioned period.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful life and residual value of property, plant and equipment

The Company reviews the useful life and residual value of property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on similar assets of the industry, and future economic benefit expectations of the management.

3. Critical accounting estimates and judgements (continued...)

b) Provision for bad and doubtful debts

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged to profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

c) Provision for obsolete and slow-moving inventory

The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory. The amount of provision is charged to profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

4. Financial instruments and risk management

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. The table below set out the Company's classification of each class of financial assets and financial liabilities:

	31/3/2018 BHD	31/3/2017 BHD
Financial assets		
Accounts receivable	**7,790**	3,373
Deposits and other receivable	**83,612**	51,931
Cash and bank balances	**28,023**	30,916
	119,425	86,220
Financial liabilities		
Accounts payable	**95,918**	57,374
Accrued expenses	**248,844**	209,081
Other payable	**358,265**	410,137
Due to related party	**117,802**	103,023
Loan from related party	**369,064**	236,585
Term loans	**131,076**	174,519
	1,320,969	1,190,719

Financial risk factors

The risk management policies employed by the Company to manage the financial risks are discussed below:

4.1) Interest risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of the changes in market interest rates as the Company has no significant interest-bearing assets and liabilities. The term loan of the Company bears a fixed annual rate of interest.

4. Financial instruments and risk management

Financial risk factors (continued...)

4.2) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The maximum exposure to credit risk at the end of the reporting period was:

	31/3/2018	31/3/2017
	BHD	BHD
Accounts receivable	**7,790**	3,373
Deposits and other receivable	**83,612**	51,931
Cash at bank	**23,743**	21,636
	115,145	76,940

The ageing of trade receivable at the reporting date was:

	Gross 31/3/2018	**Impairment 31/3/2018**	Gross 31/3/2017	Impairment 31/3/2017
	BHD	**BHD**	BHD	BHD
0 - 30 days	**7,790**	-	3,373	-
31 - 60 days	-	-	-	-
More than 60 days	-	-	-	-
	7,790	-	3,373	-

4.3) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company does not have any significant currency risk as the Company's transactions are in Bahraini Dinars.

4.4) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

4.5) Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

4. Financial instruments and risk management (continued...)

Financial risk factors (continued...)

4.6) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments.

31/3/2018	**Carrying amount**	**Contractual undiscounted cash flows**	**Within 6 months**	**6 months to 1 year**	**More than 1 year**
	BHD	**BHD**	**BHD**	**BHD**	**BHD**
Accounts payable	**95,918**	**95,918**	**95,918**	**-**	**-**
Accrued expenses	**248,844**	**248,844**	**248,844**	**-**	**-**
Other payable	**358,265**	**358,265**	**358,265**	**-**	**-**
Due to related party	**117,802**	**117,802**	**-**	**-**	**117,802**
Loan from related party	**369,064**	**369,064**	**-**	**-**	**369,064**
Term loans	**131,076**	**138,941**	**22,898**	**22,898**	**93,145**
	1,320,969	**1,328,834**	**725,925**	**22,898**	**580,011**

31/3/2017	Carrying amount	Contractual undiscounted cash flows	Within 6 months	6 months to 1 year	More than 1 year
	BHD	BHD	BHD	BHD	BHD
Accounts payable	57,374	57,374	57,374	-	-
Accrued expenses	209,081	209,081	209,081	-	-
Other payable	410,137	410,137	410,137	-	-
Due to related party	103,023	103,023	-	-	103,023
Loan from related party	236,585	236,585	-	-	236,585
Term loans	174,519	184,994	22,898	22,898	139,198
	1,190,719	1,201,194	699,490	22,898	478,806

5. Property, plant and equipment

	Leasehold improvements BHD	Machinery & equipments BHD	Furniture & fixtures BHD	Computer & accessories BHD	Concession equipments BHD	Motor vehicles BHD	Total BHD
Cost:							
Balance - At the beginning	-	-	-	-	-	-	-
Additions during the period	216,872	386,110	83,701	19,727	22,007	25,808	754,225
At 31 March 2017 / 01 April 2017	**216,872**	**386,110**	**83,701**	**19,727**	**22,007**	**25,808**	**754,225**
Additions during the year	-	8,599	-	2,726	151	-	11,476
Disposals	-	-	(36)	-	-	-	(36)
At 31 March 2018	**216,872**	**394,709**	**83,665**	**22,453**	**22,158**	**25,808**	**765,665**
Depreciation:							
Balance - At the beginning	-	-	-	-	-	-	-
Charged during the period	5,882	36,495	5,862	2,140	2,388	2,800	55,567
At 31 March 2017 / 01 April 2017	**5,882**	**36,495**	**5,862**	**2,140**	**2,388**	**2,800**	**55,567**
Charged during the year	10,844	67,642	10,806	4,481	4,430	5,161	103,364
Disposals	-	-	(11)	-	-	-	(11)
At 31 March 2018	**16,726**	**104,137**	**16,657**	**6,621**	**6,818**	**7,961**	**158,920**
Net book amount:							
At 31 March 2018	**200,146**	**290,572**	**67,008**	**15,832**	**15,340**	**17,847**	**606,745**
At 31 March 2017	210,990	349,615	77,839	17,587	19,619	23,008	698,658

6. Inventories

	31/3/2018 BHD	31/3/2017 BHD
Stock of food items, beverages etc.	**15,224**	18,510
	15,224	18,510

7. Accounts and other receivable

	31/3/2018 BHD	31/3/2017 BHD
Accounts receivable	**7,790**	3,373
Deposits	**45,850**	45,650
Prepayments	**856**	368
Advances	**2,261**	6,281
Other receivable	**35,501**	-
	92,258	55,672

Other receivable represents amount receivable from Awan Media Co. W.L.L., towards screen advertisement.

8. Cash and bank balances

	31/3/2018 BHD	31/3/2017 BHD
Cash in hand	**4,280**	9,280
State Bank of India - current account	**1,013**	2,030
Khaleeji Commercial Bank - current account	**22,730**	19,606
	28,023	30,916

9. Share capital

	Share percentage	Number of shares	31/3/2018 BHD	31/3/2017 BHD
Mukta Arts Private Limited	**100%**	**500**	**50,000**	50,000
	100%	**500**	**50,000**	50,000

The share capital of the Company consists of 500 shares of BHD. 100/- each.

10. Statutory reserve

Under the provisions of Bahrain Commercial Companies Law 21/2001, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non distributable reserve account until such time an amount equal to 50% of the share capital is set aside. During the year no transfer has been made to the account as the Company has incurred a loss.

11. Employees' leaving indemnity

	31/3/2018 BHD	31/3/2017 BHD
Balance - At 01 April / beginning	**3,432**	-
Net movements during the year / period	**4,494**	3,432
Balance - At 31 March	**7,926**	3,432

12. Term loans

	31/3/2018	31/3/2017
	BHD	BHD
Non current portion	**87,876**	131,319
Current portion	**43,200**	43,200
	131,076	174,519
Movements during the year / period:		
Balance - At 01 April / beginning	**174,519**	-
Obtained during the year / period	-	193,390
Repaid during the year / period	**(43,443)**	(18,871)
Balance - At 31 March	**131,076**	174,519

The above loans are secured by the following:

a) Charge over the fixed assets of the Company being financed.

b) Creation of charge in the Ministry of Transport in favour of the bank for the vehicles financed.

c) SBLC of Yes Bank, Mumbai - India for BHD 0.170 mio in favour of the Bank.

d) Corporate Guarantee by M/s. Mukta Arts Private Limited, India.

13. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These represent transactions with shareholders, directors and key management of the Company, and entities in which they have significant influence or control.

13.1) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel is the Director and the compensation paid to him during the year/period is as follows:

	31/3/2018	31/3/2017
	(12 months)	(11 months)
	BHD	BHD
Akshay Vashdev Bajaj	**19,200**	4,800
	19,200	4,800

13.2) Due to related party

	31/3/2018	31/3/2017
	BHD	BHD
Mukta Arts Private Limited	**117,802**	103,023
	117,802	103,023

Due to related party represents expenses met by the related party on behalf of the Company. The above balance is interest free and repayable on demand.

13.3) Loan from related party

	31/3/2018	31/3/2017
	BHD	BHD
Mukta Arts Private Limited	**369,064**	236,585
	369,064	236,585

The above loan from related party bears an interest rate of 6% per annum and is repayable after one year.

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Year ended 31 March 2018

14. Accounts and other payable

	31/3/2018	31/3/2017
	BHD	BHD
Accounts payable	**95,918**	57,374
Accrued expenses	**248,844**	209,081
Provision for leave salary and air passage	**11,190**	10,948
Other payable	**358,265**	410,137
	714,217	687,540

Other payable represents amount payable towards purchase of property, plant and equipment and temporary advance amounting to BHD. 44,514/-.

15. Income from operations

	31/3/2018	31/3/2017
	(12 months)	(11 months)
	BHD	BHD
Box office sales	**690,574**	325,445
Food and beverage sales	**198,617**	80,853
	889,191	406,298

16. Other income

	31/3/2018	31/3/2017
	(12 months)	(11 months)
	BHD	BHD
Screen advertising	**73,181**	33,073
Convenience fee	**5,218**	2,162
Interest income	**255**	159
Miscellaneous income	**6,297**	1,167
	84,951	36,561

17. General and administration expenses

	31/3/2018	31/3/2017
	(12 months)	(11 months)
	BHD	BHD
Staff cost	**210,012**	122,701
Communication	**4,170**	2,061
Printing and stationery	**775**	1,016
Legal and professional	**4,026**	6,558
Repairs and maintenance	**6,678**	5,749
Travelling expenses	**1,415**	5,120
Vehicle running and maintenance expenses	**3,503**	2,092
Security charges	**9,196**	6,698
Discount and commission	**2,223**	-
Office expenses	**6,236**	5,641
	248,234	157,636

18. Rounding off of figures

All figures have been rounded off to the nearest Bahraini Dinars.

19. Contingent liability

As at 31 March 2017, there were no contingent liabilities arising in the ordinary course of business, which are expected to give rise to any material loss.

20. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/3/2018	31/3/2017
	BHD	BHD
Within one year	**180,000**	180,000
Between one and five years	**760,500**	720,000
After five years	**3,011,630**	3,276,900
	3,952,130	4,176,900

The period of lease is 20 years starting from 01 January 2016 with 10% rent escalation every five years.

21. Events after reporting period

As per the amendment to the memorandum of association dated 17 April 2018, the Company has appointed Mr. Rahul Puri as one of the directors of the Company. Apart from the aforementioned there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.