BIG Cinemas IMC LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

BIG Cinemas IMC LLC

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
BIG Cinemas IMC LLC

We have audited the accompanying financial statements of BIG Cinemas IMC LLC, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

BIG Cinemas IMC LLC

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
Capital work in progress	-		-	
Goodwill on acquisition	-		-	
		-		-
Other assets				
Security deposits	-		-	
		-		-
Total assets		-		-
Liabilities and equity				
Current liabilities				
Accounts payable for goods and services	-		-	
Taxes payable	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	2,271,060		2,271,060	
		2,271,060		2,271,060
Non-current liabilities				
Others	-		-	
		-		-
Equity				
Capital	500,000		500,000	
Accumulated deficit	(2,771,060)		(2,771,060)	
		(2,271,060)		(2,271,060)
Total liabilities and equity		-		-

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

BIG Cinemas IMC LLC

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Box office collections	-		-	
Advertising / sponsorship revenue	-		-	
Concession sales	-		-	
Write Back for provisions	-		-	
		-		-
Expenses				
Other operating expenses	-		-	
Claim for future Rental	-		-	
		-		-
Operating loss before interest, depreciation and taxes		-		-
Depreciation		-		-
Loss before taxes		-		-
Taxes		-		-
Loss after taxes		-		-

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

BIG Cinemas IMC LLC

Statement of equity as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	500,000	(2,771,060)	(2,271,060)
Losses of the current year	-	-	-
	500,000	(2,771,060)	(2,271,060)

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

BIG Cinemas IMC LLC

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation	-		-	
Operating profit before working capital changes	-		-	
Decrease in current assets	-		84,177	
Decrease in current liabilities	-		(284,177)	
Increase in non-current liabilities	-		-	
Cash used in operating activities		-		(200,000)
Cash flow from Investing activities				
Purchase of property, plant and equipment	-		-	
Cash used in Investing activities		-		-
Cash flow from Financing activities				
Outflow on accquisition of business	-		-	
Loan from Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.)	-		200,000	
Cash generated from Financing activities		-		200,000
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

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

BIG Cinemas IMC LLC

Notes to the Financial statements

for the year ended March 31, 2019
(Amounts in United States Dollars)

Background

BIG Cinemas IMC LLC was incorporated as a limited liability Company under the laws of the state of California on January 19, 2008. The Company was primarily engaged in the business of exhibition of movies through its properties in Sanjose, California and Fremont, California. Currently, the Company has surrendered both the properties and does not have any operations. The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc. (formerly Reliance MediaWorkks (USA) Inc.) (the 'Parent' Company).

The Company has surrendered its only operating property in Fremont, California due non-viability of the operations. Currently the landlord of the property is suing the Company and its Ultimate Parent Company, Reliance MediaWorks Limited which is a guarantor for the lease for recovery of lease rentals for the balance period of the lease.

Summary of significant accounting policies

1. ***Principles of accounts***

The financial statements include the accounts of BIG Cinemas IMC LLC, the standalone entity.

2. ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees

Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. Cash equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. Inventory

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

The inventory consists of theatre supplies of $ Nil

6. Property and equipment

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company does not have any fixed assets as of the year end.

7. Intangible assets

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

8. Impairment

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for multiplex properties and office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

10. Goodwill

During the current, the Company has acquired certain subsidiaries / assets which have been accounted on the basis of ASC 805 Business Combinations.

The Company accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

The Company has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

11. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

12. *Employee benefits*

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. *Segments*

As of March 31 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

14. *Provisions and Contingencies*

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company has surrendered its only operating property in Fremont, California due non-viability of the operations. Currently the landlord of the property is suing the Company and its Ultimate Parent Company, Reliance MediaWorks

Limited which is a guarantor for the lease for recovery of lease rentals for the balance period of the lease. The total claim raised by the landlord for the balance period of the lease is $ 410,000. The lease term has expired in January 2015. The Company has settled the claim for $ 284,177 & paid $ 200,000 the dues to the landlord on June 2, 2016 after adjustment of deposit.

15. Capital Stock

The Company has capital stock valued at par $ 500,000 as on March 31, 2019.

16. Related party transactions

The Company has entered into the following related party transactions during the current year.

Loan from Global MediaWorks (USA) Inc. (Formerly Reliance MediaWorks (USA) Inc) $ Nil (2017: $ 200,000).
Closing balance of loan $ 2,271,060 (2017: $ 2,271,060).

Related party transactions exclude reimbursement of expenses.

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

The accounts receivable balances of the Company as of March 31, 2019 are
Outstanding for greater than 6 months - $ Nil
Outstanding for less than 6 months - $ Nil

20. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the reporting date September 6th, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

Reliance Media Works VFX Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

Reliance Media Works VFX Inc.

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
Reliance Media Works VFX Inc

We have audited the accompanying financial statements of Reliance Media Works VFX Inc, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463

tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

Reliance Media Works VFX Inc.

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Prepaid expenses	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
Capital work in progress	-		-	
Goodwill on acquisition	-		-	
		-		-
Total assets		-		-
Liabilities and stockholder's equity				
Current liabilities				
Accounts payable for goods and services	-		-	
Taxes payable	-		-	
Advance received from customers	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	2,628,350	2,628,350	2,628,350	2,628,350
Stockholder's Equity				
Capital Stock	3,200,000		3,200,000	
Additional paid in capital				
Accumulated deficit	(5,828,350)	(2,628,350)	(5,828,350)	(2,628,350)
Total liabilities and stockholder's equity		-		-

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

Reliance Media Works VFX Inc.

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Income from movie processing	-		-	
Amounts written back	-		-	
		-		-
Expenses				
Legal and professional fees	-		-	
Other operating expenses	-		-	
		-		-
Operating loss before interest, depreciation and taxes		-		-
Depreciation		-		-
Loss before taxes		-		-
Taxes				
Loss after taxes		-		-

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

Reliance Media Works VFX Inc.

Statement of stockholder's equity as at March 31, 2019

	Share capital	Accumulated deficit	Total
Opening balances	3,200,000	(5,828,350)	(2,628,350)
Losses of the current year	-	-	-
	3,200,000	(5,828,350)	(2,628,350)

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

Reliance Media Works VFX Inc.

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation	-		-	
Operating profit before working capital changes	-		-	
Increase in current assets	-		-	
Increase in current liabilities	-		-	
Cash generated from operating activities		-		-
Cash flow from Investing activities				
Purchase of fixed assets	-		-	
Cash used in Investing activities		-		-
Cash flow from Financing activities				
Loan from Global MediaWorks (USA) Inc,	-		-	
Cash generated from Financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

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

Background

Reliance Media Works VFX Inc. (the 'Company') was incorporated on January 25, 2010 under the laws of the state of California, United States of America. The Company primarily operates in the business of high end visual effects and animation for various clients. The principal offices of the Company are located in San Francisco, California.

The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc) (the 'Parent' Company).

Summary of significant accounting policies

1. Principles

The financial statements include the accounts of Reliance Media Works VFX Inc., the standalone entity.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Film Processing Business

The Company uses the proportionate completion method in accounting for revenue from the film processing business. Use of the proportionate-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between efforts expended and contracted output.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

4. Cash equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. Inventory

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

6. **Property and equipment**

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

(Currency: United States Dollars)
The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

Details of fixed assets

The Company does not have any fixed assets as of the year end.

7. Intangible assets

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

Cost of internally generated software is capitalized by the Company in accordance with the provisions of SOP 98-1 - Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, the Company has capitalized cost of $ Nil (2019: $ Nil).

8. Impairment

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

The Company did not have any leases at the end of the year.

10. Taxes.

(Currency: United States Dollars)
Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as th
a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ended March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2012.

11. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

12. Segments

As of March 31 2019, the Company operates primarily in one business segment pertaining of film services. Hence provisions of segment disclosure are not applicable to the Company.

13. Accquisition

During the previous year, the Parent of the Company entered into a asset purchase agreement with Slash FX Inc., a Company engaged in the business of visual effects and animation. The assets of Slash were purchased for a total consideration of $ 3.2 mn. The entire asset purchase agreement was bequeathed by the Parent Company to the Company as on 1 March 2010 at a value of $ 3.2 mn.

The Company has valued the tangible assets acquired along with identifiable intangible assets at $ 400,000 and the balance amount of $ 2,800,000 has been transferred to Goodwill. As consideration of bequeathing of assets, the Company has issued 1,000 shares of $ 1 par value and credited the balance amount of $ 3,199,000 to additional paid in capital account.

14. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

(Currency: United States Dollars)

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. Capital Stock

The Company has a total capital of $ 3,200,000, which is divided into 100 shares, with the balance $ 3,199,000, being additional paid in capital.

16. Related party transactions

The Company has entered into the following related party transactions during the current period

Closing Balance of the Loan taken from Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc) $2,628,350

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Earnings per share

	2019-2019	2017-2019
Profit for the year after tax	-	-
Weighted average number of shares outstanding during the period	3,200,000	3,200,000
Loss per share	-	-

19. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

20. Accounts Receivable

There are no accounts receivable.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the balance sheet date of March 31, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

Global Cinemas Galaxy LLC
(formerly Big Cinemas Galaxy LLC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
Global Cinemas Galaxy LLC

We have audited the accompanying financial statements of Global Cinemas Galaxy LLC, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
Goodwill on acquisition	-		-	
		-		-
Other assets				
Security deposits	-		-	
		-		-
Total assets		-		-
Liabilities and deficit				
Current liabilities				
Accounts payable for goods and services	3,453,121		3,453,121	
Taxes payable	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	4,560,353		4,560,353	
		8,013,474		8,013,474
Non-current liabilities				
Others	-		-	
		-		-
Equity				
Capital	3,069,853		3,069,853	
Accumulated deficit	(11,083,327)		(11,083,327)	
		(8,013,474)		(8,013,474)
Total liabilities and deficit		-		-

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Box office collections	-		-	
Advertising / sponsorship revenue	-		-	
Concession sales	-		-	
Facilities at multiplex	-		-	
Provisions written back	-		-	
		-		-
Expenses				
Advertisement and publicity	-		-	
Provision for claims	-		-	
Bad debts written off	-		-	
Other operating expenses	-		-	
		-		-
Operating loss before interest, depreciation and taxes		-		-
Depreciation		-		-
Loss before taxes		-		-
Taxes		-		-
Loss after taxes		-		-

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Statement of accumulated deficit as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	3,069,853	(11,083,327)	(8,013,474)
Losses of the current year	-	-	-
	3,069,853	(11,083,327)	(8,013,474)

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation	-		-	
Other non-cash charges	-		-	
Operating profit before working capital changes	-		-	
Increase in current assets	-		-	
Increase in current liabilities	-		-	
Increase in non-current liabilities	-		-	
Cash used in from operating activities		-		-
Cash flow from Investing activities		-		-
Purchase of property, plant and equipment	-		-	
Cash generated from Investing activities		-		-
Cash flow from Financing activities				
Outflow on accquisition of business	-		-	
Loan from Global MediaWorks (USA) Inc,	-		-	
Cash generated from Financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)

Notes to the Financial statements
for the year ended March 31, 2019
(Amounts in United States Dollars)

Background

Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC) was incorporated as a Limited liability Company under the laws of the state of Georgia on December 21st, 2007. The Company was primarily engaged in the business of exhibition of movies through its theatres located in Georgia, The Company is wholly owned subsidiary of Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company) effective 15 December 2010.

The business and assets of the Company were acquired by the parent from Galaxy Cinema Inc for a total consideration of $ 1,750,000 , Under the terms of the agreement and valuation determined by due diligence, indefinable tangible assets of the Company have been valued at $1,375,254 and intangible assets (goodwill) of the Company have been identified at $374,746

The Company till the last financial year was operating a theatre in South Dekalb and Peachtrtill February 2014. Efffective February 2014 both these properties have been terminated and the Company does not have any operations.

Upon closure of the lease for South Dekalb the landlord of the property has filed a claim against the Company for imporper vacation of the property and is seeking a standstill whereby the Company still operates the theatre. The lease for the South Dekalb property is also personally guaranteed by Global MediaWorks (USA) Inc., the Holding Company and a case has also been filed against the Holding Company.

Summary of significant accounting policies

1. ***Principles of accounts***

The financial statements include the accounts of Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC) ,the standalone entity.

2. ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. ***Revenue Recognition***

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees
Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend
Dividend is recognized as income when the right to receive the same is confirmed.

Interest
Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. *Cash equivalents*

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. *Inventory*

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

6. Property and equipment

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company did not have any fixed assets during the current year.

7. *Intangible assets*

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

8. *Impairment*

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for multiplex properties and office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

Upon closure of the lease for South Dekalb the landlord of the property has filed a claim against the Company for imporper vacation of the property and is seeking a standstill whereby the Company still operates the theatre. The lease for the South Dekalb property is also personally guaranteed by Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) , the Holding Company and a case has also been filed against the Holding Company. Since the Company has surrendered the theatre, no provision has been made for lease rental.

10. Goodwill

During the current, the Company has acquired certain subsidiaries / assets which have been accounted on the basis of ASC 805 Business Combinations.

The Company accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

The Company has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

The fair value of assets taken over by the Company is \$ 1,375,254 and the purchase consideration paid for the same is \$ 1,750,000, the excess for the same amounting to \$ 374,746 has been recognized as Goodwill.

11. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2012.

12. *Employee benefits*

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. *Segments*

As of March 31 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

14. *Provisions and Contingencies*

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Upon closure of the lease and surrender of property for South Dekalb the landlord of the property has filed a claim against the Company for imporper vacation of the property and is seeking a standstill whereby the Company still operates the theatre. The lease for the South Dekalb property is also personally guaranteed by Global MediaWorks (USA) Inc., the Holding Company and a case has also been filed against the Holding Company. The landlord is claiming rent for the entire period of the lease.

During the year ended March 31, 2016, the Company has made a provision for $ 2,000,000 as potential liability against the claims.

Notes to the Financial statements
for the year ended March 31, 2019
(Amounts in United States Dollars)

15. Capital Stock

The Company does not have capital stock as on March 31, 2019.

16. Related party transactions

The Company has entered into the following related party transactions during the current year.

Closing balance of loan from Global MediaWorks (USA) Inc (formerly Reliance MediaWorks (USA) Inc.) $4,560,353

Related party transactions exclude reimbursement of expenses.

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

The accounts receivable balances of the Company as of March 31, 2019 are
Outstanding for greater than 6 months - $ Nil
Outstanding for less than 6 months - $ Nil

20. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to confirm to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the reporting date of Sept 6, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

BIG Cinemas Norwalk LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

BIG Cinemas Norwalk LLC

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
BIG Cinemas Norwalk LLC

We have audited the accompanying financial statements of BIG Cinemas Norwalk LLC, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

BIG Cinemas Norwalk LLC

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
		-		-
Other assets				
Security deposits	-		-	
		-		-
Total assets		-		-
Liabilities and equity				
Current liabilities				
Accounts payable for goods and services	-		-	
Taxes payable	-		-	
Advance payments received	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	543,877		543,877	
		543,877		543,877
Non-current liabilities				
Others	-		-	
		-		-
Equity				
Capital	450,000		450,000	
Accumulated deficit	(993,877)		(993,877)	
		(543,877)		(543,877)
Total liabilities and equity		-		-

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

BIG Cinemas Norwalk LLC

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Box office collections	-		-	
Advertising / sponsorship revenue	-		-	
Concession sales	-		-	
Write back for provisions	-		-	
		-		-
Expenses				
Bad debts written off	-		-	
Other operating expenses	-		-	
		-		-
Operating profit / (loss) before interest, depreciation and taxes		-		-
Depreciation		-		-
Loss before taxes		-		-
Taxes		-		-
Loss after taxes		-		-

BIG Cinemas Norwalk LLC

Statement of equity as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	450,000	(993,877)	(543,877)
Losses of the current year	-	-	-
	450,000	(993,877)	(543,877)

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

BIG Cinemas Norwalk LLC

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation	-		-	
Operating profit before working capital changes	-		-	
Increase in current assets	-		-	
Increase in current liabilities	-		-	
Increase in non-current liabilities	-		-	
Cash generated from operating activities		-		-
Cash flow from Investing activities				
Purchase of property, plant and equipment	-		-	
Cash used in Investing activities		-		-
Cash flow from Financing activities				
Outflow on accquisition of business	-		-	
Loan from Reliance MediaWorks (USA) Inc,	-		-	
Cash generated from Financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

BIG Cinemas Norwalk LLC

Notes to the Financial statements

for the year ended 31 March 2019
(Amounts in United States Dollars)

Background

BIG Cinemas Norwalk LLC was incorporated as a limited liability Company under the laws of the state of California on December 19, 2007. The Company was primarily engaged in the business of exhibition of movies through its 8 Screen theatre located at Norwalk square shopping centre, Norwalk, California- 90650. The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company).

The lease for the property was surrendered by the Company in 2012 and currently the Company has no operations.

Summary of significant accounting policies

1. *Principles of accounts*

The financial statements include the accounts of BIG Cinemas Norwalk LLC, the standalone entity.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees

Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. *Cash equivalents*

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. *Inventory*

Inventory consist of concession products and theatre supplies. Inventory is stated using weighted average cost. At the end of the fiscal year ending March 31, 2019, there was no inventory on hand.

6. **Property and equipment**

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company does not have any fixed assets.

7. *Intangible assets*

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

8. *Impairment*

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. *Leases*

The Company has various operating leases, principally for multiplex properties and office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

The Company does not have any outstanding leases as of the year end.

10. Goodwill

During the current, the Company has acquired certain subsidiaries / assets which have been accounted on the basis of ASC 805 Business Combinations.

The Company accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

The Company has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

As of 2019, the goodwill is fully provided.

11. Taxes

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

With gew exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2012.

12. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. Segments

As of March 31 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

14. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. Capital Stock

The Company values capital stock at acquistion price of $ 450,000.

16. Related party transactions

The Company has entered into the following related party transactions during the current year.

Closing balance of loan taken from Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) $543,877

Related party transactions exclude reimbursement of expenses.

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

There are no accounts receivable outstanding at the end of the fiscal year March 31, 2019.

20. Capital Commitment

The Company as at March 31, 2019 has not issued purchase orders for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the reporting date Sept 6th, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

BIG Cinemas Laurel LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

BIG Cinemas Laurel LLC

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
BIG Cinemas Laurel LLC

We have audited the accompanying financial statements of BIG Cinemas Laurel LLC, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

BIG Cinemas Laurel LLC

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
Goodwill on acquisition	-		-	
		-		-
Other assets				
Security deposits	-		-	
		-		-
Total assets		-		-
Liabilities and deficit				
Current liabilities				
Accounts payable for goods and services	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediWorks (USA) Inc.) (the 'Parent' Company)	594,036		594,036	
		594,036		594,036
Non-current liabilities				
Others	-		-	
		-		-
Equity				
Capital	262,500		262,500	
Accumulated deficit	(856,536)		(856,536)	
		(594,036)		(594,036)
Total liabilities and deficit		-		-

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

BIG Cinemas Laurel LLC

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Write back of provision	-		-	
		-		-
Expenses				
Other operating expenses	-		-	
		-		-
Operating loss before interest, depreciation and taxes		-		-
Depreciation		-		-
Loss before taxes		-		-
Taxes		-		-
Loss after taxes		-		-

BIG Cinemas Laurel LLC

Statement of accumulated deficit as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	262,500	(856,536)	(594,036)
Income of the current year	-	-	-
	262,500	(856,536)	(594,036)

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

BIG Cinemas Laurel LLC

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation				
Operating profit before working capital changes	-		-	
Increase in current assets	-		-	
Decrease in current liabilities	-		-	
Increase in non-current liabilities	-		-	
Cash used in operating activities		-		-
Cash flow from Investing activities		-		-
Cash flow from Financing activities				
Outflow on accquisition of business	-		-	
Loan from Reliance MediaWorks (USA) Inc,	-		-	
Cash generated from Financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

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

BIG Cinemas Laurel LLC

Notes to the Financial statements

for the year ended March 31, 2019
(Amounts in United States Dollars)

Background

BIG Cinemas Laurel LLC was incorporated as a Limited liability Company on November 28th, 2007. The Company is primarily engaged in the business of exhibition of movies through its 6 Screens theatre located at 371 Armstrong Ave, Laurel, MD 20709. The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company).

The theatre was surrendered by the Company in 2011 and since then the Company has had no operations.

Summary of significant accounting policies

1. *Principles of accounts*

The financial statements include the accounts of BIG Cinemas Laurel LLC, the standalone entity.

2. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. *Revenue Recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes.

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees

Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. Cash equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. Inventory

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

The inventory of the Company consists of theatre supplies of $ Nil

6. Property and equipment

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company does not have any fixed assets.

7. Intangible assets

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

8. Impairment

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for multiplex properties and office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

The Company does not have any leases.

10. Goodwill

During the current, the Company has acquired certain subsidiaries / assets which have been accounted on the basis of ASC 805 Business Combinations.

The Company accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

The Company has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

11. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

12. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. Segments

As of March 31 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

14. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. Capital Stock

The Company has capital stock of $ 262,500 as on March 31, 2019.

16. Related party transactions

The Company has entered into the following related party transactions during the current year.

Loan taken from Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc. $594,036 (2017: $ 594,036)

Related party transactions exclude reimbursement of expenses.

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

The accounts receivable balances of the Company as of March 31, 2019 are
Outstanding for greater than 6 months - $ Nil
Outstanding for less than 6 months - $ Nil

20. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the reporting date Sept 6th, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

Global Cinemas Entertainment LLC
(formerly known as BIG Cinemas Entertainment LLC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

Global Cinemas Entertainment LLC
(formerly known as BIG Cinemas Entertainment LLC)

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
Global Cinemas Entertainment LLC

We have audited the accompanying financial statements of Global Cinemas Entertainment LLC, which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

Global Cinemas Entertainment LLC (formerly known as BIG Cinemas Entertainment LLC)

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
		-		-
Total assets		-		-
Liabilities and deficit				
Current liabilities				
Accounts payable for goods and services	229,274		229,274	
Amounts payable to Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	3,708,916		3,708,916	
		3,938,190		3,938,190
Non-current liabilities				
Others	-		-	
		-		-
Capital (Equity)				
Accumulated deficit	(3,938,190)		(3,938,190)	
		(3,938,190)		(3,938,190)
Total liabilities and deficit		-		-

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

Global Cinemas Entertainment LLC (formerly known as BIG Cinemas Entertainment LLC)

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

	2,019	2,018
Revenues		
Other operating income	-	-
	-	-
Expenses		
Film rentals	-	-
Other operating expenses	-	-
	-	-
Operating loss before interest, depreciation and taxes	-	-
Depreciation	-	-
Loss before taxes	-	-
Taxes	-	-
Loss after taxes	-	-

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

Global Cinemas Entertainment LLC
(formerly known as BIG Cinemas Entertainment LLC)

Statement of accumulated deficit as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	-	(3,938,190)	(3,938,190)
Losses of the current year	-	-	-
Ending Balances	-	(3,938,190)	(3,938,190)

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

Global Cinemas Entertainment LLC (formerly known as BIG Cinemas Entertainment LLC)

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

	2,019	**2,018**
Cash Flow from operating activities		
Loss before taxes	-	-
Adjustment for		
Depreciation	-	-
Other non-cash charges	-	-
Operating profit before working capital changes	-	-
Increase in current assets	-	-
Increase in current liabilities	-	-
Increase in non-current liabilities	-	-
Cash used in operating activities	-	-
Cash flow from Investing activities		
Purchase of property, plant and equipment		
Cash used in investing activities	-	-
Cash flow from Financing activities		
Outflow on accquisition of business		
Loan from Global MediaWorks (USA) Inc.	-	-
Cash generated from Financing activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

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

Global Cinemas Entertainment LLC (formerly known as BIG Cinemas Entertainment LLC)

Notes to the Financial statements

for the year ended 31 March 2019
(Amounts in United States Dollars)

Background

Global Cinemas Entertainment LLC was incorporated as a Limited liability Company under the laws of the state of New Jersey on December 19, 2007. The Company was primarily engaged in the business of exhibition of movies through its 8 Screen theatre located at 1655 Oak Tree Road, Edison, NJ 08820. The theatre has been surrendered to the landlord for operations effective October 2013.

The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company).

The company in the current year has ceased operations concerning the exhibition of movies.

The landlord of the property located at Edison, NJ is claiming damages against the Company for the dues payable pursuant to termination of the agreement for operation of the theatre. As per the original agreement with the landlord, the theatre was to be operated by the Company till 2017 with rentals being directly paid by the Company to the property owner and a fixed fee being paid to the previous landlord as management fees. In October 2013, the Company entered into an agreement with the landlord for surrender of the premises back to the landlord for operation with the Company paying a fixed yearly compensation to the landlord. The Company has duly accrued for the compensation, however the compensation for the financial years 2013-2014 and 2014-2015 has not been paid and hence the landlord is threatening to sue the Company for recovery of the same along with the officials of the Company and its ultimate Parent Company.

Summary of significant accounting policies

1. *Principles of accounts*

The financial statements include the accounts of Global Cinemas Entertainment LLC (Big Cinemas Entertainment LLC), the standalone entity.

2. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. *Revenue Recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes.

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)
Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees

Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. Cash equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. Inventory

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

The inventory consists of theatre supplies of Nil

6. Property and equipment

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company does not have any fixed assets during the current year.

7. *Intangible assets*

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five / ten years, as determined by management.

8. *Impairment*

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. *Leases*

The Company has various operating leases, principally for office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

Effective April 1, 2009 the Company had taken a theatre under a sub-lease agreement from the landlord who had availed the lease from the property owner. The sub-lease was valid till 2017.

The landlord of the property located at Edison, NJ is claiming damages against the Company for the dues payable pursuant to termination of the agreement for operation of the theatre. As per the original agreement with the landlord, the theatre was to be operated by the Company till 2017 with rentals being directly paid by the Company to the property owner and a fixed fee being paid to the previous landlord as management fees. In October 2013, the Company entered into an agreement with the landlord for surrender of the premises back to the landlord for operation with the Company paying a fixed yearly compensation to the landlord. The Company has duly accrued for the compensation, however the compensation for the financial years 2013-2014 and 2014-2015 has not been paid and hence the landlord is threatening to sue the Company for recovery of the same along with the officials of the Company and its ultimate Parent Company.

10. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

Additionally, income tax rules and regulations are subject to interpretation, require judgment by the Company and may be challenged by the taxation authorities. As described further in Note 7—"Income Taxes," effective December 29, 2006, the Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109. In accordance with FIN 48, the Company recognizes a tax benefit only for tax positions that are determined to be more likely than not sustainable based on the technical merits of the tax position. With respect to such tax positions for which recognition of a benefit is appropriate, the benefit is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions are evaluated on an ongoing basis as part of the Company's process for determining the provision for income taxes.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

With few exceptions, the Company is no longer subject to U.S.federal, state, and local income tax examinations by tax authorities for years before 2012.

11. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

12. Segments

As of March 31, 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

13. Acquisition

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)has entered in to a management contract with Jazz Entertainment Inc for a period of 10 years, the 8 screen theater is located in the prime Indian centric population in Oak tree road in Edison, New Jersey.

14. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The landlord of the property located at Edison, NJ is claiming damages against the Company for the dues payable pursuant to termination of the agreement for operation of the theatre. As per the original agreement with the landlord, the theatre was to be operated by the Company till 2017 with rentals being directly paid by the Company to the property owner and a fixed fee being paid to the previous landlord as management fees. In October 2013, the Company entered into an agreement with the landlord for surrender of the premises back to the landlord for operation with the Company paying a fixed yearly compensation to the landlord. The Company has duly accrued for the compensation, however the compensation for the financial years 2013-2014 and 2014-2015 has not been paid and hence the landlord is threatening to sue the Company for recovery of the same along with the officials of the Company and its ultimate Parent Company.

15. Capital Stock

The Company does not have capital stock as on March 31, 2019.

16. Related party transactions

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)
The Company has entered into the following related party transactions during the current year.

Closing balance of loan taken from Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.)
$3,708,916

Related party transactions exclude reimbursement of expenses.

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

The accounts receivable balances of the Company as of March 31, 2019 are
Outstanding for greater than 6 months $ Nil
Outstanding for less than 6 months $ Nil

20. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to the reporting date of Sept 6th, 2019
The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

Global Cinemas Entertainment (DE) LLC

(formerly known as BIG Cinemas Entertainment (DE) LLC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2019

Global Cinemas Entertainment (DE) LLC
(formerly known as BIG Cinemas Entertainment (DE) LLC)

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
Global Cinemas Entertainment (DE) LLC

We have audited the accompanying financial statements of Global Cinemas Entertainment (DE) **LLC,** which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows, and the related notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Balance Sheet as at March 31, 2019
(Amounts in United States Dollars)

		2019		**2018**
Assets				
Current assets				
Cash and cash equivalents				
Cash	-		-	
Balances in checking accounts	-		-	
Accounts receivable	-		-	
Inventory	-		-	
Other current assets	-		-	
		-		-
Non current assets				
Property, plant and equipment	-		-	
		-		-
Other assets				
Security deposit	78,786		78,786	
		78,786		78,786
Total assets		**78,786**		**78,786**
Liabilities and deficit				
Current liabilities				
Accounts payable for goods and services	1,692,889		1,692,889	
Taxes payable	-		-	
Advance payment from Customers	-		-	
Amounts payable to Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA) Inc.) (the 'Parent' Company)	2,306,438		2,306,438	
		3,999,327		3,999,327
Non-current liabilities				
Others	-		-	
		-		-
Equity				
Capital	-		-	
Accumulated deficit	(3,920,541)		(3,920,541)	
		(3,920,541)		(3,920,541)
Total liabilities and deficit		**78,786**		**78,786**

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

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

	2019	2018
Revenues		
Other operating income		
	-	-
Expenses		
Provision for legal claims		
	-	-
Operating loss before interest, depreciation and taxes	-	-
Depreciation	-	-
Interest expenses	-	-
Loss before taxes	-	-
Taxes	-	-
Loss after taxes	-	-

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

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Statement of accumulated deficit as at March 31, 2019

	Capital	Accumulated deficit	Total
Opening balances	-	(3,920,541)	(3,920,541)
Losses of the current year	-	-	-
	-	(3,920,541)	(3,920,541)

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

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	-		-	
Adjustment for				
Depreciation				
Other non-cash charges	-		-	
Operating profit before working capital changes	-		-	
Increase in current assets	-		-	
Increase in current liabilities	-		-	
Cash used in operationing activities		-		-
Cash flow from Investing activities				
Purchase of property plant and equipment	-		-	
Cash used in investing activities		-		-
Cash flow from Financing activities				
Loan from Reliance MediaWorks (USA) Inc.	-		-	
Cash generated from Financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)

Global Cinemas Entertainment (DE) LLC (formerly Big Cinemas Entertainment (DE) LLC) was incorporated as a limited liability Company under the laws of the state of Delaware on January 24, 2008 .

The Company is a wholly owned subsidiary of Global MediaWorks (USA) Inc.(formerly Reliance MediaWorks (USA)

Inc (the 'Parent' Company).

The Company was primarily engaged in the business of exhibition of movies through its single screen theatre located at 239 East, 59th St, New York, NY 10022. The Company has surrendered the property in January 2014.

Upon vacation of the property, the landlord of the property has filed a claim against the Company and the ultimate Holding Company i.e. Reliance MediaWorks Limited claiming rent upto the period of the lease. The Company is process of defending the claim.

Summary of significant accounting policies

1. *Principles of accounts*

The financial statements include the accounts of Global Cinemas Entertainment (DE) LLC (formerly Big Cinemas Entertainment (DE) LLC) , the standalone entity.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)
Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees
Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Dividend

Dividend is recognized as income when the right to receive the same is confirmed.

Interest

Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

4. Cash equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts.

5. Inventory

Inventories consist of concession products and theatre supplies. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

Inventory consists of theatre supplies of SNil

***6.* Property and equipment**

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Term of lease
Equipment – 10 years to 14.14 years
Furniture and fixtures –10 years
Computer Hardware and Software – 5 years

The Company has written off all fixed assets as of March 31, 2014 and hence there are no fixed assets.

7. Intangible assets

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five years, as determined by management.

8. Impairment

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for multiplex properties and office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification ("ASC") Subtopic,840 - Leases on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet. The property is under management contract.

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)

10. Goodwill

During the current, the Company has acquired certain subsidiaries / assets which have been accounted on the basis of ASC 805 Business Combinations.

The Company accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

The Company has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

11. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

For the year ending March 31, 2019 the Parent of the Company has not allocated any share of tax assets / tax liabilities to the Company. Hence, they have not been reflected in the books of the Company.

12. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. Segments

As of March 31 2019, the Company operates primarily in one business segment pertaining of exhibition of films. Hence provisions of segment disclosure are not applicable to the Company.

14. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is more likely to note that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company had terminated its lease for the property wherein it operated a theatre in January 2014. On the basis of the termination of the lease, the landlord has filed a claim against the Company and its ultimate Holding Company i.e. Reliance MediaWorks Limited, which was also a guarantor for the lease for the amount of lease rentals outstanding since August 2013. The approximate amount of claim made by the landlord for the period of the lease is $ 1,424,810. The landlord has also made a claim for liquidated damanges and legal fees. The Company is confident of defending the claim.

15. Capital Stock

The Company does not have capital stock as on March 31, 2019.

16. Related party transactions

The Company has entered into the following related party transactions during the current year.

Closing balance of loan taken from Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.

$2,306,438 (2018: $ 2,306,438).

Related party transactions exclude reimbursement of expenses.

Global Cinemas Entertainment (DE) LLC (formerly known as BIG Cinemas Entertainment (DE) LLC)

Notes to the Financial statements
for the year ended 31 March 2019
(Amounts in United States Dollars)

17. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

18. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

During the current year the Company has not capitalized any borrowing costs.

19. Accounts receivable

The accounts receivable balances of the Company as at balance sheet date
Outstanding for greater than 6 months - $ Nil
Outstanding for less than 6 months - $ Nil

20. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

21. Figures for the previous year have been restated to conform to current year's presentation

22. Subsequent Events

The Company has evaluated all subsequent events to thereporting date of September 6th, 2019.
The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

FINANCIAL STATEMENTS

FOR YEAR ENDED

March 31, 2019

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Contents

Financial Statements

PHYPHAR INC

Certified Public Accountants

Independent Accountants Audit Report

Shareholders
Global MediaWorks (USA) Inc

We have audited the accompanying financial statements of **Global MediaWorks (USA) Inc,** which comprises of the balance sheet as of March 31, 2019 and the related statements of income, and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Phyphar Inc

Firm's Signature
Firm Location: Waldwick, NJ
Report Date: September 6th 2019

Hemish S. Kapadia, CPA, Ea

29 Walter Hammond Pl, Waldwick NJ 07463
tel: 201.444.4648 | fax: 201.447.2922 | www.phyphar.com

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Balance Sheet as at March 31, 2019

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	0		-	
Balances in checking accounts	0		-	
Balances in savings accounts	0		-	
		-		-
Accounts receivable				
Amounts receivable from Subsidiary companies				
Inventory				
Other current assets	340,850		363,850	
		340,850		363,850
Non current assets				
Investment in subsidiaries / Associates	0		-	
Property, plant and equipment	0		-	
Capital work in progress	0		-	
Goodwill on acquisition	0		-	
		-		-
Total assets		**340,850**		**363,850**
Liabilities and stockholder's deficit				
Current liabilities				
Accounts payable for goods and services	1,876,323		1,870,892	
Taxes payable	227,499		227,499	
Advances received from customers	56,250		56,250	
Loan from Reliance MediaWorks Limited (the 'Parent' Company)	54,606,121		54,606,121	
Other loans	800,000		800,000	
		57,566,193		57,560,761
Non-current liabilities				
Others				
Stockholder's deficit				
Capital stock	20,000		20,000	
Accumulated deficit	(57,245,343)		(57,216,911)	
		(57,225,343)		(57,196,911)
Total liabilities and stockholder's deficit		**340,850**		**363,850**

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Income statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Revenues				
Income from distribution of movies				
Others				
		0		0
Expenses				
Travel				
Bank charges				
Legal and professional fees	28,431		33,438	
Write off for Companies dissolved during the year				
Provision for investments				
Provision for loans to subsidiaries				
Other operating expenses				
		28,431		33,438
Operating loss before interest, depreciation and taxes		(28,431)		(33,438)
Other income				
Depreciation				
Interest expenses				
Loss before taxes		(28,431)		(33,438)
Taxes		0		0
Loss after taxes		(28,431)		(33,438)

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Balance Sheet as at March 31, 2019

		2019		2018
Assets				
Current assets				
Cash and cash equivalents				
Cash	0		-	
Balances in checking accounts	0		-	
Balances in savings accounts	0		-	
		-		-
Accounts receivable				
Amounts receivable from Subsidiary companies				
Inventory				
Other current assets	340,850		363,850	
		340,850		363,850
Non current assets				
Investment in subsidiaries / Associates	0		-	
Property, plant and equipment	0		-	
Capital work in progress	0		-	
Goodwill on acquisition	0		-	
		-		-
Total assets		**340,850**		**363,850**
Liabilities and stockholder's deficit				
Current liabilities				
Accounts payable for goods and services	1,876,322		1,870,892	
Taxes payable	227,499		227,499	
Advances received from customers	56,250		56,250	
Loan from Reliance MediaWorks Limited (the 'Parent' Company)	54,606,121		54,606,121	
Other loans	800,000		800,000	
		57,566,192		57,560,761
Non-current liabilities				
Others				
Stockholder's deficit				
Capital stock	20,000		20,000	
Accumulated deficit	(57,245,342)		(57,216,911)	
		(57,225,342)		(57,196,911)
Total liabilities and stockholder's deficit		**340,850**		**363,850**

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Statement of accmulated deficit as at March 31, 2019

	Share capital	Accumulated deficit	Total
Opening balances	20,000	(57,216,911)	(57,196,911)
Losses of the current year	-	(28,431)	(28,431)
	20,000	(57,245,342)	(57,225,342)

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

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Cash flow statement for the year ended March 31, 2019
(Amounts in United States Dollars)

		2019		2018
Cash Flow from operating activities				
Loss before taxes	(28,431)		(33,438)	
Adjustment for				
Interest Expenses	-		-	
Other non-cash charges	-		-	
Interest Income	-		-	
Operating profit before working capital changes	(28,431)		(33,438)	
Decrease / (Increase) in current assets	23,000		33,438	
Increase in current liabilities	5,431		-	
Cash used in operating activities		-		-
Cash flow from investing activities				
Purchase of property, plant and equipment	-		-	
Investment in subsidiaries - Equity	-		-	
Investment in subsidiaries - Loans (net)	-		-	
Interest income	-		-	
Cash used in investing activities		-		-
Cash flow from financing activities				
Interest Expenses	-		-	
Repayment of Bank Loan	-		-	
Dividend received from LLC's	-		-	
Loan repaid to Reliance MediaWorks Limited, the Parent Company (net)	-		-	
Cash generated from financing activities		-		-
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		-		-
Cash and cash equivalents at the end of the year		-		-

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

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)

Notes to the financial statements
for the year ended March 31, 2019

(Currency: United States Dollars)

Background

Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.) (the 'Company') incorporated under the laws of the state of New Jersey on May 17, 2006, and commenced operations on the same day. The Company is engaged primarily in the business of the movie exhibition, exploitation of movie rights purchased by the Company or syndicated through Reliance MediaWorks Limited (the 'Parent' Company) and in the movie restoration business.

The Group operated in the exhibition business primarily through its subsidiaries BIG Cinemas Laurel LLC, BIG Cinemas Sahil LLC, BIG Cinemas Entertainment (DE) LLC, BIG Cinemas Entertainment LLC, BIG Cinemas IMC LLC, BIG Cinemas Norwalk LLC, BIG Cinemas Galaxy LLC, Big Pictures USA Inc.

The Group operates in the film production services business through its Reliance MediaWoks VFX Inc.

Summary of significant accounting policies

1. ***Principles of accounts***

The financial statements include the accounts of Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc, the standalone entity.

2. ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in United states of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. ***Revenue Recognition***

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognized as sales is exclusive of all taxes .

Distribution Business

The Company recognizes revenue pursuant to FASB Accounting Standards Codification (''ASC'') Subtopic, 926-605 Entertainment films - Revenue recognition which stipulates that revenue from the sale or licensing arrangement of a film should be recognized only when the following conditions have been met: 1) persuasive evidence of a sale exists; 2) the film is complete and has been delivered or is available for immediate and unconditional delivery; 3) the licensing period has begun and the customer can begin to exploit, exhibit, or sell the film; 4) the fee is fixed or determinable; and 5) collection of the fee is reasonably assured.

Royalties

Revenue from the licensing of films is recognized upon meeting all of the recognition requirements of ASC subtopic 926-605. The Company collects refundable and nonrefundable advance payments for some of its films. Refundable advances are recorded as deferred revenue; until such time that the revenue recognition criteria are met. Non-refundable advances (guaranteed minimum payments) generally meet the recognition criteria, and are recognized into revenue as per the terms of the agreement.

Sale of digital video disks (''DVDs'')

Revenue is recognized as products are shipped and the risk and rights of ownership have passed to the customer provided all the criteria under ASC Subtopic 925-605 are met. The Company, under certain conditions, permits its customers to return or exchange products. The provision for sales returns is recorded concurrently with revenue recognition.

Theatrical Exhibition Business and related income

Admission Revenue

Revenue from admissions is recognized on the basis of date of exhibition of films. Amounts received on advance ticket sales are recognized as deferred revenue on the date of receipt and are recognized as revenue on the basis of date of exhibition of the film.

Concession Revenue

Revenue from concession stands is recognized upon sale and delivery at the point of sale.

Advertisement / Sponsorship Revenue

Revenue from advertisement and sponsorships is recognized on the basis of date of advertisement or the period of the contract, as applicable.

Gift cards

Revenue from gift cards is recognized on the basis of availing the facility by the customer. At the time of sale, the amounts received are recognized as deferred revenue.

Management Fees

Management fees is recognized as revenue on the basis of the clauses of the relevant agreement and on the basis of time.

Income from Digital cinema business

Income from digital cinema business is recognised on the basis of delivery of the virtual print to the client considering f

Dividend
Dividend is recognized as income when the right to receive the same is confirmed.

Interest
Interest is recognized on the basis of time proportion at the rate implicit in the transaction.

Marketing fees
Marketing fees is accounted as per the relevant terms of the agreement.

4. ***Cash equivalents***

Cash and cash equivalents consist of cash on hand and bank accounts.

5. ***Inventory***

Inventories consist of concession products, theatre supplies and unsold DVD's. Inventories are stated at lower of cost or market value with cost being determined as per the Weighted Average method.

Inventory consist of DVD's of $ Nil (2017: $ Nil)

6. ***Property and equipment***

The Company states property and equipment at cost less accumulated depreciation and any provisions for impairment.

The cost for property and equipment includes freight, duties, taxes and other expenses directly / indirectly related to the acquisition / construction and installation of the assets and for bringing the asset to its working condition for its intended use.

The Company records depreciation and amortization using the straight line method over the following estimated useful life:

Leasehold Improvement – Lesser of term of lease or asset life of 29.94 years
Equipment – 10 years – 14.14 years
Furniture and fixtures – 10 years
Computer Hardware and Software – 5 years

7. ***Intangible assets***

Intangible assets, all of which have been acquired / created and are controlled through custody or legal rights, are capitalized at cost, where they can be reliably measured. Where capitalized, intangible assets are regarded as having a limited useful economic life and the cost is amortized over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding five years, as determined by management.

Distribution rights in films are for a contractually specified mode of exploitation, period and territory and are stated at cost less accumulated amortization. Cost of distribution rights comprises original purchase price/ minimum guarantee. Cost is ascertained on specific identification basis where possible. In case multiple films/rights are acquired for a consolidated amount, cost is allocated to each film/right based on management's best estimates.

The individual film forecast method is used to amortize the cost of Distribution rights acquired. Under this method, costs are amortized in the proportion that gross revenues realized bear to management's estimate of the total gross revenues expected to be received. If estimates of the total revenues and other events or changes in circumstances indicate that the realizable value of a right is less than its unamortized cost, a loss is recognized for the excess of unamortized cost over the film right's realizable value.

8. Impairment

The Company reviews long-lived assets, including intangible assets and Goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets (or Cash generating units) for impairment. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

9. Leases

The Company has various operating leases, principally for office space which are generally occupied under non-cancelable lease agreements with initial base terms ranging generally from 10 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company records rent expense for its operating leases with contractual rent increases in accordance with FASB Accounting Standards Codification (''ASC'') Subtopic,840 - Leases on a straight-line basis from the ''lease commencement date'' as specified in the lease agreement until the end of the base lease term.

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying balance sheet.

10. Debt acquisition costs

Prepaid expenses include debt acquisition costs, which are deferred and amortized over the terms of the related agreements using a method that approximates the effective interest method. Debt acquisition costs as of March 31, 2019 were Nil

11. Taxes.

Income Tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year

Taxes for the Company have been estimated on a consolidated basis, as the Company has exercised the option of filing a consolidated tax return where the option is available.

Current Income Taxes
The current income tax expense from operations consists of federal and state income taxes payable by the Company.

Deferred income taxes
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the

carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

The Group has available at March 31, 2012 approximately $ 20 million, of net operating loss carry forwards, that may be applied against future taxable income. These losses will expire beginning 2027 for federal income tax purposes. It is reasonable to expect that, with the expanded business operations, the Group would be able to utilize the net operating loss carry forwards, prior to their expiration dates. However, considering prudence the Company has decided to create a 100% valuation allowance of the net deferred tax asset.

12. Employee benefits

Contributions made by the Company towards Payroll taxes on behalf of employees along with medical benefits are in the nature of defined benefit contributions. Amounts are expensed to the Income Statement on the basis of accrual and any pre-payements are recognized in Current Assets.

The Company provides for short term compensated absences on an undiscounted basis using the current salary and outstanding balance of leaves.

The Company does not have a policy for long service leave balances benefits.

13. Segments

The business of the Group is divided into three segments - Film production services, Theatrical exhibition and Film distribution. Segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system. Film production services operation primarily comprise of restoration, colour correction facilities, visual effects and other allied services. Theatrical exhibition operations comprise of single screen, multiplex cinema exhibition, range of activities/services offered at cinema centers including catering food and beverages. Films distribution operation represents the net share of the theatrical / other revenue from distribution of movies.

14. Debt Obligations

The Company has a loan of $ 1,879,002 from Bank Asiana which is backed by a stand by letter of credit issued through the support from Parent Company - Reliance MediaWorks Limited. The loan is repayable within 12 months from the date of respective disbursal. The loan was originally given in 2011 and was renewed again in 2013. The loan of $18,20,399 was repaid on May 13,2015.

15. Provisions and Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Group recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Claims have been filed against the Company and its subsidiaries with regard to:

a) Global Cinemas (DE) LLC (formerly Big Cinemas Entertainment (DE) LLC) had termined its lease for the property wherein it operated a theatre in January 2014. On the basis of the termination of the lease, the landlord has filed a claim against the Company and its ultimate Holding Company i.e. Reliance MediaWorks Limited, which was also a guarantor for the lease for the amount of lease rentals outstanding since August 2013. The approximate amount of claim made by the landlord for the period of the lease is $ 1,424,810. The landlord has also made a claim for liquidated damanges and legal fees. The Company is confident of defending the claim. However, during the previous year, the Subsidiary Company has made a provision of $ 1,500,000 towards the claim.

(Currency: United States Dollars)

b) Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC) had surrendered a lease for a property in South Deklab. Upon closure of the lease and surrender of property for South Dekalb the landlord of the property has filed a claim against the Company for improper vacation of the property and is seeking a standstill whereby the Company still operates the theatre. The lease for the South Dekalb property is also personally guaranteed by Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.), the Holding Company and a case has also been filed against the Holding Company. The landlord is claiming rent for the entire period of lease. However, during the previous year, the Subsidiary Company has made a provision of $ 2,000,000 towards the claim.

c) Big Cinemas IMC LLC had surrendered its only operating property in Fremont, California due non-viability of the operations. Currently the landlord of the property is suing the Company and its Ultimate Parent Company, Reliance MediaWorks Limited which is a guarantor for the lease for recovery of lease rentals for the balance period of the lease. The total claim raised by the landlord for the balance period of the lease is $ 410,000. The lease term has expired in January 2015. The Company was in the process of discussions with the landlord for settling the case and there is favorable outcome. The case has been settled for a claim of $ 284,177 and the same has been paid by Subsidiary Company during the previous year.

16. Capital Stock

The Capital stock of the Group comprises of 200 shares of no par value, issued for $ 20,000.

17. Related party transactions

The related party transactions undertaken by the Company are :

1. The Company has given loans to subsidiaries

	March 2019		March 2018	
Name of the Company	**Loan given during the year (net)**	**Amount outstanding (net)**	**Loan given during the year (net)**	**Amount outstanding (net)**
Global Cinemas Entertainment (DE) LLC (formerly BIG Cinemas Entertainment (DE) LLC)	-	2,306,438	-	2,306,438
Global Cinemas Entertainment LLC (formerly BIG Cinemas Entertainment LLC)	-	3,708,916	-	3,708,916
BIG Cinemas Laurel LLC	-	594,036	-	594,036
BIG Cinemas Falls Church LLC ^	NA	-	NA	
BIG Cinemas IMC LLC	-	2,271,060	200,000	2,271,060
BIG Cinemas Norwalk LLC	-	543,877	-	543,877
Global Cinemas Galaxy LLC (formerly BIG Cinemas Galaxy LLC)	-	4,560,353	-	4,560,353
BIG Cinemas Sahil LLC	-	6,345,417	-	6,345,417
Reliance Media Works VFX Inc.	-	2,628,350	-	2,628,350

^ The enties Big Cinemas Falls Church LLC has been dissolved with effect from January 27, 2017.

2. Transactions with Reliance MediaWorks Limited, the Parent Company
a. Balance outstanding for current account - $ 176,983 (2018: $ 176,983)
b. Loan repaid during the year - $ Nil (2018: $ 8,300,000)
c. Balance amount of loan account - $ 54,429,138 (2018: $ 54,429,138)

4. Transactions with Global MediaWorks (UK) Limited formerly known as Reliance MediaWorks (UK) Limited

a. Balance amount of loan account - $ Nil (2018: $ Nil)
b. Loan repaid during the year - $ Nil (2018: $ Nil)

Related party transactions exclude reimbursement of expenses.

18. Foreign currency transactions

(Currency: United States Dollars)

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Income statement of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the Income statement.

19. Earnings per share

	2018-2019	2017-2018
Loss after tax	(28,431)	(33,438)
Weighted average number of shares outstanding during the period	200	200
Earnings per share (Basic and diluted)	**(142.16)**	**(167.19)**

20. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Income statement.

During the current year the Company has not capitalized any borrowing costs.

21. Accounts receivable

The accounts receivable balances of the Company as of March 31, 2019 are
Outstanding for greater than 6 months Nil (2018: $ Nil)
Outstanding for less than 6 months $ Nil (2018: $ Nil)

22. Capital Commitment

The Company as at March 31, 2019 has issued purchase orders to the tune of $ Nil (2018: $ Nil) for capital expenditure, which have not been provided for in the books of the Company, since the relevant services / material has not been received.

23. Subsidiaries of the Company

During the previous year, the Company has closed operations in several of its subsidiaries and provided for the amounts recoverable from those Companies.

24. Reclassifications

The Company has reclassed the presentation of previous year numbers to confirm to reporting formats of the current year.

25. Subsequent Events

The Company has evaluated all subsequent events to the date issued of the financial statements, September 6th, 2019. The Company has determined there are no subsequent events that require recognition or disclosure in these financial statements.