Double Negative India Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	10	584,439,040	-
Other income	17	420,122	-
Total Income		**584,859,162**	**-**
Expenses			
Employee benefits expense	18	396,110,555	-
Technician fees		2,261,250	-
Finance costs	19	12,893,998	2,202
Depreciation and amortisation expense	3	266,367	-
Other expenses	20	169,322,387	261,208
Total expenses		**580,854,557**	**263,410**
Profit/ (Loss) before tax		**4,004,605**	**(263,410)**
Tax expense			
Current tax		3,925,000	-
Deferred tax		(2,788,321)	-
Total tax expense		**1,136,679**	**-**
Profit/ (Loss) after tax		**2,867,926**	**(263,410)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to the Profit or loss			
- Exchange differences in translating the financial statements of foreign operations		-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income		**2,867,926**	**(263,230)**
Earnings per equity share			
Basic	21	286.79	(26.32)
Diluted	21	286.79	(26.32)

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

V. Shivkumar
Proprietor
Membership No. 042673
Place: Mumbai

Vikas Rathee
Director

Merzin Tavaria
Director

Double Negative India Private Limited
Balance sheet

in ₹

	Notes	As at 31st March, 2017	As at 31st March, 2016	As at April 1, 2015
Assets				
1. Non-current assets				
(a) Tangible Assets	3	4,834,924	-	-
(b) Deferred tax assets (net)	4	2,788,321	-	-
(c) Other non-current assets	5	1,324,192	-	-
		8,947,437	**-**	**-**
Current assets				
(a) Financial assets				
i) Trade receivables	6	505,203,470	-	-
ii) Cash and cash equivalents	7	178,501	9,771	100,000
iii) Other financial assets	8	10,000	-	-
(b) Other current assets	5	20,494,869	-	41,208
		525,886,841	**9,771**	**141,208**
Total		**534,834,278**	**9,771**	**141,208**
Equity and Liabilities				
Equity				
(a) Equity share capital	9	100,000	100,000	100,000
(b) Other equity	10	2,603,902	(264,024)	(614)
		2,703,902	**(164,024)**	**99,386**
Liabilities				
1. Non-current liabilities				
(a) Provisions	11	9,021,190	-	-
		9,021,190	**-**	**-**
2. Current liabilities				
(a) Financial liabilities				
i) Borrowings	12	261,617,455	151,973	-
ii) Trade payables	13	162,838,385	-	-
iii) Other financial liabilities	14	56,330,421	-	-
(b) Provisions	11	20,918	-	-
(c) Current tax liabilities (net)	15	1,225,000	-	-
(d) Other current liabilities	16	41,077,007	21,822	41,822
		523,109,186	**173,795**	**41,822**
Total equity and liabilities		**534,834,278**	**9,771**	**141,208**

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

V. Shivkumar
Proprietor
Membership No. 042673
Place: Mumbai

Vikas Rathee
Director

Merzin Tavaria
Director

Cash Flow Statement in ₹

		Notes	As at 31st March, 2017	As at 31st March, 2016
A.	**Cash flow from Operating activities**			
	Net Profit before taxation		**4,004,605**	**(263,410)**
	Adjustments for :			
	Depreciation and amortisation expense		266,367	-
	Preliminary expenses written off		-	41,208
	Unrealised exchange (gain)/ loss		4,678,120	-
	Finance cost		12,893,998	1,973
	Operating profit before working capital changes		**21,843,090**	**(220,229)**
	Movements in working capital:			
	(Increase)/ Decrease in trade receivables		(509,881,591)	-
	(Increase)/ Decrease in other financial assets		(10,000)	-
	(Increase)/ Decrease in other non-current assets		(1,324,192)	-
	(Increase)/ Decrease in other current assets		(20,494,869)	-
	Increase/(Decrease) in trade payables		162,838,385	-
	Increase/(Decrease) in non-current provisions		9,021,190	-
	Increase/(Decrease) in current provisions		20,918	-
	Increase/(Decrease) in current financial liabilities		56,330,421	-
	Increase/(Decrease) in other current liabilities		41,055,185	(20,000)
	Cash generated from operations		**(240,601,464)**	**(240,229)**
	Direct Taxes paid (Net of Refunds)		**(2,700,000)**	-
	Net Cash from operating activities (A)		**(243,301,464)**	**(240,229)**
B.	**Cash flow from investing activites**			
	Purchase of fixed assets		(5,101,291)	
	Net Cash from investing activities (B)		**(5,101,291)**	**-**
C.	**Cash flow from Financing activities**			
	Proceeds from short-term borrowings		251,012,354	150,000
	Interest paid		(2,440,870)	-
	Net cash used in Financing activities (C)		**248,571,484**	**150,000**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		**168,730**	**(90,229)**
	Cash and cash equivalents at the beginning of the year	7	**9,771**	**100,000**
	Cash and cash equivalents at the end of the year		**178,501**	**9,771**

Notes:

1. The cash flow statement is prepared using the “indirect method” set out in IND AS 7 - Statement of Cash Flows.

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

V. Shivkumar
Proprietor
Membership No. 042673
Place: Mumbai

Vikas Rathee
Director

Merzin Tavaria
Director

Statement of changes in equity

	Equity Share capital	**Profit and loss**	**Attributed to owners**	**Total Equity**
Balance at 1 April 2015	100,000	(614)	99,386	**99,386**
(Loss) for the year	-	(263,410)	(263,410)	**(263,410)**
Other comprehensive income	-	-	-	**-**
Balance at 31 March 2016	**100,000**	**(264,024)**	**(164,024)**	**(164,024)**
Profit for the year	-	2,867,926	2,867,926	**2,867,926**
Other comprehensive income	-	-	-	**-**
Balance at 31 March 2017	**100,000**	**2,603,902**	**2,703,902**	**2,703,902**

Double Negative India Private Limited

1. Corporate Information

Double Negative India Private Limited (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company proposes to engaged in the business of post-production including visual effects and other technical and creative services to the Media and Entertainment industry.

2. Statement of significant accounting policies

a. Statement of Compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 22 May 2017. For all periods up to and including the year ended 31 March 2016, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2015. Refer note 29 below for the details of first-time adoption exemptions availed by the Company.

b. Basis of Prepartion and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards (‘Ind AS’) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2017, and accounting policies and other explanatory information (together hereinafter referred to as “financial statements”).

The Standalone Financial Statements have been prepared on the historical cost basis.

c. Use of estimates

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

d. Borrowing cost

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs relating to acquisition or construction of qualifying assets which takes substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

e. Foreign currencies

Initial recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

At the period end, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Exchange differences

Exchange differences are recognised as income or expenses in the period in which they arise except in case of exchange differences arising on long term foreign currency monetary items related to acquisition of fixed assets which are capitalised and depreciated over the remaining useful life of assets.

f. Tangible fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

g. Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method (SLM) as per the useful lives of the assets prescribed under Schedule II to the Companies Act, 2013.

Cost of Leasehold improvements is amortised over a period of lease

h. Impairment

The carrying values of assets are reviewed at each Balance Sheet date for impairment. If any indicators of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets

i. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the leased term.

j. Revenue recognition

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

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

i) The Company provides post-production services pertaining to visual special effects (VFX) services to its clients in the film, broadcast and commercial sector.

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

Unbilled revenue is included within 'other current assets' and billing in advance is included as deferred revenue in 'other current liabilities'.

ii) Others

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

k. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provisions and contingencies

A provision is recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognised nor disclosed.

n. Retirement and other employee benefits

Defined contribution plan

Provident fund:

The Company contributes towards provident fund and family pension fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

Defined benefit plan

Gratuity:

Provision for gratuity is made based upon the actuarial valuation done at the end of every financial year using “Projected Unit Credit Method” Major drivers in actuarial assumptions, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

o. Cash flow statement

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

Double Negative India Private Limited

3. Tangible Assets

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Deduction	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-
Accumulated depreciation						
As at April 1, 2015	-	-	-	-	-	-
For the year	-	-	-	-	-	-
Deduction		-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-
Net block						
As at March 31, 2016	-	-	-	-	-	-

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2016	-	-	-	-	-	-
Additions	3,824,438	-	160,939	1,115,914	-	5,101,291
Deduction	-	-	-	-	-	-
As at March 31, 2017	**3,824,438**	-	**160,939**	**1,115,914**	-	**5,101,291**
Accumulated depreciation						
As at April 1, 2016	-	-	-	-	-	-
For the year	230,218	-	4,953	31,195	-	266,367
Deduction	-	-	-	-	-	-
As at March 31, 2017	**230,218**	-	**4,953**	**31,195**	-	**266,367**
Net block						
As at March 31, 2017	**3,594,220**	-	**155,986**	**1,084,719**	-	**4,834,924**

Double Negative India Private Limited

6. Deferred tax asset (net)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax liability			
Difference between tax and books written-down values of fixed assets	291,812	-	-
	291,812	**-**	**-**
Deferred tax asset			
Provision for gratuity	3,080,132	-	-
	3,080,132	**-**	**-**
Net deferred tax (asset) / liability	**(2,788,321)**	**-**	**-**

Double Negative India Private Limited

5. Other assets

in ₹

	Non Current			Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Capital advances	1,324,192	-	-	-	-	-
Input tax credit receivable	-	-	-	20,421,721	-	-
Preliminary Expenses	-	-	-	-	-	41,208
Advances to creditors	-	-	-	73,148	-	-
	1,324,192	**-**	**-**	**20,494,869**	**-**	**41,208**

Double Negative India Private Limited

6. Trade receivables

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured and considered good			
Debts outstanding for a period exceeding six months	-	-	-
Other debts	505,203,470	-	-
	505,203,470	**-**	**-**

	March 31, 2017	March 31, 2016	April 1, 2015
Not due	54,314,713	-	-
Up to 3 months	241,442,220	-	-
3 to 6 months	118,670,309	-	-
Over 6 months	90,776,228	-	-
Total	**505,203,470**	**-**	**-**

Double Negative India Private Limited

7. Cash and cash equivalents

in ₹

	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents			
Cash on hand	24,701	-	-
Balances with banks:			
On Current Accounts	153,800	9,771	100,000
	178,501	**9,771**	**100,000**

7.1 Additional disclosure with respect to cash and bank balances

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**-**	**24,000**	**24,000**
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	4,000	4,000
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	**-**	**20,000**	**20,000**

8. Other Financial assets

	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits	10,000	-	-
	10,000	**-**	**-**

Double Negative India Private Limited

9. Equity Share capital

in ₹

	Number of Shares			Amount		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Authorised shares:						
Equity Shares of ₹ 10/- each	10,000	10,000	10,000	100,000	100,000	100,000
Issued, subscribed and paid-Up:						
Equity Shares of ₹ 10/- each	10,000	10,000	10,000	100,000	100,000	100,000
	10,000	**10,000**	**10,000**	**100,000**	**100,000**	**100,000**

Movement in equity share capital

	Number of Shares		Amount	
	As at March 31, 2017	**As at March 31, 2016**	**As at March 31, 2017**	**As at March 31, 2016**
Equity Shares as at 1 April	10,000	10,000	100,000	100,000
Changes during the year	-	-	-	-
Equity Shares as at 31 March	10,000	10,000	100,000	100,000

Details of Shareholders holding more than 5% shares in the company

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of shares	**%**	**No of shares**	**%**	**No of shares**	**%**
Prime Focus World Creative Services Private Limited (incl shares held by its nominees)	10,000	100%	10,000	100%	-	-
Rajesh Adavkar	-	-	-	-	5,000	50%
Sumit More	-	-	-	-	5,000	50%

Double Negative India Private Limited

10. Other Equity

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Surplus in the statement of profit and loss			
As per last balance sheet	(264,024)	(614)	-
Add: (Loss) / profit for the year	2,867,926	(263,410)	(614)
	2,603,902	**(264,024)**	**(614)**
	2,603,902	**(264,024)**	**(614)**

Double Negative India Private Limited

11. Provisions

in ₹

	Non-current			Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Provision for employee benefits						
Provision for gratuity	9,021,190	-	-	20,918	-	-
	9,021,190	**-**	**-**	**20,918**	**-**	**-**

Note:
The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses

Double Negative India Private Limited

12. Borrowings

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans from related parties (unsecured) (refer note 27)	251,162,354	150,000	-
Interest accrued on loans from related parties (refer note 27)	10,455,101	1,973	-
	261,617,455	151,973	-

13. Trade Payables

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables	17,313,251	-	-
Trade Payables to related party (Refer Note 27)	145,525,133	-	-
	162,838,385	-	-

14. Other Financial Liabilities

	As at March 31, 2017	in ₹ As at March 31, 2016	in ₹ As at April 1, 2015
Accrued salaries and benefits	56,330,421	-	-
	56,330,421	-	-

15. Current Tax Liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Tax (net)	1,225,000	-	-
	1,225,000	-	-

16. Other current liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues	16,440,345	-	-
Other payables	-	21,822	41,822
Deferred Revenue	24,636,662	-	-
	41,077,007	21,822	41,822

Double Negative India Private Limited

17. Other income

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income-Bank Deposit	-	-
Interest Income-Others	-	-
Miscellaneous income	420,122	-
	420,122	**-**

18. Employee benefits expense

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	366,815,942	-
Bonus and incentive	9,614,412	-
Gratuity	9,042,108	-
Contribution for PF & Other Funds	6,123,688	-
Staff welfare	4,514,405	-
	396,110,555	**-**

19. Finance costs

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest on loans from Related Parties (refer note 27)	12,869,284	1,973
Interest on Others	14,636	-
Bank charges	10,078	229
	12,893,998	**2,202**

20. Other Expenses

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Postage & Courier Charges	59,936	-
Telephone Charges	357,639	-
Software support charges	1,610,400	-
Facility management expenses	58,873,813	-
Rent (Cancellable)	35,083,346	-
Equipment Rental	39,654,160	-
Conveyance	76,911	-
Lodging and boarding	6,406,485	-
Travelling expense - foreign	1,737,101	-
Legal and professional fees	773,318	-
Repairs & Maintainance - Building	3,610,243	-
Repairs & Maintainance - Equipments	346,741	-
Exchange loss (net)	20,406,404	-
Auditors remuneration		
As auditor		
Audit fees	10,000	10,000
Printing and stationery	254,891	-
Membership & Subscriptions	22,800	-
Preliminary expenses written off	-	41,208
Miscellaneous expenses	38,201	210,000
	169,322,387	**261,208**

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21. Earnings per share

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Net Profit/(loss) before exceptional items but after tax	2,867,926	(263,230)
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Earnings per share		
Basic EPS	286.79	(26.32)
Diluted EPS	286.79	(26.32)

22. Earnings in foreign currency

	As at 31st March, 2017	**As at 31st March, 2016**
Revenue from sale of services	557,439,040	-

23. Segment information

Business is the primary segment for the Company being post production activities. Since, the Company's entire operations are governed by the same set of risks and returns, these have been considered as representing a single segment.

Segment information for secondary segment reporting (by geographical segment based on location of customers)

	Year ended 31st March, 2017	**Year ended 31st March, 2016**
Revenue from Operations (net)		
United Kingdom	557,439,040	-
India	27,000,000	-
Segment Assets		
United Kingdom	478,203,470	-
India	53,842,487	-
Capital Expenditure		
United Kingdom	-	-
India	5,101,291	-

24. Unhedged Foreign Currency Exposure

		Year ended 31st March, 2017	**Year ended 31st March, 2016**
Trade Receivable		478,203,470	-
	GBP	5,900,357	-

25. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company does not have suppliers who are registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2015. The information regarding micro, small and medium enterprises has been determined on the basis of information available with the management.

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27. Fair Value Measurements

	As at March 31			As at March 31		
	2017	2016	2015	2017	2016	2015
	Carrying Value			Fair Value		
A. Financial Assets:						
Measured at amortised cost						
Trade receivables	505,203,470	-	-	505,203,470	-	-
Cash and cash equivalents	178,501	9,771	100,000	178,501	9,771	100,000
Other financial assets	10,000	-	-	10,000	-	-
Total financial assets measured at amortised cost	**505,391,972**	**9,771**	**100,000**	**505,391,972**	**9,771**	**100,000**
B. Financial Liabilities:						
Measured at amortised cost						
Borrowings	261,617,455	151,973	-	261,617,455	151,973	-
Trade payables	162,838,385	-	-	162,838,385	-	-
Other financial liabilities	56,330,421	-	-	56,330,421	-	-
Total financial liabilities measured at amortised cost	**480,786,261**	**151,973**	**-**	**480,786,261**	**151,973**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, borrowings, trade payables & other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Capital Risk Management

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

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

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

a) Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

i) Credit Risk

Cash and cash equivalents

Cash is held with various financial institutions at March 31, 2017. The total amount of cash and cash equivalents as of March 31, 2017 is Rs. 178,105, of which Rs. 1,53,800 was held in a scheduled bank.

ii) Liquidity Risk

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

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

Liquidity Risk

At 31 March 2017	**Less than 3 months**	**Between 3 and 12 months**	**More than 12 months**	**Total**
Current financial assets				
Trade receivables	505,203,470	-	-	**505,203,470**
Cash and cash equivalents	178,501	-	-	**178,501**
Other financial assets	10,000	-	-	**10,000**
	505,391,972	**-**	**-**	**505,391,972**
Current financial liabilities				
Borrowings	261,617,455	-	-	**261,617,455**
Trade payables	162,838,385	-	-	**162,838,385**
Other financial liabilities	56,330,421	-	-	**56,330,421**
	56,330,421	**-**	**-**	**56,330,421**

At 31 March 2016	**Less than 3 months**	**Between 3 and 12 months**	**More than 12 months**	**Total**
Current financial assets				
Trade receivables	-	-	-	**-**
Cash and cash equivalents	9,771	-	-	**9,771**
Other financial assets	-	-	-	**-**
	9,771	**-**	**-**	**9,771**
Current financial liabilities				
Borrowings	151,973	-	-	**151,973**
Trade payables	-	-	-	**-**
Other financial liabilities	-	-	-	**-**
	151,973	**-**	**-**	**151,973**

At 31 March 2015	**Less than 3 months**	**Between 3 and 12 months**	**More than 12 months**	**Total**
Current financial assets				
Trade receivables	-	-	-	**-**
Cash and cash equivalents	100,000	-	-	**100,000**
Other financial assets	-	-	-	**-**
	100,000	**-**	**-**	**100,000**
Current financial liabilities				
Borrowings	-	-	-	**-**
Trade payables	-	-	-	**-**
Other financial liabilities	-	-	-	**-**
	-	**-**	**-**	**-**

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27. Related Party Disclosure

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

Name of the related party	Relationship
Prime Focus Limited	Ultimate Holding Company (with effect from 11 February, 2016)
Double Negative Limited	Fellow Subsidiary
Prime Focus World Creative Services Private Limited	Immediate Holding Company (with effect from 11 February, 2016)
Prime Focus World NV	Intermediate Holding Company (with effect from 11 February, 2016)
PF World Limited	Intermediate Holding Company (with effect from 11 February, 2016)
Prime Focus Luxembourg S.a.r.l	Intermediate Holding Company (with effect from 11 February, 2016)
Prime Focus 3D Co-operatief U.A.	Intermediate Holding Company (with effect from 11 February, 2016)
Prime Focus Technologies Limited	Fellow subsidiary
Prime Focus Academy of Media & Entertaiment Private Limited	Fellow subsidiary

Related Party Transaction During the Year in ₹

	March 31, 2017	March 31, 2016
Revenue		
Double Negative Limited	557,439,040	-
Prime Focus World Creative Services Private Limited	27,000,000	-
Loan Taken (net)		
Prime Focus World Creative Services Private Limited	98,334,391	150,000
Prime Focus Academy of Media & Entertaiment Private Limited	150,000,000	-
Prime Focus Limited	2,827,963	-
Finance Costs		
Prime Focus World Creative Services Private Limited	12,650,713	1,973
Prime Focus Limited	218,571	-
Software Support Cost		
Prime Focus Technologies Limited	1,610,400	-
Facility management expenses		
Prime Focus World Creative Services Private Limited	58,873,813	-
Rent for Office		
Prime Focus World Creative Services Private Limited	35,083,346	-
Rent for Office Equipments		
Prime Focus World Creative Services Private Limited	39,654,160	-
Reimbursement of expenses		
Prime Focus World Creative Services Private Limited	752,183	-

Balance outstanding in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans from related parties			
Prime Focus Limited	2,827,963	-	-
Prime Focus Academy of Media & Entertaiment Private Limited	150,000,000	-	-
Prime Focus World Creative Services Private Limited	145,525,133	150,000	-
Interest Payable			
Prime Focus Limited	196,714	-	-
Prime Focus World Creative Services Private Limited	10,258,387	1,973	-
Trade Payables			
Prime Focus Technologies Limited	1,610,400	-	-
Prime Focus World Creative Services Private Limited	98,334,391	-	-
Trade Receivables			
Prime Focus World Creative Services Private Limited	28,350,000	-	-

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28. The disclosures as required under Accounting Standard 15 “Employee Benefits” are as follows:

a. Defined contribution plan:

The Company contributed ₹ 5,574,148 to provident fund during the year and recognised the contribution as an expense, which is included in note 18 as contribution to provident fund and other funds.

b. Defined benefit plan:

The Company has a defined benefit gratuity plan (unfunded). This plan provides a lumpsum payment to employees on retirement or termination of employment, an amount based on respective employee’s last drawn salary and tenure of employment with the Company.

I. Reconciliation of asset / liability recognised in the Balance sheet

	Year ended 31st March, 2017	**Year ended 31st March, 2016**
Defined benefit obligation	9,042,108	-
Liability recognised	**9,042,108**	**-**

II. Expense recognised in the Statement of Profit and Loss

	Year ended 31st March, 2017	**Year ended 31st March, 2016**
Current service cost	9,042,108	-
Net Expense	**9,042,108**	**-**

III. Changes in present value of defined benefit obligation are as follows

	Year ended 31st March, 2017	**Year ended 31st March, 2016**
Opening defined benefit obligation	-	-
Current service cost	9,042,108	-
Closing defined benefit obligation	**9,042,108**	**-**

IV. Principal actuarial assumptions:

	Year ended 31st March, 2017	**Year ended 31st March, 2016**
Mortality table	Indian Assured Lives Mortality (2006-08)	-
Discount rate (per annum)	7.71%	-
Rate of escalation in salary (per annum)	5%	-
Employee turnover	2%	-

Major drivers in actuarial assumptions typically are years of service and employee compensation. The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market. The above information is as certified by the actuary.

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expectedsalary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	**March 31, 2017**		**March 31, 2016**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(1,319,568)	1,626,768	-	-
Future Salary growth (1% movement)	1,655,964	(1,361,827)	-	-
Attrition rate (1% movement)	177,848	(256,981)	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that appliedin calculating the defined benefit obligation recognised in the balance sheet.

29. There are no adjustments to previously reported equity shareholders' fund as at the date of transition to IND AS.

30. Previous year’s figures have been regrouped where necessary to confirm to current year’s classification.

The accompanying notes form an integral part of financial statements.

For and on behalf of the Board of Directors

Vikas Rathee
Director

Merzin Tavaria
Director