Gener8 India Media Services Limited

Financial statements

For the year ended March 31, 2017

Balance sheet in ₹

	Notes	As at March 31,		As at April 01,
		2017	2016	2015
Assets				
1. Non-current assets				
(a) Property, plant and equipment	4	100,801,709	147,731,564	189,355,429
(b) Capital Work in Progress		10,112,625	-	-
(c) Intangible assets	5	8,550,149	17,525,585	101,097,682
(d) Financial assets				
i) Others	6	20,965,353	8,553,552	7,757,242
(e) Non-current tax assets	7	7,262,817	7,081,354	6,919,107
(f) Other non-current assets	8	26,276,838	2,599,020	1,562,993
		173,969,491	**183,491,075**	**306,692,453**
Current assets				
(a) Financial assets				
i) Trade receivables	9	415,617,288	280,710,575	457,523,536
ii) Cash and cash equivalents	10	1,035,971	380,112	20,763,101
iii) Loans	11	3,629,860	84,588,174	-
iv) Other financial assets	12	48,978,891	-	-
(b) Other current assets	13	35,468,523	43,159,312	40,372,195
		504,730,533	**408,838,173**	**518,658,832**
Total Assets		**678,700,024**	**592,329,248**	**825,351,285**
Equity and Liabilities				
Equity				
(a) Equity share capital	14	8,500,000	8,500,000	8,500,000
(b) Other equity	15	(1,418,776,700)	(1,215,532,358)	(1,019,749,357)
		(1,410,276,700)	**(1,207,032,358)**	**(1,011,249,357)**
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	16	4,617,419	1,200,000	1,200,000
ii) Other financial liabilities	17	317,488,527	-	-
(b) Deferred tax liabilities (net)		-	-	-
(c) Provisions	18	420,530	602,383	2,946,306
		322,526,476	**1,802,383**	**4,146,306**
2. Current liabilities				
(a) Financial liabilities				
i) Borrowings	19	1,562,513,365	1,687,767,058	1,764,826,218
ii) Trade payables	20	41,229,284	33,974,019	20,694,920
iii) Other financial liabilities	21	141,353,424	51,377,675	24,234,373
(b) Provisions	11	-	-	766,557
(c) Other current liabilities	21	21,354,176	24,440,471	21,932,268
		1,766,450,249	**1,797,559,223**	**1,832,454,336**
Total equity and liabilities		**678,700,024**	**592,329,248**	**825,351,285**

As per our report of even date
For M.S. Sethi & Associates
Chartered Accountants
Registration No. 109407W

For and on behalf of the Board of Directors

Manoj Sethi
Proprietor

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Statement of Profit and Loss in ₹

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations		332,936,666	287,287,285
Other income	22	4,316,195	13,095,629
Total Income		**337,252,861**	**300,382,914**
Expenses			
Employee benefits expense	23	260,945,441	196,989,022
Technician fees		4,055,858	-
Finance costs	24	127,553,817	24,943,639
Depreciation and amortisation expense	4 & 5	51,151,679	182,721,945
Other expenses	25	96,652,845	88,769,293
Total expenses		**540,359,640**	**493,423,899**
Profit / (Loss) before exceptional items and tax		**(203,106,779)**	**(193,040,985)**
Exceptional Items		-	-
Profit/ (Loss) before tax		**(203,106,779)**	**(193,040,985)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
Profit/ (Loss) after tax		**(203,106,779)**	**(193,040,985)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		(137,563)	(2,742,016)
(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		**(137,563)**	**(2,742,016)**
Total comprehensive income		**(203,244,342)**	**(195,783,001)**

Earnings per equity share			
Basic	25	(238.95)	(227.11)
Diluted	25	(238.95)	(227.11)

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Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Cash Flow Statement in ₹

	Notes	As at March 31,	
		2017	**2016**
A. Cash flow from Operating activities			
Net Profit before taxation		**(203,106,779)**	**(193,040,985)**
Adjustments for :			
Depreciation and amortisation expense		51,151,679	182,721,945
Loss on sale of assets		-	3,368,441
Interest income		(3,888,294)	-
Finance cost		127,553,817	24,943,639
Operating profit before working capital changes		**(28,289,577)**	**17,993,040**
Movements in working capital :			
Increase/(Decrease) in trade receivables		(134,906,713)	176,812,961
Increase/(Decrease) in financial assets		(60,527,504)	(84,588,174)
Increase/(Decrease) in other assets		(15,987,029)	(7,407,631)
Increase/(Decrease) in trade & other payables		7,255,265	13,279,099
Increase/(Decrease) in provisions		(319,416)	(3,110,480)
Increase/(Decrease) in current financial liabilities		324,946,512	24,003,742
Increase/(Decrease) in other current liabilities		(3,086,295)	2,508,203
Cash generated from operations		**89,085,243**	**139,490,760**
Direct Taxes paid (Net of Refunds)		**(181,463)**	**(162,247)**
Net Cash from operating activities (A)		**88,903,780**	**139,328,513**
B. Cash flow from investing activites			
Purchase of fixed assets		(11,936,488)	(74,452,560)
Proceeds from sale of fixed assets		6,577,476	
Sale of investments		0	11,194,588
Interest income received		302,511	
Loans repaid by fellow subsidiaries		83,680,909	
Net Cash from investing activities (B)		**78,624,408**	**(63,257,972)**
C. Cash flow from Financing activities			
Proceeds from Long-term borrowings		-	5,549,269
Proceeds / (Repayment) from short-term borrowings		(125,253,693)	(77,059,160)
Interest paid		(41,618,634)	(24,943,639)
Net cash used in Financing activities (C)		**(166,872,327)**	**(96,453,530)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**655,860**	**(20,382,989)**
Cash and cash equivalents at the beginning of the year	10	**380,112**	**20,763,101**
Cash and cash equivalents at the end of the year		**1,035,972**	**380,112**

As per our report of even date
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Nishant Fadia
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Place : Mumbai
Date : May 22, 2017

Gener8 India Media Services Limited

Statement of Changes in Equity for the year ended March 31, 2017.

in ₹

	Equity Share capital	Securities premium account	Profit and loss	Attributed to owners	Non-controlling interests	Total Equity
Balance at April 01, 2015	8,500,000	1,390,800,000	(2,410,549,357)	(1,011,249,357)	-	**(1,011,249,357)**
(Loss) for the year	-	-	(193,040,985)	(193,040,985)	-	**(193,040,985)**
Other comprehensive income	-	-	(2,742,016)	(2,742,016)	-	**(2,742,016)**
Balance at March, 31 2016	**8,500,000**	**1,390,800,000**	**(2,606,332,358)**	**(1,207,032,358)**	**-**	**(1,207,032,358)**
Profit for the year	-	-	(203,106,779)	(203,106,779)	-	**(203,106,779)**
Other comprehensive income	-	-	(137,563)	(137,563)	-	**(137,563)**
Balance at March 31, 2017	**8,500,000**	**1,390,800,000**	**(2,809,576,700)**	**(1,410,276,700)**	**-**	**(1,410,276,700)**

As per our report of even date
For M.S. Sethi & Associates
Chartered Accountants
Registration No. 109407W

For and on behalf of the Board of Directors

Manoj Sethi
Proprietor

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Notes forming part of the standalone financial statements

1. General information

Gener8 India Media Services Limited (the 'Company') was incorporated on March 27, 2006 as a private limited company and currently a public limited company, domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company is engaged in the business of post-production including digital intermediate, visual effects, 2D to 3D conversion and other technical and creative services to the Media and Entertainment industry.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2017 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 41.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active matters for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.2 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.

2.2.1 Rendering of services

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

The Company provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimension to three dimension (2D to 3D) conversion and other technical services to its subsidiaries and to clients in the film, broadcast and commercial sectors.

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

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

2.2.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.2.3 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.3.1 below.

2.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.3.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.3.2 The Company as lessee

Assets held under finance lease are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.12 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.4 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic basis and rational basis over the useful lives of the related assets.
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at below-market rate of interest is treated as a government grant measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.7 Employee benefits

2.7.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes on the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

A liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees' upto the reporting date.

2.7.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service costs upon payment of these contributions to plans.

When the formal terms of the plans specify that there will be contributions from employees of third parties, the accounting depends on whether contributions area linked to services, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the re-measurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contributions that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by IND AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with IND AS 19.70.

2.8 Share-based payment arrangements

2.8.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note [●].

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods and services received, except when the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date they entity obtains the goods of the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, expect when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Non-current assets held for sale

Non-current assets and disposal Companys are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal Company) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal Companys) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.11 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values using the straight-line method over their useful lives estimated by Management, which are similar to useful life prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to IND AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as of July 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except for certain items of property which were owned by the Company, where it has chosen the fair value as of the date of transition.

2.12 Investment property

Investment properties are properties held to earn rentals and / or capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with IND AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.13 Intangible assets

2.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounting for on a prospective basis. Intangible assets with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

2.13.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use it or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

2.13.3 Software

Software is amortised on straight line basis over the estimated useful life of six years.

2.13.4 De recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as

the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

2.13.5 Deemed cost on transition to IND AS

For transition to IND AS, the Company has elected to continue with the carrying value of its intangible assets recognised as of July 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs for completion and costs necessary to make the sale.

2.16 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by staring to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.16.3 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IND AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IND AS 18 Revenue.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18 Financial assets

All regular way purchases of sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.18.5

Debt instruments that meets the following conditions are measured at fair value through other comprehensive income (except for debt instruments that are designed as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

For the impairment policy on dent instruments at FVTOCI, refer Note 2.18.5.

All other financial assets are subsequently measured at fair value.

2.18.2 Effective interest method

The effective interest is a method of calculating the amortised cost of debt instruments and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where applicable, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.18.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note 2.18.3 above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Company has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

2.18.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 11 and IND AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under IND AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.18.6 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of financial asset other than its entirety (e.g. when the Company retains an option to repurchase part of the a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

2.18.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the sport rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

Debt and equity instruments issued by the Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and equity instrument.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.19.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not quality for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.19.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Compay as an acquirer in a business combination to which IND AS 103 applies or held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which IND AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.19.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.19.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

2.19.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

2.19.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.19.4.6 De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of a debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.20 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.20.1 Embedded derivatives

Derivatives embedded in non- derivative host contracts that are not financial assets within the scope of IND AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.21 Hedge accounting

At the inception of the hedging relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedging transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.21.1 Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion

of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expirers or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustments to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.21.2 Cash flow hedges

The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other compressive income to the extent that it relates to the hedged item and forward elements of forwards contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forward transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.21.3 Hedges of net investments in foreign operations

Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation

reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

2.22 First-time adoption – mandatory exceptions, optional exemptions

2.22.1 Overall principle

The Company has prepared the opening balance sheet as per IND AS as of July 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not permitted by IND AS by reclassifying items from previous GAAP to IND AS as required under IND AS, and applying IND AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

2.22.2 De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after July 1, 2015 (the transition date).

2.22.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with IND AS 110, prospectively from the date of transition.

2.22.4 Classification of debt instruments

The Company has determined that classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.22.5 Impairment of financial assets

The Company has applied the impairment requirements of IND AS 109 retrospectively, however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to IND As, whether there have been significant increases in credit risk since initial recognition, as permitted by IND AS 101.

2.22.6 Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

2.22.7 Past business combinations

The Company has elected not to apply IND AS 103 Business Combinations to past business combinations that occurred before the transition date of July 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;

- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with IND AS in the separate balance sheet of the acquire;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under IND AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisition of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IND AS 103.

2.22.8 Deemed cost of property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying amount of all its plant and equipment, investment property, and intangible assets recognised as of July 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except for certain properties that have been recognised at fair value as of July 1, 2015.

2.22.9 Determining whether an arrangement contains a lease

The Company has applied Appendix C of IND AS 17 Determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.22.10 Cumulative translation differences on foreign operations

The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

3.1.1 Revenue recognition

The Company derives most of its revenues from fixed price VFX and 2D to 3D content conversion contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

The estimated man days remaining to complete a project are judgemental in nature and are estimated by experienced staff using their knowledge of the time necessary to the work.

If a contract is expected to be loss making, based on estimated costs to complete, the expected loss is recognised immediately.

For some contracts the Company's ability to receive the economic benefits is contingent on a future event, such as the performance of the film at the box office. For these projects, management utilises available market information and the historical performance of similar films to assess the likelihood that the contingent event will occur, and to reliably estimate the total value of the economic benefit. Revenue for these projects will only be recognised when this assessment shows that it is probable the contingent event will occur, and all other revenue recognition criteria have been met.

3.1.2 Taxation

The Company makes estimates in respect of tax liabilities and tax assets. Full provision is made for deferred and current taxation at the rates of tax prevailing at the year-end unless future rates have been substantively enacted. These calculations represent our best estimate of the costs that will be incurred and recovered but actuals may differ from the estimates made and therefore affect future financial results. The effects would be recognised in the Statement of Profit or Loss.

Deferred tax assets arise in respect of unutilised losses and other timing differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised or to the extent they can be offset against related deferred tax liabilities. In assessing recoverability, estimation is made of the future forecasts of taxable profit. If these forecast profits do not materialise, they change, or there are changes in tax rates or to the period over which the losses or timing differences might be recognised, then the value of deferred tax assets will need to be revised in a future period.

The Company has losses and other timing differences for which no value has been recognised for deferred tax purposes in these financial statements. This situation can arise where the future economic benefit of these timing differences is estimated to be not probable. It can also arise where the timing differences are of such a nature that their value is dependent on only certain types of profit being earned, such as capital profits. If trading or other appropriate profits are earned in future, these losses and other timing differences may yield benefit to the Company in the form of a reduced tax charge.

3.2 Key sources of estimation uncertainty

3.2.1 Impairment of goodwill

Determining, whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.2.2Fair value measurements and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Further, the Company has used valuation experts for the purpose of ascertaining fair value for certain assets and liabilities. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Chief Financial Officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

3.3 Recent accounting developments

Standards issued but not yet effective:
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:
The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

4. Property, plant and equipment

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Total
Cost/ Deemed Cost					
As at April 01, 2015	696,040,152	61,744,908	69,320,483	43,866,050	870,971,593
Additions	69,789,450	276,398	-	2,023,164	72,089,012
Deduction	21,730,076	8,578,581	-	-	30,308,657
As at March 31, 2016	**744,099,526**	**53,442,725**	**69,320,483**	**45,889,214**	**912,751,948**
Accumulated depreciation					
As at April 01, 2015	569,751,217	30,560,032	38,301,446	43,003,469	681,616,164
For the year	85,285,993	5,334,588	7,722,606	806,661	99,149,848
Deduction	11,476,688	4,268,940	-	-	15,745,628
As at March 31, 2016	**643,560,522**	**31,625,680**	**46,024,052**	**43,810,130**	**765,020,384**
Net block					
As at March 31, 2016	**100,539,004**	**21,817,045**	**23,296,431**	**2,079,084**	**147,731,564**

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Total
Cost					
As at April 01, 2016	744,099,526	53,442,725	69,320,483	45,889,214	912,751,948
Additions	1,431,356	-	-	392,507	1,823,863
Deduction	12,474,439	-	-	-	12,474,439
As at March 31, 2017	**733,056,443**	**53,442,725**	**69,320,483**	**46,281,721**	**902,101,372**
Accumulated depreciation					
As at April 01, 2016	643,560,522	31,625,680	46,024,052	43,810,130	765,020,384
For the year	28,539,035	5,356,349	7,734,368	574,802	42,204,554
Deduction	5,925,274	-	-	-	5,925,274
As at March 31, 2017	**666,174,283**	**36,982,029**	**53,758,420**	**44,384,932**	**801,299,664**
Net block					
As at March 31, 2017	**66,882,160**	**16,460,696**	**15,562,063**	**1,896,789**	**100,801,709**

4.1 Assets pledged as a security

Refer note [16] regarding details of borrowings where assets have been placed as security.

5. Other intangible assets

in ₹

	Software	Total
Cost/ Deemed Cost		
As at April 01, 2015	556,493,693	556,493,693
Additions	-	-
Deduction	-	-
As at March 31, 2016	**556,493,693**	**556,493,693**
Accumulated depreciation		
As at April 01, 2015	455,396,011	455,396,011
For the year	83,572,097	83,572,097
Deduction	-	-
As at March 31, 2016	**538,968,108**	**538,968,108**
Net block		
As at March 31, 2016	**17,525,585**	**17,525,585**

in ₹

	Software	Total
Cost		
As at April 01, 2016	556,493,693	556,493,693
Additions	-	-
Deduction	504,663	504,663
As at March 31, 2017	**555,989,030**	**555,989,030**
Accumulated depreciation		
As at April 01, 2016	538,968,108	538,968,108
For the year	8,947,125	8,947,125
Deduction	476,352	476,352
As at March 31, 2017	**547,438,881**	**547,438,881**
Net block		
As at March 31, 2017	**8,550,149**	**8,550,149**

6. Other financial assets

in ₹

	Non Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Deposits to others	20,965,353	8,553,552	7,757,242
	20,965,353	**8,553,552**	**7,757,242**

7. Non-current tax assets

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance payment of taxes	7,262,817	7,081,354	6,919,107
	7,262,817	**7,081,354**	**6,919,107**

8. Other non-current assets

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	1,673,999	-	-
Prepaid Expenses	24,602,839	-	-
Others*	-	2,599,020	1,562,993
	26,276,838	**2,599,020**	**1,562,993**

9. Trade receivables

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered doubtful			
Debts outstanding for a period exceeding six months	107,291,325	95,712,624	95,712,624
Other debts	-	-	-
	107,291,325	95,712,624	95,712,624
Provision for doubtful debts	(107,291,325)	(95,712,624)	(95,712,624)
	-	**-**	**-**
Unsecured and considered good			
Debts outstanding for a period exceeding six months	227,345,947	209,862,615	265,616,130
Other debts	188,271,341	70,847,960	191,907,406
	415,617,288	280,710,575	457,523,536
	415,617,288	**280,710,575**	**457,523,536**

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

10. Cash and cash equivalents

in ₹

	Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Cash and cash equivalents			
Cash on hand	101,742	155,203	259,378
Balances with banks:			
On Current Accounts	934,229	224,909	20,503,723
	1,035,971	**380,112**	**20,763,101**

For statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

11. Loans

in ₹

	Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Loans to related Parties	3,629,860	84,588,174	-
	3,629,860	**84,588,174**	**-**

12. Other financial assets

in ₹

	Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Unbilled revenue	9,936,540	-	-
Inter company deposits	7,500,000	-	-
Advances to subsidiaries	31,542,351	-	-
	48,978,891	**-**	**-**

13. Other current assets

in ₹

	Current		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Capital advances	-	-	-
Prepaid Expenses	14,973,224	1,382,788	3,806,054
Others*	20,495,299	41,776,524	36,566,141
	35,468,523	**43,159,312**	**40,372,195**

14. Equity share capital

(i) Authorised and issued share capital

in ₹

	Number of Shares			Amount		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Authorised shares:						
Equity Shares of ₹ 10/- each	**1,500,000**	**1,500,000**	**1,500,000**	**15,000,000**	**15,000,000**	**15,000,000**
Issued, subscribed and paid-Up:						
Equity Shares of ₹ 10/- each	850,000	850,000	850,000	8,500,000	8,500,000	8,500,000
	850,000	**850,000**	**850,000**	**8,500,000**	**8,500,000**	**8,500,000**

14.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Movement in equity share capital

	Number of Shares			Amount		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Equity Shares as at beginning of the year	850,000	850,000	850,000	8,500,000	8,500,000	8,500,000
Changes during the year	-	-	-	-	-	-
Equity Shares as at end of the year	**850,000**	**850,000**	**850,000**	**8,500,000**	**8,500,000**	**8,500,000**

14.2 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

14.3 Details of shares held by each shareholder holding more than 5%

	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 Limited	850,000	100%	850,000	100%	-	-
Reliance MediaWorks Limited	-	-	-	-	850,000	100%

15. Other equity excluding non-controlling interest

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Securities premium account			
Balance at the beginning of the year	1,390,800,000	1,390,800,000	1,390,800,000
Add : Premium on issue of equity shares during the year	-	-	-
	1,390,800,000	**1,390,800,000**	**1,390,800,000**
Surplus in the statement of profit and loss			
As per last balance sheet	(2,606,332,358)	(2,410,549,357)	(1,800,773,053)
Add: (Loss) / profit for the year	(203,106,779)	(193,040,985)	(609,776,304)
Other Comprehensive income:			
Remeasurements of the net defined benefit plans	(137,563)	(2,742,016)	-
	(2,809,576,700)	**(2,606,332,358)**	**(2,410,549,357)**
	(1,418,776,700)	**(1,215,532,358)**	**(1,019,749,357)**

16. Non-current borrowings

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10% Redeemable Non convertible Preference shares	1,200,000	1,200,000	1,200,000
Finance lease obligations	3,417,419	-	-
	4,617,419	**1,200,000**	**1,200,000**
The above amount includes			
Secured borrowings	4,617,419	1,200,000	1,200,000
Net amount	**4,617,419**	**1,200,000**	**1,200,000**

Redeemable non-convertible preference shares are from Holding Company.

Finance lease

The Company has acquired certain equipment (mainly equipment, office equipment and vehicles) under finance leases. The average lease term is around 5 years. The Company has option to purchase the equipment for a nominal amount at the end of the lease term. The Company's obligation under finance leases are secured by hypothecation of plant and equipment, office equipment and vehicles taken on lease.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 11.70% to 14.50% per annum.

Finance lease obligations are payable as follows:

in ₹

	Total minimum lease payments outstanding		Future Interest on outstanding lease payments		Present Value of minimum lease payments	
	As at March 31,		As at March 31,		As at March 31,	
	2017	2016	2017	2016	2017	2016
Within one year	1,225,834	9,211,728	392,443	1,357,809	833,391	7,853,919
Later than one year and not later five years	4,140,860	-	723,441	-	3,417,419	-
Later than five years	-	-	-		-	-
	5,366,694	**9,211,728**	**1,115,884**	**1,357,809**	**4,250,810**	**7,853,919**

17. Other non-current financial liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Inter corporate deposit received	316,999,999	-	-
Interest accrued but not due on borrowings	488,528	-	-
	317,488,527	**-**	**-**

During the previous period, the Company had taken Inter Corporate Deposits (ICDs) at an interest rate of 12.50% p.a., for general corporate purpose which includes working capital. These inter corporate deposits were repayable after 2 years from the date of disbursement. As at March 31, 2017, outstanding balance of these inter corporate deposits is ₹ 316,999,999.

18. Non-current provisions

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits			
Provision for leave encashment	420,530	602,383	2,946,306
	420,530	**602,383**	**2,946,306**

19. Current borrowings

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans repayable on demand			
Loans from banks	-	-	74,896,803
Loans from related parties (unsecured)	1,562,513,365	1,687,767,058	1,689,929,415
	1,562,513,365	**1,687,767,058**	**1,764,826,218**

Loans from related parties are short term unsecured loans availed from its parent company at an interest rate of 15% and are repayable on demand.

20. Trade Payable

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues to Micro and Small Enterprises	-	-	-
Total outstanding dues to Creditors other than Micro and Small Enterprises	41,184,155	33,974,019	20,694,920
Trade Payables to related party (Refer Note)	45,129	-	-
	41,229,284	**33,974,019**	**20,694,920**

20.1 According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

21. Other financial liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term borrowings	10,833,391	7,853,919	2,304,650
Interest accrued but not due on borrowings	104,723,984	18,788,801	18,193,095
	115,557,375	**26,642,720**	**20,497,745**
Accrued salaries and benefits	21,858,031	23,361,875	-
Capital Creditors	3,938,018	1,373,080	3,736,628
	141,353,424	**51,377,675**	**24,234,373**

21.1 Current maturity of long term borrowings

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Finance lease obligations	833,391	7,853,919	2,304,650
Loan from others	10,000,000	-	-
	10,833,391	**7,853,919**	**2,304,650**
The above amount includes			
Secured borrowings	10,833,391	7,853,919	2,304,650
Amount disclosed under the head "other financial liabilities" (note 19)	(10,833,391)	(7,853,919)	(2,304,650)
Net amount	**-**	**-**	**-**

Loan from others is obtained during the year at 15% interest pa for a period of 5 years. This loan is repayable on demand.

22. Revenue from operations

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Rendering of Services	332,936,666	287,287,285
	332,936,666	**287,287,285**

More than 90% of the Company's revenues is contributed by one sole customer.

23. Other income

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income-Others	3,888,294	1,692,842
Exchange gain (net)	-	9,432,053
Miscellaneous income	427,901	1,970,734
	4,316,195	**13,095,629**

24. Employee benefits expense

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	235,615,492	179,800,303
Bonus and incentive	8,000,607	-
Gratuity	2,315,210	(1,036,027)
Contribution For Pf & Other Funds	12,661,479	8,687,278
Staff welfare	2,352,653	9,537,468
	260,945,441	**196,989,022**

25. Finance cost

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense - Inter Co	71,918,072	24,573,536
Interest on Inter Corporate Deposits	48,561,815	-
Interest on Others	762,266	141,448
Bank charges	6,311,664	228,655
	127,553,817	**24,943,639**

26. Other expenses

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Consumables	-	80,085
Technical service cost	4,827,880	-
Electricity Charges	23,704,085	24,606,811
Loss on sale of asset (net)	-	3,368,441
Rent	28,584,270	23,506,570
Rates and taxes	317,218	161,568
Travelling expense - domestic	626,893	-
Travelling expense - foreign	66,618	-
Conveyance	1,923,998	310,653
Lodging and boarding	4,840,584	12,701,349
Insurance cost	473,034	659,468
Legal and professional fees	966,594	11,029,919
Repairs & Maintainance - Building	2,114,462	1,009,099
Repairs & Maintainance - Equipments	2,771,177	1,224,534
Internet Charges	4,958,271	2,993,718
Postage & Courier Charges	46,845	27,017
Telephone Charges	481,050	263,624
Exchange loss (net)	9,941,292	-
Audit Fees	507,413	400,000
House-keeping charges	4,502,332	4,137,371
Miscellaneous Expenses	(29,061)	1,126,819
Freight and clearing	53,041	43,500
Penalty charges	9,595	-
Brokerage and commission	28,000	40,000
Printing and stationery	234,245	249,411
Sales promotion expenses	6,386	-
Security charges	2,693,177	2,166,027
Tea/Coffee/Water	1,922,955	-
Membership & subscriptions	-	26,450
Office expenses	48,578	1,150,617
Water charges	169,476	228,257
	96,790,408	**91,511,309**

27. Earnings per share

Basic EPS amounts are calculated by dividing the net (Loss) / profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net (Loss) / profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Net Profit/(loss) before exceptional items but after tax	(203,106,779)	(193,040,985)
Weighted average number of equity shares in calculating basic and diluted EPS	850,000	850,000
Earnings per share		
Basic EPS	(238.95)	(227.11)
Diluted EPS	(238.95)	(227.11)
Face Value per share	10.00	10.00
Calculation of weighted average number of shares		
Ordinary equity shares at the end of the year	**850,000**	**850,000**

28. Employee benefit plans

28.1 Defined contribution plans

'The Company's defined contribution plans are provident fund, Employee State Insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952).

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

in ₹

	Year Ended March 31, 2017	**Year Ended March 31, 2016**
Employer's Contribution to Provident Fund	9,670,105	8,687,278

28.2 Defined benefit plans

The Company sponsors defined benefit plans for qualifying employees of its operations in India. The defined benefit plans are administered by the Company directly. Under the plans, the employee are entitled to a lump-sum payment upon retirement from the services of the Company. An employee becomes eligible to receive payment upon completion of 5 years of service at the rate of 15 days of service for each completed year of service.

These plans typically expose the Company to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupees) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the

	discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India is using the government security rate as the market for corporate bonds is not significantly deep due to lack of liquidity.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out by an external expert, who's a duly registered actuary. The present value of the defined benefit obligation and the related current service cost and past service cost, where measured using the projected unit credit method.

i) **Reconciliation of opening and closing balances of Defined Benefit Obligation:**

in ₹

	Funded	
	March 2017	**March 2016**
Defined Benefit Obligation at the Beginning of the year	1,969,150	2,474,767
Interest Cost	158,320	196,744
Current Service Cost	2,399,594	2,039,655
Benefit Paid Directly by the Employer	-	-
Actuarial (Gains)/Losses on Obligations	(137,563)	(2,742,016)
Defined Benefit Obligation at the End of the year	**4,389,501**	**1,969,150**

ii) **Expense recognised in Statement of Profit and Loss:**

in ₹

	Funded	
	March 2017	**March 2016**
Current Service Cost	2,399,594	2,039,655
Net Interest Cost	(208,961)	(147,713)
Expenses Recognized	**2,190,633**	**1,891,942**

iii) **Expenses Recognized in the Other Comprehensive Income (OCI)**

in ₹

	Funded	
	March 2017	**March 2016**
Actuarial (Gains)/Losses on Obligation For the Period	(137,563)	(2,742,016)
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income)/Expense Recognized in OCI	**(137,563)**	**(2,742,016)**

iv) **Actuarial Assumptions:**

	Funded	
	March 2017	**March 2016**
Expected Return on Plan Assets (per annum)	7.29%	8.04%
Rate of Discounting (per annum)	7.29%	8.04%
Rate of Salary Increase (per annum)	5%	5%
Rate of Employee Turnover (per annum)	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market. The above information is certified by the actuary.

v) The expected contributions for Defined Benefit Plan for the next financial year will be in line with financial year 2016-17.

vi) **Sensitivity Analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

in ₹

	March 2017		March 2016	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate (1% movement)	(540,001)	656,904	(245,226)	297,933
Future salary appreciation (1% movement)	665,740	(555,466)	304,272	(253,849)
Attrition rate (1% movement)	(29,415)	5,871	(13,433)	(777)

29. Financial instruments

29.1 Capital Risk Management

The Company's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of Capital. The Company sets the amount of capital required on the basis of annual business plan and long-term operating plans which include capital investments, The funding requirements are primarily met through judicious mix of long-term and short-term borrowings. The Company monitors capital on basis of total debt to total equity on a periodic basis. Equity comprises all components of equity excluding foreign currency translation reserve.

29.2 Financial risk management objectives

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

29.3 Market risk

The Company is primarily exposed to the following market risks.

29.3.1 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has not entered into derivatives to hedge foreign currency exposures.

in ₹

	As at Mar 31, 2017	As at Mar 31, 2016
	₹ 343,193,835	₹ 209,213,118
	$ 5,302,063	$ 2,093,305
Trade Receivables (Assets)	CAD 0	CAD 1,390,078
	₹ 24,186,866	₹ 0
Loans and advances (Asset)	$ 373,695	$ 0
	₹ 1,865,139	₹ 1,229,169
	$ 28,817	$ 4,410
Trade Payables and Other Current Liabilities	-	€ 14,250

The Company's sensitivity to a 5% appreciation/depreciation of USD with respect to Rupee would result in decrease/ increase in the Company's net profit / (loss) before tax by approximately ₹ 18,249,036 [March 31, 2016: ₹ 10,260,716] for the year ended March 31, 2017. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

29.3.2 Interest rate risk management

The Company is not exposed to interest rate risk because it borrows funds at fixed interest rates.

29.3.3 Credit risk management

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Company has a low credit risk in respect of its trade receivables, its principal customers being reputed production houses, national broadcasters and major organisations which the Company has worked with for number of years. However, as Company grows its customer base and works with more independent producers it will experience an increased credit risk environment. The Company is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with major financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 490,227,363, ₹ 374,232,413 and ₹ 486,043,879 as at March 31, 2017, March 31, 2016 and April 01, 2015 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled revenue and other financial assets..

29.4 Liquidity risk management

Liquidity risk refers to the risk that the Company may not be in a position to meet its financial obligations timely.

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

in ₹

As at March 31, 2017	Less than 1 Year	Between 1 to 5 Year
Financial assets		
Trade receivables	415,617,288	-
Cash and cash equivalents	1,035,971	-
Loans	3,629,860	-
Other financial assets	48,978,891	20,965,353
	469,262,010	**20,965,353**
Financial liabilities		
Borrowings	1,562,513,365	4,617,419
Trade payables	41,229,284	-
Other financial liabilities	141,841,952	316,999,999
	1,745,584,601	**321,617,418**

in ₹

As at March 31, 2016	Less than 1 Year	Between 1 to 5 Year
Financial assets		
Trade receivables	280,710,575	-
Cash and cash equivalents	380,112	-
Loans	84,588,174	-
Other financial assets	-	8,553,552
	365,678,861	**8,553,552**
Financial liabilities		
Borrowings	1,687,767,058	1,200,000
Trade payables	33,974,019	-
Other financial liabilities	51,377,675	-
	1,773,118,752	**1,200,000**

in ₹

As at April 01, 2016	Less than 1 Year	Between 1 to 5 Year
Financial assets		
Trade receivables	457,523,536	-
Cash and cash equivalents	20,763,101	-
Loans	-	-
Other financial assets	-	7,757,242
	478,286,637	**7,757,242**
Financial liabilities		
Borrowings	1,764,826,218	1,200,000
Trade payables	20,694,920	-
Other financial liabilities	24,234,373	-
	1,809,755,511	**1,200,000**

30. Fair value measurements

The following table shows the fair values of financial assets and financial liabilities:

in ₹

	As at March 31		As at April 1	As at March 31		As at April 1
	2017	2016	2015	2017	2016	2015
	Carrying Value			Fair Value		
Financial Assets:						
Measured at amortised cost						
Other non-current financial assets	20,965,353	8,553,552	7,757,242	-	-	-
Trade receivables	415,617,288	280,710,575	457,523,536	-	-	-
Cash and cash equivalents	1,035,971	380,112	20,763,101	-	-	-
Loans	3,629,860	84,588,174	-	-	-	-
Other financial assets	48,978,891	-	-	-	-	-
Total financial assets measured at amortised cost	**490,227,363**	**374,232,413**	**486,043,879**	**-**	**-**	**-**
Financial Liabilities:						
Measured at amortised cost						
Borrowings	1,567,130,784	1,688,967,058	1,766,026,218	-	-	-
Other financial liabilities	317,488,527	-	-	-	-	-
Trade payables	41,229,284	33,974,019	20,694,920	-	-	-
Other financial liabilities	141,353,424	51,377,675	24,234,373	-	-	-
Total financial liabilities measured at amortised cost	**2,067,202,019**	**1,774,318,752**	**1,810,955,511**	**-**	**-**	**-**

31. Related party transactions

a. **List of Parties where control exists, irrespective of transactions**:
Holding Company
Prime Focus Limited

b. **List of related parties with whom transactions have taken place during the period / year**
Gener8 Digital Media Services Limited, Canada
Prime Focus World Creative Services Private Limited
Prime Focus Technologies Private Limited
Reliance Lowry Digital Imaging Services Inc.
Reliance Mediaworks Limited

in ₹

	Year ended	
	March 31,2017	March 31,2016
Sale of services		
Gener8 Digital Media Services Limited	324,416,666	284,671,710
Prime Focus Technologies Private Limited	8,520,000	-
Interest expense		
Prime Focus Limited	45,258,221	22,854,349
Prime Focus World Creative Services Private Limited	25,771,152	711,116
Prime Focus Technologies Private Limited	888,699	1,008,071
Interest income		
Prime Focus Technologies Private Limited	1,836,134	-
Sale of fixed assets		
Prime Focus Technologies Private Limited	6,577,505	11,535,072
Loan received from		
Prime Focus Limited	2,214,190,069	-
Loan repaid to		
Prime Focus Limited	2,490,685,000	-
Expense recharge received		
Prime Focus Limited	49,670	-
Prime Focus World Creative Services Private Limited	74,428	-

in ₹

	As at		
	March 31,2017	March 31,2016	April 01,2015
Balance outstanding at the year end			
Trade receivable			
Prime Focus Limited	177,978	-	-
Prime Focus Technologies Private Limited	-	12,476,272	-
Gener8 Digital Media Services Limited	207,682,176	70,847,960	-
Reliance Mediaworks Limited	-	-	48,206,749
Reliance Lowry Digital Imaging Services Inc	132,402,527	159,916,836	400,153,813
Trade payable			
Reliance Mediaworks Limited	-	-	8,857,771
Prime Focus Limited	51,894	-	-
Prime Focus World Creative Services Private Limited	(6,765)	-	-
Advances receivable			
Reliance Lowry Digital Imaging Services Inc	24,186,866	-	-
Prime Focus Technologies Private Limited	7,355,485	-	-
Interest payable			
Prime Focus Limited	61,301,313	-	-
Prime Focus Technologies Private Limited	799,829	-	-
Prime Focus World Creative Services Private Limited	23,834,041	-	-
Interest receivable			
Prime Focus Technologies Private Limited	-	907,264	-
Loan received			
Prime Focus Limited	1,380,434,431	1,677,498,276	-
Prime Focus World Creative Services Private Limited	182,078,934	10,268,782	-
Reliance Mediaworks Limited	-	-	1,689,929,415
Loan given			
Prime Focus Technologies Private Limited	3,629,860	71,204,638	-
Unbilled revenue			
Prime Focus Technologies Private Limited	8,520,000	-	-
Gener8 Digital Media Services Limited	1,416,540	-	-

Effective April 07, 2015 the film and media services business of Reliance MediaWorks Limited was transferred to Prime Focus limited, pursuant to which all the payable to Reliance Mediaworks Limited were transferred to Prime Focus Limited.

32. Operating lease arrangement

Amount of lease rental charged to the Statement of Profit and Loss in respect of non-cancellable operating leases is ₹28,584,270 (Previous year: ₹23,506,570).

33. First-time IND AS adoption reconciliation

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with IND AS. For periods up to and including the period ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the period ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the period ended 31 March 2016.

Reconciliation of equity as at March 31, 2016 and April 1, 2015

Balance sheet in ₹

	As at March 31, 2016			As at April 1, 2015		
	Amount as per GAAP	**Effects of transition to Ind AS**	**Amount as per Ind AS**	**Amount as per GAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Assets						
1. Non-current assets						
(a) Property, plant and equipment	147,731,564	-	147,731,564	189,355,429	-	189,355,429
(b) Capital Work in Progress	-	-	-	-	-	-
(c) Intangible assets	17,525,585	-	17,525,585	101,097,682	-	101,097,682
(d) Financial assets						
i) Loans	-	-	-	-	-	-
iI) Others	11,054,925	(2,501,373)	8,553,552	10,943,386	(3,186,144)	7,757,242
(e) Non-current tax assets	7,081,354	-	7,081,354	6,919,107	-	6,919,107
(f) Other non-current assets	2,599,020	-	2,599,020	1,562,993	-	1,562,993
	185,992,448	**(2,501,373)**	**183,491,075**	**309,878,597**	**(3,186,144)**	**306,692,453**
Current assets						
(a) Financial assets						
i) Trade receivables	280,710,575	-	280,710,575	457,523,536	-	457,523,536
ii) Cash and cash equivalents	380,112	-	380,112	20,763,101	-	20,763,101
iii) Loans	84,588,174	-	84,588,174	-	-	-
iv) Other financial assets	-	-	-	-	-	-
(b) Other current assets	41,248,717	1,910,595	43,159,312	37,822,990	2,549,205	40,372,195
	406,927,578	**1,910,595**	**408,838,173**	**516,109,627**	**2,549,205**	**518,658,832**
Total Assets	**592,920,026**	**(590,778)**	**592,329,248**	**825,988,224**	**(636,939)**	**825,351,285**
Equity						
(a) Equity share capital	9,700,000	(1,200,000)	8,500,000	9,700,000	(1,200,000)	8,500,000
(b) Other equity	(1,214,941,580)	(590,778)	(1,215,532,358)	(1,019,112,418)	(636,939)	(1,019,749,357)
	(1,205,241,580)	**(1,790,778)**	**(1,207,032,358)**	**(1,009,412,418)**	**(1,836,939)**	**(1,011,249,357)**
Liabilities						
1. Non-current liabilities						
(a) Financial liabilities						
i) Borrowings	-	1,200,000	1,200,000	-	1,200,000	1,200,000
ii) Other financial liabilities	-	-	-	-	-	-
(b) Deferred tax liabilities (net)	-	-	-	-	-	-
(c) Provisions	602,383	-	602,383	2,946,306	-	2,946,306
	602,383	**1,200,000**	**1,802,383**	**2,946,306**	**1,200,000**	**4,146,306**
2. Current liabilities						
(a) Financial liabilities						
i) Borrowings	1,687,767,058	-	1,687,767,058	1,764,826,218	-	1,764,826,218
ii) Trade payables	33,974,019	-	33,974,019	20,694,920	-	20,694,920
iii) Other financial liabilities	51,377,675	-	51,377,675	24,234,373	-	24,234,373
(b) Provisions	-	-	-	766,557	-	766,557
(c) Other current liabilities	24,440,471	-	24,440,471	21,932,268	-	21,932,268
	1,797,559,223	**-**	**1,797,559,223**	**1,832,454,336**	**-**	**1,832,454,336**
Total equity and liabilities	**592,920,026**	**(590,778)**	**592,329,248**	**825,988,224**	**(636,939)**	**825,351,285**

Reconciliation of profit and loss for the year ended March 31, 2016

Statement of Profit and Loss in ₹

	For the year ended March 31, 2016		
	Amount as per GAAP	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Revenue from operations	287,287,285	-	287,287,285
Other income	12,410,858	684,771	13,095,629
Total Income	**299,698,143**	**684,771**	**300,382,914**
Expenses			
Employee benefits expense	196,989,022	-	196,989,022
Finance costs	24,943,639	-	24,943,639
Depreciation and amortisation expense	182,721,945	-	182,721,945
Other expenses	90,872,699	(2,103,406)	88,769,293
Total expenses	**495,527,305**	**(2,103,406)**	**493,423,899**
Profit / (Loss) before exceptional items and tax	**(195,829,162)**	**2,788,177**	**(193,040,985)**
Exceptional Items	-	-	-
Profit/ (Loss) before tax	**(195,829,162)**	**2,788,177**	**(193,040,985)**
Tax expense			
Current tax	-	-	-
Deferred tax	-	-	-
Total tax expense	**-**	**-**	**-**
Profit/ (Loss) after tax	**(195,829,162)**	**2,788,177**	**(193,040,985)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		(2,742,016)	(2,742,016)
(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	**-**	**(2,742,016)**	**(2,742,016)**
Total comprehensive income	**(195,829,162)**	**46,161**	**(195,783,001)**

There was no significant impact of transition on cash flow statement hence not presented.

Notes to first time adoption

a) Security deposits

Under the previous GAAP, interest free lease security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

b) Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

As per our report of even date

For and on behalf of the Board of Directors

For M.S. Sethi & Associates
Chartered Accountants
Registration No. 109407W

Manoj Sethi
Proprietor

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017