Prime Focus World Creative Services Private Limited

Separate financial statements
For the years ended March 31, 2017

Prime Focus World Creative Services Private Limited

Balance sheet as at March 31, 2017 in ₹

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	3	774,744,443	510,378,948	398,453,966
(b) Capital Work in Progress		7,715,885	5,918,311	356,788
(c) Goodwill and other intangible assets	4	681,570,224	1,335,041,188	2,001,308,926
(d) Intangible assets under development		-	6,809,635	-
(e) Investment in subsidiaries	5	200,000	100,000	-
(f) Financial assets				
i) Others	6	41,121,711	36,446,469	29,049,238
(g) Non-current tax assets	7	1,203,917	4,015,918	3,245,108
(h) Other non-current assets	8	200,200,164	276,383	439,152
Total non-current assets		**1,706,756,346**	**1,898,986,852**	**2,432,853,178**
Current assets				
(a) Financial assets				
i) Trade receivables	9	1,838,245,127	1,817,922,806	559,294,697
ii) Cash and cash equivalents	10	2,217,333	948,592	242,199
iii) Bank balance other than (ii) above		4,270,351	675,000	675,000
iii) Loans	11	315,870,365	10,420,755	-
iv) Other financial assets	12	113,430,944	-	1,618,246
(b) Other current assets	13	86,836,294	64,377,841	40,395,112
Total current assets		**2,360,870,413**	**1,894,344,994**	**602,225,254**
Total assets		**4,067,626,758**	**3,793,331,846**	**3,035,078,432**
Equity and Liabilities				
Equity				
(a) Equity share capital	14	3,478,000	3,478,000	3,478,000
(b) Other equity	15	2,325,317,572	2,287,247,098	2,289,399,580
Total equity		**2,328,795,572**	**2,290,725,098**	**2,292,877,580**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	16	387,053,379	68,969,846	53,179,593
(b) Deferred tax liabilities (net)	17	30,799,148	7,132,454	-
(c) Provisions	18	21,780,447	17,108,054	8,133,937
Total non-current liabilities		**439,632,974**	**93,210,354**	**61,313,530**
Current liabilities				
(a) Financial liabilities				
i) Borrowings	19	905,181,916	956,076,773	426,390,543
ii) Trade payables	20	110,862,392	183,059,660	115,289,203
iii) Other financial liabilities	21	135,886,447	83,288,737	42,871,417
(b) Provisions	22	46,903	39,045	18,682
(c) Other current liabilities	23	147,220,554	186,932,179	96,317,477
Total current liabilities		**1,299,198,212**	**1,409,396,394**	**680,887,322**
Total equity and liabilities		**4,067,626,758**	**3,793,331,846**	**3,035,078,432**

See accompanying notes to the financial statements
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Prime Focus World Creative Services Private Limited

Statement of Profit and Loss for the year ended March 31, 2017 in ₹

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations		2,629,125,903	2,454,232,524
Other operating income		110,777,711	-
Other income	24	45,681,663	5,188,639
Total Income		**2,785,585,277**	**2,459,421,163**
Expenses			
Employee benefits expense	25	1,177,843,684	1,210,918,185
Finance costs	26	134,313,024	94,859,129
Depreciation, amortisation and impairment expense	3 & 4	870,695,317	775,091,498
Other expenses	27	515,270,237	370,439,097
Total expenses		**2,698,122,263**	**2,451,307,909**
Profit before tax		**87,463,015**	**8,113,254**
Tax expense	28		
Current tax		15,762,260	1,288,591
Deferred tax		27,114,893	7,770,865
Total tax expense		**42,877,152**	**9,059,456**
Profit/ (Loss) after tax for the year		**44,585,862**	**(946,202)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		(9,963,587)	(1,844,691)
Income tax relating to the above		3,448,198	638,411
Total other comprehensive income		**(6,515,389)**	**(1,206,280)**
Total comprehensive income for the year		**38,070,474**	**(2,152,482)**
Earnings per equity share (nominal value per share ₹ 10 each)			
Basic	25	128.19	(2.72)
Diluted	25	128.19	(2.72)

See accompanying notes to the financial statements
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Prime Focus World Creative Services Private Limited

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

A. Equity share capital

in ₹

	Amount
Balance as at April 01, 2015	**3,478,000**
Change in equity share capital during the year	-
Balance as at March 31, 2016	**3,478,000**
Change in equity share capital during the year	-
Balance as at March 31, 2017	**3,478,000**

B. Other equity

in ₹

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium Account	Retained Earnings	Actuarial Gains / (Losses)	
Balance at April 01, 2015	2,293,662,000	(4,262,420)	-	**2,289,399,580**
Total comprehensive income for the year	-	(946,202)	(1,206,280)	**(2,152,482)**
Balance at March 31, 2016	**2,293,662,000**	**(5,208,622)**	**(1,206,280)**	**2,287,247,098**
Total comprehensive income for the year	-	44,585,862	(6,515,389)	**38,070,474**
Balance at March 31, 2017	**2,293,662,000**	**39,377,241**	**(7,721,669)**	**2,325,317,572**

See accompanying notes to the financial statements
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Prime Focus World Creative Services Private Limited

Cash Flow Statement for the year ended March 31, 2017 in ₹

	Notes	For the year ended March 31, 2017	2016
A. Cash flow from Operating activities			
Net Profit before taxation		**87,463,015**	**8,113,254**
Adjustments for :			
Depreciation and amortisation expense		870,695,315	775,091,498
Unrealised foreign exchange (gain)/ loss (net)		26,236,697	(27,620,870)
Interest income		(42,319,121)	(5,186,537)
Finance cost		134,313,024	94,859,129
Operating profit before working capital changes		**1,076,388,930**	**845,256,473**
Movements in working capital :			
Increase/(Decrease) in trade receivables & other receivables		(249,976,590)	(1,281,655,344)
Increase/(Decrease) in trade & other payables		(107,526,577)	167,727,943
Cash generated from current operations		**718,885,763**	**(268,670,927)**
Income Taxes paid		**(12,911,763)**	**(2,059,401)**
Net Cash flow generated from / (used in) operating activities (A)		**705,974,000**	**(270,730,328)**
B. Cash flow from investing activites			
Payments for Property, plant and equiptment, other intangibles assets including capital advances		(515,727,212)	(198,028,274)
Purchase of investment in subsidiaries		(100,000)	(100,000)
Share application money given to subsidiary		(150,000,000)	-
Loans given to subsidiaries		(1,699,506,430)	(1,424,861,083)
Loans repaid by related parties		1,428,451,468	1,415,082,305
Interest received		3,920,663	51,638
Bank Balances not considered as cash and cash equivalents		(3,595,351)	-
Net Cash used in investing activities (B)		**(936,556,861)**	**(207,855,414)**
C. Cash flow from Financing activities			
Proceeds from Long-term borrowings (net of expenses)		449,334,612	53,616,753
Repayment of long term borrowings		(66,071,590)	(34,920,121)
Proceeds / (Repayment) from short-term borrowings (net)		(21,326,561)	555,454,632
Finance costs paid		(130,084,860)	(94,859,129)
Net cash from financing activities (C)		**231,851,601**	**479,292,135**
Net increase in cash and cash equivalents (A+B+C)		**1,268,741**	**706,393**
Cash and cash equivalents at the beginning of the year	10 (a)	**948,592**	**242,199**
Cash and cash equivalents at the end of the year	10 (a)	**2,217,333**	**948,592**

See accompanying notes to the financial statements
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Vikas Rathee
Director

Nishant Fadia
Director

Place : Mumbai
Date : May 22, 2017

Notes forming part of the financial statements

1. General information

Prime Focus World Creative Service Private Limited (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in the business of post-production including visual effects, 2D to 3D conversion, animation and other technical and creative services to the Media and Entertainment industry. The address of its registered office is Mainframe IT Park, Building H, Royal Palms, Aarey Colony, Goregaon (East), Mumbai – 400 065

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS') including the Accounting standards under the relevant provisions of Companies Act, 2013.

These financial statements are the Company's first Ind AS financial statements. Upto the period ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of Indian GAAP which includes Standard notified under the Companies (Accounting Standards) Rules, 2006 (hereinafter referred to as 'Previous GAAP'). The date of transition to Ind AS is April 01, 2015.

Refer note 3.2 for details of first time adoption and note 37 for reconciliation between Ind AS and Previous GAAP.

2.2 Basis of preparation

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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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 services and the time between acquisition of assets for processing and their relation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

2.3 Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services. Revenue is shown net of applicable taxes.

2.4.1 Rendering of services

The Company provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimensions to three dimensions (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 current liabilities’.

2.4.2 Interest income

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.

2.4.3 Rental income

The Company’s policy for recognition of revenue from operating leases is described in note 2.5.1 below.

2.5 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.

2.5.1 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.

2.5.2 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 2.7 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.

2.6 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.

2.7 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 capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 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 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.

2.9 Employee benefits

2.9.1 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, 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.

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.

2.9.2 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 up to the reporting date.

2.10 Taxation

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

2.10.1 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.

2.10.2 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 assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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.

2.10.3 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.

2.11 Non-current assets held for sale

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

2.12 Property, plant and equipment (PPE)

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

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

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.

Cost of Leasehold improvements is amortised over a period of lease.

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.

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 Useful lives of intangible assets

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.

2.14 Impairment of tangible and intangible assets

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 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.

2.15.1 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.

2.15.2 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 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.

2.17 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.

2.17.1 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 2.17.5

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 debt instruments at FVTOCI, refer Note 2.17.5.

All other financial assets are subsequently measured at fair value.

2.17.2 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.

2.17.3 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.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

2.17.4 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 FVTPL 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. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.17.5 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.

2.17.6 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 derecognition 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 derecognition of financial asset other than its entirety (e.g. when the Company retains an option to repurchase part of the 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.

2.17.7 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 spot 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.

2.18 Financial liabilities and equity instruments

2.18.1 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.

2.18.2 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.

2.18.3 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.

2.18.4 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.

2.18.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company 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.

2.18.4.2 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.

2.18.4.3 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.

2.18.4.4 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.

2.18.4.5 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.

2.18.4.6 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.

2.18.5 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.

2.18.6 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.

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 revised 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.

3.1.1 Revenue recognition

The Company also derives 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.

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 and 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.

3.1.3 Depreciation and useful lives of property, plant and Equipment and intangible assets

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

3.1.4 Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

3.1.5 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

3.1.6 Fair 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 management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management 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.

3.2 First Time adoption of IND AS

The Company has prepared the opening balance sheet as per Ind AS as of April 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.

The Company has adopted Ind AS with effect from April 01, 2016 with comparatives being restated. Accordingly, the impact of transition has been provided in the opening Reserves as at April 01, 2015 and all the periods presented have been restated accordingly.

Exemptions from retrospective application

a) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to July 01, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

b) Investments in subsidiaries,

The Company has elected to measure investments in subsidiaries at cost or fair value as deemed cost on the date of transition.

c) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value as at transition date except for certain class of assets which are measured at fair value as deemed cost.

Prime Focus World Creative Services Private Limited

Notes to the financial statements (continued.)

3. Property, plant and equipment

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2015	447,774,869	214,293	10,796,356	10,018,808	1,944,822	470,749,148
Additions	181,402,831	668,925	23,875,650	11,949,650	-	217,897,056
Deduction	-	-	-	-	-	-
As at March 31, 2016	**629,177,700**	**883,218**	**34,672,006**	**21,968,458**	**1,944,822**	**688,646,204**
Accumulated depreciation						
As at April 1, 2015	68,473,710	22,907	2,077,935	1,517,551	203,079	72,295,182
For the year	99,676,839	45,459	2,746,240	3,232,270	271,266	105,972,074
Deduction	-	-	-	-	-	-
As at March 31, 2016	**168,150,549**	**68,366**	**4,824,175**	**4,749,821**	**474,345**	**178,267,256**
Net block						
As at March 31, 2016	**461,027,151**	**814,852**	**29,847,831**	**17,218,637**	**1,470,477**	**510,378,948**
As at April 01, 2015	**379,301,159**	**191,386**	**8,718,421**	**8,501,257**	**1,741,743**	**398,453,966**

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2016	629,177,700	883,218	34,672,006	21,968,458	1,944,822	688,646,204
Additions	365,621,433	17,635,087	54,708,925	21,795,470	(0)	459,760,915
Deduction	-	-	-	-	-	-
As at March 31, 2017	**994,799,133**	**18,518,305**	**89,380,931**	**43,763,928**	**1,944,822**	**1,148,407,119**
Accumulated depreciation						
As at April 1, 2016	168,150,549	68,366	4,824,175	4,749,821	474,345	178,267,256
For the year	174,562,145	2,122,895	11,966,049	6,474,020	270,310	195,395,420
Deduction	-	-	-	-	-	-
As at March 31, 2017	**342,712,694**	**2,191,261**	**16,790,224**	**11,223,841**	**744,655**	**373,662,676**
Net block						
As at March 31, 2017	**652,086,439**	**16,327,044**	**72,590,707**	**32,540,087**	**1,200,167**	**774,744,443**

Note:

a. **Plant and equipment includes assets taken on finance lease as under:**

Gross block: ₹ 433,782,705 (March 31, 2016 : ₹ 142,721,755 ; April 01, 2015 : ₹ 91,956,688)
Depreciation charge for the year : ₹ 76,699,323 (Previous year : ₹ 31,104,947)
Accumulated depreciation: ₹ 115,741,659 (March 31, 2016 : ₹ 51,538,848; April 01, 2015: ₹ 20,433,901)
Net Block: ₹ 318,041,046 (March 31, 2016 : ₹ 91,182,907; April 01, 2015: ₹ 71,522,787)

b. Refer note 16 and 19 for assets pledged / hypothecated.

4. Goodwill and other Intangible Assets

in ₹

	Goodwill	Software	Total
Gross block			
As at April 1, 2015	1,970,413,561	39,312,028	2,009,725,589
Additions	-	2,851,686	2,851,686
Deductions	-	-	-
As at March 31, 2016	**1,970,413,561**	**42,163,714**	**2,012,577,275**
Accumulated depreciation and impairment			
As at April 1, 2015	-	8,416,663	8,416,663
For the year	656,804,520	12,314,904	669,119,424
Deductions	-	-	-
As at March 31, 2016	**656,804,520**	**20,731,567**	**677,536,087**
Net block			
As at March 31, 2016	**1,313,609,041**	**21,432,147**	**1,335,041,188**
As at April 01, 2015	**1,970,413,561**	**30,895,365**	**2,001,308,926**

in ₹

	Goodwill	Software	Total
Gross block			
As at April 1, 2016	1,970,413,561	42,163,714	2,012,577,275
Additions	-	21,828,932	21,828,932
Deductions	-	-	-
As at March 31, 2017	**1,970,413,561**	**63,992,646**	**2,034,406,207**
Accumulated depreciation and impairment			
As at April 1, 2016	656,804,520	20,731,567	677,536,087
For the year	656,804,521	18,495,375	675,299,896
Deductions	-	-	-
As at March 31, 2017	**1,313,609,041**	**39,226,942**	**1,352,835,983**
Net block			
As at March 31, 2017	**656,804,520**	**24,765,704**	**681,570,224**

Note:
Software includes assets taken on finance lease as under:
Gross block: ₹ 44,181,184 (March 31, 2016 : ₹ 24,037,211 ; April 01, 2015 : ₹ 21,185,525)
Depreciation charge for the year : ₹ 13,493,215 (Previous year : ₹ 7,042,643)
Accumulated depreciation: ₹ 26,397,393 (March 31, 2016 : ₹ 12,078,297; April 01, 2015: ₹ 5,035,654)
Net Block: ₹ 17,783,791 (March 31, 2016 : ₹ 11,958,914; April 01, 2015: ₹ 16,149,871)

Prime Focus World Creative Services Private Limited

5. Non-current Investment

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unquoted equity instrument, fully paid up Investment in subsidiaries:			
Double Negative India Private Limited	100,000	100,000	-
10,000 equity shares of ₹ 10/- each			
Prime Focus Academy of Media and Entertainment Studies Private Limited	100,000	-	-
10,000 equity shares of ₹ 10/- each			
	200,000	**100,000**	**-**

Category wise classification of investments as per IND AS 109

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets carried at fair value through profit or loss (FVTPL)	-	-	-
Financial assets carried at fair value through OCI	200,000.00	100,000.00	-

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Aggregate amount of quoted investment	-	-	-
Aggregate market value of quoted investment	-	-	-
Aggregate amount of unquoted investment	200,000	100,000	-

6. Other Non-current Financial Assets (Unsecured, considered good)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposits to related Parties	35,675,544	35,675,550	26,915,794
Deposits to others	5,446,167	770,919	2,133,444
	41,121,711	**36,446,469**	**29,049,238**

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 (net of provision for tax)	1,203,917	4,015,918	3,245,108
	1,203,917	**4,015,918**	**3,245,108**

8. Other Non-current assets (Unsecured, considered good)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	13,282,707	276,383	439,152
Prepaid Expenses	36,917,457	-	-
Share application money given	150,000,000	-	-
	200,200,164	**276,383**	**439,152**

9. Trade receivable (Unsecured)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Considered good	1,838,245,127	1,817,922,806	559,294,697
	1,838,245,127	**1,817,922,806**	**559,294,697**

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 receivables are due and the rates as given in the provision matrix.

10. Cash and cash equivalents

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a. Cash and cash equivalents			
Cash on hand (refer note (i) below)	190,318	367,596	31,192
Bank balances			
In Current Accounts	2,027,015	580,996	211,007
	2,217,333	**948,592**	**242,199**
b. Bank balances other than (a) above			
In deposits (refer note (ii) below)	4,270,351	675,000	675,000
	6,487,683	**1,623,592**	**917,199**

(i) Specified Bank Notes (SBN's) held and transacted during the period from November 08, 2016 to December 30, 2016.

in ₹

Particulars	SBNs*	denomination	Total
Closing cash in hand as on November 08, 2016	**95,500**	**85,557**	**181,057**
(+) Permitted receipts	36,000	466,870	502,870
(-) Permitted payments	-	(464,040)	(464,040)
(-) Amount deposited in Banks	(131,500)	-	(131,500)
Closing cash in hand as on December 30, 2016	**-**	**88,387**	**88,387**

(ii) Fixed deposits are provided as security against fund-based and non-fund based credit facilities.

11. Financial assets – Loans (current) (Unsecured, considered good)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to related Parties (Refer note 32)	315,870,365	10,420,755	-
	315,870,365	**10,420,755**	**-**

in ₹

Name of the Company	As at March 31, 2017	Maximum outstanding balance during the year	As at March 31, 2016	Maximum outstanding balance during the year	As at April 01, 2017	Maximum outstanding balance during the year
Double Negative India Private Limited	109,755,066	278,915,624	151,973	151,973	-	-
Gener8 India Media Services Limited	205,904,071	366,184,756	10,268,782	10,268,782	-	-
Prime Focus Academy of Media and Entertainment Studies Private Limited	211,228	211,228	-	-	-	-
	315,870,365		**10,420,755**		-	

Note:
All the above loans carry interest @ 15% p.a and given for general corporate purpose of the subsidiaries.

12. Other Current Financial Assets (Unsecured, considered good)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unbilled revenue	-	-	1,618,246
SEIS licence available	109,440,000	-	-
Advances to subsidiaries (Refer note 32)	2,661,182	-	-
Interset Accrued on fixed deposits with banks	1,661	-	-
Deposits to others	1,328,100	-	-
	113,430,944	**-**	**1,618,246**

13. Other current assets

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Prepaid Expenses	22,597,942	25,373,229	28,413,757
Others	64,238,352	39,004,612	11,981,355
	86,836,294	**64,377,841**	**40,395,112**

Note:
Others includes loans advances to employee advance, advance to suppliers and service tax receivables.

14. Equity Share Capital

(i) Authorised and issued share capital

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised:			
360,000 Shares of ₹ 10/- each (Previous year 360,000 Shares of ₹ 10/- each)	3,600,000	3,600,000	3,600,000
Issued, subscribed and paid-Up:			
347,800 Shares of ₹ 10/- each (Previous year 347,800 Shares of ₹ 10/- each)	3,478,000	3,478,000	3,478,000
	3,478,000	**3,478,000**	**3,478,000**

Of the above 347,799 shares are held by Prime Focus World N.V., the Holding Company and 1 share is held by Naresh Malhotra, the beneficial interest in which is held by Prime Focus World N.V.

(ii). Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount
At the beinning and at the end of the year	347,800	3,478,000	347,800	3,478,000

(iii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of 10 each. Each shareholder ¡s 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.

(iv) Details of Shareholders holding more than 5% shares in the Company

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No of shares	%	No of shares	%	No of shares	%
Prime Focus World N.V. (including shares held by its nominees)	347,800	100%	347,800	100%	3,478,000	100%

15. Other Equity

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Securities premium			
As per last balance sheet	2,293,662,000	2,293,662,000	2,293,662,000
	2,293,662,000	**2,293,662,000**	**2,293,662,000**
Retained earnings			
As per last balance sheet	(5,208,622)	(4,262,420)	(5,076,134)
Add / (Less) Movement during the year	44,585,862	(946,202)	813,714
	39,377,241	**(5,208,622)**	**(4,262,420)**
Other Comprehensive income			
As per last balance sheet	(1,206,280)	-	-
Add / (Less) Movement during the year	(6,515,389)	(1,206,280)	-
	(7,721,669)	**(1,206,280)**	**-**
	2,325,317,572	**2,287,247,098**	**2,289,399,580**

16. Borrowings (Non-current) (Secured)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Term loan from bank (Refer note (a) below)	134,011,406	-	-
Finance lease obligations (Refer note (b) below)	253,041,973	68,969,846	53,179,593
	387,053,379	**68,969,846**	**53,179,593**

a. On December 27, 2016, the Company entered in to a long-term loan agreement with bank to borrow ₹ 600,000,000 at an interest rate of 1.95% over and above one year MCLR with yearly reset option. Out of above facility ₹ 150,000,000 availed on December 30, 2016 and is repayable in 26 quarterly starting from September, 2017. The said long-term loan is secured by charge on current assets, all movable fixed assets (excluding specific assets charges against financial lease under normal course of business), pledge of shares group parent entity and personal guarantees from directors of group parent entity. As at March 31, 2017 ₹ 145,000,000 disclosed as non-current and ₹ 7,500,000 disclosed as current.

b. 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		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Within one year	126,359,065	44,743,586	39,950,736
Later than one year and not later five years	295,220,403	79,951,367	63,498,991
Later than five years	-	-	-
	421,579,469	**124,694,953**	**103,449,727**

in ₹

	Future Interest on outstanding lease payments		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Within one year	31,821,644	10,505,018	8,618,547
Later than one year and not later five years	42,178,430	10,981,521	10,319,398
Later than five years	-	-	-
	74,000,074	**21,486,539**	**18,937,945**

in ₹

	Present Value of minimum lease payments		
	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Within one year	94,537,422	34,238,568	31,332,189
Later than one year and not later five years	253,041,973	68,969,846	53,179,593
Later than five years	-	-	-
	347,579,395	**103,208,414**	**84,511,782**

17. Deferred Tax Liabilities (net)

in ₹

	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Deferred tax liability			
Difference between tax and books written-down values of fixed assets	64,015,949	163,939,443	235,599,522
	64,015,949	**163,939,443**	**235,599,522**
Deferred tax asset			
Provision for gratuity	15,647,076	18,378,394	2,771,075
Unabsorbed depreciation and carry forward losses	17,569,725	138,428,595	232,828,447
	33,216,801	**156,806,989**	**235,599,522**
Net deferred tax (asset) / liability	**30,799,148**	**7,132,454**	**-**

18. Non-current Provisions

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits (refer note 30)			
Provision for gratuity	21,780,447	17,108,054	8,133,937
	21,780,447	**17,108,054**	**8,133,937**

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

19. Borrowings (Current)

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans from bank (Secured) (refer note (a) below)	686,219,590	838,147,829	366,688,942
	686,219,590	**838,147,829**	**366,688,942**
Loans from related parties (Unsecured) (refer note (b) below)	218,962,326	117,928,944	59,701,601
	218,962,326	**117,928,944**	**59,701,601**
	905,181,916	**956,076,773**	**426,390,543**

Note:

a) Borrowings from banks are availed for pre-shipment and post-shipment export finance at a rate of interest of LIBOR+2% to LIBOR+7.25% with a tenor of upto 1 year. The facility is secured against current assets and fixed assets of the Company, pledge of shares of the ultimate holding company by the promoter of the ultimate holding company, corporate guarantee of the ultimate holding company and personal guarantee of the promoter of the ultimate holding company to the extent of Rs. 25 crores (sanctioned facility amount), secured against current assets and fixed assets of the Company and corporate guarantee from ultimate holding company and parent company to the extent of Rs. 18 crores (sanctioned facility amount) and secured against current assets and fixed assets of the Company and a corporate guarantee given by others to the extent of Rs. 50 crores (sanctioned facility amount).

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

20. Trade payables

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues to Creditors other than Micro and Small Enterprises	61,611,843	55,322,531	29,306,698
Trade Payables to related party (Refer Note 32)	49,250,549	127,737,129	85,982,505
	110,862,392	**183,059,660**	**115,289,203**

Note:

According to the records available with the Company, there were no transactions and dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 for all the above periods.

21. Other current financial Liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term borrowings	99,508,103	34,238,568	31,332,189
Interest accrued but not due on borrowings	1,560,824	-	-
Interest accrued but not due on related party borrowings	2,577,294	-	-
Bank book overdraft	12,647,455	3,063,494	7,195,527
Advances received from related parties	6,193,397	6,325,028	-
Capital Creditors	13,399,374	39,661,647	4,343,701
	135,886,447	**83,288,737**	**42,871,417**

Note:
There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31st March,2017 (March 31, 2016: Nil, July 01, 2015: Nil).

22. Current provisions

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits (refer note 30)			
Provision for gratuity	46,903	39,045	18,682
	46,903	**39,045**	**18,682**

23. Other current liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Accrued salaries and benefits	129,869,039	150,991,801	75,834,751
Other payables	17,351,515	35,940,378	20,482,726
	147,220,554	**186,932,179**	**96,317,477**

Prime Focus World Creative Services Private Limited

24. Other Income

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income under the effective interest method:		
Interest Income-Bank Deposit	83,856	51,638
Interest Income-On Income Tax Refunds	38,496	-
Interest Income-Others (includes loan to subsidiaries)	42,233,479	5,134,899
Miscellaneous income	3,325,831	2,102
	45,681,663	**5,188,639**

25. Employee benefits expense

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	1,129,155,936	1,153,498,355
Gratuity (refer note 30)	4,765,544	9,012,737
Contribution to Provident and Other Funds	32,412,253	31,332,387
Staff welfare expenses	11,509,951	17,074,706
	1,177,843,684	**1,210,918,185**

26. Finance cost

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Interest on term loan	26,508,303	32,616,410
Interest on working capital finance	29,099,798	2,972,892
Interest expense on related partly loans	31,264,970	32,476,174
Interest on others	694,507	-
Other borrowing costs	46,745,446	26,793,653
	134,313,024	**94,859,129**

Prime Focus World Creative Services Private Limited

27. Other expenses

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Rent	115,663,805	107,321,217
Electricity charges	96,051,136	78,613,950
Technical service cost	63,842,318	-
Legal and professional fees	27,832,427	36,187,973
House-keeping charges	20,994,835	13,194,081
Communication charges	22,605,138	15,137,599
Travelling and conveyance expense	35,423,923	56,953,547
Security charges	9,157,156	6,026,579
Insurance cost	5,095,165	388,329
Repairs & Maintainance - Equipments	4,395,470	-
Repairs & Maintainance - Building	13,887,805	11,006,106
Exchange loss (net)	81,870,688	33,894,002
Payments to auditor		
Audit fees	1,500,000	1,500,000
In other matters (certification)	-	15,000
Miscellaneous expenses	16,950,372	10,200,714
	515,270,237	**370,439,097**

28. Tax expense

a. Income tax recognised in Statement of Profit and Loss

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year (a)	15,762,260	1,288,591
In respect of prior years (b)	-	-
Deferred Tax (c)		
In respect of the current year	27,114,893	7,770,865
Total Income tax expenses recognised in the current year (a+b+c)	**42,877,152**	**9,059,456**

b. Income tax recognised in other comprehensive income

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Re-measurement of defined benefit obligation	3,448,198	638,411
Tax recognised in other comprehensive income	**3,448,198**	**638,411**

c. The income tax expenses for the year can be reconciled to the accounting profit as follows:

in ₹

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	**87,463,015**	**8,113,254**
Applicable Tax rate	**34.61%**	**33.99%**
Computed tax expense	**30,270,949**	**2,757,695**
Tax Effect of:		
Effect of minimum alternate tax	15,762,260	1,288,591
Effect of expenses that are not deductible	(3,156,057)	5,013,170
Income tax expense recognised in profit or loss	**42,877,152**	**9,059,456**

d. Recognised deferred tax assets and liabilities

in ₹

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax on temporary differences	30,799,148	7,132,454	-
	30,799,148	**7,132,454**	**-**

in ₹

	Balance as at April 1, 2015	Recognised in Profit / Loss during 2015-16	Recognised in OCI during 2015-16	Balance as at March 31, 2016	Recognised in Profit / Loss during 2016-17	Recognised in OCI during 2016-17	Balance as at March 31, 2017
Deferred tax liability							
Difference between tax books and written down value of PPE and other intangible assets	235,599,522	(71,660,079)	-	163,939,443	(99,923,494)	-	64,015,949
	235,599,522	**(71,660,079)**	**-**	**163,939,443**	**(99,923,494)**	**-**	**64,015,949**
Deferred tax asset							
Provision for gratuity / bonus	2,771,075	14,968,908	638,411	18,378,394	(6,179,515)	3,448,198	15,647,077
Unabsorbed depreciation and carried forward losses	232,828,447	(94,399,852)	-	138,428,595	(120,858,870)	-	17,569,725
	235,599,522	**(79,430,944)**	**638,411**	**156,806,988**	**(127,038,385)**	**3,448,198**	**33,216,801**
	-	**7,770,865**	**(638,411)**	**7,132,454**	**27,114,892**	**(3,448,198)**	**30,799,148**

29. Earnings Per Share

Basic EPS amounts are calculated by dividing the profit / (loss) 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 profit / (loss) 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:

in ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit/(loss) before exceptional items but after tax	44,585,862	(946,202)
	Number	**Number**
Weighted average number of equity shares in calculating basic and diluted EPS	347,800	347,800
Earnings per share		
Basic EPS	128.19	(2.72)
Diluted EPS	128.19	(2.72)

30. Employee Benefits

30.1 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 and other Funds	32,412,253	31,332,387

30.2 Defined benefit plans

The Company has a defined benefit gratuity plans (unfunded) for qualifying employees of its operations in India. The defined benefit plans are administered by the Company. Under this plan, the employee is 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; interest rate risk, longevity risk and salary risk.

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 said plan, 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 ₹

	Unfunded	
	March 2017	**March 2016**
Defined Benefit Obligation at the Beginning of the year /	17,147,099	8,152,619
Interest Cost	1,363,194	651,394
Current Service Cost	13,365,937	10,206,034
Benefit Paid Directly by the Employer	(85,293)	(18,257)
Actuarial (Gains)/Losses on Obligations	777,661	119,451
Actuarial (Gains)/Losses on Obligations - Due to Experience	(10,741,248)	(1,964,142)
Defined Benefit Obligation at the End of the year	**21,827,350**	**17,147,099**

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

in ₹

	Unfunded	
	March 2017	**March 2016**
Current Service Cost	3,402,350	8,361,343
Net Interest Cost	1,363,194	651,394
Expenses Recognized	**4,765,544**	**9,012,737**

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

in ₹

	Unfunded	
	March 2017	**March 2016**
Actuarial (Gains)/Losses on Obligation For the year	(9,963,587)	(1,844,691)
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income)/Expense Recognized in OCI	**(9,963,587)**	**(1,844,691)**

iv) **Actuarial Assumptions:**

	Unfunded	
	Year ended March 31, 2017	Year ended March 31, 2016
Rate of Discounting (per annum)	7.74%	7.95%
Rate of Salary Increase (per annum)	5.00%	5.00%
Rate of Employee Turnover (per annum)	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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 of the defined benefit obligations:

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)	(3,393,725)	4,267,732	(2,686,866)	3,372,357
Future salary appreciation (1% movement)	4,346,574	(3,502,160)	3,442,022	(2,777,627)
Attrition rate (1% movement)	652,288	(913,812)	402,128	(616,968)

31. Financial instruments

31.1Capital Risk Management

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

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

The capital structure consists of borrowings (as detailed in note 16, 19 and 21), offset by cash and bank balances (note 10), and equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity). The debt equity ratio for current year is 0.59 as on March 31, 2017 (March 31, 2016: 0.46)

During the year, the Company's strategy was to monitor and manage the use of funds whilst developing business strategies and marketing.

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

31.2 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.

31.3 Market risk

The Company is primarily exposed to the following market risks.

31.3.1 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) and the Company's net investments in foreign subsidiaries.

The Company's foreign currency exposure is not hedged by a derivative instrument or otherwise as at year end is as follows:

	Foreign currency denomination	As at Marc 31, 2017		As at Marc 31, 2016	
		Foreign currency	in ₹	Foreign currency	in ₹
Financial Assets	USD	20,194,438	1,307,055,905	-	-
	GBP	4,490,673	362,925,954	6,949,087	659,947,845
	CAD	-	-	22,720,137	1,157,974,961
Total			**1,669,981,859**		**1,817,922,806**
Financial Liabilities	USD	7,260,482	469,924,242	1,472,650	97,340,569
	CAD	-	-	8,295,090	422,775,004
	GBP	2,840,808	229,587,626	3,684,728	349,934,914
Total			**699,511,868**		**870,050,487**
Net financial assets			**970,469,991**		**947,872,319**

The Company's sensitivity to a 5% appreciation/depreciation of above mentioned foreign currencies with respect to Rupee would result in decrease/ increase in the Company's net profit before tax by approximately ₹ 48,523,500 for the year ended March 31, 2017 (March 31, 2016: ₹ 47,393,615). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

31.3.2 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates also.

The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates at the reporting date would have decreased equity and profit for the year by ₹ 189,041 for March 31, 2017 and a 50 basis point decrease in floating interest rates at the reporting date would have increased equity and profit by the same amount respectively.

31.3.3 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 ₹ 2,315,155,830, ₹ 1,866,413,622 and ₹ 590,879,380 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.

31.4 Liquidity risk management

Liquidity risk refers to the risk that the Company may not be able 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 31 March 2017	Less than 1 year	Between 1 to 5 years
Financial liabilities		
Borrowings	905,181,916	387,053,379
Trade payables	110,862,392	-
Other financial liabilities	135,886,447	-
	1,151,930,755	**387,053,379**

in ₹

As at 31 March 2016	Less than 1 year	Between 1 to 5 years
Financial liabilities		
Borrowings	956,076,773	68,969,846
Trade payables	110,862,392	-
Other financial liabilities	83,288,737	-
	1,150,227,902	**68,969,846**

in ₹

As at 01 April 2015	Less than 1 year	Between 1 to 5 years
Financial liabilities		
Borrowings	426,390,543	53,179,593
Trade payables	115,289,203	-
Other financial liabilities	42,871,417	-
	584,551,163	**53,179,593**

Prime Focus World Creative Services Private Limited

31.5 Fair value measurement

in ₹

	As at March 31 Carrying Value			As at March 31 Fair Value		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
Financial Assets:						
Measured at amortised cost						
Investments	200,000	100,000	-	-	-	-
Other non-current financial assets	41,121,711	36,446,469	29,049,238	-	-	-
Trade receivables	1,838,245,127	1,817,922,806	559,294,697	-	-	-
Cash and cash equivalents	2,217,333	948,592	242,199	-	-	-
Bank balance other than (ii) above	4,270,351	675,000	675,000	-	-	-
Loans	315,870,365	10,420,755	-	-	-	-
Other financial assets	113,430,944	-	1,618,246	-	-	-
Total financial assets measured at amortised cost	**2,315,355,830**	**1,866,513,622**	**590,879,380**	**-**	**-**	**-**
Financial Liabilities:						
Measured at amortised cost						
Borrowings	1,292,235,295	1,025,046,619	479,570,136	-	-	-
Trade payables	110,862,392	183,059,660	115,289,203	-	-	-
Other financial liabilities	135,886,447	83,288,737	42,871,417	-	-	-
Total financial liabilities measured at amortised cost	**1,538,984,133**	**1,291,395,016**	**637,730,756**	**-**	**-**	**-**

32. Related Party Disclosures

a. **Name of related parties where control exists, irrespective of transactions**

Ultimate Holding Company

Prime Focus Limited

Intermediate Holding Company

PF World Limited

Prime Focus Luxembourg S.a.r.l

Prime Focus 3D Co-operatief U.A.

Holding Company

Prime Focus World N.V.

Subsidiary company

Double Negative India Private Limited (with effect from February 11, 2016) (formerly known as Reliable Laptops Private Limited)

Prime Focus Academy of Media and Entertainment Studies Private Limited (with effect from October 01, 2016) (formerly known as Filmesocial Private Limited)

b. **Name of related parties with whom transactions have taken place during the year**

Ultimate Holding Company

Prime Focus Limited

Holding Company

Prime Focus World N.V.

Fellow Subsidiaries

Prime Focus Creative Services Canada Inc.
Prime Focus International Services UK Limited
Prime Focus Technologies Private Limited
Prime Focus ME Holdings Limited
Gener8 Digital Media Services Limited
Double Negative Limited
Double Negative Canada Production Limited
Gener8 India Media Services Limited
Prime Focus (HK) Holdings Limited

Subsidiary company

Double Negative India Private Limited (with effect from February 11, 2016) (formerly known as Reliable Laptops Private Limited)
Prime Focus Academy of Media and Entertainment Studies Private Limited (with effect from October 01, 2016) (formerly known as Filmesocial Private Limited)

in ₹

	Year ended	
	March 31,2017	**March 31,2016**
Advances received		
Prime Focus (HK) Holding Limited.	-	6,211,261
Short-term borrowings taken		
Prime Focus Limited	706,432,789	1,729,147,146
Prime Focus Technologies Limited	-	464,050,000
Gener8 India Media Services Limited	-	15,036,070
Short-term borrowings repaid		
Prime Focus Limited	605,437,717	1,664,969,803
Prime Focus Technologies Limited	-	470,000,000
Gener8 India Media Services Limited	-	15,036,070

Prime Focus World Creative Services Private Limited
Financial Statements for the year ended March 31, 2017

in ₹

	Year ended	
	March 31,2017	**March 31,2016**
Short-term loans given		
Prime Focus Technologies Limited	-	1,212,908,201
Gener8 India Media Services Limited	1,400,242,777	211,802,882
Double Negative India Private Limited	299,052,425	150,000
Short-term loans received back		
Prime Focus Technologies Limited	-	1,212,908,201
Gener8 India Media Services Limited	1,230,378,575	202,174,104
Double Negative India Private Limited	201,949,671	-
Security deposits received back		
Prime Focus Limited	-	3,589,242
Rent expense		
Prime Focus Limited	78,766,336	87,097,248
Finance costs		
Prime Focus Limited	31,264,970	32,476,174
Reimbursement of expenses incurred by		
Prime Focus Technologies Limited	8,514,677	9,103,630
Prime Focus Limited	20,990,921	17,981,506
Gener8 India Media Services Limited	116,168	-
Double Negative India Private Limited	13,616	-
Reimbursement of expenses incurred for		
Double Negative India Private Limited	337,402	-
Prime Focus Academy of Media and Entertainment Studies Private Limited	211,228	-
Gener8 India Media Services Limited	118,306	-
Prime Focus Technologies Limited	9,478	-
Prime Focus Limited	14,200,424	-
Investment in subsidiary		
Double Negative India Private Limited	-	100,000
Prime Focus Academy of Media and Entertainment Studies Private Limited	100,000	-
Share application money given		
Prime Focus Academy of Media and Entertainment Studies Private Limited	150,000,000	-
Sale of services		
Prime Focus Limited	8,091,512	52,242,999
Gener8 Digital Media Services Limited	246,175,329	435,880,450
Prime Focus Creative Services Canada Inc.	1,277,465,968	1,174,152,974
Prime Focus International Services UK Limited	690,351,696	481,428,236
Double Negative India Private Limited	129,973,550	-
Double Negative Limited	192,496,569	310,527,865
Double Negative Canada Production Limited	14,562,801	-

Prime Focus World Creative Services Private Limited
Financial Statements for the year ended March 31, 2017

in ₹

	Year ended	
	March 31,2017	**March 31,2016**
Technical service cost		
Double Negative India Private Limited	27,000,000	-
Purchase of Capital items		
Prime Focus Limited	-	534,175
Prime Focus International Services UK Limited	2,506,559	-
Interest income		
Prime Focus Technologies Limited	-	1,289,075
Gener8 India Media Services Limited	25,771,087	711,116
Double Negative India Private Limited	12,614,002	1,973

in ₹

	As at		
	March 31,2017	**March 31,2016**	**April 01,2015**
Balance outstanding at the year end			
Short term borrowings			
Prime Focus Limited	218,924,016	117,928,944	53,751,601
Prime Focus Technologies Limited	38,310	-	5,950,000
Interest accrued but not due on borrowings			
Prime Focus Limited	2,577,294	-	-
Short term loans and advances (including interest)			
Gener8 India Media Services Limited	205,904,071	10,268,782	-
Double Negative India Private Limited	109,755,066	151,973	-
Prime Focus Academy of Media and Entertainment Studies Private Limited	211,228	-	-
Security deposits receivable			
Prime Focus Limited	35,675,544	35,675,550	39,264,792
Trade payables and other current liabilities			
Prime Focus Limited	8,663,966	126,569,872	83,140,153
Prime Focus Technologies Limited	9,681,932	1,167,257	2,842,352
Prime Focus International Services UK Limited	2,424,868	-	-
Gener8 India Media Services Limited	116,168	-	-
Double Negative India Private Limited	28,363,616	-	-
Advances to subsidiaries			
Double Negative India Private Limited	337,402	-	-
Gener8 India Media Services Limited	118,306	-	-
Prime Focus Limited	2,205,474	-	-

in ₹

	As at		
	March 31,2017	**March 31,2016**	**April 01,2015**
Advances received			
Prime Focus (HK) Holdings Limited	6,193,397	6,325,028	-
Trade receivables			
Gener8 Digital Media Services Limited	236,587,322	337,733,266	41,324,069
Prime Focus Creative Services Canada Inc.	1,021,278,677	820,241,694	250,505,701
Prime Focus International Services UK Limited	397,229,441	357,966,179	257,369,626
Prime Focus ME Holdings Limited	-	-	10,095,301
Double Negative Limited	-	301,981,667	-
Double Negative Canada Production Limited	14,562,801	-	-
Double Negative India Private Limited	144,077,408	-	-
Prime Focus Technologies Limited	9,478	-	-

in ₹

	As at		
	March 31,2017	**March 31,2016**	**April 01,2015**
Unbilled revenue			
Gener8 Digital Media Services Limited	-	-	60,455
Prime Focus Limited	-	-	195,049
Prime Focus Creative Services Canada Inc.	-	-	429,142
Prime Focus International Services UK Limited	-	-	723,052
Prime Focus ME Holdings Limited	-	-	210,548
Corporate guarantees given by and outstanding at the year end			
Prime Focus Limited	1,394,336,269	430,000,000	430,000,000
Prime Focus World N.V.	180,000,000	180,000,000	180,000,000

33. Commitments

in ₹

	As at March 31,	
	2017	**2016**
Estimated amount of contracts remaining to be executed on capital account and not provided for:	9,418,695	10,679,303

34. Operating Lease

The Company has taken premises on non-cancellable operating lease basis. The tenure of leases ranges from 12 to 60 months with non-cancellable periods ranging from 3 to 60 months. Future lease rentals in respect of the premises taken on non-cancellable operating leases are as follows:

in ₹

	As at March 31, 2017	**As at March 31, 2016**	**As at April 01, 2015**
Lease Payments due within one year	46,256,218	110,012,513	57,362,806
Lease Payments due later than one and not later than five years	27,404,000	258,846,697	68,915,716
Lease Payments due later than five years	-	16,363,992	-
	73,660,218	**385,223,202**	**126,278,522**

Amount of lease rental charged to the Statement of profit and loss in respect of non-cancellable operating leases is ₹ 109,167,968 (Previous year: ₹ 103,694,565).

The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 108 months. Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ₹ 6,495,837 (Previous year: ₹ 3,626,652).

The Company has sublet certain premises on cancellable operating lease basis. An amount of ₹ 34,908,802 (Previous year ₹ Nil) has been recognised as other operating income in respect of the sublease.

35. First Time adoption Ind AS reconciliations

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS') including the Accounting standards under the relevant provisions of Companies Act, 2013.

These financial statements are the Company's first Ind AS financial statements. Upto the period ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of Indian GAAP which includes Standard notified under the Companies (Accounting Standards) Rules, 2006 (hereinafter referred to as 'Previous GAAP'). The date of transition to Ind AS is April 01, 2015.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the period ended March 31, 2016.

a. Reconciliation of balance sheet

in ₹

	Notes	As at March 31, 2016			As at April 01, 2015		
		Indian GAAP	Effects of transition to Ind AS	Ind AS	Indian GAAP	Effects of transition to Ind AS	Ind AS
Assets							
1. Non-current assets							
(a) Property, plant and equipment	3	510,378,948	-	510,378,948	398,453,966	-	398,453,966
(b) Capital Work in Progress		5,918,311	-	5,918,311	356,788	-	356,788
(c) Goodwill and other intangible assets	4	1,335,041,188	-	1,335,041,188	2,001,308,926	-	2,001,308,926
(d) Intangible assets under development		6,809,635	-	6,809,635	-	-	-
(e) Investment in subsidiaries	5	100,000	-	100,000	-	-	-
(f) Financial assets							
ii) Others	6	51,707,080	(15,260,611)	36,446,469	42,099,972	(13,050,734)	29,049,238
(g) Non-current tax assets	7	4,015,918	-	4,015,918	3,245,108	-	3,245,108
(h) Other non-current assets	8	276,383	-	276,383	439,152	-	439,152
		1,914,247,463	**(15,260,611)**	**1,898,986,852**	**2,445,903,912**	**(13,050,734)**	**2,432,853,178**
Current assets							
(a) Financial assets							
i) Trade receivables	9	1,817,922,806	-	1,817,922,806	559,294,697	-	559,294,697
ii) Cash and cash equivalents	10	948,592	-	948,592	242,199	-	242,199
iii) Bank balance other than (ii) above		675,000	-	675,000	675,000	-	675,000
iii) Loans	11	49,425,367	(39,004,612)	10,420,755	11,981,355	(11,981,355)	-
iv) Other financial assets	6	-	-	-	1,618,246	-	1,618,246
(b) Other current assets	8	11,068,605	53,309,236	64,377,841	15,825,093	24,570,019	40,395,112
		1,880,040,370	**14,304,624**	**1,894,344,994**	**589,636,590**	**12,588,664**	**602,225,254**
Total assets		**3,794,287,833**	**(955,987)**	**3,793,331,846**	**3,035,540,502**	**(462,070)**	**3,035,078,432**
Equity and Liabilities							
Equity							
(a) Equity share capital	12	3,478,000	-	3,478,000	3,478,000	-	3,478,000
(b) Other equity	13	2,288,203,085	(955,987)	2,287,247,098	2,289,861,650	(462,070)	2,289,399,580
		2,291,681,085	**(955,987)**	**2,290,725,098**	**2,293,339,650**	**(462,070)**	**2,292,877,580**
Liabilities							
1. Non-current liabilities							
(a) Financial liabilities							
i) Borrowings	14	68,969,846	-	68,969,846	53,179,593	-	53,179,593
(b) Deferred tax liabilities (net)	15	7,132,454	-	7,132,454	-	-	-
(c) Provisions	16	17,108,054	-	17,108,054	8,133,937	-	8,133,937
		93,210,354	**-**	**93,210,354**	**61,313,530**	**-**	**61,313,530**
2. Current liabilities							
(a) Financial liabilities							
i) Borrowings	17	956,076,773	-	956,076,773	426,390,543	-	426,390,543
ii) Trade payables	18	183,059,660	-	183,059,660	115,289,203	-	115,289,203
iii) Other financial liabilities	19	234,280,538	(150,991,801)	83,288,737	118,706,168	(75,834,751)	42,871,417
(b) Provisions	11	39,045	-	39,045	18,682	-	18,682
(c) Other current liabilities	20	35,940,378	150,991,801	186,932,179	20,482,726	75,834,751	96,317,477
		1,409,396,394	**-**	**1,409,396,394**	**680,887,322**	**-**	**680,887,322**
Total equity and liabilities		**3,794,287,833**	**(955,987)**	**3,793,331,846**	**3,035,540,502**	**(462,070)**	**3,035,078,432**

b. Reconciliation of total comprehensive income for the year ended March 31, 2016

in ₹

	Notes	For the year ended March 31, 2016		
		Indian GAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations		2,454,232,524	-	2,454,232,524
Other income	24	2,055,904	3,132,735	5,188,639
Total Income		**2,456,288,428**	**3,132,735**	**2,459,421,163**
Expenses				
Employee benefits expense	25	1,212,762,876	(1,844,691)	1,210,918,185
Finance costs	26	94,859,129	-	94,859,129
Depreciation and amortisation expense	3	775,091,498	-	775,091,498
Other expenses	27	366,812,445	3,626,652	370,439,097
Total expenses		**2,449,525,948**	**1,781,961**	**2,451,307,909**
Profit / (Loss) before exceptional items and tax		**6,762,480**	**1,350,774**	**8,113,254**
Exceptional Items		-	-	-
Profit/ (Loss) before tax		**6,762,480**	**1,350,774**	**8,113,254**
Tax expense				
Current tax		1,288,591	-	1,288,591
Deferred tax		7,132,454	638,411	7,770,865
Total tax expense		**8,421,045**	**638,411**	**9,059,456**
Profit/ (Loss) after tax		**(1,658,565)**	**712,363**	**(946,202)**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
- Re-measurement of defined benefit plan		-	(1,844,691)	(1,844,691)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	638,411	638,411
Total other comprehensive income		**-**	**(1,206,280)**	**(1,206,280)**
Total comprehensive income		**(1,658,565)**	**(493,918)**	**(2,152,483)**

c. Effects of Ind AS adoption on Total Equity

in ₹

	As at March 31, 2016	As at April 01, 2015
Net worth under IGAAP	2,291,681,085	2,293,339,650
Adjustments for recording deposits at amortised cost	(955,987)	(462,070)
Net worth under Ind AS	**2,290,725,098**	**2,292,877,580**

d. Effects of Ind AS adoption on cash flow statement

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

Notes to first time adoption

a. Re-measurement of defined benefit obligation

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability, which is recognised in other comprehensive income in respective years.

b. Security deposits

Under the previous GAAP, interest free lease deposits were recorded at their transaction value. On transition to Ind AS, these lease deposits are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss, as applicable

c. Deferred tax

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the reserves on date of transition with consequential impact to the Statement of profit and loss for the subsequent period.

d. Retained earnings

Retained earnings as at July 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments net of deferred tax.

36. Segment Reporting

As per Ind AS 108 on “Segment Reporting”, segment information has been provided under the Notes to Consolidated Financial Statements.

37. Event after the reporting period

There were no events after the reporting period.

38. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 22, 2017.

For and on behalf of the Board of Directors

Place: **MUMBAI**	**Vikas Rathee**	**Nishant Fadia**
Date: **May 22, 2017**	Director	Director