DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

Financial Statements
For the year ended March 31, 2019

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

Balance sheet as at March 31, 2019

in ₹ lakhs

	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	4	4,686.07	6,466.05
(b) Capital Work in Progress		0.44	-
(c) Goodwill	5	4,213.16	4,213.16
(d) Other intangible assets	5	82.61	150.83
(e) Financial assets			
i) Investment	6	9,332.64	1,502.00
ii) Others	7	3,474.54	1,380.58
(f) Income tax assets (net)		120.61	65.29
(g) Other non-current assets	8	756.98	85.82
(h) Deferred tax asset (net)	28d	-	221.38
Total non-current assets		**22,667.05**	**14,085.11**
Current assets			
(a) Financial assets			
i) Trade receivables	9	7,072.02	10,688.35
ii) Cash and cash equivalents	10	1,358.85	2,207.76
iii) Loans	11	9,587.23	8,569.11
iv) Others	12	1,838.56	5,322.20
(b) Other current assets	13	963.14	868.17
Total current assets		**20,819.80**	**27,655.59**
Total assets		**43,486.85**	**41,740.70**
Equity and Liabilities			
Equity			
(a) Equity share capital	14	34.78	34.78
(b) Other equity	15	23,918.59	22,962.17
Total equity		**23,953.37**	**22,996.95**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	16	1,067.64	1,875.89
(b) Provisions	17	559.82	453.56
(c) Deferred tax liabilities (net)	28d	112.22	-
Total non-current liabilities		**1,739.68**	**2,329.45**
Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	5,146.56	7,353.63
ii) Total outstanding due of Micro Enterprises and Small Enterprises		-	-
iii) Total outstanding due of other than Micro Enterprises and Small Enterprises	19	881.36	1,255.63
iv) Others	20	1,928.86	2,330.90
(b) Provisions	21	9.81	3.29
(c) Other current liabilities	22	9,827.21	5,470.85
Total current liabilities		**17,793.80**	**16,414.30**
Total equity and liabilities		**43,486.85**	**41,740.70**
See accompanying notes to the financial statements	1-39		

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
Place : Mumbai

Date : May 29, 2019

Vikas Rathee
Director
DIN 07015635
Place : London

Merzin Tavaria
Director
DIN 07015623
Place : Mumbai

Statement of Profit and Loss for the year ended March 31, 2019

in ₹ lakhs

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	23	14,674.49	18,647.38
Other income	24	2,033.74	1,723.51
Total Income		**16,708.23**	**20,370.89**
Expenses			
Employee benefits expense	25	8,810.92	8,790.47
Finance costs	26	775.01	1,939.00
Depreciation, amortisation and impairment expense	4 & 5	2,324.27	4,815.31
Other expense	27	3,391.03	5,383.89
Total expenses		**15,301.23**	**20,928.67**
Profit / (Loss) before tax		**1,407.00**	**(557.78)**
Tax expense / (credit) (net)	28		
Current tax		166.96	149.12
Deferred tax		319.42	(490.11)
Total tax expense / (credit) (net)		**486.38**	**(340.99)**
Profit / (Loss) for the year		**920.62**	**(216.79)**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		49.98	(113.49)
Income tax credit / (expense) on the above		(14.18)	39.26
Total other comprehensive income / (loss)		**35.80**	**(74.23)**
Total comprehensive income / (loss) for the year		**956.42**	**(291.02)**
Earnings per equity share			
Basic	29	264.70	(62.33)
Diluted	29	264.70	(62.33)

See accompanying notes to the financial statements 1-39

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
Place : Mumbai

Date : May 29, 2019

Vikas Rathee
Director
DIN 07015635
Place : London

Merzin Tavaria
Director
DIN 07015623
Place : Mumbai

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

Cash Flow Statement for the year ended March 31, 2019

in ₹ lakhs

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from Operating activities			
Net Profit / (Loss) before tax		**1,407.00**	**(557.78)**
Adjustments for :			
Depreciation, amortisation and impairment expense		2,324.27	4,815.31
Unrealised foreign exchange loss (net)		102.55	16.02
Bad & doubtful advances written off		1,015.00	-
Provision for doubful advances		(802.15)	867.62
Interest income		(1,603.27)	(1,372.06)
Loss / (profit) on sale of property, plant and equipments		34.24	(27.17)
Finance cost		775.01	1,939.00
Operating profit before working capital changes		**3,252.65**	**5,680.94**
Changes in working capital :			
Decrease in trade and other receivables		4,027.09	2,101.93
Increase in trade and other payables		3,763.02	5,323.41
Cash generated from operations		**11,042.76**	**13,106.28**
Income Taxes (paid)		(216.12)	(202.37)
Net Cash flow generated from operating activities (A)		**10,826.64**	**12,903.91**
B. Cash flow from investing activites			
Purchase of Property, plant and equipments and other intangibles assets (including capital work in progress)		(673.20)	(1,227.25)
Proceeds from sale of property, plant and equipment		46.20	308.33
Purchase of investment in subsidiaries		(7,830.64)	-
Loans given to subsidiaries		(50,191.13)	(33,720.66)
Loans repaid by subsidiaries		49,331.81	27,961.90
Interest received		1,425.77	1,660.82
Bank Balances not considered as cash and cash equivalents		-	42.70
Net Cash used in investing activities (B)		**(7,891.19)**	**(4,974.16)**
C. Cash flow from Financing activities			
Proceeds from Long-term borrowings		181.70	4,912.55
Repayment of long term borrowings		(1,022.49)	(6,887.59)
Proceeds / (Repayment) from short-term borrowings (net)		(2,167.91)	(1,788.78)
Finance costs paid		(775.66)	(1,980.34)
Net cash (used in) from financing activities (C)		**(3,784.36)**	**(5,744.16)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(848.91)**	**2,185.59**
Cash and cash equivalents at the beginning of the year	10	**2,207.76**	**22.17**
Cash and cash equivalents at the end of the year	10	**1,358.85**	**2,207.76**

Disclosure as per Ind AS 7 (amended) is as follows:

in ₹ lakhs

	Year ended March 31, 2018	Cash flow	Non Cash movement	Year ended March 31, 2019
Borrowing - Non Current (refer note 16 and 20.1)	2,890.60	(840.79)	(0.71)	2,049.10
Borrowing - Current (refer note 18)	7,353.63	(2,167.91)	(39.16)	5,146.56

See accompanying notes to the financial statements 1-39
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
Place : Mumbai

Date : May 29, 2019

Vikas Rathee
Director
DIN 07015635
Place : London

Merzin Tavaria
Director
DIN 07015623
Place : Mumbai

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital in ₹ lakhs

	Amount
Balance as at April 01, 2017	34.78
Changes in equity share capital during the year	-
Balance as at March 31, 2018	34.78
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**34.78**

B. Other equity in ₹ lakhs

	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at April 01, 2017	22,936.62	316.57	23,253.19
Loss for the year (net of tax)	-	(216.79)	(216.79)
Other comprehensive loss for the year (net of tax)	-	(74.23)	(74.23)
Balance at March 31, 2018	**22,936.62**	**25.55**	**22,962.17**
Profit for the year (net of tax)	-	920.62	920.62
Other comprehensive income for the year (net of tax)	-	35.80	35.80
Balance at March 31, 2019	**22,936.62**	**981.97**	**23,918.59**

See accompanying notes to the financial statements 1-39
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
Place : Mumbai

Vikas Rathee
Director
DIN 07015635
Place : London

Merzin Tavaria
Director
DIN 07015623
Place : Mumbai

Date : **May 29, 2019**

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited*)*

Notes forming part of the financial statements

1. General information

DNEG Creative Services Private Limited (now known as DNEG Creative Services Limited) (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is the wholly owned subsidiary of Prime Focus World N.V. and the ultimate holding company is Prime Focus Limited. 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 group companies and to clients in the film, broadcast and commercial sectors. 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.

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 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 realisation 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.

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

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 group companies and to clients in the film, broadcast and commercial sectors.

Effective April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the new accounting standard has not resulted in any changes in the opening retain earnings of the Company., The adoption of Ind AS 115, did not have any impact on the statement of profit and loss for the year ended March 31, 2019.

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 losses become evident. Further, the company uses significant judgements while determining the transaction price allocated to various performance obligations in the revenue contract.

The Company has agreement with its holding company and fellow subsidiaries based on which it has let out its operational capacity for execution of VFX and 2D to 3D conversion for projects outsourced at related cost plus fixed margin of 15%. The Company accrues for this revenue based on actual cost incurred during the period.

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). 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 currency translation and transactions

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.

Government grant under Service Export from India Scheme (SEIS) is given by providing duty scrip credit for eligible exports. Under the scheme, service providers, located in India, are rewarded under the SEIS scheme, for all eligible export of services from India. The Company claims SEIS at notified rates on the net free foreign exchange earned. These duty credit scrips can be used for payment of basic custom duty and are freely transferable. The Company recognizes SEIS as export incentive income once the conditions related to such incentives are fulfilled by the Company.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

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

For defined benefit 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 relate 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 group 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 group) 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 group) 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 group) 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 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 starting 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 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 or 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 (FVTOCI) (except for debt instruments that are designed as at fair value through profit or loss (FVTPL) 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.

2.17.8 Investment in subsidiaries.

The Company accounts for its investments in subsidiaries at cost.

2.18 Financial liabilities and equity instruments

2.18.1 Classification as debt or equity

Debt and equity instruments issued by the Company 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 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 qualify 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 group 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 grouping 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.

2.19 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the net profit / (loss) attributable to equity holders of the Company 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.

2.20 **New accounting standards not yet effective:**

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 01, 2018 and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

2.20.1 Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition:

- the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or
- the modified retrospective approach, under which the date of initial application of the new-leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. The Company is in the process of evaluating the impact of such amended standard.

2.20.2 .Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's financial statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is expected to be insignificant.

2.20.3. Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the financial statement is expected to be insignificant.

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 judgmental 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, including for transactions expected to be consummated during the current year. 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.

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 Expected credit losses on financial assets

The impairment provision of financial assets are based on assumption about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market condition as well as forward looking estimates at the end of each reporting period.

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 Defined benefit obligations

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 "Employee benefits" over the period during which benefits is derived from the employees' services and is determined based on valuation carried out by independent actuary. The costs are determined based on assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions.

3.1.7 Goodwill.

Goodwill is subject to impairment review to ensure that it is not carried above its recoverable value. Review is performed at least annually at end of each year end or more frequently if events or circumstances indicate that this is necessary.

Impairment review is performed by comparing the carrying value of the cash generating unit with its recoverable amount, being the higher of value in use and fair value less costs to sell. Value in use is valuation derived from the discounted future cash flows of cash generating unit. The most important estimates in these forecast cash flows are the long term growth rates used to calculate revenue growth in perpetuity and the discount rates which are applied to the future cash flows. These estimates are reviewed at least annually and are believed to be appropriate. However, changes in these estimates could change the outcomes of the impairment reviews and therefore affect future financial results. The effects would be recognised in the Statement of Profit or Loss, through operating profit.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond a five year period are extrapolated using the estimated growth rates stated above." (Refer note 5)

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

4. Property, plant and equipment

in ₹ Lakhs

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2017	9,947.98	185.18	893.81	437.64	19.45	11,484.06
Additions	843.01	142.82	185.98	186.37	5.19	1,363.37
Deduction	(559.27)	-	-	-	-	(559.27)
As at March 31, 2018	**10,231.72**	**328.00**	**1,079.79**	**624.01**	**24.64**	**12,288.16**
Accumulated depreciation						
As at April 1, 2017	3,427.13	21.91	167.90	112.24	7.44	3,736.62
For the year	2,020.93	40.61	210.80	88.89	2.37	2,363.60
Deduction	(278.11)	-	-	-	-	(278.11)
As at March 31, 2018	**5,169.95**	**62.52**	**378.70**	**201.13**	**9.81**	**5,822.11**
Net block						
As at March 31, 2018	**5,061.77**	**265.48**	**701.09**	**422.88**	**14.83**	**6,466.05**

in ₹ Lakhs

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block						
As at April 1, 2018	10,231.72	328.00	1,079.79	624.01	24.64	12,288.16
Additions	292.85	133.01	7.35	123.30	-	556.51
Deduction	(96.87)	-	(24.86)	(25.74)	-	(147.47)
As at March 31, 2019	**10,427.70**	**461.01**	**1,062.28**	**721.57**	**24.64**	**12,697.20**
Accumulated depreciation						
As at April 1, 2018	5,169.95	62.52	378.70	201.13	9.81	5,822.11
For the year	1,878.17	52.37	208.15	114.67	2.69	2,256.05
Deduction	(36.67)	-	(15.27)	(15.09)	-	(67.03)
As at March 31, 2019	**7,011.45**	**114.89**	**571.58**	**300.71**	**12.50**	**8,011.13**
Net block						
As at March 31, 2019	**3,416.25**	**346.12**	**490.70**	**420.86**	**12.14**	**4,686.07**

Note:

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

Gross block: ₹ 4,299.98 lakhs (March 31, 2018 : ₹ 4,821.32 lakhs)
Depreciation charge for the year : ₹ 1,037.33 lakhs (Previous year : ₹ 1,135.21 lakhs)
Accumulated depreciation: ₹ 2,774.84 lakhs (March 31, 2018 : ₹ 2,262.93 lakhs)
Net Block: ₹ 1,525.14 lakhs (March 31, 2018 : ₹ 2,558.40 lakhs)

b. Refer note 16 and 18 for assets pledged / hypothecated.

5. Goodwill and other Intangible Assets

in ₹ Lakhs

	Goodwill	Software	Total
Gross block			
As at April 1, 2017	19,704.14	639.92	20,344.06
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2018	**19,704.14**	**639.92**	**20,344.06**
Accumulated amortisation and impairment			
As at April 1, 2017	13,145.60	382.76	13,528.36
For the year	2,345.38	106.33	2,451.71
Deductions	-	-	-
As at March 31, 2018	**15,490.98**	**489.09**	**15,980.07**
Net block			
As at March 31, 2018	**4,213.16**	**150.83**	**4,363.99**

in ₹ Lakhs

	Goodwill	Software	Total
Gross block			
As at April 1, 2018	19,704.14	639.92	20,344.06
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2019	**19,704.14**	**639.92**	**20,344.06**
Accumulated amortisation and impairment			
As at April 1, 2018	15,490.98	489.09	15,980.07
For the year	-	68.22	68.22
Deductions	-	-	-
As at March 31, 2019	**15,490.98**	**557.31**	**16,048.29**
Net block			
As at March 31, 2019	**4,213.16**	**82.61**	**4,295.77**

Note:

Software includes assets taken on finance lease as under:

Gross block: ₹ 224.26 lakhs (March 31, 2018 : ₹ 436.11 lakhs)
Depreciation charge for the year : ₹ 56.64 lakhs (Previous year : ₹ 77.11 lakhs)
Accumulated depreciation: ₹ 178.92 lakhs (March 31, 2018 : ₹ 334.13 lakhs)
Net Block: ₹ 45.34 lakhs (March 31, 2018 : ₹ 101.98 lakhs)

On June 30, 2014, the Company acquired the "backend business" of providing services of 2D to 3D conversion and visual special effects ("VFX") from Prime Focus Ltd, the ultimate holding company on a going concern basis by way of slump sale for a total consideration of ₹ 22,970.49 lakhs. On allocation of purchase consideration to the assets and liabilities taken over, the difference between the purchase consideration and the fair/ book value of net assets acquired aggregating ₹ 19,704.14 lakhs has been accounted as 'Goodwill'. The recoverable amount of Goodwill is determined on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors.

Following key assumptions were considered while performing Impairment testing

	2019	2018
Long term sustainable growth rates	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) after tax	17.00%	11.82%
EBITDA margins	19% to 31%	15% to 24%

The projections cover a period of five years, which is considered to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. EBITDA margins are based on historical performance and Company's strategies.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta variant for the Company).

The Company has assessed the recoverable amount during the year and has not recognised any further impairment loss as on March 31, 2019.

6. Non-current Investment in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Unquoted equity instrument, fully paid up (at cost) **Investment in subsidiaries:**		
Double Negative India Private Limited	1.00	1.00
10,000 equity shares of ₹ 10/- each		
Prime Focus Academy of Media and Entertainment Studies Private Limited	1,501.00	1,501.00
20,000 equity shares of ₹ 10/- each		
DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) (Refer note 37(i))	7,830.64	-
97,870,000 equity shares of ₹ 10/- each		
	9,332.64	**1,502.00**

7. Other non-current financial assets (Unsecured, considered good) in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Deposits to related parties (Refer note 32)	3,009.93	1,315.01
Deposits to others	464.61	65.57
	3,474.54	**1,380.58**

8. Other non-current assets (Unsecured, considered good) in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Capital advances	141.08	17.12
Prepaid expenses	615.90	68.70
	756.98	**85.82**

9. Trade receivable (Unsecured) in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Trade receivable (Refer note 32)	7,072.02	10,688.35
	7,072.02	**10,688.35**

10. Cash and cash equivalents in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
a. Cash and cash equivalents		
Cash on hand	0.66	0.67
Bank balances		
In Current Accounts	1,358.19	2,207.09
	1,358.85	**2,207.76**

11.Loans – (current) (Unsecured, considered good) in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Loans to related Parties (Refer note 32)	9,587.23	8,569.11
	9,587.23	**8,569.11**

(i) Loans and advances in nature of loans given to subsidiaries in ₹ Lakhs

Name of the Company	As at March 31, 2019	Maximum outstanding balance during the year	As at March 31, 2018	Maximum outstanding balance during the year
Double Negative India Private Limited	-	7,434.48	6,683.66	7,233.75
Dneg India Media Services Limited (Refer note 37)	9,410.20	9,410.20	1,823.28	8,048.54
Prime Focus Academy of Media and Entertainment Studies Private Limited	177.03	201.33	62.17	100.84
	9,587.23		**8,569.11**	

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

(ii) Loans includes amount due from private companies in which directors is a member/director.

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Double Negative India Private Limited	-	6,683.66
Prime Focus Academy of Media and Entertainment Studies	177.03	62.17
	177.03	**6,745.83**

12. Other current financial assets (Unsecured, considered good)

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Unbilled revenue	493.98	3,233.88
Export incentives receivable	607.39	833.68
Advances to related parties (Refer note 32)	102.30	25.87
Security deposits to others	32.89	15.92
Others *		
Considered good	602.00	1,212.85
Doubtful	-	802.15
Total	**602.00**	**2,015.00**
Less: Provision for doubtful advances	-	(802.15)
Others (net)	**602.00**	**1,212.85**
	1,838.56	**5,322.20**

* Others include participation rights in 3D box office collection for feature films

13. Other assets (Current)

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	84.87	72.01
Advances to suppliers		
Considered good	65.70	110.47
Doubtful	50.47	65.47
Total	**116.17**	**175.94**
Less: Provision for doubtful advances	(50.47)	(65.47)
Total advances to suppliers	**65.70**	**110.47**
Others **	812.57	685.69
	963.14	**868.17**

** Others include loans and advances to employees, service tax receivables and GST input credit.

14. Equity share capital

(i) Authorised and issued share capital

in ₹ lakhs

	As at March 31, 2019	As at March 31, 2018
Authorised:		
360,000 Shares of ₹ 10/- each (Previous year 360,000 Shares of ₹ 10/- each)	36.00	36.00
Issued, subscribed and paid-Up:		
347,800 Shares of ₹ 10/- each (Previous year 347,800 Shares of ₹ 10/- each)	34.78	34.78
	34.78	**34.78**

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		As at	
	No of Shares	**in ₹ Lakhs**	**No of Shares**	**in ₹ Lakhs**
At the beginning and at the end of the year	347,800	34.78	347,800	34.78

(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 is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

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

	As at March 31, 2019		As at March 31, 2018	
	No of shares	**%**	**No of shares**	**%**
Prime Focus World N.V. (including shares held by its nominees)	347,800	100%	347,800	100%

15. Other equity

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Securities premium		
As per last balance sheet	22,936.62	22,936.62
	22,936.62	**22,936.62**
Retained earnings *		
As per last balance sheet	25.55	316.57
Add / (Less) Movement during the year	956.42	(291.02)
	981.97	**25.55**
	23,918.59	**22,962.17**

* Includes Remeasurement of defined benefit obligations (net of tax), gain / (loss) of ₹ 35.80 lakhs (Previous year ₹ (74.23) lakhs).

16. Borrowings (Non-current) (Secured)

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Finance lease obligations (Refer note (a) below)	1,067.64	1,875.89
	1,067.64	**1,875.89**

a. The Company has acquired certain equipment (mainly equipment, office equipment, and vehicles) under finance leases. The average lease term is around 5 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 7.93% to 13.29% per annum.

Finance lease obligations are payable as follows:

in ₹ Lakh

	Future minimum lease payments	
	As at March 31, 2019	**As at March 31, 2018**
Within one year	1,152.82	1,267.63
Later than one year and not later five years	1,188.25	2,114.64
	2,341.07	**3,382.27**

in ₹ Lakh

	Future interest on outstanding lease payments	
	As at March 31, 2019	**As at March 31, 2018**
Within one year	171.36	252.92
Later than one year and not later five years	120.61	238.75
	291.97	**491.67**

in ₹ Lakhs

	Present value of minimum lease payments	
	As at March 31, 2019	**As at March 31, 2018**
Within one year	981.46	1,014.71
Later than one year and not later five years	1,067.64	1,875.89
	2,049.10	**2,890.60**

17. Provisions (Non Current)

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (refer note 30)		
Provision for gratuity	559.82	453.56
	559.82	**453.56**

Note:

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

18. Borrowings (Current) (Secured)

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Short-term demand loan		
Invoice discounting facility (refer note (a) & (b))	5,146.56	7,353.63
	5,146.56	**7,353.63**

Note:

a. During previous year the Company has availed facility of post shipment credit in foreign currency against the sanctioned limit of ₹ 20 crores at a rate of interest at any MCLR (Overnight or 1/3/6 months) as may be applicable at the time of disbursement of the facility and for a tenor up to 180 days from Kotak Mahindra Bank Ltd. The above facility was secured against first pari passu hypothecation charge on all receivables, current assets, movable assets and movable fixed assets of the Company together with corporate guarantee of Prime Focus World NV and the ultimate holding company and personal guarantee of promoters of the ultimate holding company. The facility fully repaid during the year ended March 31, 2019. Previous year ₹ 1,973.03 lakhs was outstanding and disclosed under Invoice discounting facility.

b. The Company has availed post shipment credit in foreign currency against the sanctioned limit of ₹ 60 crores at a rate of interest ranging from 3.6% to 5.6% p.a. and for a tenor up to 6 months from Yes Bank Ltd. The above facility is secured against; (i) First pari passu charge on current assets and movable fixed assets of the Company; (ii) Pledge of shares of the ultimate holding company held by promoters; (iii) Corporate guarantee of Reliance Capital Limited; (iv) Corporate guarantee of Prime Focus World NV; (v) Corporate guarantee of the ultimate holding company; (vi) Personal guarantee of the promoters; (vii) Exclusive charge by way of mortgage of immovable properties of the ultimate holding company; (viii) Pledge of 30% shares of subsidiaries and group companies viz: the Company, Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus Luxembourg s.a.r.l., Prime Focus 3D Cooperartief U.A., Prime Focus Technologies Inc. (USA), DAX PFT LLC (USA), Prime Focus Technologies UK Limited, Prime Post (Europe) Limited and Dneg India Media Services Limited held by the ultimate holding company directly or indirectly. At the year end March 31, 2019, the outstanding is ₹ 5,146.56 lakhs and as at March 31, 2018, the outstanding was ₹ 5,380.60 lakhs.

19. Trade payables

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Trade payables to other than Micro Enterprises and Small Enterprises	710.70	970.66
Due to group companies (Refer Note 32)	170.66	284.97
	881.36	**1,255.63**

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.

20. Other current financial Liabilities

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings (Refer Note 20.1)	981.46	1,014.71
Accrued salaries and benefits	794.80	760.93
Interest accrued but not due on borrowings	0.06	-
Deposits from customers	-	400.00
Advances received from related parties (Refer Note 32)	66.33	62.03
Capital Creditors	86.21	76.32
Others payables	-	16.91
	1,928.86	**2,330.90**

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 March 31, 2019 (March 31, 2018: Nil)

20.1 Current maturities of long-term borrowing

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Finance lease obligations (Refer note 16(a))	981.46	1,014.71
	981.46	**1,014.71**

21. Current provisions

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (refer note 30)		
Provision for gratuity	9.81	3.29
	9.81	**3.29**

Note:

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

22. Other current liabilities

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	9,598.68	5,261.05
Book overdraft	57.39	100.18
Statutory dues	171.14	109.62
	9,827.21	**5,470.85**

23. Revenue from operations

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services	12,570.77	15,772.04
Other operating income		
Property rentals (Refer Note 32)	1,268.34	784.82
Export incentives	835.38	2,090.52
	14,674.49	**18,647.38**

24. Other income

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets held at amortised cost:		
Interest Income on bank deposit	-	5.86
Interest Income on loan to related parties (Refer note 32)	1,584.56	1,306.95
Interest Income-Others	12.54	59.25
Interest Income-On Income Tax Refunds	6.17	-
Exchange gain (net)	407.75	59.62
Profit on sale of property, plant and equipments	-	27.17
Sundry balance written back	-	240.35
Miscellaneous income	22.72	24.31
	2,033.74	**1,723.51**

25. Employee benefits expense

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	8,257.65	8,243.20
Gratuity (Refer Note 30)	166.95	125.09
Contribution to provident and other funds (Refer Note 30)	248.22	321.35
Staff welfare expenses	138.10	100.83
	8,810.92	**8,790.47**

26. Finance costs

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on term loan	-	871.81
Interest on finance lease	260.28	334.06
Interest on working capital finance	365.29	335.51
Interest on related party loans (Refer Note 32)	-	161.30
Interest on others	-	11.15
Bank charges	149.44	225.17
	775.01	**1,939.00**

27. Other expenses

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Rent (Refer Note 34)	943.12	650.63
Electricity charges	442.35	1,133.44
Technical service cost	652.85	1,171.17
Legal and professional fees	167.83	303.18
House-keeping charges	120.78	175.49
Communication charges	124.31	202.99
Travelling and conveyance expense	149.72	208.50
Security charges	88.76	110.93
Technician fees	20.68	5.74
Insurance cost	50.44	63.00
Repairs & Maintainance - Equipments	101.44	68.13
Repairs & Maintainance - Building	165.35	164.79
Provision for doubtful advances	(802.15)	867.62
Bad & doubtful advances written off	1,015.00	-
Loss on sale of property, plant and equipments	34.23	-
Payments to auditor		
Audit fees	7.50	7.50
In other matters (certification)	-	0.25
Miscellaneous expenses	108.82	250.53
	3,391.03	**5,383.89**

28. Tax expense

a. Tax expense / (credit) recognised in Statement of Profit and Loss

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	166.96	149.12
Deferred Tax	319.42	(490.11)
Total tax expense / (credit) recognised in statement of profit and loss	**486.38**	**(340.99)**

b. Income tax expense / (credit) recognised in other comprehensive income

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement of defined benefit obligation	14.18	(39.26)
Income tax credit / (expense) recognised in other comprehensive income	**14.18**	**(39.26)**

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

in ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	1,407.00	(557.78)
Applicable Tax rate	33.38%	33.06%
Computed tax expense	469.70	(184.42)
Tax Effect of:		
Effect of non-recognition of minimum alternate tax credit	-	(173.06)
Effect of expenses that are not deductible and other adjustments	16.68	(0.05)
Effect on deferred tax balances due to change in income tax rate	-	16.54
Tax expense / (credit) recognised in statement of profit and loss	**486.38**	**(340.99)**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profit under the Income tax laws.

d. Recognised deferred tax assets and liabilities

in ₹ Lakhs

	Year ended March 31, 2019	As at March 31, 2018
Deferred tax on temporary differences	112.22	(221.38)
	112.22	**(221.38)**

in ₹ Lakhs

	Balance as at March 31, 2017	Recognised in Profit / Loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Recognised in Profit / Loss during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Deferred tax liability							
Difference between tax books and written down value of PPE and other intangible assets	640.17	(401.94)	-	238.23	103.13	-	341.36
	640.17	**(401.94)**	**-**	**238.23**	**103.13**	**-**	**341.36**
Deferred tax asset							
Provision for gratuity / bonus	156.48	(39.31)	39.26	156.43	56.80	(14.18)	199.05
Provision for doubtful advances	-	303.18	-	303.18	(285.54)	-	17.64
Lease Deposit Discounting & Equalisation	-	-	-	-	12.45	-	12.45
Unabsorbed depreciation and carried forward losses	175.70	(175.70)	-	-	-	-	-
	332.18	**88.17**	**39.26**	**459.61**	**(216.29)**	**(14.18)**	**229.14**
	307.99	**(490.11)**	**(39.26)**	**(221.38)**	**319.42**	**14.18**	**112.22**

29. Earnings per share

in ₹ Lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit/(loss) as per Statement of Profit and Loss attributable to Equity Shareholders	920.62	(216.79)
	Number	**Number**
Weighted average number of equity shares in calculating basic and diluted EPS	347,800	347,800
Earnings per share		
Basic EPS	264.70	(62.33)
Diluted EPS	264.70	(62.33)
Face value per share	10.00	10.00

30. Employee benefits

a. 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 ₹ Lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to provident and other funds	248.22	321.35

b. Defined benefit plans

The Company has a defined benefit gratuity plan (unfunded) for qualifying employees of its operations in India. The defined benefit plan is 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.
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 defined benefit obligation were carried out by an external expert, who is a duly registered actuary. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

i) Reconciliation of opening and closing balances of Defined Benefit Obligation: in ₹ Lakhs

	Unfunded	
	March 2019	**March 2018**
Defined benefit obligation at the beginning of the year	456.85	218.27
Interest cost	35.91	16.89
Current service cost	131.04	108.20
Benefits paid	(4.19)	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(3.35)	(29.47)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(87.04)	174.93
Actuarial (gains)/losses on obligations - due to experience	40.41	(31.97)
Defined benefit obligation at the end of the year	**569.63**	**456.85**

ii) Expense recognized in Statement of Profit and Loss: in ₹ Lakhs

	Unfunded	
	March 2019	**March 2018**
Current service cost	131.04	108.20
Net interest cost	35.91	16.89
Expenses recognized	**166.95**	**125.09**

iii) Expenses recognized in the Other Comprehensive Income (OCI) in ₹ Lakhs

	Unfunded	
	March 2019	**March 2018**
Actuarial (gain) / loss	(49.98)	113.49
Net (gain) / loss recognized in OCI	**(49.98)**	**113.49**

iv) Actuarial assumptions:

	Unfunded	
	Year ended March 31, 2019	**Year ended March 31, 2018**
Rate of discounting (p.a.)	7.79%	7.86%
Rate of salary increase (p.a.)	7.00%	7.90%
Attrition rate (p.a.)	For service 2 years and below - 20% p.a. For service 3 years to 4 years - 10% p.a. For service 5 years and above - 2% p.a.	For service 4 years and below - 10% p.a. For service 5 years and above - 2% p.a.
Mortality table	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.

v) 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 ₹ Lakhs

	March 2019		March 2018	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate (1% movement)	(86.62)	108.24	(74.29)	93.67
Future salary appreciation (1% movement)	106.81	(87.72)	91.83	(74.77)
Attrition rate (1% movement)	5.72	(7.33)	(6.21)	6.35

The above information is as per the report of the actuary.

31. Financial instruments

a. Capital 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, 18 and 20), 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 0.30 (March 31, 2018: 0.34).

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.

b. 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.

c. Market risk

The Company is primarily exposed to the following market risks.

i. Foreign currency risk management

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

The Company's foreign currency exposure as at year end is as follows:

	Foreign currency denomination	As at March 31, 2019		As at March 31, 2018	
		Foreign currency (in lakh)	in ₹ lakhs	Foreign currency (in lakh)	in ₹ lakhs
Financial Assets	USD	97.70	6,772.51	115.62	7,495.03
	GBP	3.47	313.50	14.99	1,360.87
Total			**7,086.01**		**8,855.90**
Financial Liabilities	USD	73.05	5,064.09	94.54	6,128.34
	GBP	2.84	255.94	16.07	1,458.81
Total			**5,320.03**		**7,587.15**
Net Exposure			**1,765.98**		**1,268.75**

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 ₹ 88.30 lakhs for the year ended March 31, 2019 (March 31, 2018: ₹ 63.44 lakhs). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

ii. Interest rate risk management

The Company is not exposed to interest rate risk because it borrows funds in the form of invoice discounting facility at floating interest rates determined on the date of disbursement.

iii. 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 customers. 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, as its principal customers are group companies.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 23,330.54 lakhs and ₹ 28,167.33 lakhs as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments excluding equity investments, trade receivables, unbilled revenue and other financial assets.

d. 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 ₹ lakhs

As at March 31, 2019	Less than 1 year	Between 1 to 5 years	Total
Borrowings	5,146.56	1,067.64	6,214.20
Trade payables	881.36	-	881.36
Other financial liabilities	1,928.86	-	1,928.86
	7,956.78	**1,067.64**	**9,024.42**

in ₹ lakhs

As at March 31, 2018	Less than 1 year	Between 1 to 5 years	Total
Borrowings	7,353.63	1,875.89	9,229.52
Trade payables	1,255.63	-	1,255.63
Other financial liabilities	2,330.90	-	2,330.90
	10,940.16	**1,875.89**	**12,816.05**

e. Fair value measurement

in ₹ lakhs

As at March 31, 2019	Amortised cost	FVTPL	Total carrying value	Total fair value
Financial Assets:				
Other non-current financial assets	3,474.54	-	3,474.54	3,474.54
Trade receivables	7,072.02	-	7,072.02	7,072.02
Cash and cash equivalents	1,358.85	-	1,358.85	1,358.85
Loans	9,587.23	-	9,587.23	9,587.23
Investments	9,332.64	-	9,332.64	9,332.64
Other financial assets - current	1,236.56	602.00	1,838.56	1,838.56
Total financial assets	**32,061.84**	**602.00**	**32,663.84**	**32,663.84**
Financial Liabilities:				
Borrowings	6,214.20	-	6,214.20	6,214.20
Trade payables	881.36	-	881.36	881.36
Other financial liabilities - current	1,928.86	-	1,928.86	1,928.86
Total financial liabilities	**9,024.42**	**-**	**9,024.42**	**9,024.42**

in ₹ Lakhs

As at March 31, 2018	Amortised cost	FVTPL	Total carrying value	Total fair value
Financial Assets:				
Other non-current financial assets	1,380.58	-	1,380.58	1,380.58
Trade receivables	10,688.35	-	10,688.35	10,688.35
Cash and cash equivalents	2,207.76	-	2,207.76	2,207.76
Loans	8,569.11	-	8,569.11	8,569.11
Investments	1,502.00	-	1,502.00	1,502.00
Other financial assets - current	4,109.35	1,212.85	5,322.20	5,322.20
Total financial assets	**28,457.15**	**1,212.85**	**29,670.00**	**29,670.00**
Financial Liabilities:				
Borrowings	9,229.52	-	9,229.52	9,229.52
Trade payables	1,255.63	-	1,255.63	1,255.63
Other financial liabilities - current	2,330.90	-	2,330.90	2,330.90
Total financial liabilities	**12,816.05**	**-**	**12,816.05**	**12,816.05**

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

32. Related party disclosures
a. List of related parties where control exists, irrespective of transactions
Ultimate Holding Company
Prime Focus Limited

Intermediate holding companies
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 companies
Double Negative India Private Limited
Prime Focus Academy of Media and Entertainment Studies Private Limited
Dneg India Media Services Limited (formerly known as Gener8 India Media Services Limited) (w.e.f. January 31, 2019) (Refer note 37(i))

List 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. (merged with Double Negative Canada Production Limited, w.e.f, April 01, 2018)
Prime Focus International Services UK Limited
Prime Focus Technologies Limited
Prime Focus ME Holdings Limited
Gener8 Digital Media Services Limited (merged with Double Negative Canada Production Limited, w.e.f, April 01, 2018)
Double Negative Limited
Double Negative Canada Production Limited
Prime Focus (HK) Holdings Limited
Gener8 Media Services Montreal Limited (merged with Double Negative Montreal Productions Limited, w.e.f, April 01, 2018)
Prime Focus Creative Services Montreal Inc (merged with Double Negative Montreal Productions Limited, w.e.f, April 01, 2018)
Double Negative Montreal Productions Limited
Re:Define Fx Limited (formerly known as Prime Focus VFX Inc)

DNEG Creative Services Private Limited
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b. List of related parties with whom transactions have taken place during the year

in ₹ lakhs

	Year ended March 31,2019	Year ended March 31,2018
Short-term borrowings taken		
Prime Focus Limited	-	3,176.32
Short-term borrowings repaid		
Prime Focus Limited	-	5,365.56
Short-term loans given to		
Dneg India Media Services Limited	36,320.91	20,748.60
Double Negative India Private Limited	13,528.53	12,772.13
Prime Focus Academy of Media and Entertainment Studies Private Limited	341.70	199.93
Short-term loans repaid by (including interest)		
Prime Focus Academy of Media and Entertainment Studies Private Limited	243.05	146.19
Dneg India Media Services Limited	29,703.36	21,645.30
Double Negative India Private Limited	20,811.17	7,824.18
Security deposits given		
Prime Focus Limited	14,159.00	6,000.00
Security deposits received back		
Prime Focus Limited	12,435.00	5,000.00
Rent expense		
Prime Focus Limited	270.34	250.15
Finance costs		
Prime Focus Limited	-	161.30
Reimbursement of expenses incurred by		
Prime Focus Technologies Limited	28.23	26.25
Prime Focus Limited	88.08	98.67
Dneg India Media Services Limited		-
Double Negative India Private Limited		-
Reimbursement of expenses incurred for		
Double Negative India Private Limited	732.06	10.79
Dneg India Media Services Limited	629.04	3.05
Prime Focus International Services UK Limited	-	11.16
Prime Focus Academy of Media and Entertainment Studies Private Limited	1.82	-
Prime Focus Limited	23.32	15.42
Investment in subsidiary		
Dneg India Media Services Limited (Refer note 37)	7,830.64	-

in ₹ lakhs

	Year ended March 31,2019	Year ended March 31,2018
Revenue		
Prime Focus Limited	40.07	61.74
Gener8 Digital Media Services Limited	-	995.13
Prime Focus Creative Services Canada Inc.	-	90.99
Prime Focus International Services UK Limited	2,921.54	5,108.66
Double Negative India Private Limited	7.33	763.08
Double Negative Limited, Uk	523.28	783.13
Double Negative Canada Production Limited	785.82	-
Re:Define Fx Limited	132.05	
Gener8 Media Services Montreal Limited	-	4,067.21
Prime Focus Creative Services Montreal Inc	-	1,537.18
Double Negative Montreal Productions Limited.	7,800.96	2,005.23
Rent income		
Double Negative India Private Limited	714.24	784.82
Dneg India Media Services Limited	527.38	-
Prime Focus Limited	26.72	-
Other operating income		
Prime Focus Limited	18.00	184.71
Technical service cost		
Double Negative India Private Limited	-	293.73
Prime Focus Limited	176.35	-
Purchase of capital items		
Prime Focus International Services UK Limited		-
Interest income		
Prime Focus Academy of Media and Entertainment Studies Private Limited	16.21	7.48
Dneg India Media Services Limited	969.37	660.94
Double Negative India Private Limited	598.98	638.53
Sale of assets		
Double Negative India Private Limited	-	227.93
Prime Focus Creative Services Canada Inc.	-	67.00
Prime Focus Creative Services Montreal Inc	-	13.40

in ₹ lakhs

	As at March 31,2019	As at March 31,2018
Balance outstanding at the year end		
Short term loans (including interest)		
Dneg India Media Services Limited	9,410.20	1,823.28
Double Negative India Private Limited	-	6,683.66
Prime Focus Academy of Media and Entertainment Studies Private Limited	177.03	62.17
Security deposits receivable		
Prime Focus Limited	3,080.76	1,356.76
Trade payables and other current liabilities		
Prime Focus Limited	168.30	7.69
Prime Focus Technologies Limited	2.36	-
Double Negative India Private Limited	-	277.27
Advances to related parties		
Double Negative India Private Limited	11.40	12.61
Dneg India Media Services Limited	79.71	-
Prime Focus International Services UK Limited	11.10	11.15
Prime Focus Academy of Media and Entertainment Studies Private Limited	0.13	-
Prime Focus Limited	-	2.11
Advances received		
Prime Focus (HK) Holdings Limited	66.33	62.03
Trade receivables		
Prime Focus Creative Services Canada Inc.	-	230.47
Prime Focus International Services UK Limited	(25.97)	2,241.98
Prime Focus Limited	37.35	59.39
Double Negative Limited, Uk	302.41	-
Double Negative Canada Production Limited	25.48	-
Double Negative India Private Limited	42.15	1,535.64
Double Negative Montreal Productions Limited.	6,640.95	-
Dneg India Media Services Limited	49.53	-
Gener8 Media Services Montreal Limited	-	5,286.10
Prime Focus Academy of Media and Entertainment	-	1.22
Prime Focus Creative Services Montreal Inc	-	1,086.14
Unbilled revenue		
Gener8 Digital Media Services Limited	-	25.59
Prime Focus Limited	2.21	1.93
Re:Define Fx Limited	132.05	-
Double Negative Montreal Productions Limited.	-	2,005.23
Double Negative Limited, Uk	-	739.23
Prime Focus Creative Services Montreal Inc	-	461.90

Corporate guarantees given by and outstanding at the year end		
Prime Focus Limited	12,153.55	13,943.58
Prime Focus World N.V.	600.00	1,800.00

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

33. Capital commitments

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for:	13.81	1.37

34. Operating lease

Future lease rentals in respect of the premises taken on non-cancellable operating leases are as follows:

in ₹ Lakhs

	As at March 31, 2019	As at March 31, 2018
Lease Payments due within one year	1,010.07	173.01
Lease Payments due later than one and not later than five years	3,761.87	25.19
Lease Payments due later than five years	-	-
	4,771.94	**198.20**

The Company has taken premises on cancellable and non-cancellable operating lease basis. The tenure of leases ranges from 12 to 120 months with non-cancellable periods ranging from 3 to 60 months.

Amount of lease rental charged to the Statement of profit and loss in respect of non-cancellable operating leases is ₹ 672.68 lakhs (Previous year: ₹ 561.42 lakhs).

The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 12 to 108 months. Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ₹ 270.44 lakhs (Previous year: ₹ 89.21 lakhs).

The Company has sublet certain premises on cancellable operating lease basis. An amount of ₹ 106.52 lakhs (Previous year ₹ 66.75 lakhs) has been recognised as other operating income in respect of the sublease.

35. Segment reporting

The segment information has been prepared in line with the review of operating results by chief operating decision maker (CODM). The Company is presently operating as integrated post-production setup and is considered as representing a single operating segment.

The Company operates in four principal geographical areas – India (Country of Domicile), United Kingdom and Canada. The Company's revenue from continuing operations from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

in ₹ Lakhs

	Revenue from operations		Segment Non-current assets*	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	2,510.84	4,059.86	9,739.26	10,915.86
United Kingdom	3,444.82	5,891.78	-	-
Canada	8,718.83	8,695.74	-	-
	14,674.49	**18,647.38**	**9,739.26**	**10,915.86**

36. Corporate social responsibility

a. The gross amount required to be spent by the Company during the year is ₹ 0.89 lakhs (previous year ₹ 2.48 lakhs).

b. The Company has spent ₹ Nil (previous year ₹ 4.50 lakhs) on CSR activities in the current year.

DNEG Creative Services Private Limited
(now known as DNEG Creative Services Limited)

37. Investment in subsidiaries

During the year, the Company acquired 100% stake of Dneg India Media Services Limited (formerly known as Gener8 India Media Services Limited), a fellow subsidiary, from Prime Focus Limited, the ultimate holding company, for a consideration of ₹ 7,830.64 lakhs..

38. Event after the reporting period

On April 16, 2019 the name of the Company was changed to DNEG Creative Services Limited.

39. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 29, 2019

See accompanying notes to the financial statements 1-39

For and on behalf of the Board of Directors

	Vikas Rathee **Director** **DIN 07015635** **Place : London**	**Merzin Tavaria** **Director** **DIN 07015623** **Place : Mumbai**
Date : May 29, 2019		