Double Negative India Private Limited

Balance Sheet as at 31st March, 2019

(in ₹)

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	503,409,569	284,152,045
Intangible Assets	5	4,452,727	287,900
Financial Assets			
Loans	6	58,539,657	42,616,096
Non-Current Tax Assets		-	7,305,400
Other Non-Current Assets	7	9,527,000	-
Total Non-Current Assets		**575,928,953**	**334,361,441**
Current Assets			
Financial Assets			
Trade Receivables	8	-	811,201,168
Cash and Cash Equivalents	9	147,707,935	1,178,557
Loans	6	2,760,052	757,763
Other Financial Assets	10	128,506,705	60,056,547
Other Current Assets	7	185,146,025	59,943,911
Total Current Assets		**464,120,717**	**933,137,946**
Total Assets		**1,040,049,670**	**1,267,499,387**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	100,000	100,000
Other Equity	12	68,570,432	23,151,763
Total Equity		**68,670,432**	**23,251,763**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	321,714,076	141,366,811
Provisions	14	37,764,481	18,051,473
Deferred Tax Liabilities (Net)	25d	11,965,890	5,579,889
Total Non-Current Liabilities		**371,444,447**	**164,998,173**
Current Liabilities			
Financial Liabilities			
Borrowings	15	150,000,000	807,657,865
Trade Payables	16	67,249,412	195,692,645
Other Financial Liabilities	17	97,977,261	45,263,865
Other Current Liabilities	18	278,731,042	19,861,282
Provisions	19	469,597	44,920
Current Tax Liabilities (Net)	20	5,507,479	10,728,874
Total Current Liabilities		**599,934,791**	**1,079,249,451**
Total Liabilities		**971,379,238**	**1,244,247,624**
Total Equity and Liabilities		**1,040,049,670**	**1,267,499,387**

See accompanying Notes to the Financial Statements 1 to 33

In terms of our report attached

For V. Shivkumar & Associates
Chartered Accountants
(Firm's Registration No. 112781W)

For and on behalf of the Board of Directors

V. Shivkumar
Proprietor
(Membership No. 042673)
Place: Mumbai
Date:

Vikas Rathee
Director
DIN No. 07015635

Merzin Tavaria
Director
DIN No. 07015623

Double Negative India Private Limited

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

(in ₹)

	Notes	2018-19	2017-18
INCOME			
Revenue from Operations	20	2,085,526,657	1,268,137,105
Other Income	21	50,238,263	60,354,030
Total Income		**2,135,764,920**	**1,328,491,135**
EXPENSES			
Employee Benefits Expense	22	1,375,936,842	845,836,466
Technician fees		9,750,000	9,007,500
Finance Costs	23	115,557,835	95,447,702
Depreciation and Amortization Expense	4 and 5	143,764,934	37,282,544
Other Expenses	24	416,415,566	303,750,318
Total Expenses		**2,061,425,177**	**1,291,324,530**
Profit Before Tax		**74,339,743**	**37,166,605**
Tax Expense			
Current Tax	25	15,548,605	6,803,874
Deferred Tax	25	8,827,352	8,368,210
Profit for the Year		**49,963,786**	**21,994,521**
Other Comprehensive Income:			
i. Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit plans	27	6,986,468	1,446,660
ii. Income tax relating to items that will not be reclassified to Profit or Loss		(2,441,351)	-
Total Other Comprehensive Income for the Year (Net of Tax)		**4,545,117**	**1,446,660**
Total Comprehensive Income for the Year		**45,418,669**	**20,547,861**
Earnings per Equity Share of face value of ₹ 10 each (previous year ₹ 10 each)			
Basic (in ₹)	26	4,996.38	2,199.45
Diluted (in ₹)	26	4,996.38	2,199.45

See accompanying Notes to the Financial Statements 1 to 33

In terms of our report attached

For V. Shivkumar & Associates
Chartered Accountants
(Firm's Registration No. 112781W)

For and on behalf of the Board of Directors

V. Shivkumar
Proprietor
(Membership No. 042673)
Place: Mumbai
Date:

Vikas Rathee
Director
DIN No. 07015635

Merzin Tavaria
Director
DIN No. 07015623

Double Negative India Private Limited

Statement of Changes in Equity for the Year Ended 31st March, 2019

A. Equity Share Capital

	(in ₹) Total
As at March 31, 2017	**100,000**
Changes in Equity Share Capital during the period	-
As at March 31, 2018	**100,000**
Changes in Equity Share Capital during the period	-
As at March 31, 2019	**100,000**

B. Other Equity

(in ₹)

	Reserves and Surplus - Retained Earnings	Total
Balance at 31 March 2017	2,603,902	**2,603,902**
Profit for the year	21,994,521	**21,994,521**
Total comprehensive income for the year	(1,446,660)	**(1,446,660)**
Balance at 31 March 2018	**23,151,763**	**23,151,763**
Profit for the year	49,963,786	**49,963,786**
Total comprehensive income for the year (net of tax)	(4,545,117)	**(4,545,117)**
Balance at 31 March 2019	**68,570,432**	**68,570,432**

See accompanying Notes to the Financial Statements 1 to 33

In terms of our report attached

For V. Shivkumar & Associates
Chartered Accountants
(Firm's Registration No. 112781W)

For and on behalf of the Board of Directors

V. Shivkumar
Proprietor
(Membership No. 042673)
Place: Mumbai
Date:

Vikas Rathee
Director
DIN No. 07015635

Merzin Tavaria
Director
DIN No. 07015623

Double Negative India Private Limited

Cash Flow Statement for the year ended 31st March, 2019

(in ₹)

	2018-19	2017-18
A. Cash flow from Operating activities		
Net Profit before tax	74,339,743	37,166,605
Adjustments for :		
Depreciation and amortisation expense	143,764,934	37,282,544
Unrealised exchange loss/ (gain)	20,985,267	(41,559,920)
Finance cost	115,557,835	95,447,702
Operating profit before working capital changes	**354,647,779**	**128,336,931**
Changes in working capital:		
Decrease / (Increase) in trade and other receivables	578,637,781	(405,983,033)
Increase / (Decrease) in trade and other payables	124,736,597	(27,270,395)
Cash Generated from Operations	**1,058,022,157**	**(304,916,497)**
Income taxes paid	(13,464,600)	(4,605,400)
Net cash flow generated from operating activities (A)	**1,044,557,557**	**(309,521,897)**
B. Cash flow from investing activites		
Purchase of fixed assets	(376,714,285)	(316,887,565)
Net Cash from investing activities (B)	**(376,714,285)**	**(316,887,565)**
C. Cash flow from Financing activities		
(Repayments)/ Proceeds from short-term borrowings	(657,657,865)	556,495,511
Proceeds from finance leases (net)	323,456,347	156,566,811
Interest paid	(115,557,835)	(85,652,804)
Net cash used in Financing activities (C)	**(449,759,353)**	**627,409,518**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**218,083,919**	**1,000,056**
Cash and cash equivalents at the beginning of the year	**1,178,557**	**178,501**
Cash and cash equivalents at the end of the year (refer note 9)	**219,262,476**	**1,178,557**

Notes:

Amendment to Ind AS 7 is effective from April 1, 2017 and the required disclosure is made below:

	Year ended March 31, 2019	**Cash Flow**	**Non Cash Movement**	**Year ended March 31, 2018**
Borrowings - Non Current (refer note 13)	408,468,617	(323,456,347)	(71,554,541)	156,566,811
Borrowings - Current (refer note 15)	150,000,000	657,657,865	-	807,657,865

See accompanying Notes to the Financial Statements 1 to 33

In terms of our report attached

For V. Shivkumar & Associates
Chartered Accountants
(Firm's Registration No. 112781W)

For and on behalf of the Board of Directors

V. Shivkumar
Proprietor
(Membership No. 042673)
Place: Mumbai
Date:

Vikas Rathee
Director
DIN No. 07015635

Merzin Tavaria
Director
DIN No. 07015623

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

1. Corporate Information

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

2. Statement of significant accounting policies

a. Statement of Compliance

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

b. Basis of Prepartion and presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount, as explained in accounting policies below.

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

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

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency.

c. 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.

d. Borrowing cost

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

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

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

e. Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:
• exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
• exchange differences on transactions entered into in order to hedge certain foreign currency risks.

f. 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 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 and Leasehold building 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.

g. Intangible Assets

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.

Useful lives of intangible assets

Software is amortised on straight line basis over the estimated useful life of 1-6 years.

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.

h. 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.

i. Leases

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.

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 d above). 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 straightline basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

j. 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.

(i) Rendering of services

The Company provides a variety of post-production services including 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.

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.

The Company has arrangement with its Parent 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'.

(ii) Others

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.

k. Taxation

- 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.

- 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. 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.

- Current and deferred tax for the year

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

l. 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.

m. 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 if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements

n. Employee benefits

- Retirement benefit costs and termination benefits

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

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Remeasurement, 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.

- 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.

o. Financial instruments

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

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

(i) Financial assets

All regular way purchases of sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- 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 below

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

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost.

Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer note below.

All other financial assets are subsequently measured at fair value.

- 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.

- 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.

- 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 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 a 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.

- 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 lifetime 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 forwardlooking 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.

On de-recognition 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.

- 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.

(ii) Financial liabilities and equity instruments

- Classification as debt or equity

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

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- 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.

- Financial liabilities

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

- Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company’s documented risk management or investment strategy, and information about the 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.

- 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.

- 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.

- 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

- 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.

- 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.

- Offsetting

Financial assets and financial liabilities are off set and the net amount is presented when and only when, the Company has legally enforceable right to setoff the amount it intense, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

- Cash and Cash equivalent

The Company’s cash and cash equivalents consists of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of cash flow Statement, cash and cash equivalent comprise cash and cheques in hand, bank balances, demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and considered part of the Company's cash management system. In the balance sheet, bank overdraft are presented under borrowings within current financial liabilities.

- Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

- Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such event is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

- New accounting standards not yet adopted:

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:

- 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.

- 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.

- 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.

- 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 yearend unless future rates have been substantively enacted. These calculations represent our best estimate of the costs that will be incurred and recovered but actuals may differ from the estimates made and therefore affect 'future financial results. The effects would be recognised in the Statement of Profit and Loss.

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

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

- 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.

- 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.

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

4. Property, Plant and Equipment

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Total
Gross block					
As at April 1, 2017	3,824,438	-	160,939	1,115,914	5,101,291
Additions	271,518,069	5,574,870	14,633,914	24,845,146	316,571,999
Deduction	-	-	-	-	-
As at March 31, 2018	**275,342,507**	**5,574,870**	**14,794,853**	**25,961,060**	**321,673,290**
Accumulated depreciation					
As at April 1, 2017	230,218	-	4,953	31,195	266,367
For the year	33,332,528	401,367	1,014,354	2,506,630	37,254,878
Deduction	-	-	-	-	-
As at March 31, 2018	**33,562,746**	**401,367**	**1,019,307**	**2,537,825**	**37,521,245**
Net block					
As at March 31, 2018	**241,779,761**	**5,173,503**	**13,775,546**	**23,423,235**	**284,152,045**

in ₹

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Total
Gross block					
As at April 1, 2018	275,342,507	5,574,870	14,794,853	25,961,060	321,673,290
Additions	344,162,904	1,274,100	3,949,117	13,184,401	362,570,522
Deduction	-	-	-	-	-
As at March 31, 2019	**619,505,411**	**6,848,970**	**18,743,970**	**39,145,461**	**684,243,812**
Accumulated depreciation					
As at April 1, 2018	33,562,746	401,367	1,019,307	2,537,825	37,521,245
For the year	132,341,191	642,925	3,534,827	6,794,055	143,312,998
Deduction	-	-	-	-	-
As at March 31, 2019	**165,903,937**	**1,044,292**	**4,554,134**	**9,331,880**	**180,834,243**
Net block					
As at March 31, 2019	**453,601,474**	**5,804,678**	**14,189,836**	**29,813,581**	**503,409,569**

a. Plant and equipment includes assets taken on finance lease:
Gross Block: Rs. 488,642,346 (Previous Year Rs. 157,507,564)
Depreciation charge for the year: Rs. 96,048,877 (Previous Year Rs. 23,523,316)
Accumulated Depreciation: Rs. 119,572,193 (Previous Year Rs. 23,523,316)
Net Block: Rs. 369,070,153 (Previous Year Rs. 133,984,248)

b. Refer note 13 for assets pledged/ hypothecated.

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

5. Intangible Assets

in ₹

	Software	Total
Gross block		
As at April 1, 2017	-	-
Additions	315,566	315,566
Deduction		-
As at March 31, 2018	**315,566**	**315,566**
Accumulated depreciation		
As at April 1, 2017	-	-
For the year	27,666	27,666
Deduction		-
As at March 31, 2018	**27,666**	**27,666**
Net block		
As at March 31, 2018	**287,900**	**287,900**

in ₹

	Software	Total
Gross block		
As at April 1, 2018	315,566	315,566
Additions	4,616,763	4,616,763
Deduction	-	-
As at March 31, 2019	**4,932,329**	**4,932,329**
Accumulated depreciation		
As at April 1, 2018	27,666	27,666
For the year	451,936	451,936
Deduction	-	-
As at March 31, 2019	**479,602**	**479,602**
Net block		
As at March 31, 2019	**4,452,727**	**4,452,727**

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

6. Loans (unsecured and considered Good)

(in ₹)

	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	**Current**	**Non-Current**	**Current**
Deposits with Related Parties	42,524,283	-	29,451,010	-
Deposits	16,015,374	2,760,052	13,165,086	757,763
	58,539,657	2,760,052	42,616,096	757,763

7. Other Assets (unsecured and considered Good)

(in ₹)

	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	**Current**	**Non-Current**	**Current**
Capital Advances	9,527,000	-	-	-
Input tax credit receivable	-	176,519,705	-	43,016,211
Advance to Creditors	-	300,486	-	282,786
Prepaid Expenses	-	8,325,834	-	16,644,914
	9,527,000	185,146,025	-	59,943,911

8. Trade receivables (unsecured and considered good)

(in ₹)

	As at 31st March, 2019	**As at 31st March, 2018**
Trade receivables	-	-
Receivables from related parties (refer note 29)	-	811,201,168
	-	811,201,168

9. Cash and cash equivalents

(in ₹)

	As at 31st March, 2019	**As at 31st March, 2018**
Cash on hand	71,154	30,978
Balances with banks:		
On current account	147,636,781	1,147,579
	147,707,935	1,178,557

10. Other Current Financial Assets (unsecured and considered good)

(in ₹)

	As at 31st March, 2019	**As at 31st March, 2018**
Unbilled revenue (refer note 29)	1,385,627	4,368,405
Government Grants receivable	127,121,078	55,688,142
Others	-	-
	128,506,705	60,056,547

11. Equity Share Capital
(i) Authorised and issued share capital

(in ₹)

	Number of shares		Amount	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Authorised shares:				
Equity Shares of ₹ 10/- each	10,000	10,000	100,000	100,000
Issued, subscribed and paid-Up:				
Equity Shares of ₹ 10/- each	10,000	10,000	100,000	100,000
	10,000	**10,000**	**100,000**	**100,000**

Of the above 9,999 shares are held by DNEG Creative Services Limited (formerly known as DNEG Creative Services Private Limited, the Holding Company and 1 share is held by Naresh Malhotra, the beneficial interest in which is held by DNEG Creative Services Limited

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

(in ₹)

	Number of shares		Amount	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Equity Shares as at 1 April	10,000	10,000	100,000	100,000
Changes during the year	-	-	-	-
Equity Shares as at 31 March	10,000	10,000	100,000	100,000

(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

	31-Mar-19		31-Mar-18	
	No. of shares	%	No. of shares	%
DNEG Creative Services Limited (including shares held by its nominees)	10,000	100	10,000	100

12. Other Equity

(in ₹)

	31-Mar-19	31-Mar-18
Retained Earnings*		
As per last balance sheet	20,283,837	(264,024)
Add/ (less) movement during the year	45,423,349	20,547,861
	65,707,186	**20,283,837**

*Includes Re-measurement of defined benefit obligations (net of tax) (loss) of Rs. 4,545,117 (previous year Rs. 1,446,660)

13. Borrowings

(in ₹)

	31-Mar-19		31-Mar-18	
	Non-Current	Current	Non-Current	Current
Finance lease obligations (secured)	321,714,076	86,754,541	141,366,811	15,200,000
	321,714,076	86,754,541	141,366,811	15,200,000

The Company has acquired certain equipments (mainly equipment and office equipment) under finance leases. The average lease term is around 5 years. The Company has option to purchase the equipment for a nominal amount at the end of the lease term. The Company's obligation under finance leases are secured by hypothecation of plant and equipment and office equipment taken on lease. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 6.12% to 12.51% per annum.

Finance lease obligations are payable as follows:

(in ₹)

	31-Mar-19		31-Mar-18	
	Within less than one year	Between one and five years	Within less than one year	Between one and five years
Future minimum lease payments	128,203,313	383,755,408	23,254,703	173,401,210
Interest element of minimum lease payments	41,448,772	62,053,068	8,054,703	32,034,399
Present value of minimum lease payments	86,754,541	321,702,340	15,200,000	141,366,811

14. Provisions

(in ₹)

	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	Current	Non-Current	Current
Provision for employee benefits - Gratuity	37,764,481	469,597	18,051,473	44,920
	37,764,481	469,597	18,051,473	44,920

Note:

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

15. Borrowings - Current

(in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Loans from related parties (Unsecured) (refer note (a) below and refer note 29)	150,000,000	807,657,865
	150,000,000	807,657,865

Note:

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

16. Trade payables

	As at 31st March, 2019	(in ₹) As at 31st March, 2018
Total outstanding dues to creditors other than micro and small enterprises	43,497,621	29,478,282
Trade Payable to related parties (refer note 29)	23,751,791	166,214,363
	67,249,412	195,692,645

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.

17. Other financial liabilities

	As at 31st March, 2019	(in ₹) As at 31st March, 2018
Current maturities of finance lease obligations (refer note 13)	86,754,541	15,200,000
Creditors for capital expenditure	1,180,939	9,813,865
Interest accrued on loan from related party (refer note 29)	10,041,781	20,250,000
	97,977,261	45,263,865

18. Other liabilities

	As at 31st March, 2019	(in ₹) As at 31st March, 2018
Employee Benefits Payable	142,222,055	78,735,539
Statutory Dues	20,186,886	(58,874,257)
Deferred revenue (refer note 29)	116,322,101	-
	278,731,042	19,861,282

19. Current tax liabilities (Net)

	As at 31st March, 2019	(in ₹) As at 31st March, 2018
Income and other tax payable (net of advance tax)	5,507,479	10,728,874
	5,507,479	10,728,874

20. Revenue from Operations

	2018-19	(in ₹) 2017-18
a) Sale of services	###########	###########
b) Other operating income		
- Export incentives	163,579,162	55,688,142
	###########	###########

21. Other Income

	2018-19	(in ₹) 2017-18
Miscellaneous Income	1,170,920	161,622
Interest on financial assets measured at amortised cost	3,170,155	2,490,868
Net Gain on foreign currency transactions and translations	45,897,188	57,701,540
	50,238,263	60,354,030

22. Employee Benefits Expense

	2018-19	(in ₹) 2017-18
Salaries and wages	###########	818,486,809
Contribution to provident and other funds	21,875,540	13,756,117
Gratuity	13,151,217	7,607,625
Staff Welfare	12,735,951	5,985,915
	###########	845,836,466

23. Finance Costs

	2018-19	(in ₹) 2017-18
Interest on loan from related parties (refer note 29)	82,397,147	86,671,631
Interest on finance lease obligation	33,136,652	6,564,277
Interest on others	10,618	2,119,004
Bank charges	13,418	92,790

	115,557,835	95,447,702

24. Other Expenses

	2018-19	(in ₹) 2017-18
Communication cost	16,367,233	7,129,730
Technical service cost	90,000	-
Software support charges	1,596,540	2,623,249
Rent	119,969,761	85,690,118
Facility management expenses	75,050,964	72,708,174
Equipment Rental	63,431,341	72,488,238
Travelling and Conveyance	26,346,503	21,462,498
Legal and professional fees	7,742,783	3,059,486
Power and fuel	57,569,961	7,809,107
Rates and taxes	2,190,564	2,171,713
Repairs and Maintenance - Building	9,751,982	4,108,949
Repairs and Maintenance - Equipment	2,476,950	1,345,156
Insurance	2,916,004	148,104
Auditors remuneration	-	-
As auditor	-	-
Audit fees	125,000	200,000
In other matters (Certification)	-	-
Housekeeping Expenses	10,541,459	11,817,168
Security charges	8,595,745	2,713,962
Printing and stationery	1,175,074	692,775
Membership & Subscriptions	23,900	50,313
Miscellaneous expenses	10,453,802	7,531,578
	416,415,566	303,750,318

25. Income Tax

A. Income tax recognised in Statement of Profit and Loss

	2018-19	(in ₹) 2017-18
Current Tax		
- In respect of the current year (a)	14,230,319	6,803,874
- In respect of prior years (b)	1,318,286	-
Deferred Tax (c)		
- In respect of the current year	8,827,352	8,368,210
Total Income tax expenses recognised in the current year (a+b+c)	24,375,957	15,172,084

B. Income tax recognised in Other Comprehensive Income

	2018-19	(in ₹) 2017-18
- Re-measurement of defined benefit obligation	(2,441,351)	-

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

	2018-19	(in ₹) 2017-18
Profit before tax	74,339,743	37,166,605
Applicable tax rate	28%	25%
Computed tax expense	20,482,458	9,291,651
Tax effect of:		
Effect of expenses that are not deductible	92,554	1,388,556
Non recognition of Deferred Tax on losses	-	1,471,877
Effect of difference in tax rates for Deferred Tax	2,482,659	3,020,000
Taxes pertaining to prior years	1,318,286	-
Income tax expenses recognised in profit or loss	**24,375,957**	**15,172,084**

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

	As at 31st March, 2019	(in ₹) As at 31st March, 2018
Deferred tax on temporary differences	(18,769,764)	(12,383,763)
MAT Credit Entitlement	6,803,874	6,803,874
	(11,965,890)	**(5,579,889)**

E. Movement in temporary differences

(in ₹)

	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	606,293	17,760,681	-	18,366,974	16,869,137	-	35,236,111
	606,293	**17,760,681**	**-**	**18,366,974**	**16,869,137**	**-**	**35,236,111**
Deferred tax asset							
Provision for gratuity and others	3,394,614	2,588,597	-	5,983,211	7,377,305	-	13,360,516
Minimum Alternate Tax Credit Entitlement	-	6,803,874	-	6,803,874	3,105,831	-	9,909,705
	3,394,614	**9,392,471**	**-**	**12,787,085**	**10,483,136**	**-**	**23,270,221**
Net deferred tax (assets)/ Liabilities	**(2,788,321)**	**17,760,681**	**-**	**5,579,889**	**16,869,137**	**-**	**11,965,890**

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

26. Earnings Per Share

	2018-19	2017-18
Net Profit as per Statement of Profit and Loss attributable to Equity Shareholders	49,963,786	21,994,521
	Number	**Number**
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Earnings per share		
Basic EPS	4,996.38	2,199.45
Diluted EPS	4,996.38	2,199.45

27. Employee Benefits

a. Defined contribution plan: 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).

The Company contributed ₹ 21,875,540 (Previous year ₹ 13,370,173) to provident fund during the year and recognised the contribution as an expense, which is included in note 24 as contribution to provident fund and other funds.

b. Defined benefit plan:
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, where measured using the projected unit credit method.

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

(in ₹)

	Unfunded	
	31-Mar-19	**31-Mar-18**
Defined benefit obligation at the beginning of the year	18,096,393	9,042,108
Interest cost	1,424,186	697,147
Current service cost	11,727,031	6,910,478
Benefits paid	-	-
Actuarial gains/ losses	6,986,468	1,446,660
Defined benefit obligation at the end of the year	38,234,078	18,096,393

ii) Expense recognized in Statement of Profit and Loss:

(in ₹)

	Unfunded	
	31-Mar-19	**31-Mar-18**
Current service cost	11,727,031	6,910,478
Interest cost	1,424,186	697,147
Expenses recognised	13,151,217	7,607,625

iii) Expense recognized in the Other Comprehensive Income (OCI):

(in ₹)

	Unfunded	
	31-Mar-19	**31-Mar-18**
Actuarial Gains/ Losses on obligations - due to change in financial assumptions	10,898,840	(457,102)
Actuarial Gains/ Losses on obligations - Due to Change in Demographic Assumptions	(5,393,033)	-
Actuarial Gains/ Losses on obligations - due to change in experience	1,480,661	1,903,762
Expenses recognised in the Other Comprehensive Income (OCI)	6,986,468	1,446,660

iv) Actuarial Assumptions:

	Unfunded	
	31-Mar-19	**31-Mar-18**
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.76%	7.87%
Rate of escalation in salary (per annum)	7.00%	5.00%
Employee turnover	For Service 2 years and below 20.00% p.a. For Service 3 to 4 years 10.00% p.a. For service 5 years and above 2.00% p.a.	2.00%

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

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

v) Sensitivity Analysis

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

	31-Mar-19		31-Mar-18	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate (1% movement)	(5,640,912)	6,964,009	(2,543,552)	3,122,367
Future Salary growth (1% movement)	6,772,494	(5,710,666)	3,183,536	(2,628,701)
Attrition rate (1% movement)	(125,310)	47,701	494,895	(654,400)

28. 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, offset by cash and bank balances, and equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity).

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.

i) Market Risk

The Company is primarily exposed to the following market risks.

- 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 31st March, 2019		As at 31st March, 2018	
		Foreign Currency	in ₹	Foreign Currency	in ₹
Financial Assets	GBP	-	-	8,627,940	783,474,328
Total		**-**	**-**	**8,627,940**	**783,474,328**
Financial Liabilities	GBP	139,279	12,574,070	118,984	10,804,527
	CAD	60,193	3,124,715	-	-
	USD	1,192	82,631	130,140	8,450,649
Total		**200,664**	**15,781,416**	**249,124**	**19,255,176**
Net Exposure		**(200,664)**	**(15,781,416)**	**8,378,816**	**764,219,152**

The Company's sensitivity to a 5% appreciation/depreciation of above mentioned foreign currencies with respect to Rupee would result in increase/ decrease in the Company's net profit before tax by approximately ₹ 789,071 for the year ended March 31, 2019 (March 31, 2018: ₹ 38,210,958). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

- Interest rate risk management

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

- 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 ₹ 330,356,693 and ₹ 915,810,131 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.

- Liquidity risk management

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

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

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

(in ₹)

As at 31st March, 2019	**Less than 1 year**	**Between 1 to 5 years**	**Total**
Borrowings	150,000,000	321,714,076	471,714,076
Trade Payables	67,249,412	-	67,249,412
Other financial liabilities	97,977,261	-	97,977,261
	315,226,673	**321,714,076**	**636,940,749**

(in ₹)

As at 31st March, 2018	Less than 1 year	Between 1 to 5 years	Total
Borrowings	807,657,865	141,366,811	949,024,676
Trade Payables	195,692,645	-	195,692,645
Other financial liabilities	45,263,865	-	45,263,865
	1,048,614,375	**141,366,811**	**1,189,981,186**

- Fair Value measurement

(in ₹)

As at 31st March, 2019	Amortised Cost	FVTPL	Total Carrying value	Total Fair Value
Financial Assets:				
Loans	61,299,709	-	61,299,709	61,299,709
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	147,707,935	-	147,707,935	147,707,935
Other Financial Assets	128,506,705	-	128,506,705	128,506,705
Total Financial Assets	**337,514,349**	**-**	**337,514,349**	**337,514,349**
Financial Liabilities:				
Borrowings	471,714,076	-	471,714,076	471,714,076
Trade Payables	67,249,412	-	67,249,412	67,249,412
Other financial liabilities	97,977,261	-	97,977,261	97,977,261
Total Financial Liabilities	**636,940,749**	**-**	**636,940,749**	**636,940,749**

(in ₹)

As at 31st March, 2018	Amortised Cost	FVTPL	Total Carrying value	Total Fair Value
Financial Assets:				
Loans	43,373,859	-	43,373,859	43,373,859
Trade Receivables	811,201,168	-	811,201,168	811,201,168
Cash and Cash Equivalents	1,178,557	-	1,178,557	1,178,557
Other Financial Assets	60,056,547	-	60,056,547	60,056,547
Total Financial Assets	**915,810,131**	**-**	**915,810,131**	**915,810,131**
Financial Liabilities:				
Borrowings	949,024,676	-	949,024,676	949,024,676
Trade Payables	195,692,645	-	195,692,645	195,692,645
Other financial liabilities	45,263,865	-	45,263,865	45,263,865
Total Financial Liabilities	**1,189,981,186**	**-**	**1,189,981,186**	**1,189,981,186**

29. Related Party Disclosures

a. Related parties and their relationship

Key Managerial Personnel

Vikas Rathee - Director

Merzin Tavaria - Director

Ultimate Holding Company (Control exists)

Prime Focus Limited

Intermediate Holding Company (Control exists)

Prime Focus World N.V.

PF World Limited

Prime Focus Luxembourg S.a.r.l

Prime Focus 3D Co-operatief U.A.

Holding Company (Control exists)

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

Fellow Subsidiaries

Prime Focus Technologies Limited

Double Negative Limited

Double Negative Canada Productions Limited

Double Negative Montreal Productions Limited

Prime Focus Academy of Media and Entertainment Studies Private Limited

DNEG India Media Services Limited (formerly known as Gener8 India Digital Media Services Limited)

Double Negative India Private Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

b. Related Party Transaction During the Year

(in ₹)

	2018-19	2017-18
Revenue from Operations		
DNEG Creative Services Limited	-	29,373,000
Prime Focus Limited	658,000	5,726,000
Double Negative Limited	1,484,692,433	1,177,349,963
Double Negative Montreal Productions Limited	133,088,312	-
Double Negative Canada Productions Limited	303,508,750	-
Finance costs		
Prime Focus Limited	-	318,436
Prime Focus Academy of Media and Entertainment Studies Private Limited	22,500,000	22,500,000
DNEG Creative Services Limited	59,897,147	63,853,195
Equipment rentals		
DNEG Creative Services Limited	63,444,136	71,909,919
Prime Focus Limited	-	541,820
Software support cost		
Prime Focus Technologies Limited	1,596,540	3,004,281
Facility management expenses		
DNEG Creative Services Limited	73,978,046	71,762,995
Reimbursement of expenses		
Prime Focus Limited	4,341,439	759,207
Double Negative Limited	1,244,837	275,420
DNEG Creative Services Limited	-	1,743,027
Double Negative Canada Productions Limited	204,825	
DNEG India Media Services Limited	70,644	-
Recovery of expenses		
DNEG India Media Services Limited	1,385,627	-
Rent		
Prime Focus Limited	62,083,010	57,410,176
DNEG Creative Services Limited	7,979,814	6,683,680
Technical Service cost		
Prime Focus Limited	35,000	3,678,679
Prime Focus Technologies Limited	55,000	-
Deposits paid		
Prime Focus Limited	-	42,980,706
Purchase of Fixed Assets		
DNEG Creative Services Limited	4,594,732	22,803,367
Double Negative Limited	-	10,009,044
Double Negative Montreal Productions Limited	3,056,960	-
Loan taken/ (repaid) net (including interest repaid)		
Prime Focus Limited	-	(3,311,269)
Prime Focus Academy of Media and Entertainment Studies Private Limited	(19,751,249)	(10,706,970)
DNEG Creative Services Limited	(722,272,267)	502,304,181

Balance outstanding

		(in ₹)
	As at 31st March, 2019	**As at 31st March, 2018**
Loans from related parties		
Prime Focus Academy of Media & Entertaiment Private Limited	150,000,000	139,293,030
DNEG Creative Services Limited	-	668,364,835

		(in ₹)
	As at 31st March, 2019	**As at 31st March, 2018**
Interest Payable		
Prime Focus Academy of Media & Entertaiment Private Limited	10,041,781	20,250,000
Trade Payables		
Prime Focus Technologies Limited	554,684	-
DNEG Creative Services Limited	5,389,571	157,383,489
Double Negative Limited	12,574,070	10,284,464
Prime Focus Limited	2,032,455	-
DNEG India Media Services Limited	76,296	-
Double Negative Canada Productions Limited	205,297	-
Double Negative Montreal Productions Limited	2,919,419	-
Trade Receivables		
DNEG Creative Services Limited	-	27,726,840
Double Negative Limited	-	783,474,328
Deposits		
Prime Focus Limited	42,980,706	42,980,706
Deferred Revenue		
Double Negative Limited	116,322,101	-
Unbilled Revenue		
Double Negative Limited	-	4,368,405
DNEG India Media Services Limited	1,385,627	-

c) Key management compensation paid for the year ended March 31, 2019 is ₹ 12,415,000.

30. Operating Lease

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

		(in ₹)
	31-Mar-19	**31-Mar-18**
Lease payments due within one year	52,487,109	19,741,053
Lease payments due later than one year not later than 5 years	38,084,060	26,053,228
Lease payments due later than 5 years	-	-

The Company has taken premises on non-cancellable operating lease basis. The tenure of leases ranges from 60 to 72 months with non-cancellable periods ranging from 12 to 36 months.

Amount of lease rental charged to the Statement of profit and loss in respect of non-cancellable operating leases is ₹ 48,077,989 (Previous year: ₹ 86,378,428).

31. Segment reporting

The segment information has been prepared in line with the review of operating results by chief operating decision maker (CODM) of the Company.

The Company is presently operating as integrated post-production setup. The CODM decides on allocation of the resources to the business taking a holistic view of the entire setup and hence it 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:

	Sale of services		**Segment Non-current assets**	
	Year ended March 31, 2019	**Year ended March 31, 2018**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
India	658,000	35,099,000	566,401,953	327,056,041
United Kingdom	1,484,692,433	1,177,349,963	-	-
Canada	436,597,062	-	-	-
	1,921,947,495	**1,212,448,963**	**566,401,953**	**327,056,041**

32. Event after the reporting period

There were no events after the reporting period.

33. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 25, 2019

For V. Shivkumar & Associates
Chartered Accountants
(Firm's Registration No. 112781W)

V. Shivkumar
Proprietor
(Membership No. 042673)
Place: Mumbai
Date:

For and on behalf of the Board of Directors

Vikas Rathee
Director
DIN No. 07015635

Merzin Tavaria
Director
DIN No. 07015623