

Prime Focus Academy of Media and Entertainment Studies Private Limited
Financial statements
For the year ended March 31, 2020

Prime Focus Academy of Media and Entertainment Studies Private Limited

Balance Sheet as at March 31, 2020

In Rs.

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Assets			
Non-current assets			
Property, Plant and Equipment	3	40,07,025	48,63,537
Right of use assets		14,34,661	-
Financial Assets			
Other financial assets	4	17,59,800	13,46,800
Other non-current assets	5	78,55,712	45,51,712
		1,50,57,199	1,07,62,049
Current assets			
Financial assets			
Trade receivables		-	-
Cash and cash equivalents	6	4,93,098	3,26,063
Loans	7	11,85,29,171	16,09,94,298
Other financial assets	8	-	5,06,667
Other current assets	9	7,00,180	3,11,041
		11,97,22,448	16,21,38,069
Total Assets		13,47,79,647	17,29,00,118
Equity and Liabilities			
Equity			
Equity share capital	10	2,00,000	2,00,000
Other equity	11	12,46,90,849	14,91,79,788
		12,48,90,849	14,93,79,788
Liabilities			
Non-current liabilities			
Provisions	12	5,91,626	5,34,648
Total non-current liabilities		5,91,626	5,34,648
Current liabilities			
Financial liabilities			
Borrowings	13	-	1,77,03,104
Trade payables	14	44,11,307	33,36,650
Other financial liabilities	15	18,80,000	61,509
Other current liabilities	16	30,05,865	18,84,419
Total current liabilities		92,97,172	2,29,85,682
Total equity and liabilities		13,47,79,647	17,29,00,118

See accompanying notes to the financial statements 1 to 29

As per our report of even date

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
 Membership No. 042673
 Mumbai
July 28, 2020

Vikas Rathee
 Director
 Din No 07015635

Abhishek Malhotra
 Wholetime Director
 Din No 08403815

Prime Focus Academy of Media and Entertainment Studies Private Limited

Statement of Profit and Loss for the year ended March 31, 2020

In Rs.

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations		1,59,77,315	1,56,55,262
Other income	17	2,25,74,650	2,25,25,418
Total Income		3,85,51,965	3,81,80,680
Expenses			
Employee benefits expense	18	3,77,15,281	2,16,51,775
Finance costs	19	62,37,387	17,09,122
Depreciation and amortisation expense	3	36,17,068	8,24,944
Other expenditure	20	1,51,60,374	2,27,09,510
Total Expenses		6,27,30,111	4,68,95,351
Profit/(Loss) before exceptional items		(2,41,78,145)	(87,14,671)
Exceptional items - Gain / (Loss)		-	-
Profit / (Loss) before tax		(2,41,78,145)	(87,14,671)
Current tax		-	30,670
Deferred tax		-	-
Profit / (Loss) for the year		(2,41,78,145)	(87,45,341)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		2,65,852	(2,67,071)
Income tax relating to above		-	-
Total other comprehensive income/(loss)		2,65,852	(2,67,071)
Total comprehensive income/(loss) for the year		(2,39,12,293)	(90,12,412)
Earnings per equity share of face value of Rs.10 each			
Basic		(1209)	(437)
Diluted		(1209)	(437)

See Accompanying notes to the financial statements

1 to 29

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
 Membership No. 042673
 Mumbai
July 28, 2020

Vikas Rathee
 Director
 Din No 07015635

Abhishek Malhotra
 Wholetime Director
 Din No 08403815

Prime Focus Academy of Media and Entertainment Studies Private Limited

Cash Flow Statement for the year ended 31 March 2020

In Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from Operating activities		
Net Profit / (Loss) before taxation	(2,41,78,145)	(87,14,671)
Adjustments for :		
Depreciation	36,17,068	8,24,944
Finance cost	62,37,387	17,09,122
Operating profit/(loss) before working capital changes	(1,43,23,690)	(61,80,605)
Movements in working capital :		
(Increase)/decrease in other current assets	1,17,528	(6,784)
(Increase)/decrease in other financial assets	(4,13,000)	(87,000)
Increase/(Decrease) in trade payable	10,74,656	23,13,193
Increase/(Decrease) in other financial liabilities	(36,917)	(15,05,250)
Increase/(Decrease) in other current liabilities	11,21,447	(4,36,482)
Increase/(Decrease) in Non current liabilities	3,22,830	2,67,577
Cash flow used in operations	(1,21,37,145)	(56,35,351)
Direct Taxes paid (Net of Refunds)	(33,04,000)	(23,25,795)
Net Cash flow used in operating activities	(1,54,41,145)	(79,61,146)
B. Cash flow from investing activities		
Purchase of Fixed Assets	(19,000)	(4,13,352)
Inter Corporate deposit	-	(9,52,518)
Loan to subsidiaries	4,24,65,127	(4,98,750)
Net Cash flow used in investing activities	4,24,46,127	(18,64,620)
C. Cash flow from financing activities		
Short Term Borrowings	(1,77,03,104)	1,14,85,684
Payments towards lease liabilities	(29,00,329)	-
Finance cost paid	(62,37,387)	(17,09,122)
Net cash flow from financing activities	(2,68,40,821)	97,76,562
Net increase in cash and cash equivalents (A+B+C)	1,64,159	(49,204)
Cash and cash equivalents at the beginning of the year	3,26,063	3,75,266
Cash and cash equivalents at the end of the year	4,90,222	3,26,063

See Accompanying notes to the financial statements

As per our report of even date

For **V. Shivkumar & Associates**

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar

(Proprietor)

Membership No. 042673

Mumbai

July 28, 2020

Vikas Rathee

Director

Din No 07015635

Abhishek Malhotra

Wholetime Director

Din No 08403815

Prime Focus Academy of Media and Entertainment Studies Private Limited

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share capital

In Rs.

	No of shares	Amount
Balance as at April 01, 2018	20,000	2,00,000
Changes during the year	-	-
Balance as at March 31, 2019	20,000	2,00,000
Changes during the year	-	-
Balance as at March 31, 2020	20,000	2,00,000

B. Other Equity

In Rs.

	Reserves and Surplus		Total
	Securities Premium Reserve	Retained earnings	
Balance at April 01, 2018	14,99,00,000	82,92,200	15,81,92,200
Loss for the year (net of tax)		(87,45,341)	(87,45,341)
Other comprehensive loss for the year (net of tax)		(2,67,071)	(2,67,071)
Balance at March 31, 2019	14,99,00,000	(7,20,212)	14,91,79,788
Loss for the year (net of tax)	-	(2,41,78,145)	(2,41,78,145)
Impact of adoption of Ind AS 116	-	(5,76,646)	(5,76,646)
Other comprehensive income for the year (net of tax)	-	2,65,852	2,65,852
Balance at March 31, 2020	14,99,00,000	(2,52,09,151)	12,46,90,849

See accompanying notes to the financial statements

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar

(Proprietor)

Membership No. 042673

Mumbai

July 28, 2020

Vikas Rathee

Director

DIN 07015635

Abhishek Malhotra

Wholetime Director

DIN 08403815

Notes forming part of the standalone financial statements

1. Corporate information

Prime Focus Academy of Media and Entertainment Studies Private Limited (hereinafter referred to as 'the company') was incorporated in India. It is training institute for visual effects, animation and 3D conversation services.

2. Statement of significant accounting policies:

2.1 Basis of preparation

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

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active 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.

With effect from April 01, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

2.2 Use of estimates

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

2.3 Revenue recognition

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

2.3.1 Rendering of services

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

2.3.2 Dividend income and interest income

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

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

2.4 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 risk 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).

2.5 Taxation

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

2.5.1 Current tax

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

2.5.2 Deferred tax

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

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

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

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

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

2.5.3 Current and deferred tax for the year

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

2.6 Earnings Per share

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

shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.7 Cash Flow statements

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

2.8 Property, Plant and Equipment

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

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

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

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

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

2.9 Leases / Rights to use

The Company, as a lessee, recognises a right-to-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-to-use 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.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in

the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.10 Financial instruments

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

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

2.11 New accounting pronouncements

With effect from April 01, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the modified retrospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet. For transition impact refer note 26

2.12 Global health pandemic on COVID-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 3, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Loans, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

Prime Focus Academy of Media and Entertainment Studies Private Limited

3. Property, plant and equipment

in Rs.

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Electrical Fittings	Office equipments	Total
Gross Block						
Balance as at Mar 31, 2018	2,42,875	18,80,071	12,36,303	8,71,971	11,65,412	53,96,632
Additions	15,353	5,254	-	-	3,92,745	4,13,352
Deletions	-	-	-	-	-	-
As at March 31, 2019	2,58,228	18,85,325	12,36,303	8,71,971	15,58,157	58,09,984
Accumulated depreciation						
Balance as at Mar 31, 2018	5,449	25,243	39,032	14,248	37,530	1,21,502
For the year	39,522	1,86,093	2,34,898	82,837	2,81,594	8,24,944
Disposals	-	-	-	-	-	-
As at March 31, 2019	44,971	2,11,336	2,73,930	97,085	3,19,124	9,46,446
Net block						
As at March 31, 2019	2,13,257	16,73,989	9,62,373	7,74,886	12,39,033	48,63,537

in Rs.

	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Electrical Fittings	Office equipments	Total
Gross Block						
As at April 1, 2019	2,58,228	18,85,325	12,36,303	8,71,971	15,58,157	58,09,984
Additions	-	19,000	-	-	-	19,000
Deletions	-	-	-	-	-	-
As at March 31, 2020	2,58,228	19,04,325	12,36,303	8,71,971	15,58,157	58,28,984
Accumulated depreciation						
As at April 1, 2019	44,971	2,11,336	2,73,930	97,085	3,19,124	9,46,446
For the year	40,886	1,87,415	2,34,898	82,837	3,29,477	8,75,513
Disposals	-	-	-	-	-	-
As at March 31, 2020	85,857	3,98,751	5,08,827	1,79,922	6,48,601	18,21,959
Net block						
As at March 31, 2020	1,72,371	15,05,574	7,27,476	6,92,049	9,09,556	40,07,025

3.1 Assets pledged as a security

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

4. Non Current Financial Assets - Others (Unsecured, considered good)

In Rs.

	As at March 31, 2020	As at March 31, 2019
Security deposits to others	17,59,800	13,46,800
Total	17,59,800	13,46,800

5. Non Current Tax Assets

In Rs.

	As at March 31, 2020	As at March 31, 2019
Advance payment of taxes	78,55,712	45,51,712
Total	78,55,712	45,51,712

Prime Focus Academy of Media and Entertainment Studies Private Limited

6. Cash and cash equivalents

In Rs.

	As at March 31, 2020	As at March 31, 2019
Cash on hand	2,875	267
Balances with banks:		
On Current Accounts	4,90,223	3,25,796
Total	4,93,098	3,26,063

7. Current Financial Assets – Loans

In Rs.

	As at March 31, 2020	As at March 31, 2019
Loans to related Parties	11,85,29,171	16,00,41,780
Inter Company Deposits	-	9,52,518
Total	11,85,29,171	16,09,94,298

8. Current financial assets – Others

In Rs.

	As at March 31, 2020	As at March 31, 2019
Security deposits to others	-	5,00,000
Loan/Advance to Employee	-	6,667
Total	-	5,06,667

9. Other current assets

In Rs.

	As at March 31, 2020	As at March 31, 2019
Advances to suppliers	1,63,564	22,830
Other current assets	5,36,615	2,88,211
Total	7,00,180	3,11,041

10. Equity Share Capital

10.1 Authorised and issued share capital

	Number of Shares		Amount in Rs.	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Authorised				
Equity Shares of Rs.10/- each	50,000	50,000	5,00,000	5,00,000
Issued, subscribed and fully paid-Up:				
Equity Shares of Rs.10/- each fully paid up	20,000	20,000	2,00,000	2,00,000
Total	20,000	20,000	2,00,000	2,00,000

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

Prime Focus Academy of Media and Entertainment Studies Private Limited

	Number of Shares		Amount in Rs.	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Equity Shares as at beginning of the year	20,000	20,000	2,00,000	2,00,000
Changes during the year	-	-	-	-
Equity Shares as at end of the year	20,000	20,000	2,00,000	2,00,000

10.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.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.

10.4 Details of shares held by shareholders holding more than 5% shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	%	No of Shares	%
DNEG Creative Services Limited	20,000	100%	20,000	100%

10.5 Details of shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	%	No of Shares	%
DNEG Creative Services Limited	20,000	100%	20,000	100%

11. Other equity

In Rs.

	As at March 31, 2020	As at March 31, 2019
Share/Securities Premium Account		
Balance at the beginning of the year	14,99,00,000	14,99,00,000
Add: Premium on issue of equity shares during the year	-	-
	14,99,00,000	14,99,00,000
Retained earnings		
As per last balance sheet	(7,20,212)	82,92,200
Less: Impact on adoption of Ind AS 116	(5,76,646)	-
Add: (Loss) / Profit for the year	(2,41,78,145)	(87,45,341)
Other Comprehensive income:		
Remeasurements of the net defined benefit plans	2,65,852	(2,67,071)
	(2,52,09,151)	(7,20,212)
	12,46,90,849	14,91,79,788

12. Provisions (Non Current)

In Rs.

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (refer note 24)		
Provision for gratuity	5,91,626	5,34,648
Total	5,91,626	5,34,648

13. Borrowings (Current)

In Rs.

	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand		
Loans from related parties (Unsecured)	-	1,77,03,104
Total	-	1,77,03,104

14. Trade Payables

In Rs.

	As at March 31, 2020	As at March 31, 2019
Trade payables to other than Micro Enterprises and Small Enterprises		
Due less than 6 months	17,64,501	33,36,650
Trade payables to Micro Enterprises & Small Enterprises	13,699	-
Trade payables to related party	26,33,107	-
Total	44,11,307	33,36,650

15. Other financial liabilities

In Rs.

	As at March 31, 2020	As at March 31, 2019
Current maturities of lease liabilities	18,55,408	-
Capital creditors	24,592	61,509
Total	18,80,000	61,509

16. Other Current Liabilities

In Rs.

	As at March 31, 2020	As at March 31, 2019
Advances received from Clients	1,07,037	3,14,179
Accrued salaries and benefits	23,29,966	20,75,820
Other related party payables	-	10,12,795
Statutory dues	5,68,862	-
Other payables	-	(15,18,374)
Total	30,05,865	18,84,419

17. Other Income

In Rs.

	As at March 31, 2020	As at March 31, 2019
Interest Income-Others	54,025	22,518
Interest Income-Inter Company	2,25,00,000	2,25,00,000
Miscellaneous Income	20,625	2,900
Total	2,25,74,650	2,25,25,418

18. Employee benefits expense

In Rs.

	As at March 31, 2020	As at March 31, 2019
Salaries and Wages	3,46,86,634	2,05,25,102
Bonus and Incentive	4,38,435	3,81,922
Contribution For PF & Other Funds	6,91,733	1,39,968
Gratuity	3,24,881	2,67,577
Staff Welfare	1,79,678	3,37,206
Stock Option Expense	13,93,920	-
Total	3,77,15,281	2,16,51,775

19. Finance cost

In Rs.

	As at March 31, 2020	As at March 31, 2019
Interest on Loan from Related parties	57,64,000	16,21,175
Interest on Others	3,72,392	11,247
Bank Charges	1,00,995	76,700
Total	62,37,387	17,09,122

20. Other expenses

In Rs.

	As at March 31, 2020	As at March 31, 2019
Audit Fees	(20,000)	50,000
Conveyance	25,563	1,16,904
Electricity Charges	23,37,233	20,48,736
Freight and clearing	5,670	6,600
House-keeping charges	7,91,595	6,21,290
Insurance cost	10,699	-
Internet Charges	4,40,632	8,36,809
Legal and professional fees	59,33,594	81,15,936
Lodging and boarding	14,723	3,93,091
Membership & Subscriptions	1,80,291	1,74,506
Miscellaneous expenses	20,73,323	36,97,016
Office expenses	23,961	52,223
Postage & Courier Charges	1,315	-
Printing and stationery	62,190	3,16,618
Rates and taxes	7,000	16,900
Rent	3,44,146	34,24,537
Repairs & Maintainance - Building	66,679	41,264
Repairs & Maintainance - Equipments	2,34,146	2,54,194
Sales promotion expenses	64,684	1,57,567
Security charges	9,78,156	8,20,080
Tea/Coffee/Water	4,56,745	1,88,351
Technical service cost	3,07,009	-
Telephone Charges	2,63,673	2,57,673
Travelling expense - Domestic	4,30,626	9,93,159
Travelling expense - Foreign	-	50,011
Vehicle - Maintenance	14,800	-
Water charges	1,11,921	76,045
Total	1,51,60,374	2,27,09,510

21. Fair value measurements

In Rs.

	Carrying Value		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
A Financial Assets:				
Cash ad cash equivalents	4,93,098	3,26,063	-	-
Loans	11,85,29,171	16,09,94,298	-	-
Other financial assets *	17,59,800	18,53,467	-	-
Total	12,07,82,069	16,31,73,828	-	-
B Financial Liabilities:				
Borrowings	-	1,77,03,104	-	-
Trade payables	44,11,307	33,36,650	-	-
Other financial liabilities	18,80,000	61,509	-	-
Total	62,91,307	2,11,01,264	-	-

* Includes Non Current and Current financial assets

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

22. Capital risk management

The Company's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of Capital.

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

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

22.1 Financial Risk management

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

- Credit risk
- Liquidity risk

22.1.1 Credit Risk management

Cash is held with banks having good credit ratings and company does not anticipate any risk in value.

22.1.2 Liquidity Risk management

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

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

Liquidity Risk			In Rs.
	Less than 12 months	More than 12 months	Total
At 31 March 2020			
Current financial liabilities			
Borrowings	-	-	-
Trade Payables	44,11,307	-	44,11,307
Other financial liabilities	18,80,000	-	18,80,000
	62,91,307	-	62,91,307
			In Rs.
	Less than 12 months	More than 12 months	Total
At 31 March 2019			
Current financial liabilities			
Borrowings	1,77,03,104	-	1,77,03,104
Trade Payables	33,36,650	-	33,36,650
Other financial liabilities	61,509	-	61,509
	2,11,01,264	-	2,11,01,264

23. Earnings per share

In Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit / (loss) attributable to equity shareholders (A)	(2,41,78,145)	(87,45,341)
Weighted average number of equity shares (B)	20,000	20,000
Earnings per share (A/B)		
Basic EPS	(1,208.91)	(437.27)
Diluted EPS	(1,208.91)	(437.27)

24. Employee benefit plans

24.1 Defined contribution plans

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

In Rs.

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund and other funds	6,91,733	1,39,968

24.2 Defined benefit plans

The Company has a defined benefit gratuity plan (unfunded) for qualifying employees. The defined benefit plans are administered by the Company. Under this plan, the employee is entitled to a lump-sum payment upon retirement from the services of the Company. An employee becomes eligible to receive payment upon completion of 5 years of service at the rate of 15 days of service for each completed year of service.

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

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the plan's liability.

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

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

Prime Focus Academy of Media and Entertainment Studies Private Limited

i) Expense recognised in Statement of Profit and Loss:

	In Rs.	
	Year ended March 31, 2020	Year ended March 31, 2019
In Income Statement		
Current Service Cost	2,83,232	1,59,239
Interest Cost	41,649	7,904
Past Service Cost		1,00,434
Net cost	3,24,881	2,67,577
In Other Comprehensive Income		
Actuarial (gain) / loss	(2,65,852)	2,67,071
Net expenses for the year recognised in OCI	(2,65,852)	2,67,071

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

	In Rs.	
	Year ended March 31, 2020	Year ended March 31, 2019
Defined Benefit obligation at beginning of the year	5,34,648	1,00,434
Current Service Cost	2,83,232	1,59,239
Interest Cost	41,649	7,904
Actuarial (Gain)/Loss on obligation - due to change in demographic assumptions	-	(89,463)
Actuarial (Gain)/Loss on obligation - due to change in financial assumptions *	67,585	1,15,612
Actuarial (Gain)/Loss on obligation - due to experience	(3,33,437)	2,40,922
Defined Benefit obligation at year end	5,93,677	5,34,648

iii) Actuarial Assumptions:

	In Rs.	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate (p.a.)	6.83%	7.79%
Rate of escalation in salary (p.a.)	7.00%	7.00%
Attrition Rate	For service 2 years & below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years & above 2.00% p.a.	For Service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.
Mortality Table *	IALM 2006-08	IALM 2006-08

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

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

iv) 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:

Prime Focus Academy of Media and Entertainment Studies Private Limited

	2019-20		2018-19	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(77,636)	93,168	(73,460)	89,236
Future salary appreciation (1% movement)	92,064	(78,191)	88,954	(74,521)
Attrition rate (1% movement)	(21,968)	22,733	(8,652)	8,013

25. Related party transactions

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

a. List of related Parties where control exists:

Name of the related party	Relationship
DNEG Creative Services Limited	Parent Company
Double Negative India Private Limited	Fellow Subsidiary Company
DNEG India Media Services Limited	Fellow Subsidiary Company
Prime Focus World NV	Fellow Subsidiary Company

b. List of related parties with whom transactions have taken place during the year:

	In Rs.	
	March 31, 2020	March 31, 2019
Expense recharge received		
DNEG Creative Services Limited	-	1,81,613
DNEG India Media Services Limited	2,06,037	
Prime Focus World NV	13,93,920	-
Interest Income		
Double Negative India Private Limited	2,25,00,000	2,25,00,000
Interest Expense		
DNEG Creative Services Limited	57,64,000	16,21,175
Loans received from		
DNEG Creative Services Limited	4,30,71,910	3,36,24,601
Loans repaid to		
DNEG Creative Services Limited	6,07,75,014	2,15,06,989
Loans given to		
Double Negative India Private Limited	-	4,98,750
DNEG India Media Services Limited	9,22,65,517	-
Loans repaid by		
Double Negative India Private Limited	15,00,00,000	-

Closing balance

In Rs.

	March 31, 2020	March 31, 2019
Trade and other related party payables		
DNEG Creative Services Limited	-	8,811
DNEG India Media Services Limited	12,39,187	10,03,984
Prime Focus World NV	13,93,920	-
Loan receivable (including interest)		
Double Negative India Private Limited	-	16,00,41,780
DNEG India Media Services Limited	11,85,29,171	-
Loan payable (including interest)		
DNEG Creative Services Limited	-	1,77,03,104

26. Leases

The Company has adopted Ind AS 116 on “Leases” with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 on “Leases” and related interpretation and guidance. The Group has applied Ind AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. As a result, the comparative information has not been restated.

On transition to Ind AS 116, the Company recognised right-to-use assets amounting to **INR 41,76,216** lease liability amounting to **INR 47,52,862** and **INR 576,646 (debit)** in retained earnings as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

The details of the movement of right-of-use assets held by the Company are as follows:

In Rs.

Particulars	Buildings
Balance as of March 31, 2019	-
Net book value recognised on adoption of Ind AS 116	41,76,216
Additions	-
Transfers to owned assets	-
Depreciation	(27,41,555)
Balance as of March 31, 2020	14,34,661

During the year ended March 31, 2020, the Company has recognised interest expense on lease liabilities amounting to **INR 367,389** and depreciation on right-of-use assets amounting to **INR 27,41,555** Consequently, rental expenses are lower by **INR 32,64,844**.

27. Contingent Liabilities

In Rs.

	March 31, 2020	March 31, 2019
Income Tax matter under dispute		
Relates to demand raised by the Income Tax authorities for AY 2017-18 mainly on account of under reporting of Income	6,63,40,616	-

28. Segment Reporting

The Company operates in a single reportable segment i.e. providing service related to training institute, which have similar risks and returns for the purpose of INDAS 108. The company operates in a single geographical segment i.e. Domestic

29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

The accompanying notes are an integral part of the financial statements.
