

PRIME FOCUS TECHNOLOGIES INC.
Notes to Standalone financial statements

1. Corporate Information

Prime Focus Technologies Inc. ("the Holding Company") was incorporated on 21st February, 2013 in USA. Prime Focus Technologies Private Limited being the intermediate holding company and Prime Focus Limited being the ultimate holding company.

2. Statement of significant accounting policies

a. Statement of Compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 22 May 2017. For all periods up to and including the year ended 31 March 2017, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2015. below for the details of first-time adoption exemptions availed by the Company.

b. Basis of Preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2017, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

The Standalone Financial Statements have been prepared on the historical cost basis.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Accounting estimates change from period to period. Actual results could differ from those 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 statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

d. Borrowing cost

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs relating to acquisition or construction of qualifying assets which takes substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

e. Foreign currencies

Initial recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

At the period end, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Exchange differences

Exchange differences are recognised as income or expenses in the period in which they arise except in case of exchange differences arising on long term foreign currency monetary items related to acquisition of fixed assets which are capitalised and depreciated over the remaining useful life of assets.

f. Tangible fixed assets

Fixed assets 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 fixed asset 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 fixed assets, 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.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

g. Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method (SLM) as per the useful lives of the assets

Cost of Leasehold improvements is amortised over a period of lease

h. Impairment

The carrying values of assets are reviewed at each Balance Sheet date for impairment. If any indicators of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets

i. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the leased term.

j. 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.

The Company recognises 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.

Revenue on time-and-material contracts are recognised as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognised as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognised following the percentage of completion method, where revenue is recognised 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 recognised when such losses become evident.

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

k. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l. 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.

m. Provisions and contingencies

A provision is recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognised nor disclosed.

n. Retirement and other employee benefits**Defined contribution plan****Provident fund:**

The Company contributes towards provident fund and family pension fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

Defined benefit plan**Gratuity:**

Provision for gratuity is made based upon the actuarial valuation done at the end of every financial year using "Projected Unit Credit Method". Major drivers in actuarial assumptions, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

o. Cash flow statement

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 any 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

Prime Focus Technologies Inc.
Notes to financial statements

NOTE 3 Non Current Assets : (Current Year)

Asset category	Gross Block				Depreciation				Net Block		
	As at 01.04.2016	Acquisition	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Property, plant and equipment											
Leasehold Improvements	1,287,101	-	143,091	-	1,430,192	686,238	184,065	-	870,303	559,889	600,861
Computer Hardware	1,860,943	-	136,890	-	1,997,833	1,133,573	436,590	-	1,570,163	427,670	727,368
Furniture and fixtures	371,806	-	-	-	371,806	316,251	8,932	-	325,183	46,623	55,554
Office equipment	7,644,869	-	134,422	-	7,779,291	7,435,460	182,629	-	7,618,089	161,202	209,409
TOTAL	11,164,719	-	414,403	-	11,579,122	9,571,522	812,216	-	10,383,738	1,195,383	1,593,192
Goodwill	13,816,555	-	-	-	13,816,555	-	-	-	-	13,816,555	13,816,555
Other intangible assets											
Softwares	1,885,515	-	4,299,463	-	6,184,978	879,003	299,306	-	1,178,309	5,006,669	1,006,512
TOTAL	1,885,515	-	4,299,463	-	6,184,978	879,003	299,306	-	1,178,309	5,006,669	1,006,512

NOTE 3 Non Current Assets : (Previous Year)

FIXED ASSETS

Asset category	Gross Block				Depreciation				Net Block		
	As at 01.04.2015	Acquisition	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Property, plant and equipment											
Leasehold Improvements	1,287,101	-	-	-	1,287,101	573,688	112,550	-	686,238	600,863	713,413
Computer Hardware	1,784,901	-	76,042	-	1,860,943	699,553	434,020	-	1,133,573	727,370	1,085,348
Furniture and fixtures	371,806	-	-	-	371,806	307,656	8,595	-	316,251	55,555	64,150
Office equipment	7,628,411	-	16,458	-	7,644,869	7,268,329	167,131	-	7,435,460	209,409	360,082
TOTAL	11,072,219	-	92,500	-	11,164,719	8,849,226	722,296	-	9,571,522	1,593,197	2,222,993
Goodwill	13,816,555	-	-	-	13,816,555	-	-	-	-	13,816,555	13,816,555
Other intangible assets											
Softwares	1,873,565	-	11,950	-	1,885,515	595,945	283,058	-	879,003	1,006,512	1,277,620
TOTAL	1,873,565	-	11,950	-	1,885,515	595,945	283,058	-	879,003	1,006,512	1,277,620

3.1

Computer Hardware includes assets taken on Finance Lease. Gross Block includes \$ 1,250,657 (Previous Year - \$ 1,202,444), Depreciation during the year is \$ 402,959. Accumulated depreciation is \$ 918793 (Previous Year - \$ 515,313) and Net Block is \$ 331865 (Previous Year - \$ 687,131)

PRIME FOCUS TECHNOLOGIES INC.				
Notes to financial statements				
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4	Inventories Tapes	-	8,597	9,598
	Total	-	8,597	9,598
5	Trade receivables (Unsecured and Considered Good) Others	2,021,229	765,301	744,336
	Total	2,021,229	765,301	744,336
6	Cash and cash equivalents Cash on hand Balances with banks on current account	- 133,515	356 190,049	314 161,179
	Total	133,515	190,405	161,493
7	Other balances with Banks	-	-	-
	Total	-	-	-
8	Loans	-	-	-
	Total	-	-	-
9	Others Advance to group company Deposits Unbilled Income	756,059 66,710 585	810,215 - 12,363	526,747 - 48,543
	Total	823,354	822,578	575,290
10	Other current assets (Unsecured and considered good) Prepaid expenses Loans to Fellow Subsidiaries Others	334,669 - 13,252	421,227 - 10,000	384,536 - -
	Total	347,922	431,227	384,536

PRIME FOCUS TECHNOLOGIES INC.

Notes to financial statements

Note 11 : Equity Share capital

in USD

	Number of Shares			Amount		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised shares:						
Equity Shares of \$ 0.01 Each	1,600	1,600	1,600	16	16	16
Issued, subscribed and paid-Up:						
Equity Shares of \$ 0.01 Each	1,600	1,600	1,600	16	16	16
Total	1,600	1,600	1,600	16	16	16
Movement in equity share capital						
	Number of Shares			Amount		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity Shares as at 1 April	1,600	1,600	100	16	16	1
Changes during the year	-	-	1,500	-	-	15
Equity Shares as at 31 March	1,600	1,600	1,600	16	16	16
Details of Shareholders holding more than 5% shares in the company						
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of shares	%	No of shares	%	No of shares	%
Prime Focus Technologies Limited	1,600	1	1,600	1	1,600	1

Note 12 :Other Equity

in USD

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities premium account			
Balance at the beginning of the year	1,499,985	1,499,985	-
Add : Premium on issue of equity shares during the year	-	-	1,499,985
Less : Expenses on issue of equity shares / debentures	-	-	-
Less : Premium on redemption of bonds/ debentures (net of t	-	-	-
	1,499,985	1,499,985	1,499,985
General reserve			
Balance at the beginning of the year	-	-	-
	-	-	-
Surplus in the statement of profit and loss			
As per last balance sheet	(7,545,001)	(5,210,985)	398,644
Adjustment to depreciation to comply with group accounting policies (Refer note 9.2)			(41,265)
Add: (Loss) / profit for the year	152,397	(2,334,016)	(5,568,364)
	(7,392,604)	(7,545,001)	(5,210,985)
	(5,892,619)	(6,045,016)	(3,711,000)

PRIME FOCUS TECHNOLOGIES INC.
Notes to financial statements

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Non Current Liabilities			
13	Financial Liabilities			
	(i) Borrowings			
a)	(Secured)			
	Term loans			
	From a bank [Refer note 13.1]	3,500,000	4,000,000	4,000,000
	Other loan and advances			
	Finance lease obligation [Refer note 13.2]	594,916	807,045	1,047,436
b)	(Unsecured)			
	Loan from a related party [Refer note 13.3 and 31]	-	688,752	934,608
		4,094,916	5,495,797	5,982,044
	Less: Current maturity [Refer note 19]	2,741,001	3,447,228	1,075,900
	Total	1,353,915	2,048,569	4,906,144
13.1	Term loans are secured by:			
a)	Exclusive first charge on all assets including current assets of the holding company, cash margin, escrow of receivables, pledge of shares of holding company and one of subsidiary company, pledge of certain shares of intermediate holding company and of ultimate holding company both backed by non disposal undertaking, corporate guarantee of intermediate holding company and personal guarantee of the promoter of ultimate holding company.			
b)	Term loan facility 1 of USD 2,000,000 is repayable in 4 yearly equal installments 1st Installment of USD 500,000 paid in 30.09.2016 2nd Installment is due on 30.09.2017 and facility 2 of USD 2,000,000 on 03.10.2018 on bullet payment basis.			
c)	Interest rate on term loans are based on 6 months libor plus 450 basis points.			
13.2	Lease obligations towards assets acquired under finance leases:			
	<u>With in one year</u>			
	Total minimum lease payments outstanding	262,163	295,240	305,082
	Future interest on outstanding lease payments	21,162	36,764	51,509
	Present value of minimum lease payments	241,001	258,476	253,573
	<u>Later than one year and later than five years</u>			
	Total minimum lease payments outstanding	368,508	584,325	863,682
	Future interest on outstanding lease payments	14,593	35,756	69,819
	Present value of minimum lease payments	353,915	548,569	793,863
	Finance lease obligations are secured by hypothecation of computer hardware taken on lease. Rate of interest ranges from 0% to 13.55% p.a. with maturity profile of 5 years.			
13.3	Unsecured term loans taken from a related party are repayable over a period of 3 years carrying interest @8% p.a.			
14	Others			
	Deferred lease rent payable	365,358	483,069	574,933
	Others*	2,200,000	10,079,000	10,879,000
	Total	2,565,358	10,562,069	11,453,933.0
	* represents payable to Sample Digital Holdings LLC in respect of acquisition of business.			
15	Deferred tax liability (net)			
	Total	-	-	-
16	Provisions			
	Total	-	-	-
17	Other non-current liabilities	-	483,750	-
	Total	-	483,750	-

PRIME FOCUS TECHNOLOGIES INC. Notes to financial statements				
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Current liabilities Financial liabilities			
18	Borrowings (Unsecured) Loan from related party [Refer note 31]	5,485,414	2,765,667	630,000
	Total	5,485,414	2,765,667	630,000
18.a	Unsecured loan taken from related party is repayable on demand with rate of interest @ 5% p.a.			
19	Current maturity of long-term borrowings: a) Loan from a related party [Refer note 5] b) Finance lease obligation [Refer note 5] c) Term Loan from Bank [Refer note 5]	- 241,001 2,500,000	688,752 258,476 2,500,000	822,328 253,572 -
	Total	2,741,001	3,447,228	1,075,900
20	Trade payables Trade Payables Trade Payables to related party (Refer Note 31)	342,895 9,125,320	398,698 416,193	311,323 626,198
	Total	9,468,213	814,891	937,521
21	Others Advance received from clients Accrued salaries and benefits Other Payables Stautory Dues Payable Advance from Group Companies Current portion of deferred lease rent Current portion of deferred Revenue Interest accrued but not due Others*	- 102,401 - 52,511 - 109,608 - 161,806 7,186,500	- 335,563 - 161 6,663,546 91,864 163,000 - -	8,710 349,615 - - 4,785,783 56,376 - 59,890 -
	Total	7,612,826	7,254,133	5,260,375
	* represents payable to Sample Digital Holdings LLC in respect of acquisition of business.			
22	Provisions Provision for Electricity Expenses Provision for Audit Fees Provision for Expenses	10,503 - -	19,000 13,635	- 11,750 4,748
	Total	10,503	32,635	16,498

PRIME FOCUS TECHNOLOGIES INC.

Notes to financial statements

Note		For the year ended March 31	
		2017 USD	2016 USD
23	Employee benefits expense Salaries, bonus and allowances (Refer note no. 21) Contribution to defined contribution plans, etc. Recruitment and Other Payroll Cost Staff welfare expenses	1,835,109 325,631 - 55,112	2,291,594 237,552 22,231 49,547
	Total	2,215,851	2,600,924
24	Other expenses Communication expenses Consumables and consumable stores Selling and marketing expenses Rent and equipment hire charges [Refer note 20] Traveling and conveyance [Refer note 21] Insurance expenses Legal and professional fees Repairs and maintenance - Building Repairs and maintenance - equipment Printing and Stationery Rates and taxes Audit fees Bad debts written off Management Cost House-keeping charges Advertisement and publicity Parking Expenses Miscellaneous expenses	47,244 68,895 319,880 864,095 116,245 84,944 49,274 8,401 125,334 2,667 29,047 - - - 23,510 - - 115,729	114,092 91,054 412,210 688,301 44,405 38,363 25,692 13,787 16,662 12,303 19,098 - - - 151,874 27,024 31,823 49,938
	Total	1,855,264	1,736,626
25	Finance costs Interest on term loan from banks Interest on working capital loans Interest on finance lease Interest on loan from holding company (Refer note no. 23) Interest on loan from fellow subsidiary (Refer note no. 23) Interest on others Bank charges	137,459 115,466 41,471 216,765 34,767 27,670 54,974	116,927 96,758 54,317 138,259 61,908 - 29,410
	Total	628,571	497,580

PRIME FOCUS TECHNOLOGIES INC.

Notes to financial statements

Note		For the year ended March 31	
		2017 USD	2016 USD
26	Commitments Ultimate and intermediate holding company has given non disposal undertaking of certain percentage of its holding in the holding company for availing the term loan facilities by the Group to one of the lender.		
27	Earning per Common stock (EPS) EPS is calculated by dividing the profit/ (loss) attributable to the common stock holders by the weighted average number of common stock outstanding during the year, as under: a) Net profit / (loss) for the year attributable to common stock shareholders for basic EPS b) Weighted average number of common stock shares outstanding during the year (for calculating basic EPS) c) Basic EPS d) Nominal Value Per Share Note: There are no dilutive potential equity shares. Hence diluted EPS is equal to basic EPS	152,397 1,600 95 0.01	(2,334,016) 1,600 (1,459) 0.01
28	Leases The Group has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 12 to 127 months. Lease payments recognized in the Statement of Profit and Loss for the year in respect thereof aggregate	864,095	688,301
29	Intangible asset under development During the year, the Group has capitalized the following expenses of revenue nature to the cost of intangible asset under development (Software) Consequently, expenses disclosed under the respective heads are net of the amounts capitalized by the Group. Opening balance <u>Add: Expenses incurred during the year:</u> Employee benefit expenses Software testing and design charges Travelling expenses <u>Less : Assets under development Capitalised During the Year</u>	2,729,574 1,301,028 189,360 (4,219,962)	1,376,968 1,299,808 43,175 9,623
	Closing balance	(0)	2,729,574
30	Segment information The Group is engaged in the business of providing digital technological solutions, Media ERP, Digital Content processing clients in North America. Accordingly, there is a single business and geographical segment.		

PRIME FOCUS TECHNOLOGIES INC.

Notes to financial statements

in USD

Note		For the year ended March 31	
		2017	2016
31	Related party disclosure:		
(i)	List of related parties with whom transactions have taken place during the year:		
	Prime Focus Limited- Ultimate Holding Company (control exists)		
	Prime Focus Technologies Private Limited- Intermediate Holding Company (control exists)		
	Prime Focus North America Inc. - Fellow subsidiary		
	Prime Focus Technologies UK Limited- Fellow subsidiary		
	VTR Post Limited (formerly known as Prime Focus Post Limited)- Fellow subsidiary		
	Prime Focus Creative Services Canada Inc.- Fellow subsidiary		
	Prime Focus International Services UK Limited - Fellow subsidiary		
	Reliance Lowry Digital Imaging Services, Inc. - Fellow subsidiary		
	Naresh Malhotra- Key Management Personnel of Ultimate Holding Company		
(ii)	Particulars of related party transactions:		
	Ultimate Holding Company-Prime Focus Limited		
	Management recharge	-	-
	Balance outstanding at the year end- credit (net)	118,724	118,724
	Intermediate Holding Company		
	Prime Focus Technologies Private Limited		
	Technical services charges	653,532	812,009
	Short term loan taken	1,750,000	2,350,000
	Repayment of short term loan	839,968	144,281
	Purchase of assets	-	-
	Reimbursement of expenses (net)	29,794	13,564
	Interest on loan	218,882	34,689
	Corporate guarantee given to banks for credit facilities taken (Guarantees given jointly with Ultimate Holding Company)	3,500,000	4,000,000
	Balance outstanding at the year end- credit (net)	4,830,953	3,018,713
	Subsidiary Company		
a)	DAX PFT, LLC		
	Loans and Advances	8,621,519	2,467,275
	Balance outstanding at the year end- credit (net)	11,088,794	2,467,275
b)	DAX Cloud, ULC		
	Reimbursement of expenses (net)	(1,187,860)	548,146
	Advances Received / Given (net)	486,759	
	Balance outstanding at the year end- credit (net)	(152,954)	548,146
	Fellow Subsidiary Companies		
a)	Prime Focus North America Inc.		
	Repayment of term loan	1,070,763	348,176
	Interest on loans	-	51,102
	Reimbursement of expenses (net)	346,690	223,381
	Balance outstanding at the year end- credit (net)	113,800	837,873
b)	Prime Focus Technologies UK Limited		
	Short term loan taken	1,521,609	464,656
	Repayment of short term loan	547,490	544,069
	Interest on loans	25,959	10,806
	Recovery of expenses (net)	1,692	-
	Balance outstanding at the year end- credit (net)	1,059,461	57,691
c)	VTR Post Limited		
	Technical services charges	-	-
	Balance outstanding at the year end- credit	-	-
d)	Prime Focus International Services UK Limited		
	Advances Received / Given (net)		35,000
	Balance outstanding at the year end- credit (net)	35,000	35,000
e)	Prime Focus Creative Services Canada Inc.		
	Advances Received / Given (net)		59,980
	Balance outstanding at the year end- credit (net)	59,980	59,980
f)	Reliance Lowry Digital Imaging Services, Inc.		
	Advances Received / Given (net)	59,939	658,341
	Management Recharge	-	151,874
	Balance outstanding at the year end- credit (net)	750,276	810,215
	Key Management Personnel of Ultimate Holding Company - Naresh Malhotra		
	Personal guarantee given to banks for credit facilities taken	3,500,000	4,000,000
(iii)	There are no provisions for doubtful debts or amounts written off or written back in respect of debts due from / to related parties.		

PRIME FOCUS TECHNOLOGIES INC.

Liquidity Risk

At 31 March 2017	Less than 3 months	Between 3 and 12 months	More than 12 months	Total
Current financial assets				
Trade receivables	2,021,229	-	-	2,021,229
Cash and cash equivalents	133,515	-	-	133,515
Other financial assets	10,385	812,969	-	823,354
	2,165,129	812,969	-	2,978,098
Current financial liabilities				
Borrowings	2,741,001	5,485,414	-	8,226,414
Trade payables	9,468,213	-	-	9,468,213
Other financial liabilities	1,094,120	6,518,706	-	7,612,826
	13,303,334	12,004,120	-	25,307,454
 At 31 March 2016				
	Less than 3 months	Between 3 and 12 months	More than 12 months	Total
Current financial assets				
Trade receivables	765,301	-	-	765,301
Cash and cash equivalents	190,405	-	-	190,405
Other financial assets	12,363	810,215	-	822,578
	968,069	810,215	-	1,778,284
Current financial liabilities				
Borrowings	3,447,228	2,765,667	-	6,212,895
Trade payables	814,891	-	-	814,891
Other financial liabilities	7,254,133	-	-	7,254,133
	11,516,252	2,765,667	-	14,281,919
 At 31 March 2015				
	Less than 3 months	Between 3 and 12 months	More than 12 months	Total
Current financial assets				
Trade receivables	744,336	-	-	744,336
Cash and cash equivalents	161,493	-	-	161,493
Other financial assets	575,290	-	-	575,290
	1,481,119	-	-	1,481,119
Current financial liabilities				
Borrowings	-	1,705,900	-	1,705,900
Trade payables	937,521	-	-	937,521
Other financial liabilities	-	5,260,375	-	5,260,375
	937,521	6,966,275	-	7,903,795

PRIME FOCUS TECHNOLOGIES INC.
Notes to financial statements

Note																																																					
33	<p>Employee Stock Option Plan / Employee Stock Option Scheme Prime Focus Technologies Private Limited, the intermediate holding company has created an Employee Stock Option Scheme 2012 (ESOP- 2012) for the benefits of employees including of its subsidiary companies. Table of stock options with vesting option, vesting period, exercise price and exercise period:</p> <p>Part A</p> <table border="1"> <thead> <tr> <th colspan="2">Vesting</th> <th colspan="2">Exercise</th> </tr> <tr> <th>Option</th> <th>Period</th> <th>Period</th> <th>Price (USD)</th> </tr> </thead> <tbody> <tr> <td>10,050</td> <td>01.04.2016</td> <td>Not more than 3 years from vesting</td> <td>24.88</td> </tr> <tr> <td>12,060</td> <td>01.04.2016</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> <tr> <td>9,045</td> <td>01.04.2017</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> <tr> <td>9,045</td> <td>01.04.2018</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> <tr> <td>20,100</td> <td>01.04.2017</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> <tr> <td>10,050</td> <td>01.04.2017</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> <tr> <td>10,050</td> <td>01.04.2017</td> <td>Not more than 3 years from vesting</td> <td>49.75</td> </tr> </tbody> </table> <p>The aforesaid options will be vested to eligible employees on satisfaction of vesting conditions as defined under ESOP-2012.</p> <p>Part B</p> <table border="1"> <thead> <tr> <th colspan="2">Vesting</th> <th colspan="2">Exercise</th> </tr> <tr> <th>Option</th> <th>Period</th> <th>Shorter Period</th> <th>Price (USD)</th> </tr> </thead> <tbody> <tr> <td>a) Up to maximum 20,100</td> <td>within 45 days of 01.04.2017</td> <td>Within 75 days of 01.04.2017</td> <td>49.75</td> </tr> <tr> <td>b) Additional 4,020 subject to maximum of 20,100</td> <td>within 45 days of 01.04.2017</td> <td>Within 75 days of 01.04.2017</td> <td>49.75</td> </tr> </tbody> </table> <p>The aforesaid options will be vested to eligible employees on achieving Earn-out Gross Product Revenue defined under ESOP-2012.</p> <p>The Group does not have vested stock options as of 31st March, 2017. The intermediate holding company has not recharged any expenses towards ESOP-2012 to the Group.</p> <p>34 Previous year's figures have been regrouped / reclassified wherever necessary to corresponds with the current year's classification / disclosure.</p>	Vesting		Exercise		Option	Period	Period	Price (USD)	10,050	01.04.2016	Not more than 3 years from vesting	24.88	12,060	01.04.2016	Not more than 3 years from vesting	49.75	9,045	01.04.2017	Not more than 3 years from vesting	49.75	9,045	01.04.2018	Not more than 3 years from vesting	49.75	20,100	01.04.2017	Not more than 3 years from vesting	49.75	10,050	01.04.2017	Not more than 3 years from vesting	49.75	10,050	01.04.2017	Not more than 3 years from vesting	49.75	Vesting		Exercise		Option	Period	Shorter Period	Price (USD)	a) Up to maximum 20,100	within 45 days of 01.04.2017	Within 75 days of 01.04.2017	49.75	b) Additional 4,020 subject to maximum of 20,100	within 45 days of 01.04.2017	Within 75 days of 01.04.2017	49.75
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For and on behalf of the Board of Directors

Ramakrishnan Sankarnarayanan
Director