


Prime Focus Technologies Inc.

Consolidated Financial Statement for the year ended

March 31, 2021

Prime Focus Technologies Inc. Consolidated Balance Sheet		in USD	
Particulars	Notes	31-Mar-21	31-Mar-20
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	2,667,241	731,272
(b) Capital work-in-progress		-	1,259,440
(c) Goodwill	3	13,816,555	13,816,555
(d) Other intangible assets	3	4,896,949	6,074,180
(e) Right to use plant & machinery	3	315,448	465,088
(f) Intangible assets under development		-	-
(g) Financial assets		-	-
(h) Other non-current assets		-	-
(i) Deferred tax asset (net)		-	-
		21,696,193	22,346,535
2. Current assets			
(a) Inventories		-	-
(b) Financial assets			
(i) Trade receivables	4	1,971,628	1,628,615
(ii) Cash and cash equivalents	5	709,733	115,672
(iii) Others financial assets	6	4,028,769	2,752,260
(c) Income tax assets (net)		15,950	13,190
(d) Other current assets	7	250,072	1,435,355
		6,976,152	5,945,092
Total assets		28,672,345	28,291,627
Equity and Liabilities			
Equity			
(a) Equity share capital	8	22	22
(b) Other equity	9	(4,518,359)	(4,191,862)
Equity attributable to equity holders of the Parent		(4,518,337)	(4,191,840)
Non-controlling interests		-	-
		(4,518,337)	(4,191,840)
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	945,091	7,510,557
(ii) Others		-	-
(b) Deferred tax liability (net)		-	-
(c) Provisions		-	-
(d) Other non-current liabilities	11	16,067,928	66,127
		17,013,019	7,576,684
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	10,166,351	17,220,377
(ii) Current maturities of long-term borrowings	13	430,427	2,181,936
(iii) Trade payables	14	1,697,169	2,077,338
(iv) Others	15	3,790,003	3,376,681
(b) Provisions		-	-
(c) Current tax liability		21,325	18,280
(d) Other current liabilities	16	72,388	32,171
		16,177,663	24,906,783
Total equity and liabilities		28,672,345	28,291,627
Accompanying notes to the consolidated financial statements In terms of report attached			
For V. Shivkumar & Associates Chartered Accountants Firm Registration Number: 112781W <i>V. Shivkumar</i>		For and on behalf of the Board of Directors <i>Ramakrishnan Sankaranarayanan</i> Ramakrishnan Sankaranarayanan Director Mumbai, dated: 22nd June, 2021	
V. Shivkumar (Proprietor) Membership Number : 042673 Mumbai, dated: 22-June-2021			

Prime Focus Technologies Inc. Consolidated Statement of Profit and Loss						in USD	
Sr No.	Particulars	Notes	Quarter ended			Year ended	Year ended
			31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
1	Income from operations						
	Net sales / income from operations		2,568,540	1,893,323	1,965,782	8,715,698	7,936,808
	Other operating income		-	-	-	-	-
	Total income from operations		2,568,540	1,893,323	1,965,782	8,715,698	7,936,808
2	Expenses						
	Employee benefits expense	17	940,377	879,728	1,473,931	3,113,747	6,288,891
	Technical service cost		328,451	397,336	410,159	1,327,246	1,977,848
	Depreciation and amortisation expense		532,395	439,775	527,806	1,867,502	1,573,879
	Other expenditure (net)	18	476,208	301,453	951,643	1,641,989	8,697,551
	Exchange loss (net)		(5,326)	(15,701)	20,564	(40,011)	24,302
	Total Expenses		2,272,105	2,002,590	3,384,102	7,910,473	18,562,471
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2)		296,436	(109,267)	(1,418,321)	805,225	(10,625,664)
4	Other income:						
	a) Exchange gain (net)		-	-	-	-	-
	b) Others (net)		759,533	26,653	201,887	859,585	672,707
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)		1,055,969	(82,614)	(1,216,434)	1,664,810	(9,952,957)
6	Finance costs	19	158,079	849,909	617,152	1,950,859	1,270,856
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)		897,890	(932,523)	(1,833,586)	(286,049)	(11,223,813)
8	Exceptional items		-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 - 8)		897,890	(932,523)	(1,833,586)	(286,049)	(11,223,813)
10	Tax expense		-	-	(403,006)	3,046	(397,744)
11	Net Profit / (Loss) from ordinary activities for the year (9 - 10)		897,890	(932,523)	(1,430,580)	(289,094)	(10,826,069)
12	Extraordinary items (net of tax expense USD Nil)		-	-	-	-	-
13	Net (Loss) / Profit after tax and before minority (11 ± 12)		897,890	(932,523)	(1,430,580)	(289,094)	(10,826,069)
14	Minority interest		-	-	-	-	-
15	Net Profit / (Loss) for the year (13 - 14)		897,890	(932,523)	(1,430,580)	(289,094)	(10,826,069)
A	Other comprehensive income (net of tax)						
	Items that will be reclassified to the profit or loss						
	Exchange difference in translating the financial statements	9	(5,109)	(13,644)	24,180	(37,403)	23,262
	Total comprehensive income (net of tax) (13 + 14)		892,781	(946,167)	(1,406,400)	(326,497)	(10,802,807)
	Earnings per equity share of face value of USD 0.01		2,235	2,235	2,235	2,235	2,235
	(a) Basic (in USD)		402	(417)	(640)	(129)	(4,844)
	(b) Diluted (in USD)		402	(417)	(640)	(129)	(4,844)

Accompanying notes to the consolidated financial statements
In terms of report attached

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration Number: 112781W

V. Shivkumar
(Proprietor)
Membership Number : 042673
Mumbai, dated: 22-June-2021



For and on behalf of the Board of Directors

Ramakrishnan Sankaranarayanan
Director
Mumbai, dated: 22-June-2021

Prime Focus Technologies Inc.
Consolidated Statement of Changes in Equity

A. Equity Share Capital

in USD

Balance as at March 31, 2020	22
Change in equity share capital during the year	-
Balance as at March 31, 2021	22

B. Other Equity

in USD

Particulars	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
	Balance as at March 31, 2020	4,992,479	(9,032,747)	(151,593)
Changes during the year	-	(289,094)	(37,403)	(326,497)
Balance as at March 31, 2021	4,992,479	(9,321,841)	(188,996)	(4,518,359)

Accompanying notes to the consolidated financial statements
In terms of report attached

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration Number: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership Number : 042673
Mumbai, dated: 22-June-2021



Ramakrishnan Sankaranarayanan
Director

Prime Focus Technologies Inc.		in USD	
Consolidated Cash Flow Statement			
Particulars	For the year ended	For the year ended	
	31-Mar-21	31-Mar-20	
Cash flows from operating activities			
Net Profit (Loss) before taxation	(289,094)	(10,826,069)	
Adjustments for:			
Depreciation and amortization expenses	1,867,502	1,573,879	
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	5,318,406	
Unrealized Forex Loss/(Gain)	(40,011)	24,302	
Tax Expenses	3,046	(397,744)	
Finance costs	1,950,859	1,270,856	
Operating profits before working capital changes	3,492,302	(3,036,371)	
Movements in working capital:			
(Increase)/ Decrease in Inventory	-	-	
(Increase)/ Decrease in trade receivables	(343,013)	1,572,786	
(Increase)/ Decrease in other financial assets	(466,377)	231,872	
(Increase)/ Decrease in other non-current assets	-	-	
(Increase)/ Decrease in other current assets	1,182,523	103,423	
Increase/(Decrease) in trade payables	(340,158)	(154,543)	
Increase/(Decrease) in non-current provisions	-	-	
Increase/(Decrease) in current provisions	(133,096)	141,592	
Increase/(Decrease) in current financial liabilities	(15,959,784)	(231,345)	
Increase/(Decrease) in other current liabilities	16,001,801	(80,016)	
Increase/(Decrease) in other Non current liabilities	-	-	
	3,434,198	(1,452,601)	
Taxes paid (net of refunds)	-	-	
Net cash generated from operating activities (A)	3,434,198	(1,452,601)	
Cash flows from investing activities			
Purchase of fixed assets (Including capital advances)	(1,329,639)	(2,038,704)	
Net cash (used in) investing activities (B)	(1,329,639)	(2,038,704)	
Cash flows from financing activities			
Proceeds from issuance of preference shares	16,000,000	-	
Proceeds from long-term borrowings	-	-	
Repayments of long-term borrowings	(8,316,976)	(1,157,801)	
Short-term borrowings (net)	(7,864,159)	5,288,597	
Interest paid	(1,291,961)	(1,294,244)	
Net cash from financing activities (C)	(1,473,095)	2,836,551	
Effect of exchange Foreign Currency Translation Reserve (D)	(37,403)	23,262	
Net increase in cash and cash equivalents (A+B+C+D)	594,061	(631,492)	
Cash and cash equivalents- Opening balance	115,672	747,163	
Cash and cash equivalents at end of year (Refer note 5)	709,733	115,672	
Accompanying notes to the consolidated financial statements In terms of report attached			
<p>For V. Shivkumar & Associates Chartered Accountants Firm Registration Number: 112781W</p> <p>V. Shivkumar (Proprietor) Membership Number : 042673 Mumbai, dated: 22-June-2021</p>		<p>For and on behalf of the Board of Directors</p> <p>Ramakrishnan Sankaranarayanan Director Mumbai, dated: 22-June-2021</p>	

Prime Focus Technologies Inc.
Notes to consolidated financial statements

1 Corporate Information

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

Principles of consolidation:

The consolidated financial statements relates to 'the holding company and its subsidiaries, which together constitutes the Group:

The Consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the holding Company.
- (ii) The financial statements of the holding company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating adding together the intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard (IND AS- 110) "Consolidated Financial Statements".
- (iii) The difference between the cost of investment in the subsidiaries and the share of net assets at the time of acquisition of shares in the subsidiaries are identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the holding company's separate financial statements.
- (v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the holding company.
- (vi) Minority Interest's share of net assets of the consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and equity of the holding company's shareholders.

The list of the subsidiaries of the holding company which are included in the consolidation and the Group's holding therein are as under :

Subsidiaries	Principal Activity	Country of Incorporation	Percentage of Holding
DAX PFT LLC	Pre-Production	USA	100%
DAX Cloud, ULC	Pre-Production	Canada	100%

2 Statement of significant accounting policies

a. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of Preparation and presentation

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind As) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and services and the time between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c. Use of estimates

The preparation of consolidated financial statements in conformity with Ind As 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 the preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to this estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known/materialize.

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

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



e. Foreign currencies

The Company's Financial statements are presented in USD, which is also the company's functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expenses and cash flow items using the average exchange rate for the respective periods.

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

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

Cost of Leasehold improvements and Leasehold building is amortized over a period of lease.

An item of property, plant and equipment is derecognized 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 recognized in profit or loss.

g. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors, including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically, including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted in the Statement of Profit and Loss.

h. 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 amortized over a period of lease

i. Impairment

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 recognized 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 recognized for the asset (or cash-generating unit).

J. 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 lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance lease are initially recognized 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 recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note 2.6 below). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognized 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 recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized 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 recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

k. 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.

Rendering of services

The Company provides a variety of digital technological solutions to the sports, film, broadcast, advertising and media industries.

Revenue from technical services is recognized on the basis of services rendered.

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/ units processed up to the balance sheet date, which bears to the total hours/units estimated for the contract. If losses are expected on contracts these are recognized when such losses become evident.

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



l. 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 recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

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 realized. 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.

m. 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.

n. Provisions

Provisions are recognized 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 recognized 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 recognized as an if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o. Retirement and other employee benefits

Defined Contribution Plan

Social Security and Medicare

The Group contributes towards social security and Medicare. Liability in respect thereof is determined on the basis of contribution as required under the US State / Federal Rules.

Saving and investment plan u/s.401(k)

The Group has saving and investment plan u/s. 401(k) of internal Revenue Code of USA. Contributions are charged to the Statement of Profit and Loss in the period in which these accrue.

p. 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.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 measured on initial recognition of financial asset or financial liability.



Subsequent measurement**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if they are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Offsetting of financial instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

r. 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 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.



Prime Focus Technologies Inc.
Notes forming part of the Consolidated Financial Statements

3 Non Current Assets : (Current Year)

In USD

Asset Category	Gross Block					Depreciation					Net Block			
	As at 01.04.2020	Additions	Deductions	Transfer to Right to Use	Transfer From Right to Use	As at 31.03.2021	As at 01.04.2020	For the Period	Deductions	Transfer to Right to Use	Transfer From Right to Use	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Property, Plant and Equipment	1,076,123	2,179,047	1,450,193	-	-	2,204,977	1,418,781	151,851	1,430,193	-	-	161,039	2,213,948	216,752
Leasehold Improvements	2,554,408	100,139	-	-	-	2,654,547	2,226,637	137,854	-	-	-	2,364,491	332,145	267,861
Computer hardware	436,838	-	-	-	-	436,838	201,988	21,217	-	-	-	376,806	60,020	71,239
Furniture and fixtures	7,788,000	-	-	-	-	7,788,000	7,716,739	16,295	-	-	-	7,726,533	61,126	75,421
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	12,467,118	2,279,186	1,450,193	-	-	13,296,112	11,785,846	329,216	1,430,193	-	-	10,638,871	2,667,241	781,272
Goodwill	19,816,555	-	-	-	-	19,816,555	-	-	-	-	-	-	19,816,555	19,816,555
Other Intangible Assets														
Softwares	10,230,953	217,813	-	-	-	10,448,766	4,156,775	1,794,643	-	-	-	5,951,417	4,896,949	6,074,179
Right to use Plant & Machinery	895,891	-	-	-	-	895,891	281,608	149,640	-	-	-	381,248	315,448	485,068
TOTAL	10,827,844	217,813	-	-	-	11,145,657	4,388,377	1,544,282	-	-	-	5,832,665	5,212,397	6,559,267

3 (a) Deemed cost for Property, Plant and Equipment and intangible Assets :
The Company has elected to use fair value as deemed cost for tangible and intangible assets as at the transition date in accordance with stipulations of Ind AS 101.

Non Current Assets : (Previous Year)

In USD

Asset Category	Gross Block					Depreciation					Net Block			
	As at 01.04.2019	Additions	Deductions	Transfer to Right to Use	Transfer From Right to Use	As at 31.03.2020	As at 01.04.2019	For the Period	Deductions	Transfer to Right to Use	Transfer From Right to Use	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020
Property, Plant and Equipment	1,430,193	225,941	-	-	-	1,656,133	1,161,421	277,959	-	-	-	1,439,381	216,752	268,771
Leasehold Improvements	3,067,005	174,047	18,486	1,538,907	911,819	2,294,496	2,172,866	122,528	11,833	985,646	895,538	2,226,637	367,861	894,139
Computer Hardware	385,846	40,892	-	-	-	426,738	344,322	13,746	-	-	-	301,589	71,239	41,523
Furniture and fixtures	7,788,016	1,045	-	-	-	7,789,061	7,696,195	26,864	-	-	-	7,714,339	75,421	98,580
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	12,671,057	442,915	18,486	1,538,907	911,819	13,467,112	11,368,945	468,689	11,853	985,646	895,538	11,728,846	731,272	1,302,713
Goodwill	19,816,555	-	-	-	-	19,816,555	-	-	-	-	-	-	19,816,555	19,816,555
Other Intangible Assets														
Softwares	6,305,244	2,025,709	-	-	-	10,230,953	3,193,082	861,723	-	-	-	4,156,775	6,074,179	3,112,192
Right to use Plant & Machinery (Tf from PPE)	895,891	-	-	911,819	1,538,907	895,891	141,694	-	-	895,538	985,646	731,602	655,089	-
TOTAL	6,305,244	2,025,709	-	911,819	1,538,907	10,827,844	3,188,052	1,106,917	-	895,538	985,646	4,388,377	6,836,268	3,112,192

3.1 Computer Hardware includes assets taken on Finance Lease. Gross Block includes \$ 696,691 (Previous Year - \$ 895,891). Depreciation during the year is \$ 149,640 (Previous Year - \$ 131,102). Accumulated depreciation is \$ 281,243 (Previous Year - \$ 231,409) and Net Block is \$ 315,448 (Previous Year - \$ 605,088)



Prime Focus Technologies Inc.		in USD	
Notes forming part of the Consolidated Financial Statements			
		As at 31.03.2021	As at 31.03.2020
4	Trade receivables		
	Unsecured and Considered Good	1,971,628	1,628,615
	Considered doubtful	1,454	(2,218,248)
	Allowance for doubtful receivables	1,973,082	(589,633)
		(1,454)	2,218,248
	Total	1,971,628	1,628,615
5	Cash and cash equivalents		
	Cash on hand	-	-
	Remittance in Transit	-	-
	Balances with banks on current account	709,733	115,672
	Total	709,733	115,672
6	Loans to group company	3,255,553	238,989
	Advances Given to Group Company	-	2,206,431
	Deposits	143,400	126,600
	Unbilled Income	629,816	180,239
	Total	4,028,769	2,752,260
7	Other current assets		
	Prepaid expenses	248,832	215,937
	Others	1,240	1,219,418
	Total	250,072	1,435,355



Prime Focus Technologies Inc.				in USD	
Notes forming part of the Consolidated Financial Statements					
8 Equity Share capital					
	Number of Shares		Amount		
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
Authorised shares:					
Equity Shares of \$ 0.01 Each	2,235	2,235	22	22	
Issued, subscribed and paid-Up:					
Equity Shares of \$ 0.01 Each	2,235	2,235	22	22	
Total	2,235	2,235	22	22	
Movement in equity share capital					
	Number of Shares		Amount		
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	
Equity Shares at the beginning of the year	2,235	2,235	22	22	
Changes during the year	-	-	-	-	
	2,235	2,235	22	22	
Details of Shareholders holding more than 5% shares in the company					
	As at Mar 31, 2021		As at Mar 31, 2020		
	No of shares	%	No of shares	%	
Prime Focus Technologies Limited	2,235	100%	2,235	100%	
9 Other Equity					
			in USD		
	As at March 31, 2021	As at March 31, 2020			
Securities premium account					
Balance at the beginning of the year	4,992,479	4,992,479			
Add : Premium on issue of equity shares during the year	-	-			
Less : Expenses on issue of equity shares / debentures	-	-			
Less : Premium on redemption of bonds/ debentures (net of tax)	-	-			
	4,992,479	4,992,479			
General reserve					
Balance at the beginning of the year	-	-			
	-	-			
Other comprehensive income					
Balance at the beginning of the year	(151,593)	(174,855)			
Movement during the year	(37,403)	23,262			
	(188,996)	(151,593)			
Surplus in the statement of profit and loss					
As per last balance sheet	(9,032,747)	1,793,322			
Add: (Loss) / profit for the year	(289,094)	(10,826,069)			
	(9,321,841)	(9,032,747)			
	(4,518,359)	(4,191,862)			



Prime Focus Technologies Inc.		in USD	
Notes forming part of the Consolidated Financial Statements		As at 31.03.2021	As at 31.03.2020
10	Non Current Liabilities		
	Financial Liabilities		
	(i) Borrowings		
a)	Term Loan (Unsecured)		
	Loan from U.S. Small Business Administration under Paycheck Protection Program [Refer note 10.1]	998,971	9,193,525
	Other loan and advances		
b)	Finance lease obligation [Refer note 10.2]	376,547	498,968
		1,375,518	9,692,493
	Less: Current maturity [Refer note 13]	430,427	2,181,936
	Total	945,091	7,510,557
10.1	Term Loan is unsecured loan granted by U.S. Small Business Administration under Paycheck Protection Program		
	The company was granted an unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of USD 969,149 on 30th April, 2020 bearing an interest rate of 1% p.a. repayable from 24th March 2021 in monthly instalments with last instalment being due on 30th April, 2022. The proceeds of the Loan will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.		
	A forgiveness was granted for the above loan on 24th February, 2021 for an amount of USD 701,889.85 towards principal and USD 5,849.08 towards interest. The balance deferral amount payable after the said forgiveness is USD 269,486 as on 24th February, 2021 repayable in monthly instalments with last instalment being due on 30th April, 2022. (Current maturity is USD 247,315 & Non-current is USD 1,656).		
	The company was granted another unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of USD 7,50,000 on 18th March, 2021 bearing an interest rate of 1% p.a repayable from 18th Aug 2022 in monthly instalments with last instalment being due on 18th March, 2026. The proceeds of the Loan will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule. (Current maturity is NIL & Non-current is USD 750,000)		
10.2	Lease obligations towards assets acquired under finance leases:		
	<u>With in one year</u>		
	Total minimum lease payments outstanding	199,707	336,666
	Future interest on outstanding lease payments	23,928	36,710
	Present value of minimum lease payments	175,779	299,956
	<u>Later than one year and later than five years</u>		
	Total minimum lease payments outstanding	200,095	452,864
	Future interest on outstanding lease payments	6,660	61,484
	Present value of minimum lease payments	193,435	391,380
	Finance lease obligations are secured by hypothecation of computer hardware taken on lease. Rate of interest ranges from 5.33% to 5.76% p.a. with maturity profile of 5 years.		
11	Other non-current liabilities		
	Deferred lease rent payable	67,928	66,127
	Optionally convertible preference shares	16,000,000	-
	Total	16,067,928	66,127



Prime Focus Technologies Inc.			
Notes forming part of the Consolidated Financial Statements			
		in USD	
		As at 31.03.2021	As at 31.03.2020
	Current liabilities		
12	Borrowings (Unsecured)		
	Loan from related party [Refer note 25 & Note No.12.1]	10,166,351	17,220,377
	Total	10,166,351	17,220,377
12.1	Unsecured loan taken from related party is repayable on demand with rate of interest @ 4.66 % p.a. to 6%		
13	Current maturity of long-term borrowings:		
	a) Loan from a related party	-	-
	b) Finance lease obligation [Refer note 10]	183,112	171,499
	c) Term Loan [Refer note 10]	247,315	2,010,437
	Total	430,427	2,181,936
14	Trade payables		
	Trade Payables	469,571	868,941
	Trade Payables to related party [Refer Note 25]	1,227,599	1,208,397
	Total	1,697,169	2,077,338
15	Others		
	Accrued salaries and benefits	135,626	268,722
	Interest payable to group companies	3,654,079	2,856,402
	Capital Creditors	-	112,480
	Interest accrued but not due	298	139,077
	Total	3,790,003	3,376,681
16	Other current liabilities		
	Current portion of deferred lease rent	-	3,522
	Deferred Revenue	-	-
	Advances received from clients	72,388	28,649
	Other Payables	-	-
	Total	72,388	32,171



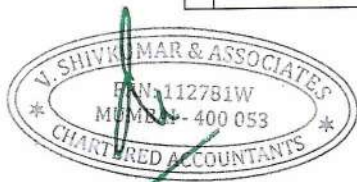
Prime Focus Technologies Inc.				in USD		
Notes forming part of the Consolidated Financial Statements						
Note		For the Quarter ended 31.03.2021	For the year ended 31.03.2021	For the year ended 31.03.2020		
17	Employee benefits expense					
	Salaries, bonus and allowances [Refer note no.23]	823,583	2,892,341	5,829,302		
	Contribution to defined contribution plans, etc.	52,660	216,721	403,917		
	Staff welfare expenses	3,485	4,685	55,672		
	Total	879,728	3,113,747	6,288,891		
18	Other expenses					
	Communication expenses	58,420	262,595	391,261		
	Consumables and consumable stores	9,567	19,929	50,255		
	Selling and marketing expenses	19,419	53,967	550,446		
	Rent and equipment hire charges [Refer note 22]	(43,557)	291,845	908,582		
	Electricity Charges	8,790	40,075	125,030		
	Traveling and conveyance	6,603	12,227	233,965		
	Insurance expenses	10,809	43,724	43,879		
	Legal and professional fees	29,298	137,904	248,234		
	Repairs and maintenance - Building	1,038	1,038	13,095		
	Repairs and maintenance - equipment	186,729	722,764	567,607		
	Printing and Stationery	-	-	-		
	Rates and taxes	-	-	7,985		
	Audit fees	-	-	-		
	House-keeping charges	2,435	5,942	15,998		
	Bad Debts Written Off	-	2,254,457	2,700,000		
	Provision for Doubtful Debts	-	(2,216,957)	2,218,333		
	Miscellaneous expenses	11,902	12,479	622,881		
	Total	301,453	1,641,989	8,697,551		
19	Finance costs					
	Interest on term loan	85,180	367,335	725,794		
	Interest on finance lease	6,432	36,590	48,858		
	Interest on loan from holding company [Refer note no. 25]	79,104	647,283	27,841		
	Interest on loan from fellow subsidiary [Refer note no. 25]	16,639	161,363	317,271		
	Interest on others	18,715	19,769	1,516		
	Financial Facility Processing Fees	639,191	706,475	134,567		
	Bank charges	4,647	12,044	15,009		
	Total	849,909	1,950,859	1,270,856		



Prime Focus Technologies Inc.		in USD	
Notes forming part of the Consolidated Financial Statements		For the year ended 31.03.2021	For the year ended 31.03.2020
20	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.		
21	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	(289,094)	(10,826,069)
b)	Weighted average number of common stock shares outstanding during the year (for calculating basic EPS)	2,235	2,235
c)	Basic EPS	(129)	(4,844)
d)	Nominal Value Per Share	0.01	0.01
	Note: There are no dilutive potential equity shares. Hence diluted EPS is equal to basic EPS		
22	Leases The Group has taken certain property on non cancellable operating lease for the period of 12 to 50 months. Lease payments recognized in the Statement of Profit and Loss for the year in respect thereof aggregate	291,845	908,582
	The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases.		
	Due within one year	261,198	253,270
	Due in a period between one year and five years	797,954	1,044,933
	Due after five years	-	-
23	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	-	3,055,779
	Add: Expenses incurred during the year:		
	Employee benefit expenses	92,850	542,209
	Software testing and design charges	105,105	218,121
	Less : Assets under development Capitalised During the Year	197,955	3,816,109
	Closing balance	-	-
24	Segment information The Group operates in an integrated digital technological solutions setup. The entire operations are governed by the same set of risks and returns and hence have been considered as representing a single business segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). Geographical Segment Although the Group's major operating divisions are managed in United States of America , the following table shows the distribution of the Group's Income from Operations by geographical market, regardless of where the services were provided:		
		Sale of services	
		Year ended March 31, 2021	Year ended March 31, 2020
	United States of America (USA)	8,496,255	7,088,647
	United Kingdom	26,654	20,420
	Other Countries	192,789	827,740
		8,715,698	7,936,808
	Segment Reporting of Non-current assets : The Group presently operates entirely from its integrated digital technological solutions setup in USA. All non current assets of the Group is located at USA. 4 customer contribute individually to more than 10% of the group's total revenue for the year ended March 31, 2021 amounting to \$ 4,126,990 (previous year 3 customers contributed individually to more than 10% amounting to \$ 2,945,273)		



Prime Focus Technologies Inc.		In USD	
Notes forming part of the Consolidated Financial Statements		For the year ended 31.03.2021	For the year ended 31.03.2020
25	Related party disclosures:		
	List of related parties with whom transactions have taken place during the year:		
	Prime Focus (India) Ultimate Holding Company (Parent entity)		
	Prime Focus Technologies Limited (Immediate Holding Company (Parent entity))		
	Drug North America Inc. (Formerly Prime Focus North America Inc.) - Fellow subsidiary		
	Prime Focus World NY - Fellow subsidiary		
	Prime Focus Technologies UK Limited - Fellow subsidiary		
	Prime Focus Europe Limited - Fellow subsidiary		
	Prime Focus Creative Services Canada Inc. - Fellow subsidiary		
	Prime Focus Measurement Services UK Limited - Fellow subsidiary		
	Ballantine Emery Digital Imaging Services Inc. - Fellow subsidiary		
	Prime Focus Media FE LLC - Fellow subsidiary		
	DE-41 Media Limited - Fellow subsidiary		
	PT World Mauritius Ltd. - Fellow subsidiary		
	Double Negative UK Ltd. - Fellow subsidiary		
	Samadhanam Saranam Services - Key Management Personnel of Ultimate Holding Company		
	Narash Malhotra - Key Management Personnel of Ultimate Holding Company		
	Narash Malhotra - Key Management Personnel of Ultimate Holding Company		
26	Particulars of related party transactions:		
	Ultimate Holding Company		
	Prime Focus Limited		
	Repayment of Management Fee		
	Balance outstanding at the year end - credit (net)		
	Intermediates Holding Company		
	Prime Focus Technologies Limited		
	Technical services charges	861,207	(1,311,613)
	Technical services charges Reversal	287,752	1,280,872
	Short term loan taken		
	Repayment of short term loan		288,540
	Repayment of short term loan	16,000,000	-
	Conversion of Loan to Preference Share		24,451
	Reversal of amortisation of expenses	(647,323)	(27,441)
	Interest on loan		(7,905,000)
	Personal guarantee given to banks for credit facilities taken (Thereafter given jointly with Ultimate Holding Company)		
	Balance outstanding at the year end - credit (net)	(5,182,065)	(20,738,046)
	Fellow Subsidiary Companies		
	Drug North America Inc. (Formerly Prime Focus North America Inc.)		
	Short term loan taken credit (net)		
	Repayment of short term loan taken		
	Reimbursement of expenses credit (net)	4,700	
	Short term loan taken repaid		298,275
	Interest on loans		(217,271)
	Balance Transfer from Double Negative UK Ltd	(121,634)	347,100
	Balance outstanding at the year end - credit (net)	(137,934)	(6)
	Prime Focus Technologies UK Limited		
	Short term loan taken		
	Repayment of short term loan taken		
	Interest on loans	72,870	
	Short term loan given	3,571,163	
	Repayment of short term loan given	(668,451)	(3,388,015)
	Interest on loans receivable		41,288
	Repayment of interest on loans taken		
	Reversal of Recovery of expenses (net)		
	Recovery of Recovery of expenses (net)		7,811
	Sale of asset		(7,811)
	Payable Assessed for Sale of asset		83,561
	Balance outstanding at the year end - credit (net)	3,351,128	
	Prime Focus World NY		
	Short term loan taken		
	Interest on loans		
	Repayment of short term loan given		
	Balance outstanding at the year end - debit (net)		
	Prime Focus Europe Limited		
	Trade Receivable - Rental		
	Balance outstanding at the year end - debit (net)		
	Prime Focus International Services UK Limited		
	Short term advances given		2,184,416
	Repayment of short term advances given		(2,156,415)
	Interest on advances receivable		31,199
	Interest on advances received		(31,197)
	Balance outstanding at the year end - credit (net)		
	Prime Focus Creative Services Canada Inc.		
	Repayment of Short Term Loan Taken		
	Balance outstanding at the year end - credit (net)		
	Ballantine Emery Digital Imaging Services Inc.		
	Advance taken	(100)	345,010
	Expenses Recharge		(84,445)
	Interest on advances receivable		310,445
	Reversal of Advances Given		(4,505,348)
	Interest received on advances		(10,446)
	Balance outstanding at the year end	(100)	
	Prime Focus Media FE LLC - Fellow subsidiary		
	Short term loan taken repaid		510,885
	Balance outstanding at the year end - credit (net)		
	DE-41 Media Limited - Fellow subsidiary		
	Advance Given		2,251,082
	Repayment of Short Term Loan Taken and Interest	308,927	(7,712,039)
	Short term loan taken	(5,998,970)	(497,368)
	Payment of interest on Loan		211,547
	Interest on loan taken	(127,224)	(211,247)
	Balance outstanding at the year end - credit (net)	(5,746,334)	(497,368)
	PT World Mauritius Ltd. - Fellow subsidiary		
	Advance Given		2,386,431
	Repayment of advances given	(1,398,431)	(1,750,000)
	Interest on Loan Given	32,156	(78,178)
	Payment of interest	(8,164)	
	Interest on trade Payable		70,175
	Balance outstanding at the year end - credit (net)		2,366,431
	Double Negative UK Ltd. - Fellow subsidiary		
	Reimbursement of expenses	170,889	(89,642.40)
	Balance Transfer to Drug North America Inc.	121,874	
	Balance outstanding at the year end - credit (net)		(89,642.40)
	Key Management Personnel of Ultimate Holding Company - Samadhanam Saranam Services		
	Remuneration	107,236	105,940
	Remuneration payable	7,454	6,885
	Key Management Personnel of Ultimate Holding Company - Narash Malhotra		
	Personal guarantee given to banks for credit facilities taken		
	Key Management Personnel of Ultimate Holding Company - Narash Malhotra		
	Personal guarantee given to banks for credit facilities taken		65,500,000
(27)	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. Notes to consolidated financial statements for the year ended 31.03.2021								In USD	
26 Statement of net assets, net profit / loss after tax and other comprehensive income attributable to owners									
Sr No	Name of entity	Net Assets		Share in Profit / (loss)		Share in Other comprehensive income		Share in Total Comprehensive Income	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Technologies, Inc.	83%	(4,159,141)	83%	(240,325)	100%	(37,403)	85%	(277,728)
2	DAX PFT LLC	0%	-	0%	-	0%	-	0%	-
3	DAX Cloud ULC	7%	(317,150)	17%	(48,769)	0%	-	15%	(48,769)
		100%	(4,516,291)	100%	(289,094)	100%	(37,403)	100%	(326,497)
	Add/(Less): Effects of Inter Company	0%	-	0%	-			0%	-
	Less: Minority Interest in all subsidiaries	0%	-	0%	-	0%	-	0%	-
		100%	(4,516,291)	100%	(289,094)	100%	(37,403)	100%	(326,497)
27 Income tax									
A. Amounts recognised in profit or loss									
		Year ended March 31, 2021	Year ended March 31, 2020						
	Current tax								
	- in respect of current year (a)	3,046	10,340						
	- in respect of prior years (b)	(21,428)	(406,084)						
	Deferred tax								
	- in respect of current year (c)	-	-						
	- in respect of prior years (d)	-	-						
	Total income tax expense recognised in the current year (a)+(b)+(c)+(d)	(18,383)	(397,744)						
B. Income tax recognised in other comprehensive income									
		Year ended March 31, 2021	Year ended March 31, 2020						
	Re-measurement of defined benefit	-	-						
	Total income tax expense recognised in the current year (a)+(b)+(c)+(d)	-	-						
C. The income tax expenses for the year/ period can be reconciled to the accounting profit as follows:									
		March 31, 2021		March 31, 2020					
		% of PBT	Amount	% of PBT	Amount				
	Profit before tax	(9,390,228)	(286,049)		(11,223,813)				
	Tax using Company's domestic tax rate	21.00%	(60,070)	21.00%	(2,357,001)				
	Effect of:								
	Non-deductible expenses		523,982		809,684				
	Effect of Tax Depreciation		821,518		(337,980)				
	NOL Carryover Available		(1,282,384)		1,487,562				
	Total Tax Expenses		3,046		(397,744)				
D. Deferred tax balances									
The Group has carried forward losses against which deferred tax asset has not been recognised are as follows:									
	Particulars	Amount	Will expire in FY						
	Unabsorbed business loss as at 31-Mar-2017	57,508	2016-17						
	Unabsorbed business loss as at 31-Mar-2019	5,280,029	2018-19						
	Unabsorbed business loss as at 31-Mar-2020	8,961,330	2019-20						
	Unabsorbed business loss as at 31-Mar-2021	3,224,154	2019-20						



28 Financial Instruments

(A) Fair Value Measurements

	As at		As at	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Carrying Value		Fair Value	
i Financial Assets:				
Measured at amortised cost				
Trade receivables	1,971,528	1,628,615	1,971,528	1,628,615
Cash and cash equivalents	709,733	115,672	709,733	115,672
Other financial assets	4,028,769	2,752,260	4,028,769	2,752,260
Total financial assets measured at amortised cost	6,710,130	4,496,547	6,710,130	4,496,547
ii Financial Liabilities:				
Measured at amortised cost				
Borrowings	10,596,778	19,402,313	10,596,778	19,402,313
Trade payables	1,697,169	2,077,338	1,697,169	2,077,338
Other financial liabilities	3,790,003	3,376,681	3,790,003	3,376,681
Total financial liabilities measured at amortised cost	16,083,950	24,856,332	16,083,950	24,856,332

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

iii Fair value hierarchy

- Level 1 - 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 - Level 3 inputs are unobservable inputs for the asset or liability.

D. Financial assets and liabilities measured at amortized cost for which fair values are disclosed.

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2021			
Financial liabilities	-	-	10,596,778
Borrowings	-	-	10,596,778
Total	-	-	10,596,778
As at March 31, 2020			
Financial liabilities	-	-	19,402,313
Borrowings	-	-	19,402,313
Total	-	-	19,402,313

(B) Capital Risk Management

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

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

The holding company and ultimate holding company continues to provide support the Group whenever required. Further Ultimate holding company and intermediate holding company have given non disposal undertaking to one of the lender for availing the term loan facilities.

(C) Financial risk management

A wide range of risks may affect the Group'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 manage and review the affairs of the Group by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimize potential adverse effects on its operational and financial performance.

i) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Group has a low credit risk in respect of its trade receivables, its principal customers being national broadcasters and major organization's which the Group has worked with for a number of years. However, as the Group grows its customer base and works with more independent producers it will experience an increased credit risk environment. The Group is also exposed to credit risk in respect of its cash and seeks to minimize this risk by holding funds on deposit with major financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 67,10,130 and USD 44,96,547 as at March 31 2021 and March 31, 2020 respectively, being the total of the carrying amount of the balances with banks, bank deposits, trade receivables, unbilled revenue and other financial assets.

4 customers contribute individually to more than 10% of outstanding trade receivables as at March 31, 2021 amounting to USD 1,318,537/- (P.Y. - 2 Customer amounting to USD 879,876) and 2 customers contribute individually to more than 10% of unbilled revenue as that date amounting to USD 550,775/- (P.Y. - Single Customer amounting to USD 180,239).



ii) Liquidity risk Management

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they 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 Group has sufficient cash at all times to meet liabilities as they fall due.

Working capital requirements are generally provided from operational cash flow or through the Group's Borrowings.

The following analysis sets out the maturities of financial assets and liabilities, including amounts maturing more than twelve months. For liability maturities more than 12 months, see also note 10 and 13.

Liquidity Risk

At 31 March 2021	Less than 3 months	Between 3 and 12 months	More than 12 months	Total
Current financial assets				
Trade receivables	1,971,628	-	-	1,971,628
Cash and cash equivalents	709,733	-	-	709,733
Other financial assets	4,028,769	-	-	4,028,769
	<u>6,710,130</u>	<u>-</u>	<u>-</u>	<u>6,710,130</u>
Current financial liabilities				
Borrowings	10,596,778	-	-	10,596,778
Trade payables	1,697,169	-	-	1,697,169
Other financial liabilities	2,351,449	1,438,554	-	3,790,003
	<u>14,645,396</u>	<u>1,438,554</u>	<u>-</u>	<u>16,083,950</u>
At 31 March 2020				
Current financial assets				
Trade receivables	1,628,615	-	-	1,628,615
Cash and cash equivalents	115,672	-	-	115,672
Other financial assets	2,752,260	-	-	2,752,260
	<u>4,496,547</u>	<u>-</u>	<u>-</u>	<u>4,496,547</u>
Current financial liabilities				
Borrowings	19,402,313	-	-	19,402,313
Trade payables	2,077,338	-	-	2,077,338
Other financial liabilities	3,376,681	-	-	3,376,681
	<u>24,856,332</u>	<u>-</u>	<u>-</u>	<u>24,856,332</u>

iii) Market risk

The primary market risks to which the Group is exposed are foreign currency.

Foreign currency risk management

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in Canadian Dollar against the respective functional currencies of the Company and its subsidiaries.

The following analysis has been worked out based on the net foreign currency exposures as of the date of Balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

The following table sets forth information relating to foreign currency exposure:

Particulars	Foreign Currency Denomination	As at March 31st 2021		As at March 31st 2020	
		Foreign Currency Inputs	USD	Foreign Currency Inputs	USD
Financial Assets	CAD	79,451	69,102	8,542	7,321
	GBP	-	-	-	-
Financial Liabilities	CAD	478,775	380,252	472,347	326,566
	GBP	-	-	-	-

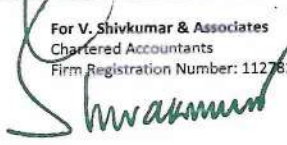


Interest rate risk management

The Group is exposed to interest rate risk because the group borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings. The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates at the reporting date would have decreased equity and profit for the year by USD 48,000 and USD 48,500 for March 2021 and March 2020 respectively and a 50 basis point decrease in floating interest rates at the reporting date would have increased equity and profit by the same amount respectively.



Prime Focus Technologies Inc. ·
Notes to consolidated financial statements for the year ended 31.03.2021

Note	
29	Prime Focus Technologies Inc. acquire DAX business of Sample Digital Holdings, LLC a California limited liability company on 04th April 2014. Since then there has been substantial growth in Revenue and Profitability of the Company. Therefore management is of opinion that there is no need to impairment in goodwill.
30	Significant accounting judgements, estimates and assumptions The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
31	Previous year's figures have been regrouped / reclassified wherever necessary to corresponds with the current year's classification / disclosure.

<p>For V. Shivkumar & Associates Chartered Accountants Firm Registration Number: 112781W</p>  <p>V. Shivkumar (Proprietor) Membership Number : 042673 Mumbai, dated: 22-June-2021</p>		<p>For and on behalf of the Board of Directors</p>  <p>Ramakrishnan Sankaranarayanan Director</p>
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